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ELYSIUM RESOURCES LIMITED

ABN 45 115 593 005

ANNUAL REPORT

30 June 2016

CORPORATE DIRECTORY

Directors

Michael D Tilley BA FCA
Max Carling BCom BA
Robin Armstrong (appointed 18 May 2016)
Terence Clee BCom LLB (appointed 18 May 2016)

Company Secretary

Mark Ohlsson BA FCPA

Auditors

HLB Mann Judd
Level 19
207 Kent Street
Sydney NSW 2000

Solicitors

M+K Lawyers
Level 21
20 Bond Street
Sydney NSW 2000

Registered Office

Level 14, 3 Spring Street
Sydney NSW Australia 2000
Ph: 61 2 8249 4504

Share Registry

Computershare Investor Services Pty Limited
2/45 St Georges Terrace
PERTH WA 6000

Head Office

Level 14, 3 Spring Street
Sydney NSW 2000
Ph: 61 2 8249 4504

Website address

http://www.elysiumresources.com.au

Country of Incorporation

Elysium Resources Limited is domiciled and incorporated in Australia.

Stock Exchange Listing

Elysium Resources Limited is listed on the Australian Securities Exchange.
ASX Code EYM

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Your directors present their report on the consolidated entity consisting of Elysium Resources Limited (Group or Consolidated Entity) and the entities it controlled at the end of or during the year ended 30 June 2016.

DIRECTORS

The following persons were directors of the Company during the financial year and up to the date of this report.

MICHAEL D TILLEY BA FCA (Appointed 18 February 2013)
Non-Executive Director

Michael Tilley is the Chairman and a founding director of Terrain Capital Limited. He has worked in the accounting and finance industries for more than 40 years and he has a broad range of senior advisory and project management experience in all facets of corporate finance. Michael is or has previously served as Director of Yarra Valley Water Limited, a member of Vision Super Pty Ltd and the Industry Fund Management Pty Ltd Investor Advisory Board. Michael has also served on the boards of a number of exploration and mining companies during his long career and was a director of North Queensland Metals 2006-2010.

Directorships in ASX listed companies over the past 3 years – Kogi Iron Limited.

Mr Tilley indirectly holds an interest in 2,417,667 ordinary shares, 650,000 unlisted options and 200,000 listed options in Elysium Resources Limited (post consolidation – see Note 24 regarding consolidation of share capital).

MAXIM CARLING BCom BA (Appointed 18 February 2013)
Managing Director

Maxim Carling is the founding partner of Carling Capital Partners, the holder of AFSL No 279022. Max has over 33 years' experience in corporate finance and has advised a diverse range of companies in the mining industry during his career. He has successfully managed the structuring and raising of capital from early stage to advanced project finance and has advised extensively in the area of mergers and acquisitions. Max is a director of a number of private companies and has served on ASX listed resource company boards.

Directorships in ASX listed companies over the past 3 years – Nil.

Mr Carling indirectly holds an interest in 8,143,381 ordinary shares, 17,400,000 unlisted options and 666,667 listed options in Elysium Resources Limited (post consolidation).

ROBIN ARMSTRONG (Appointed 18 May 2016)
Non-Executive Director

Robin Armstrong has over 35 years' experience in the stockbroking and corporate finance industry and was executive director of Findlay Stockbrokers Limited. He brings a wealth of experience and investor contacts and has served on many ASX listed small and mid-company boards during his career. Robin will assist the Company in corporate fund raisings and assist in marketing the Company and its project(s).

Directorships in ASX listed companies over the past 3 years: WolfStrike Rentals Group Limited

Mr Armstrong indirectly holds an interest in 20,000 ordinary shares in Elysium Resources Limited (post consolidation).

TERENCE CLEE BCom LLB (Appointed 18 May 2016)
Non-Executive Director

Terence Clee holds a combined B Comm (Accounting) and LLB. Terence commenced his career as an accountant at KPMG, working in Corporate Audit and Corporate Tax. He co-founded Hemsley Lawyers

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alongside lawyers from Allens Arthur Robinson and Blake Dawson (now Ashurst). Terence was responsible for the business development and strategic growth of the practice. Terence has experience in the start-up and small cap space, having advised technology start-ups and junior miners on commercialisation, cross-border transactions, tax and R&D.

Directorships in ASX listed companies over the past 3 years: Victory Mines Limited.

Mr Clee does not hold an interest in any ordinary shares in Elysium Resources Limited.

NEB ZURKIC (Appointed 6 June 2014 – Removed 16 June 2016)
Executive Director

Mr Zurkic is a graduate of RMIT University, with a Bachelor of Applied Science in Geology and holds a Masters in Mineral and Energy Economics from Macquarie University. He is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and is a Registered Professional Geoscientist member of the Australian Institute of Geoscientists. Mr Zurkic has held a variety of senior management and executive level positions at both small and large mineral resource companies with interests in Australia, South America, SE Asia and Africa.

Directorships in ASX listed companies over the past 3 years – Nil.

At the time of his removal, Mr Zurkic indirectly held an interest in 130,555,556 ordinary shares, 35,000,000 unlisted options and 7,433,334 listed options in Elysium Resources Limited (pre consolidation).

DEAN PONTIN (Appointed 17 June 2015 – Removed 16 June 2016)
Executive Director
B App Sc, Grad Dip Mining, MAUSIMM, Cert. Mine Mgt

Project Development Manager

Dean Pontin is a graduate of Queensland University of Technology with a Bachelor of Applied Science in Surveying and holds a Graduate Diploma in Mining from Ballarat University. He is a member of the AusIMM, holds a Mine Managers Certificates in Indonesia and PNG and has a proven track record in mining and construction activities. Direct responsibilities have included all aspects of operations management, short term and long term planning and engineering, mine operations supervision, environmental engineering, budgeting, project work as well as contactor negotiation and supervision. A 26 year career has included being an integral part of the commissioning of three major projects, namely Newmont Mining Corporation's Batu Hijau copper-gold project in Indonesia, Lane Xang Mineral's Sepon Project in Laos and most recently the Operations Manager for the Toka Tindung Gold Project in Indonesia.

Directorships in ASX listed companies over the past 3 years – Nil.

At the time of his removal, Mr Pontin indirectly held an interest in 230,831,123 ordinary shares and 14,621,775 listed options in Elysium Resources Limited (pre consolidation).

Company Secretary

Mark Ohlsson (appointed 18 February 2013)
BA, FCPA, Registered Tax Agent

Mark Ohlsson has been involved in business management and the venture capital industry for more than 35 years. His particular expertise is in assessing venture capital and business proposals, all aspects of contractual negotiations together with finance and management reporting requirements. His experience spans a wide range of industries and activities which includes a number of appointments as Company Secretary of ASX listed companies. He is a Fellow of CPA Australia and a Registered Tax Agent.

Mr Ohlsson holds an interest in 490,000 unlisted options in Elysium Resources Limited (post consolidation).

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Principal Activities

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

Operating Results

The Group made a loss after tax of $919,406 (2015: $2,982,877) for the year ended 30 June 2016.

Financial Position

The Group had net assets of $4,866,858 (2015 $3,752,806) as at 30 June 2016 and cash of $494,803 (2015 $330,136) as at 30 June 2016.

Dividends

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

Corporate Governance

The Company's Corporate Governance Report can be found at www.elysiumresources.com.au

Review of Operations

Corporate

During the June quarter the Company conducted a share placement raising $506,000 for working capital from four professional investors. On completion of the capital raising, two new directors were appointed, Mr. Robin Armstrong and Mr. Terence Clee.

A General Meeting of shareholders was held on 16 June 2016 after being requisitioned by the largest shareholder, Lesmau Pty Ltd the investment company of director Mr. Dean Pontin who sought the removal of two directors, Messrs. Tilley and Carling. Two shareholders requested the Company to include two resolutions seeking the removal of two directors, Messrs. Pontin and Zurkic.

The General Meeting of shareholders voted on the resolutions, which resulted in the removal of directors Mr. Neb Zurkic and Mr. Dean Pontin.

New South Wales Projects
The Company continues to operate 3 contiguous Exploration Licences in the highly prospective East Lachlan Fold Belt, NSW covering approximately 138km^2. Tenure hosts the Lloyds Copper resource and two gold resources at the historic Lucky Draw Gold mine, and nearby Hackney's Creek deposit.

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

Development EL6463

Environmental Impact Study

Surface and Groundwater assessments dominated activity for the Environmental Impact Study during the year with consultants from EnviroWest Pty Ltd sampling surface water locations for water quality, and Coffey Geotechnics Pty Ltd ("Coffey") assisting the Company in establishing water monitoring bores and construction of a hydrogeological conceptual model and a numerical groundwater model from the water monitoring bores. Coffey is a recognized consultancy well-versed in the hydrogeological requirements for mine permitting in NSW.

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Based on the results of the two models Coffey demonstrated compliance with the Ground Water Modelling Plan as presented to NSW Office of Water (NOW) and indicated that existing groundwater levels are quite stable and do not respond significantly to rainfall events. In addition, Groundwater Dependent Ecosystems and registered bores are unlikely to be impacted by the development. The company continues to collect ground water monitoring data as advised by Coffey to provide baseline data for subsequent assessment of impacts.

Project Planning General

As announced on October 8th 2015, 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.

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}=125mm. 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
.
Metallurgical test-work has therefore been completed for the in-situ primary mineralisation, with the tailings and slag metallurgical test-work completed in previous years.

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 □m produced similar copper flotation kinetics and copper recovery to a grind size P_{80} of 75 □m. The copper grade versus recovery curve was improved at the 125 □m 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. Mincore completed the scope in late December. This model was required for "slicing" the plant layout to obtain information for various parts of the EIS to be completed. 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

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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 owner's costs. This estimate can be used in conjunction with updated operating costs to develop a full financial model and full feasibility. Process plant layout and conceptual diagrams have been included in the December half year operations report.

Exploration

Exploration activities during the year have been limited due to the Companies focus on the Lloyd's environmental impact study, and restricted exploration budgets. Future exploration capacity has been maintained and tenements remain in good standing.

Late in the year the board commenced discussions with external geological consultants aiming to commission a detailed review of the Companies resource and exploration assets. The review will aim to undertake a detailed independent assessment of the current Copper and Gold resources, resource growth potential, and exploration potential of the entire Burraga exploration portfolio. In addition, a watching brief has been established on prospective areas in NSW for the acquisition of new Cu-Au projects and opportunities in line with the Companies capabilities.

Elysium Resources Limited ensures that the Mineral Resource estimates for its NSW based projects are subject to appropriate levels of governance and internal controls. The Mineral Resource estimation procedures are well established and are subject to annual review internally and externally where warranted. The reviews are undertaken by suitably competent and qualified professionals. This review process has not identified any material issues or risks associated with the existing Mineral Resource estimates. The Company periodically reviews the governance framework in line with the development of the business.

Unless specifically indicated, the Company reports it Mineral Resources in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition.

Competent Persons named by the Company are Members of the Australian Institute of Mining and Metallurgy and / or Members of the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code.

In accordance with Listing Rule 5.21.1 and 5.21.4 the table below sets out the Company's Mineral Resources at June 30, 2016.

The information relating to mineral resources in this report is extracted from the reports *Updated Burraga Copper Project Resource Estimate* announced on 23 June, 2016 and *Annual Report to Shareholders* announced on 24 September 2014. The company confirms that it is not aware of any new information or data that materially affect the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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Table 1. NSW (EL6463) - Classified Resource Summary

2015

By Deposit	Category	Tonnes (Kt)	Cu (%)	Au (gpt)	Pb (%)	Zn (%)	Ag (gpt)
Lloyd's (Hard-rock; 0.3% Cu cut-off)	Measured	80	1.0	0.1		0.2	5
	Indicated	910	0.8	0.1		0.2	7
	Inferred	320	0.7	0.1		0.1	5
	Total	1,310	0.8	0.1		0.2	6
Lloyd's (Tailings; 0.3% Cu cut-off)	Measured						
	Indicated	280	1.2	0.3		0.2	9
	Inferred						
	Total	280	1.2	0.3		0.2	9
Lloyd's (Slag; 0.3% Cu cut-off)	Measured						
	Indicated	90	1.3	0.2		0.7	7
	Inferred						
	Total	90	1.3	0.2		0.7	7
Hackney's Creek * (0.5 gpt Au cut-off)	Measured						
	Indicated						
	Inferred	2,206		1.4			
	Total	2,206		1.4			
Lucky Draw * (0.5 gpt Au cut-off)	Measured						
	Indicated						
	Inferred	468		2.1			
	Total	468		2.1			

By Product	Category	Tonnes (Kt)	Cu (%)	Au (gpt)	Pb (%)	Zn (%)	Ag (gpt)
Base Metals	Measured	80	1.0	0.1		0.2	5
	Indicated	1,280	0.9	0.1		0.2	7
	Inferred	320	0.7	0.1		0.1	5
	Total	1,680	0.9	0.1		0.2	7
Gold	Measured						
	Indicated						
	Inferred	2,673		1.6			
	Total	2,673		1.6			

IN-SITU METALS	Category	Cu (Kt)	Au (Koz)	Pb (Kt)	Zn (Kt)	Ag (Koz)
Lloyd's (Hard-rock)	Measured	0.8	0.3		0.2	12.9
	Indicated	7.1	2.9		1.8	204.8
	Inferred	2.2	1.0		0.3	51.4
	Total	10.1	4.2		2.3	269.1
Lloyd's (Tailings)	Measured					
	Indicated	3.5	2.7		0.6	81.0
	Inferred					
	Total	3.5	2.7		0.6	81.0
Lloyd's (Slag)	Measured					
	Indicated	1.2	0.6		0.6	20.3
	Inferred					
	Total	1.2	0.6		0.6	20.3
Hackney's Creek*	Measured					
	Indicated					
	Inferred		101.8			
	Total		101.8			
Lucky Draw*	Measured					
	Indicated					
	Inferred		31.6			
	Total		31.6			
TOTAL^		15.1	140.9		3.5	370.4

2014

By Deposit	Category	Tonnes (Kt)	Cu (%)	Au (gpt)	Pb (%)	Zn (%)	Ag (gpt)
Lloyd's (Hard-rock; 0.2% Cu cut-off)	Measured						
	Indicated						
	Inferred	2,961	0.5	0.1	0.1	0.3	6
	Total	2,961	0.5	0.1	0.1	0.3	6
Lloyd's (Tailings; 0.2% Cu cut-off)	Measured						
	Indicated	125	1.2	0.3	0.0	0.2	10
	Inferred	109	1.2	0.3	0.0	0.2	10
	Total	234	1.2	0.3	0.0	0.2	10
Lloyd's (Slag; 0.2% Cu cut-off)	Measured						
	Indicated						
	Inferred						
	Total						
Hackney's Creek * (0.5 gpt Au cut-off)	Measured						
	Indicated						
	Inferred	2,206		1.4			
	Total	2,206		1.4			
Lucky Draw * (0.5 gpt Au cut-off)	Measured						
	Indicated						
	Inferred	468		2.1			
	Total	468		2.1			

By Product	Category	Tonnes (Kt)	Cu (%)	Au (gpt)	Pb (%)	Zn (%)	Ag (gpt)
Base Metals	Measured						
	Indicated	125	1.2	0.3	0.0	0.2	10
	Inferred	3,070	0.5	0.1	0.1	0.3	6
	Total	3,195	0.5	0.1	0.1	0.3	6
Gold	Measured						
	Indicated						
	Inferred	2,673		1.6			
	Total	2,673		1.6			

IN-SITU METALS	Category	Cu (Kt)	Au (Koz)	Pb (Kt)	Zn (Kt)	Ag (Koz)
Lloyd's (Hard-rock)	Measured					
	Indicated					
	Inferred	14.2	5.4	3.1	8.4	588.3
	Total	14.2	5.4	3.1	8.4	588.3
Lloyd's (Tailings)	Measured					
	Indicated	1.5	1.2	0.1	0.2	40.1
	Inferred	1.3	1.0	0.0	0.2	34.0
	Total	2.8	2.2	0.1	0.4	74.0
Lloyd's (Slag)	Measured					
	Indicated					
	Inferred					
	Total					
Hackney's Creek*	Measured					
	Indicated					
	Inferred		101.8			
	Total		101.8			
Lucky Draw*	Measured					
	Indicated					
	Inferred		31.6			
	Total		31.6			
TOTAL^		17.0	141.0	3.2	8.8	662.3

* 2004 JORC compliant only

^ Totals are rounded and may not sum through columns

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In accordance with Listing Rule 5.21.4, the 30 June 2016 Mineral Resource estimates remain unchanged from 2015 for the Burraga Copper (Lloyds), Lucky Draw and Hackney's Creek Projects. The Lucky Draw and Hackney's Creek mineral resources were prepared under the JORC 2004 guidelines and have been reviewed for materiality with the intention to review and re-quote the resources under JORC 2012 guidelines in the near term.

West Australian Projects

E52/2569 "Horseshoe South"

Horseshoe Metals Ltd (ASX:HOR) is managing this tenement under an option agreement.

Indonesian Projects

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

There was no activity on the South Malang project during the year.

JORC Compliance Statement
The information in this report that relates to Mineral Resources is based on information reviewed or compiled by Kerrin Allwood M.Sc., CP (Geo), a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Allwood is employed by Geomodelling Ltd. Mr. Allwood 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. Allwood consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

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.

Matters subsequent to the end of the financial year

On 19 August 2016 the Company held a General Meeting of Shareholders at which the following resolutions were passed:-

- Approval for the previous issue of 250m ordinary shares
- Approval for share placement to raise up to $5m
- Approval to issue options to brokers and financial advisers
- 1 for 25 consolidation of share capital
- Grant of options to officers of the Company

The Company is currently carrying out a Share Placement the results of which will be announced to the market when completed. As at 27 September 2016 $1,122,000 had been received under the Placement.

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No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Environmental Regulation

Other than those mentioned below, 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 year ended 30 June 2016 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.

REMUNERATION REPORT (AUDITED)

The information contained in the remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

Principles used to determine the nature and amount of remuneration

The Group's policy for determining the nature and amount of emoluments of board members and senior executives are as follows:

Executive Remuneration

The Group's remuneration policy for executive directors is designed to promote superior performance and long term commitment to the Group. Executives receive a base salary which is market related. Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the best interests of the Group and its shareholders to do so. The Board's reward policy reflects its obligation to align executives' remuneration with shareholders' interests and retain appropriately qualified executive talent for the benefit of the Group. The main principles of the policy are:

- Reward reflects the competitive market in which the Group operates
- Individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Refer below for details of Executive Directors' remuneration.

Non- Executive Remuneration

Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The Board recommends the actual payments to Directors. The maximum aggregate remuneration approved for Non-Executive Directors is currently $250,000. During the financial year, the Company paid $22,481 (2015 - $22,481) in indemnity insurance for the directors and secretaries of the Group.
Refer below for details of Non-Executive Directors' remuneration.

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The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of Executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements. Refer to Note 15(b) of the financial report for details of all Directors' share and option holdings.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Options are valued using either the Black-Scholes or binomial methodologies.

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting (currently $250,000). Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group and are able to participate in an employee option plan (none adopted to date).

Performance based remuneration

The Group currently has no performance based remuneration component built into Director and Executive remuneration packages.

The Board believes that as the Group is in its start up phase of development it is not feasible to establish meaningful Key Performance Indicators from which to base Director and Executive remuneration packages. Once the Group is more fully established the Board will reconsider this policy.

Details of remuneration

Details of the remuneration of the Directors and Key Management Personnel of Elysium Resources Limited are set out below.

The following personnel include the 5 highest paid as required to be disclosed under the Corporations Act 2001:

Directors:
Michael Tilley (Non-Executive Director) (appointed 18 February 2013)
Maxim Carling (Executive Director) (appointed 18 February 2013)
Neb Zurkic (Executive Director) (appointed 6 June 2014 – removed 16 June 2016)
Dean Pontin (Executive Director) (appointed 17 June 2015 – removed 16 June 2016)
Robin Armstrong (Non-Executive Director) (appointed 18 May 2016)
Terence Clee (Non-Executive Director) (appointed 18 May 2016)

Key Management Personnel Remuneration:

2016	Short Term		Post-employment	Share based payments		
Name	Cash fees $	Cash bonus $	Super-annuation $	Options $	Shares $	Total $
Michael Tilley	15,000	-	-	-	57,000	72,000
Maxim Carling	40,000	-	-	-	200,000	240,000
Mark Ohlsson	60,000	-	-	-	-	60,000
Neb Zurkic	-	-	-	-	230,000	230,000
Dean Pontin	-	-	-	-	230,667	230,667
Robin Armstrong	10,000	-	-	-	-	10,000
Terence Clee	10,000	-	-	-	-	10,000
	135,000	-	-	-	717,667	852,667

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2015	Short Term		Post-employment	Share based payments		
Name	Cash salary and fees $	Cash bonus $	Super-annuation $	Options $	Shares $	Total $
Michael Tilley	72,000	-	-	-	-	72,000
Maxim Carling	240,000	-	-	-	-	240,000
Mark Ohlsson	60,000	-	-	-	-	60,000
Neb Zurkic	240,000	-	-	-	-	240,000
Dean Pontin	2,000	-	-	-	-	2,000
Total	614,000	-	-	-	-	614,000

Additional Information

The table below sets out the performance of the company and the consequences on shareholders' wealth for the past five years.

	2016	2015	2014	2013	2012
ASX Quoted price of ordinary shares at period end (cents)	0.2	0.3	0.8	1.3	1.4
Loss per share (cents)	0.1	0.30	0.30	0.20	2.00
Dividends paid	-	-	-	-	-

Service Agreements and remuneration commitments (audited)

The following service agreements are in place as at 30 June 2016:-

- Consultancy Agreement – Carling Capital Partners Pty Ltd (a company associated with Mr Maxim Carling) – Consulting services and Executive Director
  No fixed term. Remuneration – $240,000 per annum, Termination – 3 months' notice.
- Non-executive Director and Chairman (Michael D Tilley)
  No fixed term. Remuneration – $72,000 per annum, Termination – 3 months' notice.
- Consultancy Agreement – Mr Mark Ohlsson – Company Secretary and Public Officer
  No fixed term. Remuneration – $60,000 per annum, Termination – 3 months' notice.

Security Trading Policy

The Group's security trading policy provides guidance on acceptable transactions in dealing in the Company's various securities, including shares, debt notes and options. The Group's security trading policy defines dealing in company securities to include:

(a) Subscribing for, purchasing or selling Company Securities or entering into an agreement to do any of those things;

(b) Advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in Company Securities; and

(c) Entering into agreements or transactions which operate to limit the economic risk of a person's holdings in Company Securities.

The securities trading policy details acceptable and unacceptable times for trading in Company Securities including detailing potential civil and criminal penalties for misuse of "inside information". The Directors must not deal in Company Securities without providing written notification to the Chairman. The Chairman must not deal in Company Securities without the prior approval of the Chief Executive

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Officer. The Directors are responsible for disclosure to the market of all transactions or contracts involving the Group's shares.

The Elysium Resources Limited Employee Option Plan rules contain a restriction on removing the 'at risk' aspect of the options granted to key management personnel and executives. Participants in the Elysium Resources Limited Employee Option Plan may not enter into derivative transactions with third parties to eliminate the performance element of the options. This rule is enforced via an annual declaration of compliance by all option plan participants.

End of Audited Remuneration Report

Directors' Meetings

The following table sets out the number of meetings of the Company's Directors held while each Director was in office and the number of meetings attended by each Director:

	Board Meetings	
Director	**Number of meetings held**	**Number of meetings attended**
Michael Tilley (appointed 18 February 2013)	13	13
Maxim Carling (appointed 18 February 2013)	13	12
Neb Zurkic (appointed 6 June 2014 – removed 16 June 2016)	13	11
Dean Pontin (appointed 17 June 2015 – removed 16 June 2016)	13	13
Robin Armstrong (appointed 18 May 2016)	2	2
Terence Clee (appointed 18 May 2016)	2	2

Shares Under Option

There are 9,650,933 (post consolidation) unissued ordinary shares of Elysium Resources Limited under option at the date of this report, comprising:-
5,210,933 listed options exercisable at $0.075 on or before 30 September 2016
680,000 unquoted options exercisable at $0.50 on or before 30 June 2017, and
3,760,000 unquoted options exercisable at $0.35 on or before 30 April 2018.

Insurance of officers

During the financial year, Elysium Resources Limited paid a premium of $22,481(2015 - $22,481) to insure the directors and secretaries of the company and its Australian-based controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the entity in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Indemnity of auditors

The Group has not, during or since the financial year, in respect of any person who is or has been an auditor of the Group a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Proceedings on behalf of the Group

No person has applied for leave of Court under section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is party for the purpose of taking responsibility on behalf of the Group for all or part of these proceedings.

The Group was not a party to any such proceedings during the year.

Non-audit services

HLB Mann Judd did not provide any non-audit services during the year.

Auditor's Independence Declaration

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2016 has been received and is set out on page 13.

This report is made in accordance with a resolution of Directors.



Max Carling
Managing Director
Sydney, New South Wales
28 September 2016

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HLB Mann Judd
Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Elysium Resources Limited for the year ended 30 June 2016, 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 audit; and

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

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

Sydney, NSW
28 September 2016

M D Muller
Partner

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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 year ended 30 June 2016

	Note	CONSOLIDATED 2016 $	2015 $
Revenue from continuing operations	5	-	-
Other revenue	5	550,464	118,470
Director and consultant expenses		(907,138)	(612,000)
Depreciation		(15,902)	(16,808)
Occupancy costs		(65,510)	(77,440)
Travel expenses		(55,816)	(37,687)
Insurance expenses		(32,733)	(35,758)
Audit and accounting expenses		(63,160)	(64,404)
Employee related expenses		(131,400)	(131,400)
Investor relations/marketing		(12,910)	(16,086)
ASX		(37,091)	(38,802)
Legal		(28,479)	(26,132)
Other expenses from continuing operations		(119,731)	(198,632)
Loss on sale of shares		-	(149,111)
Impairment of exploration assets		-	(1,697,087)
(Loss) Before Income Tax		(919,406)	(2,982,877)
Income tax expense	6	-	-
NET (LOSS) FOR THE YEAR		**(919,406)**	**(2,982,877)**
Other Comprehensive Income			
Other comprehensive income for the year net of tax		-	-
Total comprehensive loss for the year attributable to members of the Group		**(919,406)**	**(2,982,877)**
Basic and diluted earnings/(loss) per share (cents)	23	(0.06)	(0.29)

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 30 June 2016

	Note	CONSOLIDATED 2016 $	CONSOLIDATED 2015 $
CURRENT ASSETS			
Cash and cash equivalents	7	494,803	330,136
Trade and other receivables	8	44,227	54,960
TOTAL CURRENT ASSETS		539,030	385,096
NON-CURRENT ASSETS			
Property, plant and equipment	9	39,702	52,864
Available for sale financial assets	10	1,500	1,500
Deferred exploration and evaluation expenditure	11	4,450,124	4,020,060
TOTAL NON-CURRENT ASSETS		4,491,326	4,074,424
TOTAL ASSETS		5,030,356	4,459,520
CURRENT LIABILITIES			
Trade and other payables	12	163,498	706,714
TOTAL CURRENT LIABILITIES		163,498	706,714
TOTAL LIABILITIES		163,498	706,714
NET ASSETS		4,866,858	3,752,806
EQUITY			
Contributed Equity	13	11,663,365	9,785,930
Reserves	14	776,423	620,400
Accumulated losses		(7,572,930)	(6,653,524)
TOTAL EQUITY		4,866,858	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 year ended 30 June 2016

	Contributed Equity	Accumulated Losses	Option Reserve	Total
	$	$	$	$
2015				
Balance as at 1.07.2014	7,419,083	(3,670,647)	620,400	4,368,836
Loss for the year	-	(2,982,877)	-	(2,982,877)
Total comprehensive loss for the year	-	(2,982,877)	-	(2,982,877)
Transactions with owners in their capacity as owners:				
Shares issued during the year	2,415,238	-	-	2,415,238
Capital raising costs	(48,391)	-	-	(48,391)
Balance as at 30.06.2015	9,785,930	(6,653,524)	620,400	3,752,806
2016				
Balance as at 1.07.2015	9,785,930	(6,653,524)	620,400	3,752,806
Loss for the year	-	(919,406)	-	(919,406)
Total comprehensive loss for the year	-	(919,406)	-	(919,406)
Shares issued during the year	1,921,495	-	156,023	2,077,518
Capital raising costs	(44,060)	-	-	(44,060)
Balance as at 30.06.2016	11,663,365	(7,572,930)	776,423	4,866,858

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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ELYSIUM RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2016

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash payments in the course of operations		(965,455)	(878,906)
Government grants and subsidies		546,083	62,257
Interest received		3,730	2,232
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	20	(415,642)	(814,417)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(2,740)	(8,589)
Sales of shares		-	905,421
Bonds		(3,780)	(6,600)
Cash payments for exploration and evaluation		(430,063)	(1,105,074)
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		(436,583)	(214,842)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		1,060,952	1,287,938
Share issue costs		(44,060)	(48,391)
Share application monies		-	75,000
Loans repaid		-	(100,000)
NET CASH INFLOW FROM FINANCING ACTIVITIES		1,016,892	1,214,547
NET INCREASE IN CASH AND CASH EQUIVALENTS		164,667	185,288
Cash and cash equivalents at the beginning of the financial year		330,136	144,848
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	20	494,803	330,136

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include financial statements for the consolidated entity consisting of Elysium Resources Limited and its subsidiaries (referred to as "the Group" or "the Consolidated Entity").

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the Corporations Act 2001. The financial statements have been prepared on a going concern basis.

Compliance with IFRS

The financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

Critical accounting estimates and significant judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(b) Principles of consolidation

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

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Elysium Resources Limited (company) as at 30 June 2016. Elysium Resources Limited and its subsidiaries together are referred to in this financial report as either the Consolidated Entity or Group.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(c)).

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The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interests result in gains and losses for the Group that are recorded in the statement of comprehensive income. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

Changes in ownership interests
The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Elysium Resources Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present

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value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(d) Segment Reporting

The Consolidated Entity's sole operations are within the mineral exploration industry within Australia, other than its joint venture in Indonesia through its wholly owned subsidiary, Malang Resources Pty Ltd.

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 Group, its size and current operations management does not treat any part of the Group as a separate operating segment. Internal financial information used by the Group's decision makers is presented on a "whole of entity" manner without disaggregation to any separately identifiable segments.

The Group 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.

(e) Exploration and Evaluation Expenditure

Acquisition, exploration and evaluation costs associated with mining tenements are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful commercial development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Each area of interest is also reviewed annually and acquisition costs written off to the extent that they will not be recoverable in the future.

(f) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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(g) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(h) Property, Plant & Equipment

Each asset of property, plant and equipment is carried at cost less where applicable, any accumulated depreciation and impairment losses.

Plant & equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

Items of property, plant and equipment are depreciated using the straight-line or diminishing value method over their estimated useful lives to the Group. The depreciation rates used for each class of asset for the current period are as follows:

- Computer Equipment 33%
- Plant & Equipment 20-50%
- Motor Vehicles 22.5%

Assets are depreciated from the date the asset is ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets continual use or subsequent disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

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(i) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the end of the reporting period.

Deferred income tax is accounted for using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax from the initial recognition of an asset or liability, in a transaction other than a business combination is not accounted for if it arises that at the time of the transaction affects neither accounting or taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(j) Employee Benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, accumulated annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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(k) Share-based payments

The Group provides benefits to employees (including directors) of the Consolidated Entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Consolidated Entity, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

(l) Investments and other Financial Assets

Classification

The Group classifies its financial assets in the following categories: loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments or other financial assets at initial recognition.

Recognition

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting period.

Subsequent Measurement

Available for sale financial assets are subsequently measured at fair value. Changes in the fair value of available for sale financial assets are recognised in the statement of comprehensive income. Details on how the fair value of financial investments is determined are disclosed in note 2.

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Loans and receivables

Loans and receivables are non-derivative financial assets initially recognised at fair value with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

If there is evidence of impairment for any of the Consolidated Entity's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

(m) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, high liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown with borrowings in current liabilities in the statement of financial position.

(n) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Option fee income is recognised when payment for the option fee is received. Revenue from the sale of investments is recognised when the relevant sale contract is executed.

Government grants and tax rebates are recognised on receipt.

(o) Contributed Equity

Ordinary issued share capital is recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

(p) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to

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the Group. Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(q) Joint Venture Operations

Interest in the joint venture operation is brought to account by including in the respective classifications, the share of individual assets employed and share of liabilities and expenses incurred.

(r) Provisions

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(s) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(u) Going Concern

For the year ended 30 June 2016, the Group recorded a loss of $919,406 (2015: $2,982,877). At 30 June 2016, the cash balance was $494,803 (2015: $330,136) and the Group had an excess of current assets over current liabilities of $375,532 (2015: excess of current liabilities over assets $321,618).

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The ability of the Group to continue as a going concern is dependent on the Group being able to raise additional funds through future fundraising 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 through a rights issue and other future fundraising.

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 its assets and settle its liabilities in the normal course of business at the amounts stated in the financial statements.
Please refer to Note 24 for information regarding a Share Placement currently being conducted by the Group.

(v) Earnings per Share

Basic earnings per share
Basic earnings per share is determined by dividing net profit after income tax attributable to owners of the Consolidated Entity, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share
Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(w) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(x) New accounting standards and interpretations

Australian Accounting Standards and interpretations that have been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the year ended 30 June 2016. The Consolidated Entity plans to adopt these standards at their application dates as detailed below.

There are no other standards that are not yet effective that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

AASB 9 Financial Instruments (Application date 1 January 2018)

AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below.

(a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This

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replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria.

(b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

It is anticipated that the application of this standard will not have a material effect on the Group's results or financial reports in future periods.

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127] (Application date 1 January 2018)

The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows:

- The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
- The remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

It is anticipated that the application of this standard will not have a material effect on the Group's results or financial reports in future periods.

2. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity.

Risk management is carried out by the full Board of Directors as the Consolidated Entity believes that it is crucial for all board members to be involved in this process. The Managing Director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

(a) Market risk

(i) Foreign exchange risk
Other than its activities in Indonesia, all the Consolidated Entity's other operations are currently within Australia. The Consolidated Entity is not currently exposed to any material foreign exchange risk related to its Indonesian activities.

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(ii) Price risk
Given the current level of operations the Consolidated Entity is not exposed to price risk.

(iii) Interest rate risk
The Consolidated Entity is exposed to movements in market interest rates on cash and cash equivalents. The Consolidated Entity policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The entire balance of cash and cash equivalents for the Consolidated Entity $494,803 (2015: $330,136) is subject to interest rate risk. The proportional mix of floating interest rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Consolidated Entity was 1.5% (2015: 1.5%).

Sensitivity analysis
At 30 June 2016, if interest rates had changed by -/+ 100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Consolidated Entity would have been $4,948 lower/higher (2015: $3,301 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

(b) Credit risk

The Consolidated Entity has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements.

As the Consolidated Entity does not presently have any trade debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Consolidated Entity manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Consolidated Entity. Due to the nature of the Consolidated Entity's activities, being mineral exploration, the Consolidated Entity does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Consolidated Entity's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Consolidated Entity are confined to trade, loan and other payables as disclosed in the Statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Consolidated Entity at the balance date are recorded at amounts approximating their carrying amount.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Consolidated Entity is the current bid price.
The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

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3. Critical Accounting Estimates and Judgements

Key estimates

(i) Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled share-based payments at fair value at the grant date using the Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted, and estimates of volatility as detailed in Note 21.

(ii) Exploration & Evaluation Expenditure

The Board of Directors determines when an area of mineral exploration interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

(iii) Business Combinations

The Group's accounting policy for business combinations requires management to exercise judgement over the fair value of shares issued to the former equity holders of the acquiree and the fair value of identifiable assets and liabilities acquired. Management utilises the services of independent experts to measure the fair values of the assets, liabilities and equity instruments and base their judgements accordingly.

4. Parent Entity Information

The following details information related to the legal parent entity, Elysium Resources Limited, at 30 June 2016. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2016 $	2015 $
Current assets	2,730,660	2,164,934
Non-current assets	2,193,111	1,957,178
Total assets	**4,923,771**	**4,122,112**
Current liabilities	156,923	469,306
Total liabilities	**156,923**	**469,306**
Contributed equity	26,673,107	24,639,749
Reserves	746,280	746,280
Accumulated losses	(22,652,539)	(21,733,223)
Total equity	**4,766,848**	**3,652,806**
(Loss) for the year	(919,316)	(1,285,780)
Other comprehensive income for the year	-	-
Total comprehensive (loss) for the year	**(919,316)**	**(1,285,780)**

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5. Revenue

	2016 $	2015 $
From Continuing Activities		
Revenue from continuing operations	-	-
Other Revenue		
Government subsidies – R&D tax refund	546,083	62,257
Profit on sale of shares	-	43,532
Rent received	650	10,450
Interest received	3,731	2,231
	550,464	118,470

6. Income Tax

Numerical reconciliation of income tax income to prima facie tax payable		
Net (Loss) before tax	(919,406)	(2,982,877)
Tax benefit at the Australian tax rate of 30% (2015: 30%)	275,822	894,863
Tax effect of amounts that are not deductible / taxable in calculating taxable income		
Non-deductible expenses	(216,366)	(510,920)
Tax losses and temporary differences not brought to account	(59,456)	(383,943)
Income Tax Expense	-	-

Tax Losses

Unused tax losses for which no deferred tax asset has been recognised	11,635,608	11,545,898
Potential tax benefit at 30%	3,490,682	3,463,769

Unrecognised temporary differences

Temporary differences for which deferred tax assets/liabilities have not been recognised.

▪ Provisions and accruals	7,500	14,502
▪ Exploration assets	(1,059,037)	(930,018)
	(1,051,537)	(915,516)
Unrecognised deferred tax assets relating to the above tax losses and temporary differences	2,439,145	2,548,253

7. Cash and Cash Equivalents

Cash at bank and on hand	494,803	330,136

The Group's exposure to interest rate risk is discussed in note 2(b). The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

8. Trade and other receivables

Goods and services tax refund	33,847	46,780
Bonds	10,380	8,180
Other receivables	-	-
	44,227	54,960

Refer Note 2 for Financial Risk Management.

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9. Property, Plant and Equipment

Plant and equipment, at cost	70,493	67,753
Accumulated depreciation	(42,461)	(29,948)
Motor Vehicles, at cost	40,000	40,000
Accumulated depreciation	(28,330)	(24,941)
	39,702	52,864

Movements during the year

Movement in the carrying amounts for each class of property, plant & equipment between the beginning and the end of the financial year.

2016	Motor Vehicles $	Plant & Equipment $	Total $
Balance at 1 July 2015	15,059	37,805	52,864
Additions	-	2,740	2,740
Depreciation	(3,389)	(12,513)	(15,902)
Balance at 30 June 2016	11,670	28,032	39,702

2015	Motor Vehicles $	Plant & Equipment $	Total $
Balance as at 1 July 2014	19,431	41,652	61,083
Additions	-	8,589	8,589
Depreciation	(4,372)	(12,436)	(16,808)
Balance at 30 June 2015	15,059	37,805	52,864

10. Available for sale financial assets

	2016 $	2015 $
Shares in listed corporations at fair value	1,500	1,500
At beginning of year	1,500	12,500
Sales	-	(11,000)
Impairment of available for sale financial assets	-	-
At end of year	1,500	1,500

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.

11. Exploration and Evaluation Expenditure

Exploration and evaluation expenditure capitalised	4,450,124	4,020,060
At beginning of period	4,020,073	4,612,073
Exploration expenditure incurred	430,051	1,105,074
Impairment[1]	-	(1,697,087)
At end of period	4,450,124	4,020,060

[1] On 28 October 2014 Elysium gave an option to a third party to acquire the EL52/2569 tenement for $100,000. 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 tested exploration and evaluation assets

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for impairment during that period and impaired the EL52/2569 tenement by $1,697,087 from $1,797,087 to $100,000 as at 30 June 2015.

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 1. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

In accordance with Note 1, the Directors write off exploration expenditure where they assess that the asset is impaired. Exploration expenditure is written off either by a reassessment by the Group that has reduced the interpreted potential of the licence for mineral deposits and, or a joint venture partner has withdrawn from a project.

12. Trade and other payable

	2016 $	2015 $
Trade Creditors	19,098	74,014
Share application monies	-	146,700
Accruals	144,400	486,000
	163,498	706,714

Refer Note 2 for Financial Risk Management.

13. Contributed Equity

(a) Issued and Paid Up Capital

Opening Balance: 1,255,384,800 Elysium (2015: 815,765,230 Elysium) fully paid ordinary shares	9,785,930	7,419,083
Share Issues	1,877,435	2,366,847
Closing Balance: 2,160,079,658 Elysium Resources Limited (2015: 1,255,384,800) fully paid ordinary shares	11,663,365	9,785,930

(b) Movement of fully paid ordinary shares during the period were as follows:

Date	Details	Number of Shares	$
1 July 2014	Opening Balance	815,765,230	7,419,083
4 July 2014	Placement – settle debt	7,619,326	31,400
22 August 2014	Blumont Placement	100,000,000	1,000,000
12 December 2014	Rights Issue	123,184,656	615,923
16 December 2014	Placement – settle debt	5,220,163	39,000
9 February 2015	Rights Issue – shortfall	45,000,000	225,000
9 February 2015	Placement – settle debt	9,637,990	56,900
9 February 2015	Options exercise	70,000	350
10 June 2015	Placement	148,887,435	446,664
	Less capital raising costs		(48,390)
	Balance at 30 June 2015	1,255,384,800	9,785,930

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Date	Detail	Number of shares	$
1 July 2015	Opening Balance	1,255,384,800	9,785,930
30 July 2015	Rights Issue	161,949,521	397,780
1 October 2015	Rights Issue - Shortfall	73,812,487	174,813
1 October 2015	Options exercise	50,335	235
1 October 2015	Directors Share Plan	65,000,000	195,000
31 March 2016	Blumont Placement	15,000,000	75,000
31 March 2016	Directors Share Plan	109,999,999	330,000
12 May 2016	Directors Share Plan	51,333,335	132,000
20 May 2016	Share Placement	374,878,048	506,000
28 June 2016	Share Placement	25,000,000	50,000
28 June 2016	Directors Share Plan	27,671,133	60,667
	Less capital raising costs		(44,060)
	Balance at 30 June 2016	2,160,079,658	11,633,365

(c) Share Options

The Consolidated Entity has 228,872,674 options on issue as at 30 June 2016.

117,872,674 listed options are exercisable at $0.003 on or before 30 September 2016.

In accordance with resolutions passed at the shareholders meeting held on 1 July 2013 the Company issued 17,000,000 unlisted options. The options are exercisable at $0.02 on or before 30 June 2017.

In accordance with resolutions passed at the shareholders meeting held on 28 May 2014 the Company issued 94,000,000 unlisted options. The options are exercisable at $0.014 on or before 30 April 2018.

(d) Terms and Conditions of Issued Capital

Ordinary shares participate in dividends and the proceeds on winding up of the Consolidated Entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands. Ordinary shares have no par value.

(e) Capital Risk Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern so that the Group can provide returns to shareholders and benefits for other stakeholders whilst maintaining an optimal capital structure to reduce the cost of capital. The Group considers capital to consist of cash reserves on hand and available for sale financial assets.

The Group monitors its working capital position against expenditure requirements to undertake its planned exploration program and maintain its ongoing operations. Where required the Group will sell assets, issue new securities, raise debt or modify its exploration program to ensure the Group's working capital requirements are met.

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14. Option Reserve

The Option Reserve is used to recognise fair value of options issued. Details of movements in this reserve are shown below.

	2016 $	2015 $
Balance at the beginning of the year	620,400	620,400
Option issues	156,023	-
Balance at end of year	776,423	620,400

15. Key Management Personnel Disclosures

(a) Key Management Personnel Compensation:

	The Group 2016 $	The Group 2015 $
Short-term	135,000	614,000
Post employment	-	-
Other long-term	-	-
Termination benefits	-	-
Share-based payments	717,667	-
	852,667	614,000

The detailed remuneration disclosures are provided in the remuneration report on pages 8 to 10.

(b) Equity Instrument Disclosure relating to Key Management Personnel

At balance date the relevant interest of each Key Management Personnel in ordinary fully paid shares and options of the Consolidated Entity were:

2016 Director / Key Management Personnel	Fully Paid Ordinary Shares in Elysium: Balance at beginning of the year	Shares issued or purchased	Shares on hand at appointment/ termination as Director	Balance at the end of the year
Michael Tilley	30,775,000	29,666,667	-	60,441,667
Maxim Carling	103,334,790	100,249,729	-	203,584,519
Mark Ohlsson	-	-	-	-
Nebojsa Zurkic	45,000,000	85,555,556	(130,555,556)	-
Dean Pontin	132,698,684	98,132,439	(230,831,123)	-
Robin Armstrong	-	-	500,000	500,000
Terence Clee	-	-	-	-
	311,808,474	313,604,391	(360,886,679)	264,526,186

No shares are held nominally.

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	Share Options			
Director / Key Management Personnel	Balance at beginning of the year	Options issued /purchased	Options exercised/Transfers/Ceasing to be a Director/Expired	Balance at the end of the year
Michael Tilley	31,250,000	-	(10,000,000)	21,250,000
Maxim Carling	86,971,258	-	(26,804,591)	60,166,667
Mark Ohlsson	12,250,000	-	-	12,250,000
Nebojsa Zurkic	40,747,494	1,685,840	(42,433,334)	-
Dean Pontin	-	14,621,775	(14,621,775)	-
Robin Armstrong	-	-	-	-
Terence Clee	-	-	-	-
	171,218,752	16,307,615	(93,859,700)	93,666,667

2015	Fully Paid Ordinary Shares of Elysium Resources Limited			
Director / Key Management Personnel	Balance at beginning of the year	Shares issued or purchased	Shares on hand at appointment as Director	Balance at the end of the year
Michael Tilley	15,775,000	15,000,000	-	30,775,000
Maxim Carling	47,543,646	55,791,144	-	103,334,790
Mark Ohlsson	-	-	-	-
Neb Zurkic	39,252,506	5,747,494	-	45,000,000
Dean Pontin	-	-	132,698,684	132,698,684
	102,571,152	76,538,638	132,698,684	311,808,474

No shares are held nominally.

	Share Options			
Director / Key Management Personnel	Balance at beginning of the year	Options issued	Options exercised/Transfers/Ceasing to be a Director/Expired	Balance at the end of the year
Michael Tilley	16,250,000	15,000,000	-	31,250,000
Maxim Carling	43,500,000	43,471,258	-	86,971,258
Mark Ohlsson	12,250,000	-	-	12,250,000
Nebojsa Zurkic	35,000,000	5,747,494	-	40,747,494
Dean Pontin	-	-	-	-
	107,000,000	64,218,752	-	171,218,752

Other transactions and balances with Key Management Personnel are disclosed in Note 19 (b).

16. Remuneration of Auditor	2016 $	2015 $
Amounts paid or payable for:		
- An audit or review of the financial statements of the entity	39,049	39,000
- Other non-assurance services	-	-
	39,049	39,000

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17. Segment Information

The Group operates in the mineral exploration industry in Australia only, other than its joint venture in Indonesia through its wholly owned subsidiary, Malang Resources Pty Ltd.

Given the nature of the Consolidated Entity, its size and current operations, management does not treat any part of the Group as a separate operating segment. Internal financial information used by the Group's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments.

The Group's management operate 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.

18. Related Party Transactions

(a) Key Management Personnel

Refer to note 15 for disclosures relating to key management personnel compensation.

Outstanding amounts due to Key Management Personnel or their related parties at year end are:-

	2016 $	2015 $
M Carling	-	110,000
N Zurkic	74,400	108,190
M Tilley	-	33,000
M Ohlsson	-	-
D Pontin	-	73,491
R Armstrong	-	-
T Clee	-	-
Total	**74,400**	**324,681**

(b) Transactions with related parties and key management personnel

Corporate Advisory

Mr. Carling is a principal of Carling Capital Partners Pty Limited ("CCP"), a corporate advisory firm. On 25 February 2013, Burraga Copper Pty Ltd ("BCU") entered into an Agreement with CCP to place additional shares in BCU. A fee of up to 5% was payable to CCP on the amount raised of $462,500. In addition CCP was to introduce BCU to United Orogen Limited (now Elysium Resources Limited ("EYM")). In the event that a takeover or other transaction occurred between EYM and BCU, CCP would receive a success fee of the greater of $250,000 and 2.5% of the transaction value. The takeover was completed on 1 December 2013 resulting in a fee of $250,000 being payable. $100,000 of this amount was paid in the year to 30 June 2014. The balance of $150,000 was repaid on 4 March 2016.

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Office Rental Agreement

Until 31 December 2014 the Group had a rental agreement with CCP to occupy part of the premises it occupies at Suite 706, 3 Spring Street Sydney for an amount of $3,500 per month.

19. Commitments

(a) Tenement Commitments

The following expenditure is required to maintain the exploration tenements over which the Group has an interest in:

Tenement Name	Holders	Area (sq. km)	Grant Date	Expiry Date	Rent ($)	Minimum Expenditure ($)
E52/2569	Elysium Resources Limited	5.5	18/06/2010	17/06/2015	-	-
EL 6463	Burraga Copper Pty Ltd	84	5/9/2005	5/9/2016	$1,780	$58,000
EL 6874	Burraga Copper Pty Ltd	24	13/9/2007	12/9/2015	$580	$38,000
EL 7975	Burraga Copper Pty Ltd	36	11/10/2012	10/10/2016	$820	$42,000
IUPE 412.302/2013	PT Gata Sumber Daya	99.9	29/7/2013	29/7/2016	-	$20,000

The Company has received confirmation from the NSW Department of Industry Resources and Energy that renewal applications have been received for EL6463, EL6864 and EL7975. The Department has also confirmed that the renewal of EL6463 has been processed and they are proposing to renew the EL until 5 September 2022.

E52/2569 is the subject of an option agreement with Horseshoe Metals Ltd (ASX:HOR)

The renewal of IUPE 412,302/2013 is currently being discussed with the relevant Indonesian authority.

(b) Lease Commitments

BC Exploration has a rental agreement for a GPS Surveying System which terminates 27 June 2017. As at 30 June 2016 remaining payments under the agreement total $10,175.

Elysium has a rental agreement to occupy the premises it occupies at Suite 1412, 3 Spring Street Sydney for an amount of $1,500 per month. The lease currently expires 31 December 2016.

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		2016 $	2015 $
20.	**Reconciliation of the operating (loss) after tax to the net cash flows from operating activities**		
	Cash Flow Information		
	Operating loss after income tax	(919,406)	(2,982,877)
	Non cash items -		
	Depreciation	15,902	16,808
	Loss on sale of shares	-	105,579
	Shares issued for other than cash	941,565	127,300
	Impairment of Exploration expenditure	-	1,697,087
	Changes in assets and liabilities		
	Increase (Decrease) in payables	(468,216)	128,809
	Decrease in receivables	14,513	92,877
	Net cash flow used in operating activities	(415,642)	(814,417)
	Reconciliation of Cash		
	Cash balance comprises;		
	Cash at bank	494,803	330,136

Financing facilities available
As at 30 June 2016 the Group had no financing facilities available.

Non Cash financing and Investing Activities

The Group did not have any Non Cash financing or Investing activities during the year ended 30 June 2016.

21. Share – Based Payments

The following options relating to share based payments existed at 30 June 2016:

	2016		2015	
	Number of options	Weighted Average exercise price	Number of Options	Weighted average exercise price
Outstanding at the beginning of the year	94,000,000	1.4 cents	94,000,000	1.4 cents
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year end	94,000,000	1.4 cents	94,000,000	1.4 cents
Exercisable at year end	94,000,000	1.4 cents	94,000,000	1.4 cents

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During 2014 94,000,000 options were issued to the Consolidated Entity's Directors, with an exercise price of 1.4 cents and expiring on 30 April 2018. Using the Black Scholes Model the fair value of an option at the date of issue was approximately 0.65 cents based on the following criteria:

Exercise price	1.4 cents
Life of the options	1,440 days
Underlying share prices	1 cent
Expected volatility	100%
Risk free interest rate	2.75%pa

22. Contingencies

The Directors are not aware of any contingent liabilities or assets as at 30 June 2016 (2015: Nil).

23. Earnings per share

	2016	2015
Basic and diluted loss per share (cents) The options are not considered dilutive and therefore no diluted earnings per share is disclosed.	0.06	0.29
Weighted average number of ordinary shares used as the denominator	1,590,343,707	1,009,473,489
Net loss used in calculating EPS	$(919,406)	$(2,982,877)

24. Events occurring after the reporting period

On 19 August 2016 the Company held a General Meeting of Shareholders at which the following resolutions were passed:-

- Approval for the previous issue of 250m ordinary shares
- Approval for share placement to raise up to $5m
- Approval to issue options to brokers and financial advisers
- 1 for 25 consolidation of share capital
- Grant of options to officers of the Company

The Company is currently carrying out a Share Placement the results of which will be announced to the market when completed. As at 27 September 2016 $1,122,000 had been received under the Placement.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

25. Subsidiaries

The consolidated financial statements incorporate assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of Entity	Country of incorporation	Class of shares	Equity Holding 2016 %	Equity Holding 2015 %
Orange Hills Resources Limited	Australia	Ordinary	100	100
Burraga Copper Pty Ltd	Australia	Ordinary	100	100
BC Exploration Pty Ltd	Australia	Ordinary	100	100
Malang Resources Pty Ltd	Australia	Ordinary	90	90

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In the Directors opinion:

1. The financial statements comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and notes set out on pages 14 to 39, are in accordance with the *Corporations Act 2001* and:

   a. Complying with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   b. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2016 and of its performance for the financial year ended on that date

2. The Consolidated Entity has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

3. 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.

4. The remuneration disclosure included in the audited Remuneration Report in the Director's Report complies with Section 300A of the *Corporations Act 2001*.

5. The directors have been given the declarations by the Executive Director and Chief Financial Officer as required by section 295A of the *Corporations Act 2001*.

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



Max Carling
Managing Director
Sydney, New South Wales
28 September 2016

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HLB Mann Judd

Accountants | Business and Financial Advisers

ELYSIUM RESOURCES LIMITED

ABN 45 115 593 005

INDEPENDENT AUDITOR'S REPORT

To the members of Elysium Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Elysium Resources Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the entity the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements* that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and its controlled entities internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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ELYSIUM RESOURCES LIMITED

ABN 45 115 593 005

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Independence

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

Opinion

In our opinion:

(a) the financial report of Elysium Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion, we draw attention to Note 1(u) (Going concern) in the financial report, which indicates that the consolidated entity incurred a net loss of $919,406 during the year ended 30 June 2016 and, as of that date, had net current assets of $375,532.

These conditions, along with other matters as set forth in Note 1(u) (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.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 10 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Elysium Resources Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd
Chartered Accountants

Mark Muller
Partner

Sydney, NSW
28 September 2016

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ASX Information

Substantial shareholders
The substantial shareholders (greater than 5%) as at 23 September2016 were:

CAZENOVE PTY LTD <CARDINAL PROVIDENT FUND A/C>	8,143,381
BLUMONT GROUP LTD	7,100,000
ESSELMONT PTY LTD <ESSELMONT A/C>	4,445,195
SUBURBAN HOLDINGS PTY LTD <THE SUBURBAN SUPER FUND A/C>	4,445,195

Distribution of shareholders as at 23 September 2016

Range of Holding	Holders	Shares
1-1,000	508	264,062
1,001-5,000	159	373,207
5,001-10,000	42	300,730
10,001 - 100,000	106	4,417,424
100,001 - over	93	83,539,839
	908	88,895,262

Shareholders with less than a marketable parcel 848

Distribution of Option Holders (7.5c options expiring 30 September 2016) as at 23 September 2016

Range of Holding	Holders	Options
1-1,000	44	14,664
1,001-5,000	14	33,119
5,001-10,000	3	22,245
10,001 - 100,000	14	570,805
100,000 - over	13	4,570,100
	88	5,210,933

Option holders with less than a marketable parcel - 88

Voting Rights

Each fully paid ordinary share carries voting rights of one vote per share.

Twenty Largest Shareholders as at 25 September 2016 – 59.45%

	Number of Shares	Percentage of capital held
CAZENOVE PTY LTD <CARDINAL PROVIDENT FUND A/C>	8,143,381	9.16
BLUMONT GROUP LTD	7,100,000	7.99
ESSELMONT PTY LTD <ESSELMONT A/C>	4,445,195	5.00
SUBURBAN HOLDINGS PTY LTD <THE SUBURBAN SUPER FUND A/C>	4,445,195	5.00
PERSHING AUSTRALIA NOMINEES PT Y LTD <ACCUM A/C>	3,081,478	3.47
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <A/C NO 3>	2,963,462	3.33
STONETOWN PTY LTD <THE STENTON SUPER FUND A/C>	2,545,000	2.86
JEND PTY LTD <TILLEY SUPER FUND A/C>	2,417,667	2.72
FIRST INVESTMENT PARTNERS PTY LTD	2,053,846	2.31
COMSEC NOMINEES PTY LIMITED	1,746,154	1.96
MRS LAUREN MAREE KITCHELL	1,672,424	1.88
GRABBOTT ENTERPRISES PTY LIMITED <ABBOTT SUPER FUND A/C>	1,605,600	1.81
APOLLAN PTY LTD <HOPETOUN A/C>	1,600,000	1.80
MR MATTHEW O'CONNOR	1,400,000	1.57
LITTLE BRETON NOMINEES PTY LTD <LITTLE BRETON SUPER FUND A/C>	1,333,334	1.50
MARGADH STOC PTY LTD	1,304,128	1.47
MR MICHAEL ROBERT PITT	1,300,013	1.46
MRS PATRICIA HAIGH	1,250,000	1.41
IRON MOUNTAIN MINING LIMITED	1,243,972	1.40

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	Number of Shares	Percentage of capital held
MR ONG KING KOK	1,200,000	1.35
TOTAL	**52,850,849**	**59.45**

Twenty Largest Option Holders (7.5c options expiring 30 September 2016) as at 25 September 2016 – 96.60%

	Number of Options	Percentage of Options issued
ZURKIC MINING CONSULTANTS PTY LTD	693,334	13.31
CAZENOVE PTY LTD <CARDINAL PROVIDENT FUND A/C>	666,667	12.79
LITTLE BRETON NOMINEES PTY LTD <LITTLE BRETON SUPER FUND A/C>	666,667	12.79
LESMAU PTY LTD	584,871	11.22
BAILINK PTY LTD <BAILINK SUPER FUND A/C>	333,334	6.40
DARMAL PTY LIMITED	300,000	5.76
ZILINA PTY LIMITED <ZILINA A/C>	297,775	5.71
APOLLAN PTY LTD <HOPETOUN A/C>	270,250	5.19
JEND PTY LTD <TILLEY SUPER FUND A/C>	200,001	3.84
GRABBOTT ENTERPRISES PTY LIMITED <ABBOTT SUPER FUND A/C>	193,200	3.71
SIMS CUSTODIANS PTY LTD <THE DEBDAN SUPER FUND A/C>	133,334	2.56
MULMORE INVESTMENTS PTY LTD <SUPERANNUATION FUND A/C>	126,000	2.42
DR STEVEN HOWARD TRACY	104,667	2.01
ZURKIC MINING CONSULTANTS PTY LTD <ZURKIC SUPER FUND A/C>	100,000	1.92
EQUITAS NOMINEES PTY LIMITED <PB-600022 A/C>	89,334	1.71
BUSINESS AND LOGISTICS SOLUTIONS PTY LTD <WORTH & ASSOCIATES S/F	89,215	1.71
BLUESTAR MANAGEMENT PTY LTD <SUPER FUND A/C>	80,000	1.54
CITICORP NOMINEES PTY LIMITED	51,599	0.99
MR JEFFREY MICHAEL WILSON	30,000	0.58
LILJAM PTY LTD	23,334	0.45
TOTAL	5,033,582	96.60

Unquoted securities

There are 680,000 unquoted options exercisable at $0.50 on or before 20 June 2017.
There are 3,760,000 unquoted options exercisable at $0.35 on or before 30 April 2018.

Shares and Options escrowed

There are no escrowed shares or options.

The Group has an interest in the following tenements as at 23 September 2016:

Tenement Name	Holders	Area (sq. km)	Grant Date	Expiry Date
E52/2569	Elysium Resources Limited	5.5	18/06/2010	17/06/2015
EL 6463	Burraga Copper Pty Ltd	84	5/9/2005	5/9/2016
EL 6874	Burraga Copper Pty Ltd	24	13/9/2007	13/9/2015
EL 7975	Burraga Copper Pty Ltd	36	11/10/2012	10/10/2016
IUPE 412.302/2013	PT Gata Sumber Daya	99.9	29/7/2013	29/7/2016