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ELYSIUM RESOURCES LIMITED

ABN 45 115 593 005

INTERIM FINANCIAL STATEMENTS 2015

For the Half-Year Ended 31 December 2015

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ELYSIUM RESOURCES LIMITED
DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Elysium Resources Limited and the entities it controlled at the end of or during the half year ended 31 December 2015 (Elysium, Group or Consolidated Entity).

Directors

The following persons were directors of the Group during the half year and up to the date of this report:

Michael Tilley – Non-Executive Chairman
Maxim Carling – Director
Neb Zurkic – Director
Dean Pontin - Director

Review of Operations

The principal activity of the Group during the course of the financial period was mineral exploration.

The net loss of the Group for the half year ended 31 December 2015 was $741,752(2014: $2,526,130). No dividends were paid and the directors have not recommended the payment of a dividend.

On 26 June 2015 the Company announced a pro-rata, Non-Renounceable Rights Issue to eligible shareholders on the basis of one (1) ordinary fully paid share for every three (3) shares held on 2 July 2015 at an issue price of $0.003 each, together with one (1) attaching new option with an exercise price of $0.003 and expiry date of 30 September 2016 for every two (2) New Shares issued.

The result of this Non-Renounceable Rights Issue was the issue of 161,949,521ordinary shares and 80,974,764 Options at an exercise price of $0.003 per share with an expiry date of 30 September 2016. A further 73,812,487 ordinary shares and 36,906,245 Options were issued in October 2015 under the Shortfall facility.

Exploration Activities

NSW

EL6463- (100%)
EL6874-(100%)
EL7975- (100%)

PROPOSED DEVELOPMENT - EL6463

Significant progress was made during the second half of 2015 with the metallurgical test work programs on the fresh ore from the Lloyds Mine deposit completed on the drilling conducted in the first half of 2015. Utilizing the results of the test work, process design was completed to determine the viability of processing the three different ore types as a blended single unit or independently. The results of the process design were used to complete a capital cost estimate for the construction of a processing facility to treat the three ore sources. The capital cost estimate and updated operating costs will be used to complete a full feasibility study. The decision to progress towards a full feasibility study at the historical Lloyds Mine ("Lloyds") near the township of Burraga in NSW is based on the preliminary findings of the 2011 prefeasibility study ("PFS") which is available for reading on the Company's website. The findings suggested an economically viable operation was plausible within a relatively short period and at a relatively low upfront capital investment. The operation is anticipated to yield a cash-flow to allow Elysium to explore the attractive upside potential across its entire tenement holding.

Environmental Impact Study

As announced on 9 April 2014, the Company engaged Endure Environmental to carry out an Environmental Impact Study ("EIS"), pivotal to, and lodged along with a, Development Application to the Oberon Council.

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The preparation of the EIS is 78% complete with the nine separate specialist studies that comprise the EIS at various stages of completion, as follows:

a)	Air Quality Impact Assessment	completion progress 20%
b)	Flora and Fauna Impact Assessment	completion progress 70%
c)	Greenhouse Gas Assessment	completion progress 0%
d)	Groundwater Impact Assessment	completion progress 80%
e)	Heritage Impact Assessment	completion progress 78%
f)	Noise and Vibration Impact Assessment	completion progress 20%
g)	Social Impact Assessment	completion progress 0%
h)	Surface Water Impact Assessment	completion progress 41%
i)	Traffic Impact Assessment	completion progress 0%

An application for ***Environmental Assessment Requirements (EARs)*** was prepared and submitted to NSW Planning and Environment on 5 May 2014. The signed EARs were received on 12 June 2014 and included letters from the following government departments:

- Oberon Council
- Environment Protection Authority
- Fisheries NSW
- Office of Environment & Heritage
- Office of Water
- Roads & Maritime Services

Subsequent to the issuing of the EARs, DRE (Maitland) sent a letter, dated 19 June 2014, to the Department of Planning & Environment advising that they would require additional and satisfactory data regarding the resource before they could provide their support for the proposed development. The scope of the Flora and Fauna impact assessment area was expanded during the second half of the year upon the determination of the project battery limits. This pushed out the completion date for this stage of the EIS.

The **Surface and Groundwater** assessment is the current and remaining project critical component of the EIS and therefore was the focus for the year. The proposed project design criterion is for zero release to the environment. Water requirements for the operation can be sourced from either surface harvesting, dewatering of the Lloyds workings or making use of the nearby Burraga Dam; or some combination of these. Usage of ground and or surface water in NSW requires a license which may only be granted once a ground water model is completed.

Eight water monitoring bores were established and groundwater monitoring commenced during December 2014. These water monitoring bores are essential in obtaining the required data to generate a groundwater model which will predict the impacts of the projects activities on the local ground water aquifer. A minimum of one year's data collection from these bores is required to develop a robust groundwater model. Coffey Geotechnics Pty Ltd ("Coffey") has assisted the Company in establishing the bores and during 2015 created the hydrogeological conceptual model and the numerical groundwater model from the data collected during the year from the water monitoring bores. Coffey is a recognised consultancy well-versed in the hydrogeological requirements for mine permitting in NSW.

Based on the results of the two models Coffey demonstrated that they were compliant with what was outlined in the Ground Water Modelling Plan presented to NOW in September 2014 and indicates that existing groundwater levels are quite stable and do not respond significantly to rainfall events. Groundwater Dependent Ecosystems and registered bores are unlikely to be impacted by the development. On this basis the company's groundwater consultant Coffey advised NSW DPI Water that it considers 12 months of groundwater level monitoring to be a sufficient basis for groundwater modelling of the mine operation and to provide baseline data for subsequent assessment of impacts.

Coffeys are investigating the possibility of completing the surface water modelling in conjunction with the groundwater modelling to finalize the site water balance and complete these components of the EIS. This work in expected to be completed in the 1st quarter of 2016.

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Proposed Project Development

Resource exploration drilling was undertaken from October to March and concluded with a **resources estimate** in June. As announced 23 June 2015, the Company has fulfilled its aim of upgrading slag and tailings to JORC Indicated and the higher grade component of the Lloyds in-situ resource to Indicated or better with the Measured and Indicated resources available for economic evaluation of 1.36Mt @ 0.9% Cu. Further detail is provided in the Table 1 below and the full technical report is available on the Company website www.elysiumresources.com.au

Model		Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Cu Metal (t)
Lloyds (0.3% Cu cut-off)	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	910,000	0.8	0.1	7	0.2	7,130
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	Total	1,310,000	0.8	0.1	6	0.2	10,090
Tailings (0.3% Cu cut-off)	Indicated	280,000	1.2	0.3	9	0.2	3,490
Slag Heaps (0.3% Cu cut-off)	Indicated	90,000	1.3	0.2	7	0.7	1,170
Burraga Combined	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	1,280,000	0.9	0.1	7	0.2	11,520
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	Total	**1,680,000**	**0.9**	**0.1**	**7**	**0.2**	**15,120**

Table 1. Burraga Project Mineral Resources by model and resource category (totals may not appear to sum due to rounding).

While copper prices have changed since the 2011 PFS, copper prices in Australian dollar terms along with costs have not significantly changed from those used in the study. A higher (than previously used) nominal grade was used in defining the mineralised envelope for resource estimation. The significant increase in additional data allowed for a coherent definition of the Lloyds mineralisation at a nominal 0.2% Cu grade. Estimated cost data to date has led to the decision to use a 0.3% Cu cut-off grade for the resource statement. The completion of the resource model now allows for pit optimisation.

The initial design of the **Stage 1 Tailings Storage Facility** (TSF) has been completed. It has a crest level at RL 840 and this provides a storage capacity of 375,000m3. This will be enough storage capacity for the first 18months of start-up and operations. The purpose of Stage 1 is to build a TSF to get the project into operation for the lowest capital cost. The additional costs of future stages will be funded from sustaining capital. Building the Stage 1 to the RL 840 level significantly reduces the costs of clay lining the TSF in the early stages of development as a natural clay lining exists in the footprint below this RL 840.

As announced on October 8th, an extensive **metallurgical test work program** was completed on samples of diamond core drilled specifically for the collection of metallurgical samples. The samples consisted of one fresh bulk sample and 10 smaller variability samples representing variances in location, grade and oxidation state. Copper exists as chalcopyrite within the fresh ore alongside pyrite, galena, sphalerite, at times arsenopyrite, and minor levels of silver, gold and indium.

The comminution results showed that the ore will be easily crushed and ground to the desired size range in a conventional crushing and ball mill circuit. A Bond mill work index of 11.1 kwh/t was obtained for the bulk sample and ranged from 10.3 to 13.2 kwh/t for the fresh variability samples, which is lower than the average for copper ores.

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Flotation response of all the fresh ore samples was excellent with high copper recovery and low reagent consumption at an optimised grind of P_{80}=125μm. A six stage locked cycle test on the bulk sample resulted in +95% recovery while maintaining a copper concentrate grade of 25%. Depression of pyrite using SMBS during rougher flotation was required to reduce pyrite contamination in the concentrate. Although not present in the bulk sample flotation concentrate, varying levels of zinc and lead contamination occurred in the fresh variability sample concentrates.

The transition ore samples tested gave low recoveries across a range of head grades when using Controlled Potential Sulphidisation (CPS) for the recovery of oxide copper minerals. While the near surface transition material accounts for only around 10% of the in-situ resource being considered for mining, further test-work will be considered to allow this material to be processed alongside the in-situ primary material, tailings and slag dumps.

Precious metals were upgraded to the concentrate.

Material handling with regard to thickening, filtration and pumping holds no concern.

Plant, Infrastructure and Engineering Pty Ltd (PIE) were awarded the contract to complete the **Process Design** for the process plant. The scope included a review the metallurgical test work data for validation and determination if any more test work is required. The development of the mass balance for the process design and produce the equipment sizing and require process flowchart for the engineering design. Based on the initial metallurgical test results for the three different ore sources it was decided that the fresh ore be processed prior to the tailings stockpile. The fresh ore will be exposed in the mine pre-strip for the TSF construction. This is a variation to 2011 PFS which processed the tailings first. (PIE) has issued the final report on the fresh ore process design work, summarized as follows. For the Lloyds material a feed grind size P_{80} of 125 μm produced similar copper flotation kinetics and copper recovery to a grind size P_{80} of 75 μm. The copper grade versus recovery curve was improved at the 125 μm size, and this was chosen as the design grind size. The flotation rate of the chalcopyrite was fast, with 99% of the floatable copper recovered in three minutes of rougher flotation. The remaining 10 minute rougher 3 recovered 1% of the copper and 28% of the NSG in the combined rougher concentrate. Fresh ore recovery of 90% or more (depend on head grade) should not be a problem.

Mincore Pty Ltd (Mincore) was awarded the contract to develop a **Capital Cost Estimate** +/- 15% for the process plant design, equipment procurement and construction of the process plant and associates services.

The deliverables were;

- Capital Cost Estimate Report with quotations from supplies for the equipment selected.
- Bill of Quantities for construction.
- Cost estimate for the detailed plant engineering.
- 3D viewing model of the process plant, available for "slicing" for plant layout.

Mincore completed the scope in late December. Figure 1 contains a snap shot of the 3D viewing model. This model was required for "slicing" the plant layout to obtain information for various parts of the EIS to be completed. Figure 2 outlines the arrangement of the different elements of the process plant layout. The process design criteria supplied by PIE was utilized to develop the preliminary process plant design. This plant design was then used to develop an equipment selection and sizing list, which was forwarded to suppliers for quotation. Mincore produced a report that contained the basis of the design; process design criteria used; process plant description; site layouts; equipment lists and project schedule. The capital cost estimate provided the design cost and both direct and indirect costs for the engineering procurement and construction of the process plant. It contains the assumptions and quotation from suppliers used to develop the estimate. The company has developed an estimate for the construction of the TSF, earthworks and owners costs. This estimate will be used in conjunction with updated operating costs to develop a full financial model and full feasibility early in 2016.

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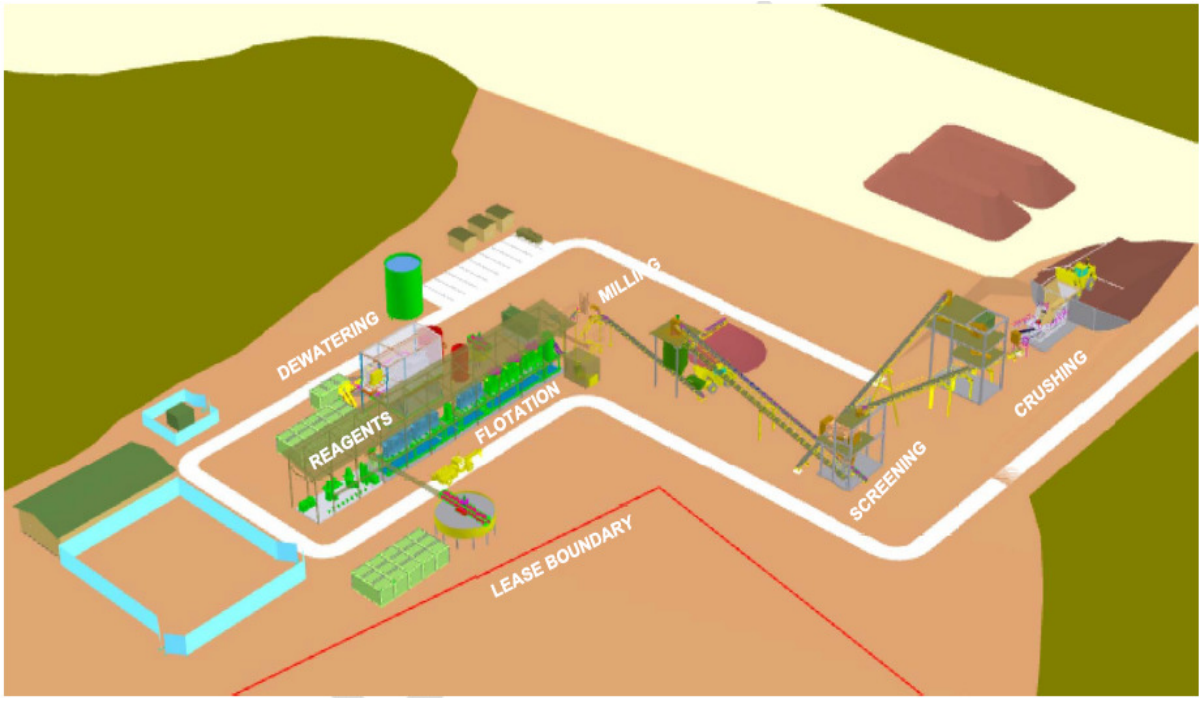


Fig. 1. 3D image of plant site layout

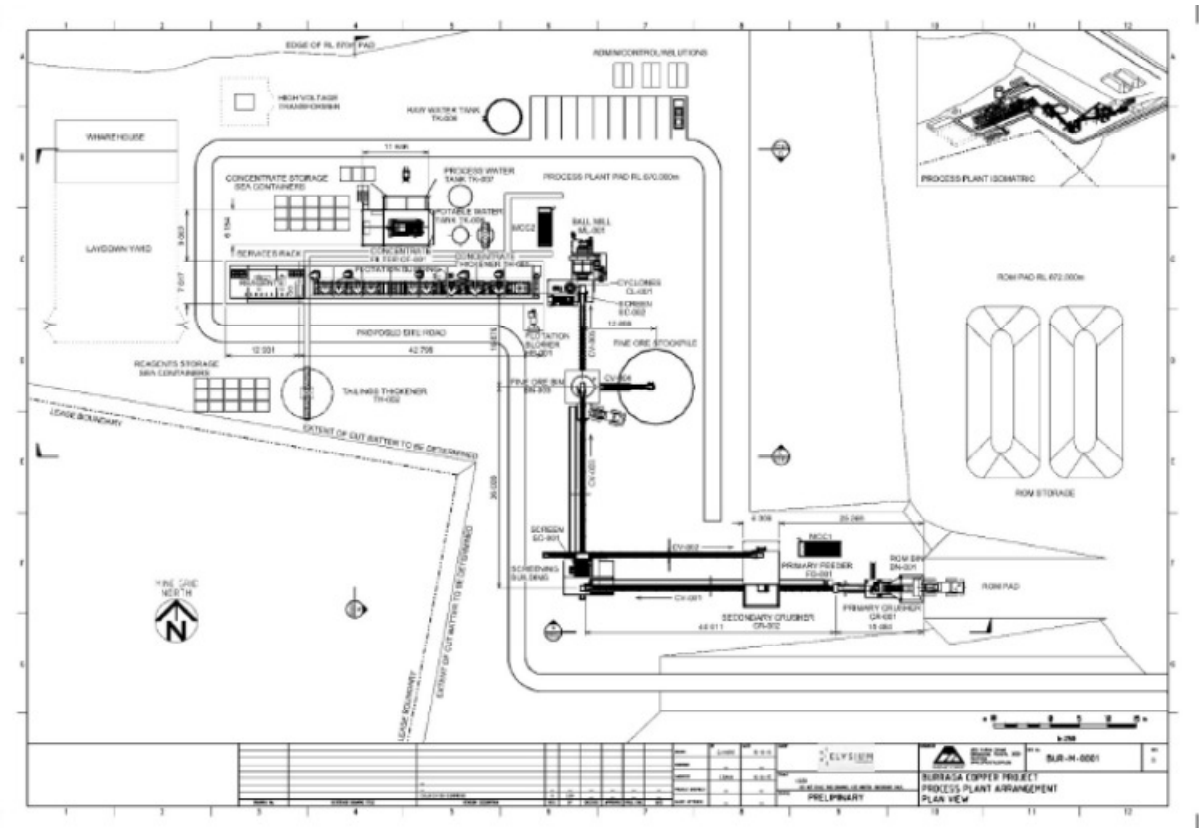


Fig. 2. Drawing of plant component layout

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EXPLORATION - EL6463, EL6874, EL7975

Exploration was limited to reporting and database validation activities.

West Australian Projects

E52/2569 "Horseshoe South"

As announced on October 29 2014, the Company entered into an option agreement with Horseshoe Metals Ltd (ASX:HOR). The summary details of the terms of the option to purchase are as follows:

(a) Option Period – 2 years (to 28 October 2016);

(b) Option Fee – Horseshoe to drill test M1 and Western Anomaly drilling targets identified by Elysium with a minimum of 2 x 250m Reverse Circulation drill holes (i.e. 1 into each target) in Year 1 of the Option Period ("Minimum Drilling Commitment"), at which point Horseshoe may elect to withdraw;

(c) Exercise of Option – Horseshoe may exercise Option at any time within Option Period after the completion of the Minimum Drilling Commitment;

(d) Exercise Price - $100,000 payable in cash or by Horseshoe shares (based on 10 day VWAP price from date of exercise notice), at the election of Horseshoe.

The Option Agreement was conditional upon a due diligence ("DD") process being completed within 30 days to the satisfaction of the Company. The DD was satisfactorily completed as announced December 9 2014.

HOR advised that the Native Title holders had agreed to a heritage survey being carried out over the area in July, this was completed and the heritage clearance report issued in November.

HOR has had a change in management and EYM is awaiting a reply on when the drilling under the agreement is to be completed.

Indonesian Projects

IUP 180/005/IUPE/421.302/2013 "South Malang"

The Company is earning into the South Malang Copper - Gold Project, located approximately 60km to the south of the city of Malang on the island of Java in Indonesia. Under the agreement with Gata Sumber Daya ("Gata"), Elysium is to provide $AUD2M of exploration funding over a 3 year period to earn 67.5%. Preliminary work commenced over the recent dry season specifically designed to target high sulphidation surface epithermal oxide Au-Ag and associated porphyry Au-Cu systems.

No activities were undertaken during the period.

JORC Compliance Statement

The information in these financial statements that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore reserves is based on information reviewed or compiled by Neb Zurkic BAppSc(Geol), MSc(Min & Energy Economics), a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and a Registered Professional Geoscientist with the Australian Institute of Geoscientists. Mr. Zurkic is employed by Zurkic Mining Consultants Pty Ltd. Mr. Zurkic has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr. Zurkic consents to the inclusion in these financial statements of the matters based on his information in the form and context in which it appears. Zurkic Mining Consultants Pty Ltd, which is owned and controlled by Mr. Zurkic, owns shares in Elysium Resources Limited and provides consulting services as required to both companies.

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Exploration Targets

References to Exploration Targets or Targets in this document are in accordance with guidelines of the JORC Code (2012). As such it is important to note that the reported Targets are based on existing data, historical production and geology models. Any references to grade and quantity are conceptual in nature. Exploration carried out to date is insufficient to be able to estimate and report mineral resources in accordance with the JORC Code (2012). It is uncertain if further exploration will result in the determination of a Mineral Resource.

Reserves and Project Development

The information in these financial statements that relates to Ore Reserves or Project Development is based on information reviewed or compiled by Dean Pontin BAppSc (Surv), Grad Dip (Mining), a Competent Person, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Pontin is employed by Lesmau Pty Ltd. Mr. Pontin has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr. Pontin consents to the inclusion in these financial statements of the matters based on his information in the form and context in which it appears. Lesmau Pty Ltd, which is owned and controlled by Mr. Pontin, owns shares in Elysium Resources.

Environmental Regulation

The directors believe the Group is not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Greenhouse Gas and Energy data reporting requirements

The Group is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 requires the Group to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the Group intends to take as a result.

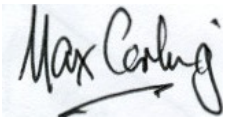
The National Greenhouse and Energy Reporting Act 2007 requires the Group to report its annual greenhouse gas emissions and energy use.

For the half year ended 31 December 2015 the Group was below the reported threshold for both legislative reporting requirements therefore is not required to register or report. The group will continue to monitor its registration and reporting requirements however it does not expect to have future reporting requirements.

Auditor's Independence Declaration

The auditor's independence declaration under Section 307C of the Corporations Act 2001 for the half year ended 31 December 2015 has been received and is set out on page 8.

Signed in accordance with a resolution of Directors



Mr Max Carling
Director
23 February 2016
Sydney

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HLB Mann Judd

Accountants | Business and Financial Advisers

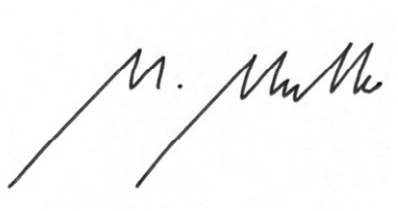
AUDITOR'S INDEPENDENCE DECLARATION – REVIEW

As lead auditor for the review of the financial report of Elysium Resources Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Elysium Resources Limited and the entities it controlled during the period.



Sydney, NSW
23 February 2016

M D Muller
Partner

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289
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Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (NSW Partnership) is a member of HLB International. A world-wide network of independent accounting firms and business advisers.

ELYSIUM RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 31 December 2015

	Note	31 December 2015 $	31 December 2014 $
Revenue			
Interest		1,796	1,014
Rent received		650	5,700
Administration		(284,032)	(342,031)
Exploration expenditure written off		(18,866)	-
Occupancy costs		(37,287)	(41,447)
Depreciation		(8,013)	(8,169)
Loss on sale of shares		-	(149,110)
Employment costs (including directors)		(396,000)	(295,000)
Impairment of exploration assets	6	-	(1,697,087)
Loss Before Income Tax		(741,752)	(2,526,130)
Income tax expense			-
Loss for the Half Year		**(741,752)**	**(2,526,130)**
Other comprehensive income			
Net increase in fair value of investments		-	34,000
Other comprehensive income for the half year, net of tax		**-**	**34,000**
Total comprehensive loss for the half-year		**(741,752)**	**(2,492,130)**
Earnings per share for loss attributable to the ordinary equity holders of the Group			
Basic loss per share (cents)	3	(0.001)	(0.278)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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ELYSIUM RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Note	31 December 2015 $	30 June 2015 $
CURRENT ASSETS			
Cash and cash equivalents		136,842	330,136
Trade and other receivables		62,444	54,960
TOTAL CURRENT ASSETS		199,286	385,096
NON-CURRENT ASSETS			
Property, plant & equipment	4	44,851	52,864
Available for sale financial assets	5	1,500	1,500
Exploration and Evaluation Expenditure	6	4,372,865	4,020,060
TOTAL NON-CURRENT ASSETS		4,419,216	4,074,424
TOTAL ASSETS		4,618,502	4,459,520
CURRENT LIABILITIES			
Trade and other payables		683,597	706,714
TOTAL CURRENT LIABILITIES		683,597	706,714
TOTAL LIABILITIES		683,597	706,714
NET ASSETS		3,934,905	3,752,806
EQUITY			
Contributed equity		10,709,781	9,785,930
Reserves		620,400	620,400
Accumulated losses		(7,395,276)	(6,653,524)
TOTAL EQUITY		3,934,905	3,752,806

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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ELYSIUM RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 December 2015

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2014	Contributed Equity $	Accumulated Losses $	Investment Revaluation Reserve $	Option Reserve $	Total $
Balance at 1 July 2014	**7,419,083**	**(3,670,646)**	**-**	**620,400**	**4,368,837**
Total comprehensive loss for the period ended 31 December 2014	-	(2,526,130)	34,000	-	(2,492,130)
Transactions with owners in their capacity as owners:					
Shares issued	1,686,324	-	-	-	1,686,324
Capital raising costs	(48,391)	-	-	-	(48,391)
Balance as at 31 December 2013	**9,057,016**	**(6,196,776)**	**34,000**	**620,400**	**3,514,640**

2015	Contributed Equity $	Accumulated Losses $	Investment Revaluation Reserve $	Option Reserve $	Total $
Balance at 1 July 2015	**9,785,930**	**(6,653,524)**	**-**	**620,400**	**3,752,806**
Total comprehensive loss for the period ended 31 December 2015	-	(741,752)	-	-	(741,752)
Transactions with owners in their capacity as owners:					
Shares issued	923,851	-	-	-	923,851
Capital raising costs	-	-	-	-	-
Balance as at 31 December 2015	**10,709,781**	**(7,395,276)**	**-**	**620,400**	**3,934,905**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

ELYSIUM RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2015

	31 December 2015 $	31 December 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers and employees	(345,127)	(607,193)
Interest received	1,796	1,014
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	(343,331)	(606,179)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditure	(352,804)	(617,248)
Proceeds from sale of shares	-	850,889
Bonds	(2,200)	(6,600)
NET CASH INFLOW / (OUTFLOWS) FROM FINANCING ACTIVITIES	(355,004)	227,041
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares	504,817	615,924
Proceeds from exercise of Options	235	-
Costs of capital raising	-	(48,391)
Loan repayment	-	(100,000)
Share application monies received	-	75,000
NET CASH INFLOWS FROM FINANCING ACTIVITIES	505,052	542,533
NET INCREASE / (DECREASE) IN CASH HELD	(193,283)	163,395
Cash and cash equivalents at the beginning of the half year	330,125	144,848
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF YEAR	136,842	308,243

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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1. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2015 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

These half yearly financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these statements are to be read in conjunction with the annual reports for the year ended 30 June 2015 of Elysium Resources Limited and any public announcements made by the Consolidated Entity during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

(b) Principles of Consolidation and Reverse Acquisition

Elysium Resources Limited is listed on the Australian Securities Exchange. Elysium Resources Limited completed the legal acquisition of Burraga Copper Limited including its wholly owned subsidiaries Burraga Management Pty Ltd and BC Exploration Pty Ltd on 1st December 2013.

Burraga Copper Limited was deemed to be the acquirer for accounting purposes as it has obtained control over the operations of the legal acquirer. Accordingly, the consolidated financial statements of Elysium Resources Limited have been prepared as a continuation of the financial statements of Burraga Copper Limited. Burraga Copper Limited (as the deemed acquirer) has accounted for the acquisition of Elysium Resources Limited from 1st December 2013.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(c) Going Concern

For the half year ended 31 December 2015, the Group recorded a loss of $741,752. At 31 December 2015, the consolidated entity had a deficiency of net current assets of $484,311 and the cash balance was $136,842.

On 21 January 2016 the Group received a tax refund of $546,083 with respect to the year ended 30 June 2015.

The ability of the Group to continue as a going concern is dependent on the Group being able to raise additional funds, as required to fund ongoing exploration work and for working capital. The Directors believe that they will be able to raise additional capital as required and are in the process of approaching existing and new shareholders to raise the required finance.

Should the required additional funding not be obtained, there is a material uncertainty as to whether the Group will continue as a going concern and therefore realise it assets and settle its liabilities in the normal course of business at the amounts stated in the financial statements.

2. Segment Reporting

The Consolidated Entity's sole operations are within the mineral exploration industry within Australia.

The Group has applied AASB 8 *Operating Segments.* AASB 8 requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes.

Given the nature of the Consolidated Entity, its size and current operations management does not treat any part of the Consolidated Entity as a separate operating segment. Internal

financial information used by the Consolidated Entity's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments.

The Consolidated Entity managers operate to manage the business as a whole without any special responsibilities for any separately identifiable segments of the business.

Accordingly the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

3. Loss per share

	HALF YEAR 31.12.2015	31.12.2014
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,461,241,079	908,843,022
Loss used to calculate basic EPS	(741,752)	(2,526,130)
Basic loss per share (cents per share)	(0.001)	(0.278)

4. Property, Plant and Equipment

	31.12.2015	30.06.2015
Plant and Equipment		
At cost	67,753	67,753
Accumulated depreciation	(36,253)	(29,948)
Total Plant and Equipment	31,500	37,805
Motor Vehicles	40,000	40,000
Accumulated depreciation	(26,649)	(24,941)
Total Motor Vehicles	13,351	15,059
Total Property, Plant and Equipment and Motor Vehicles	44,851	52,864

5. Available for Sale Financial Assets

	31.12.2015	30.06.2015
Listed investment at fair value [1]	1,500	1,500
At beginning of period	1,500	12,500
Revaluation to market	-	-
Sales	-	(11,000)
Impairment of available for sale financial assets	-	-
At end of period	1,500	1,500

[1]Fair value of investments in listed corporations is assessed as the bid price on the Australian Securities Exchange at the close of business on balance date.

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6. Exploration and Evaluation Expenditure	31.12.2015	30.06.2015
Exploration and evaluation expenditure capitalised	4,372,865	4,020,060
At beginning of period	4,020,060	4,612,073
Exploration expenditure incurred	352,805	1,105,074
Impairment[1]	-	(1,697,087)
At end of period	4,372,865	4,020,060

[1] On 28 October 2014 Elysium gave an option to a third party to acquire the EL52/2569 tenement for $100k. This indicated that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. The Directors have tested exploration and evaluation assets for impairment during the period and have impaired the EL52/2569 tenement by $1,697,087 from $1,797,087 to $100,000 as at 31 December 2014.

7. Contingent Liabilities

The Directors are not aware of any contingent liabilities as at 31 December 2015.

8. Dividends

No dividends were paid or proposed during the period.

9. Events occurring after the reporting period

There has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years other than:-

On 21 January 2016 the Group received a tax refund of $546,083 with respect to the year ended 30 June 2015.

10. Related Party Transactions

The Group had an office rental agreement with Carling Capital Partners a director related entity of Mr Max Carling. Under the agreement the Group paid $4,000 per month rent which was at normal market rates. This agreement ended in December 2014 and the Company now has its own office space rental agreement.

During the 6 months ended 31 December 2013, as a result of the completion of the reverse takeover, a success fee of $250,000 was payable by Burraga to Carling Capital Partners, a director related entity of Mr Max Carling. $150,000 of these fees remained payable as at 31 December 2015.

ELYSIUM RESOURCES LIMITED
DIRECTORS' DECLARATION

In the directors' opinion:

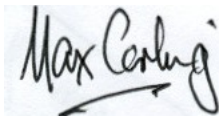
(a) the financial statements and notes set out on pages 9 to 15 are in accordance with the Corporations Act 2001, including:

  (i) Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) Giving a true and fair view of the entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date, and

(b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Mr Max Carling
Director

23 February 2016
Sydney, New South Wales

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HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Elysium Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Elysium Resources Limited ("the company") which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Elysium Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our conclusion, we draw attention to Note 1(c) (Going concern) in the half-year financial report, which indicates that the consolidated entity incurred a net loss of $741,752 during the half-year ended 31 December 2015 and, as of that date, the consolidated entity had a deficiency of net current assets of $484,311.

These conditions, along with other matters as set forth in Note 1(c) (Going concern), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

HLB Mann Judd
Chartered Accountants

M D Muller
Partner

Sydney, NSW
23 February 2016