

ELYSIUM RESOURCES LIMITED

(formerly UNITED OROGEN LIMITED)

ABN 45 115 593 005

ANNUAL REPORT

30 June 2013

CORPORATE DIRECTORY

Directors

Michael Tilley
Max Carling
Mark Ohlsson

Company Secretary

Mark Ohlsson

Registered Office

Level 7, 3 Spring Street
Sydney NSW Australia 2000
Ph: 61 2 9247 7744

Head Office

Level 7, 3 Spring Street
Sydney NSW 2000
Ph: 61 2 9247 7744

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, EYMO

Auditors

Rothsay Chartered Accountants
Level 1, Lincoln House
4 Ventnor Street
West Perth Western Australia 6000

Solicitors

Price Sierakowski
Level 24, St Martins Tower
44 St George's Terrace
Perth Western Australia 6000

Share Registry

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

Website address

<http://www.elysiumresources.com.au>

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ELYSIUM RESOURCES LIMITED CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT ELYSIUM RESOURCES LIMITED ("THE COMPANY")

Introduction

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity and pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable, the Company has adopted the *Eight Essential Corporate Governance Principles and Best Practice Recommendations* ("Recommendations") as published by ASX Corporate Governance Council. Where, after due consideration, the Company's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

Board Composition

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the financial report and their term of office are detailed in the Directors' Report.

There is no formal policy or procedure regarding the taking of professional advice by the independent directors, however no restrictions are placed on the independent directors to take advice on matters arising from their roles as independent directors of the Company, or the reimbursement of the costs incurred by the Company.

Mr Tilley and Mr Ohlsson are considered by the Board to be independent directors. The determination by the Board as to whether individual directors are independent is a matter of judgment. In making this determination the Board has followed the guidance in Box 2.1 of the Recommendations and the *Guide to Reporting on Principle 2*. The Board considers the relationships the independent directors have with the Company do not materially impact on their independence. In determining the materiality of these relationships, the Board has considered both quantitative and qualitative factors. In determining the quantitative factors the Board considers that a relationship is immaterial where it is equal to or less than 5% of the base amount. In applying this level of materiality to the relationship of the independent directors in the case of shareholders and suppliers, the Board considers that the independent directors' interest is less than 5% of the base amount. In respect to the qualitative measures the Board has considered the factors affecting the independent directors' relationship with the Company and consider these qualitative factors to be immaterial in the assessment of their independence.

Disclosure as to the nature and amount of remuneration paid to the Directors of the Company is included in the Directors report and notes to the financial statements in the Company's annual report each year. The structure and objectives of the remuneration policy and its links to the Company's performance is disclosed in the annual Directors' Report. The only form of retirement benefit to which non-executive directors are entitled, is superannuation.

Trading Policy

The Company's policy regarding directors and employees trading in its securities is set by the Board of directors. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

Remuneration Policy

The Company's remuneration policy was developed by and approved by the Board. All executives receive a salary and statutory superannuation.

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The Company does not participate in share based remuneration for its executives but can issue share options to Directors, employees and consultants. The terms of the share options to Directors, employees and consultants are based on what similar sized companies in the mining industry are offering. All share options to be issued to Directors require shareholder approval before being issued.

The amounts of remuneration for all Directors, including monetary and non-monetary components, are detailed in the Directors Report under the key management personnel remuneration heading. All remuneration paid to Executives is valued at the cost to the Company and expenses. Shares given to Executives are valued as the difference in the market value of those shares and the amount paid by the Executive. Options given to Executives are valued using the Black-Scholes methodology.

Corporate Reporting

The Directors has made the following certifications to the Board:

- that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards; and
- that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Code of Conduct

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

In summary, the Code requires that at all times all Company personnel act with the utmost integrity, objectivity, in the best interests of the Company and in compliance with the letter and the spirit of the law and Company policies.

Any breaches of the Code are reported to the chairman in the first instance for notification to the Board.

The directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

Continuous disclosure and shareholder communication

The Company has a policy that information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities is continuously disclosed as required under the Australian Stock Exchange (ASX) listing rules.

The Company encourages communication with shareholders and the attendance and effective participation by shareholders at general meetings.

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX.

Annual and half yearly reports are made available on the Company's website and mailed to those shareholders who request a hard copy.

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Explanations for Departures from Best Practice Recommendations

Principle 1 Recommendation 1.1, 1.2, 1.3

Notification of Departure:

The Company has not: (1) formally disclosed the functions reserved to the Board and those delegated to senior executives; (2) formally disclosed the process for evaluating the performance of senior executives, and; (3) whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process which is to be disclosed.

Explanation for Departure:

The Board recognises the importance of distinguishing between the respective roles and responsibilities of the Board and management, and evaluating the performance of senior executives. The Board has established a framework for the management of the Company and the roles and responsibilities of the Board and management. Previously, due to the small size of the Board and of the Company, the Board did not think that it was necessary to formally document the roles of the Board and management as these roles were clearly understood by all members of the Board and management. The Board is responsible for the strategic direction of the Company, establishing goals for management and monitoring the achievement of these goals, monitoring the overall corporate governance of the Company and ensuring that shareholder value is increased.

Principle 2 Recommendation 2.1

Notification of Departure:

The Board does not have a majority of independent Directors.

Explanation for Departure:

The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each Director has the relevant industry experience and specific expertise relevant to the Company's business and level of operations. The Board considers that its structure is, and will continue to be, appropriate in the context of the Company's recent history. The Company considers that the non-independent Directors possess the skills and experience suitable for building the Company. Furthermore, the Board considers that in the current phase of the Company's growth, the Company's shareholders are better served by directors who have a vested interest in the Company. The Board intends to reconsider its composition as the Company's operations evolve, and may appoint independent directors as it deems appropriate.

As of the date of this report the Company has 2 non-independent directors (including the Chairman) and 1 independent director.

Principle 2 Recommendation 2.4

Notification of Departure:

The full Board carries out the role of a nomination committee, and therefore a charter relevant to the specific functions of a nomination committee have not been adopted.

Explanation for Departure:

The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee, in particular at this early stage of the Company's operations, where the Company's focus is on the retention of directors and senior executives. In the future, as the Company grows and increases in size and level of activity, the Board will reconsider the establishment of a separate nomination committee.

Principle 2 Recommendation 2.5

Notification of Departure:

The Company has not disclosed the process for evaluating the performance of the Board, and individual directors.

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Explanation for Departure:

The Board considers that at this time no efficiencies or other benefits would be gained by introducing formal evaluations. In the future, as the Company grows and increases in size and activity, the Board will consider the establishment of formal Board and individual director evaluation processes.

Principle 2 Recommendation 2.6

Notification of Departure:

The Company has not disclosed whether a performance evaluation for the Board and directors has taken place in the reporting period and whether it was in accordance with a disclosed process.

Explanation for Departure:

The Board considers that at this time no efficiencies or other benefits would be gained by introducing formal evaluations. In the future, as the Company grows and increases in size and activity, the Board will consider the establishment of formal Board and individual director evaluation processes.

Principle 3 Recommendation 3.2, 3.3, 3.5

Notification of Departure:

The Company has not established and disclosed a diversity policy.

Explanation for Departure:

The Board considers that at this time no efficiencies or other benefits would be gained by introducing a formal diversity policy. In the future, as the Company grows and increases in size and activity, the Board will consider the establishment of a formal diversity policy.

Other than the Board members, there are no employees within the Company.

Principle 4 Recommendation 4.1, 4.2, 4.3, 4.4

Notification of Departure:

There is no separate Audit Committee.

Explanation for Departure:

The Company's financial statements are reviewed in detail by the Board. The Board also relies on the functions and capabilities of its external auditors to ensure proper audit of financial statements. While the Board considers this process sufficient to ensure integrity in financial reporting in the current circumstances, it will continue to monitor whether any further safeguards are required and make changes as appropriate.

Principle 6 Recommendation 6.1, 6.2

Notification of Departure:

The Company does not have a formal documented Shareholder communication policy.

Explanation for Departure:

The Company strongly encourages more communication between the shareholders and the Company and Board. All general meetings include briefings by Board members to provide a deeper insight into the Company, opportunities for the shareholders to have their questions answered, and following all general meetings, the directors encourage shareholders to chat informally with them. As the Company grows in size, the Board is very keen to develop more formal and expansive communications with shareholders.

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Principle 7 Recommendation 7.1, 7.2, 7.4
Notification of Departure:

The Company has not established and disclosed its risk management policies and assessment framework.

Explanation for Departure:

The Board is aware of the various risks that affect the Company and its particular business. As the Company develops, the Board will further develop appropriate procedures to deal with risk oversight and management and internal compliance, taking into account the size of the Company and the stage of development of its projects.

Principle 8 Recommendation 8.1, 8.2, 8.4
Notification for departure:

The Company has not established a separate remuneration committee.

Explanation for Departure:

Due to the early stage of development and small size of the Company, a separate remuneration committee was not considered to add any efficiency to the process of determining the levels of remuneration for the Directors and key executives. The Board considers that it is more appropriate to set aside time at Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee. In addition, all matters of remuneration will continue to be in accordance with Corporations Act requirements, especially in respect of related party transactions. That is, none of the Directors participate in any deliberations regarding their own remuneration or related issues.

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DIRECTORS' REPORT

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 2013.

DIRECTORS

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

MICHAEL 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. His primary responsibility is the strategic leadership of Terrain Capital's business. 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.

Mr Tilley indirectly holds an interest in 12,500,000 ordinary shares, 1,250,000 listed options and 4,250,000 unlisted options in Elysium Resources Limited

MAXIM CARLING BCom BA (Appointed 18 February 2013) **Executive 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 public resource company boards.

Mr Carling indirectly holds an interest in 24,000,000 ordinary shares, 6,000,000 listed options and 8,500,000 unlisted options in Elysium Resources Limited

MARK OHLSSON FCPA (Appointed 18 February 2013) **Non-Executive Director**

Mark Ohlsson has been involved in business management and the venture capital industry for more than 30 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. He is a non-executive director of Australian Oil Company Limited (ASX:AOC)

Mr Ohlsson indirectly holds an interest in 4,250,000 unlisted options in Elysium Resources Limited

PARMESH VAKIL (Appointed 18 November 2011 – Resigned 1 September 2012) **MSc, MBA** **Managing Director**

Mr Vakil has had over 25 years experience in the industry. He has worked in the areas exploration, mine geology and resource estimation. Mr Vakil has had experience in exploration for gold, base metals, uranium and iron ore gained whilst employed by BHP Iron Ore, Kalgoorlie Consolidated Gold Mines and St. Barbara Mines.

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

DAVID ALAN ZOHAR (Resigned 18 February 2013)
BSc DipEd
Executive Director

Mr Zohar has undertaken undergraduate studies in Geology and post graduate studies in Accountancy and Commercial Law. He has been active in the exploration industry for over 20 years. He has been a director and/or CEO of a number of exploration companies and has also negotiated numerous agreements with various companies and other participants within the mining industry. He has been involved in the formation and/or listing on the ASX of several public mining companies. Directorships of other listed public companies over the past three years are Red River Resources Limited, Iron Mountain Mining Ltd, Actinogen Ltd, Eagle Nickel Ltd, Terrain Minerals Ltd and Aluminex Resources Ltd.

JOHN KARAJAS (Resigned 4 December 2012)
BSc (Hons) MAIG MPESA
Non Executive Director

Mr Karajas is an exploration geologist with over 30 years of experience in both the mining and oil industries. After graduating from the University of Western Australia with a BSc (Hons) in 1970, he gained his grounding in the mining industry by working for mining companies, Falconbridge, Anaconda and Hanna Mining. This period extended through to 1982 and was predominantly spent in Western Australia but included three years in Mt Isa. Commodities explored for include nickel, copper/lead/zinc, gold, phosphate, taconitic iron ore, tin/tantalite and lignite/oil shale. Between 1982 and 1985 he gained his initial experience in oil exploration by working for Eagle Corporation and IEDC (Australia). This period was spent in working on sedimentary basins in Western Australia and included basin studies, well-site geology, and other duties related to oil and gas exploration. From 1986 onwards, he has worked predominantly as a consultant/contract geologist for a wide range of mining and oil industry clients, both within Australia and abroad. He is a Member of the Australian Institute of Geoscientists. Mr Karajas has held a directorship over the past three years in the listed public company, Red River Resources Limited.

ZHUKOV (Zeke) PERVAN (Resigned 18 February 2013)
MB, BS(WA), FRACGP, FAICD
Non-Executive Director and Chairman

Dr Pervan is a Doctor of Medicine with over 35 years experience in various capacities in Western Australia. He has consulted to several university and government bodies in many areas. He has conducted original research in collaboration with the University of Western Australia Departments of Microbiology and Human Movement. This research has been published in international journals. In the past Dr Pervan has served as a Director of several public companies involved in exploration and in the general commercial world, including Agforce Limited, Gold Lake Mining Pty Ltd, Innovative Coatings Limited and Visionglow Global Limited. Directorships of listed public companies over the past three years are Actinogen Ltd, Eagle Nickel Ltd and Iron Mountain Mining Ltd.

JOHN WYATT (Appointed 4 December 2012 - Resigned 18 February 2013)
Non-Executive Director

Company Secretary

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

See details under Directorship

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Shoshanna Zohar (Appointed 16 December 2011 – resigned 18 February 2013)

Ms Zohar serves as a lawyer with over five years of experience. She has a Bachelor of Laws from the Murdoch University and has previously worked in law firms practicing in corporate law, including Minter Ellison and Clavey Legal.

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 \$6,541,235 (2012: \$1,915,693) for the year ended 30 June 2013.

Dividends

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

Review of Operations

During the first half of the financial year the Company's attention was taken up by a takeover bid by Iron Mountain Mining Limited (IRM). At the close of the offer on 3 October 2012, IRM held 79% of the issued capital of the Company. During this period there were a number of changes to the Board of Directors.

On 18 February 2013 a new Board of Directors was appointed comprising Michael Tilley, Max Carling and Mark Ohlsson. The new Board set about reviewing the Company's existing tenements and identifying new projects.

In June 2013 the Company conducted a one for one Rights Issue at \$0.013 per share with a one for two free option priced at \$0.013 and maturing on 30 June 2014 to raise additional working capital and on 1 July 2013 a shareholders meeting approved the change of the Company's name to Elysium Resources Limited.

West Australian projects

E52/2569 "Horseshoe South"

Drilling targets have been defined at the Horseshoe South tenement E52/2569 which lies approximately 4km to the south of the Horseshoe Lights Mine.

Highlights:

- Two MAG high targets conform with near-surface anomalous grades
- 200-300m drill-holes being planned over MAG targets

As has been previously reported, the Company retained this tenement from the preceding management due to its location in reference to the Volcanogenic Massive Sulphide (VMS) hosted Horseshoe Lights Mine (ASX:HOR). Recent reviews of the existing data which includes ground and airborne geophysics, soil and Rotary Air Blast (RAB) sampling, has revealed specific drill-ready targets.

In 1993 Sabminco NL (Sabminco) completed a 12 drill-hole Reverse Circulation (RC) program over an area called Saturn West which includes the western part of E52/2569. SWRC1-11, located approximately 200m to the west of the tenement, targeted anomalous gold in outcropping pyritic cherts and intersected heavily oxidised and sheared mafic volcanics with quartz veining and chert. The best result was reported from clays and quartz (shear?) in SWRC5 with **9m @ 10.32 gpt Au** from 19m (inc 1m @ 44.8 gpt Au). The remaining hole (SWRC12) was drilled to a 60m vertical depth within

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the boundary of EL52/2569 with best results being 6m @ 0.21 gpt Au from 20m and 2m @ 0.23 gpt Au from 34m. Base metal results in all holes were reported as generally background. The RC drilling was followed up with a series of RAB holes, with MRB294-365 and MRB380-488 drilled within the Company's current tenement.

The deepest holes in this program were 75m angled depth. Several of these RAB holes returned anomalous results with MRB388 ending in 3m @ 0.42 gpt Au from 72m.

Significant Mn was intersected in the siltstones which are up to 25m thick. The Mn was interpreted as a primary sedimentary feature and shows strong positive correlation with As, Co, Cu, Mo, Ni, Pb and Zn.

Ground TEM and magnetic (MAG) surveys were carried out over an area including the western portion of EL52/2569 (Figure #2). No significant results were obtained from the TEM survey. A deep (>100m) magnetic anomaly located 100m east of the outcropping chert targeted by SWRC1-11 was interpreted as the down dip extension of the shear zone, within volcanic rock mineralised with pyrrhotite or magnetite. The Sabminco surveys have been merged with existing airborne data and present as a drill-ready target on the western boundary of the tenement (Figure #2).

EYM forms the following opinion:

- The occurrence of chert and anomalous Mn, As, Cu, Zn, Co, Ni, Pb rich sediments on or near major mafic sediment contact suggests that the area was proximal to an active submarine vent which possibly formed VMS style mineralisation.
- Drill-hole SWRC5 (9m @ 10.32g/t Au) shows that conditions have existed to deposit gold at economic grades.
- Previous RAB and RC drilling does not penetrate sufficiently deep to test the MAG anomalies.
- Geology, surface and near-surface results provide supporting evidence for the prospectivity of the MAG anomalies.

A reconnaissance visit will take place to confirm the reported outcrops and assess the logistics for drilling which will include the identification of a potential drilling contractor. It is anticipated that 3 drill-holes, each 200-300m deep will be sufficient to test the MAG anomalies identified. Two of the holes will be optimally planned into the larger western anomaly and one hole into the smaller north-central anomaly.

The reconnaissance trip will also include a visit to the Company's other WA tenement (EL70/4073) at Redmond where initial reviews of existing reports and available geophysics has been completed. Historical records report the mining of reefs up to 7m wide and up to 14 gpt Au¹. Reviews of available geophysics suggest an EW structure exists coincident with a creek from which visible gold has been reported. The visit will include mapping of the site and sampling to confirm the presence of anomalous gold. A ground geophysics survey may be required to confirm the location of the potentially mineralising structure if any drilling is to be considered.

E70/4073 "Redmond".

Centred on the Blue Gum gold prospect, 1890's newspapers reported historical workings 24km south west of Mt Barker in Western Australia which consisted of several vertical shafts and small pits. Previous explorers have reported that with the passage of time all surface evidence has since disappeared due to farming activity. Historical mining reports show "reefs" of up to 7m wide and grading up to 14 gpt gold being mined. More recently gold has been reported to have been panned from the nearby river. In the 1990's limited soil sampling and 4 Rotary Air Blast (RAB) holes were drilled to depths of 20m; the results of this work was not encouraging.

The Company has this year undertaken a review of the available geophysics over the area. Orogenic gold is structurally controlled and the RTP magnetic data appears to show a WNW lineament in approximately the area where historical mining is recorded. The lineament may be a dyke and appears to have affected the course of the river. The radiometric data show potassium, it is unclear whether this is in-situ alteration or it has come from upstream.

¹ D. Gellatly, 1995. Wilga Mines NL memo – open file data source.

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E69/2825 "Gunnedo".

The Company decided that this tenement no longer suited the Company's strategy. The costs of maintaining the tenement and the potential that could be derived in the short term was considered marginal and the Company allowed the tenement to lapse.

Significant Changes in State of Affairs

There have been a number of significant changes to the Company's operations during the year.

- The appointment of a new Board of Directors and a total review of the existing tenements,
- The change of Company name,
- The Indonesian project, and
- The proposed takeover of Burruga Copper Limited as detailed below

Matters subsequent to the end of the financial year

Rights Issue

The Rights Issue conducted by the Company closed in the last week of June and shares were issued in the first week of July raising \$413,662 for working capital. Subsequently the Company has placed \$188,300 worth of shortfall shares.

Indonesia

The Company announced that it had agreed to terms of a Heads of Agreement ("HoA") with PT Gata Sumber Daya ("Gata"), through its subsidiary, to earn 67.5% of the Malang Project on East Java in Indonesia by advancing the exploration efforts at the copper and gold targets.

Gata, headed by highly regarded geologist Mr Adi Maryono, will partner EYM and provide local exploration and administrative expertise on its Indonesian projects. Mr Maryono is a long standing associate of EYM's Chief Technical Advisor Neb Zurkic, having worked together on Newmont Mining's world class Batu Hijau and Elang deposits. Mr Maryono led the team that took the Elang deposit in Indonesia from early discovery and delineated a giant world-class deposit with reported resources of ~25.3M ounces of gold and ~16.3B pounds of copper. Mr Maryono has previously held management positions at BHP, having led the site team who discovered Reko Diq in Pakistan with a reported endowment² of ~41.7M ounces of gold and ~53.3B pounds of copper.

Gata through its experience in discovering and working directly on some of the largest copper-gold deposits in the world has been able to identify prospective areas on the Indonesian Archipelago through methodical reconnaissance exploration. The South Malang district along with three porphyry Cu-Au deposits at Batu Hijau (2000 feasibility reserve³ reported at ~13.1Moz of Au and ~12.7 Blb of Cu), Elang (reported Indicated and Inferred resources⁴ of ~25.3 Moz of Au and ~16.3 Blb of Cu) and Tujuh Bukit (reported Inferred resources⁵ of ~28.1 Moz of Au and ~19.0 Blb of Cu) are located along the prospective Neogene magmatic arc belts of Eastern Sunda. These districts are tectonically confined to the fertile eastern segment, from East Java to Sumbawa, that was constructed on thinner island arc crust bounded by the Australian continental crust further east in Sumba and Timor.

The four NE prospects are contained within a single 99.93 sq km concession named after the nearest major city of Malang some 60km to the NW. EYM principles visited the prospects at Binglis and Tambakrejo during April. Large lithocap alteration footprints represent gold-silver-copper exploration targets of overlying high sulphidation epithermal gold-silver and possibly underlying porphyry gold-copper deposits. Previous rock chip sampling by IndoChina Goldfields Limited in the 1990s and Asia Gold (Ivanhoe) in 2006 returned significant results. The four identified prospective areas are geochemically characterized by elevated Au, Cu, As and Sb which are typical pathfinders for high sulphidation epithermal mineralized systems. Significant results include 8.11 gpt

² Tethyan Copper Company website

³ Newmont Mining Corporation website

⁴ AMEC Scoping Study, July 2010

⁵ NI 43-101 Technical Report, November 2012

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Au, 0.10 % Cu, 490 gpt As and 36 gpt Sb⁶. Low oxide gold values (0.3 to 0.7 g/t Au) are reported at Binglis by previous explorers, the results are consistent over the prospect area and associated with multiple central silica ledges (pervasive and vuggy quartz zones).

EYM has incorporated a new Australian company called Malang Resources Pty Ltd ("Malang Resources") and has recently lent funds to Malang Resources in an amount of US\$200,000 which Malang Resources has subsequently advanced to Gata for the purposes of securing the exploration permit (IUP) from the relevant Indonesian government authority.

Under the HoA, EYM or Malang Resources has agreed to provide up to AUS\$2M over a 3 year period upon (interalia) Gata securing the IUP, EYM completing due diligence in respect of Gata and the completion of the acquisition by Malang Resources of 75% of the share capital in Gata. Any use of any such advances will be subject to Malang Resources consent. However, EYM expects that such advances will be used for the purposes of systematic stream sampling, mapping and soil sampling along with geophysical surveys over the 4 targets defined to date. This will be followed by drilling in areas if warranted by results from the initial fieldwork. Good access to the prospects is by all-weather roads with no airborne support for ground based field work being envisaged ensuring that the bulk of the expenditure will be "in the ground."

Following the acquisition, subject to the satisfaction of various conditions precedent Malang Resources will pay the existing shareholders of Gata a total consideration of US \$100,000 plus the issue of a total of 40M fully paid EYM shares to be issued in equal monthly instalments over 20 months.

Burruga Copper Limited

On 30 August 2013 the Company announced that, following negotiations with Burruga Copper Limited ("Burruga"), Elysium intended to make an off-market takeover bid under Chapters 6 to 6C of the *Corporations Act 2001* (Cth) ("Corporations Act") for:

- (a) all of the issued ordinary fully paid shares in Burruga ("Share Offer"); and
- (b) all of the options in Burruga ("Option Offer")

(collectively, the "Offers") subject to the conditions outlined below.

Each Burruga director has informed Elysium that he will, if Elysium makes the Offers, accept and procure the acceptance of the Offers in respect of any shares or options that he or his associates own or control in the absence of a superior proposal.

As each Burruga director is a substantial shareholder in Elysium, the directors of Burruga will not make any recommendation in respect of the Offers.

Burruga is an unlisted Australian public company that owns three contiguous exploration licences totalling 183 sq kms in the Lachlan Fold Belt of New South Wales. The exploration licences include the historic Lloyds Copper Mine, the Hackneys Creek gold deposit and the Lucky Draw gold mine all of which produced copper and gold. Burruga's JORC Resources currently stand at 3.2Mt @ 0.5% copper and 2.7Mt @ 1.6gpt gold. Refer to www.burrugacopper.com.au.

The Offers represent part of a comprehensive process undertaken by the Elysium Board to identify other gold and copper tenements and projects in Australia and Indonesia.

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.

⁶ IndoChina Goldfields government reports.

ELYSIUM RESOURCES LIMITED

DIRECTORS' REPORT

Information in this report that relates to Elysium Resources' Projects is based on information estimated or interpreted by Neb Zurkic, EYM's chief technical advisor, a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Neb Zurkic has a minimum of five years experience in the estimation, assessment and evaluation of Mineral Resources and Ore Reserves. Mr. Zurkic has significant experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr. Zurkic consents to the inclusion in this presentation of these matters based on the information in the form and context in which it appears.

Environmental Regulation

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

Greenhouse Gas and Energy data reporting requirements

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

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

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

For the year ended 30 June 2013 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 executive's 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 Company 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.

ELYSIUM RESOURCES LIMITED

DIRECTORS' REPORT

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 \$100,000. During the financial year, the Company paid \$11,250 (2012 - \$11,458) in indemnity insurance for the directors and secretaries of the Group. Currently each Non-Executive Director is entitled to receive \$36,000 per annum (plus statutory superannuation entitlements).

Refer below for details of Non-Executive Directors' remuneration.

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 16(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 and reviews their remuneration annually, 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 \$100,000). 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 Key Management Personnel of the Group are the directors and company secretary. 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)
Mark Ohlsson (Non-Executive Director) (appointed 18 February 2013)
Parmesh Vakil (Managing Director) (appointed 18 November 2011 – resigned 1 September 2012)
David Alan Zohar (Executive Director) (resigned 18 February 2013)
John Karajas (Non-Executive Director) (resigned 4 December 2012)
Zhukov Pervan (Non-Executive Chairman) (resigned 18 February 2013)
John Wyatt (Non-Executive Director) (appointed 4 December 2012 – resigned 18 February 2013)

ELYSIUM RESOURCES LIMITED

DIRECTORS' REPORT

Executives:

Shoshanna Zohar (Company Secretary) (appointed 16 December 2011 – resigned 18 February 2013)

Key Management Personnel Remuneration:

2013	Short Term		Post-employment	Share based payments		Total
	Cash salary and fees	Cash bonus	Superannuation	Options	Shares	
Name	\$	\$	\$	\$	\$	\$
Directors:						
Michael Tilley	12,000	-	-	-	-	12,000
Maxim Carling	12,000	-	-	-	-	12,000
Mark Ohlsson	16,000	-	-	-	-	16,000
David Alan Zohar	-	-	-	-	-	-
Parmesh Vakil	34,053	-	2,500	-	-	36,553
John Karajas	-	-	-	-	-	-
Zhukov Pervan	-	-	-	-	-	-
John Wyatt	-	-	-	-	-	-
Total	74,053	-	2,500	-	-	76,553

2012	Short Term		Post-employment	Share based payments		Total
	Cash salary and fees	Cash bonus	Superannuation	Options	Shares	
Name	\$	\$	\$	\$	\$	\$
Directors:						
David Alan Zohar	120,000	-	7,425	-	-	127,425
John Karajas	34,924	-	25,076	-	-	60,000
Zhukov Pervan	45,000	-	-	-	-	45,000
Parmesh Vakil	92,692	-	8,342	-	-	101,034
Noel Taylor	80,665	-	22,340	-	-	103,005
Executives:						
Shoshanna Zohar ¹	-	-	-	-	-	-
Jacy Leu ²	-	-	-	-	-	-
Total	373,281	-	63,183	-	-	436,464

¹ Shoshanna Zohar was appointed as Company Secretary on 16 December 2011. Ms Zohar is employed and remunerated by Iron Mountain Mining Ltd. Iron Mountain Mining Ltd charged for the time spent by Ms Zohar on the Group's affairs. Ms Zohar's remuneration is reported in the Iron Mountain Mining Ltd annual reports. An amount of \$2,679 (exc GST) was recharged to the Group during the year.

² Jacy Leu resigned as Company Secretary on 16 December 2011. Ms Leu was employed and remunerated by Iron Mountain Mining Ltd. Iron Mountain Mining Ltd charged for the time spent by Ms Leu on the Group's affairs. An amount of \$14,150 (exc GST) was recharged to the Group during the year.

ELYSIUM RESOURCES LIMITED

DIRECTORS' REPORT

Additional Information

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

	2013	2012	2011	2010	2009
Quoted price of ordinary shares at period end (cents)	1.3	1.4	1.7	1.1	3.2
Quoted price of options at period end (cents)	0.00	0.00	0.00	0.1	0.5
Loss per share (cents)	5.86	2.00	0.40	1.55	2.57
Dividends paid	-	-	-	-	-

Service Agreements and remuneration commitments (audited)

There are no service agreements in place as at 30 June 2013.

There are nil outstanding commitments owed to any of the key management personnel as at 30 June 2013 (2012: nil).

Securitisation 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 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 Group's Directors held while each Director was in office and the number of meetings attended by each Director:

Director	Board Meetings	
	Number of meetings held	Number of meetings attended
Michael Tilley (appointed 18 February 2013)	5	5
Maxim Carling (appointed 18 February 2013)	5	5

ELYSIUM RESOURCES LIMITED

DIRECTORS' REPORT

Mark Ohlsson (appointed 18 February 2013)	5	5
Parmesh Vakil (resigned 18 February 2013)	3	3
David Alan Zohar (resigned 18 February 2013)	6	6
John Karajas (resigned 4 December 2012)	3	4
Zhukov Pervan (resigned 18 February 2013)	5	6
John Wyatt (appointed 4 December 2012 – resigned 18 February 2013)	2	2

Shares Under Option

There are no unissued ordinary shares of Elysium Resources Limited under option at the date of this report.

Insurance of officers

During the financial year, Elysium Resources Limited paid a premium of \$11,250 (2012- \$11,458) 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

No fees were paid for non-audit services to the external auditors and their associated entities during the years ended 30 June 2013 and 30 June 2012.

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 2013 has been received and is set out on page 17.

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



Director
Sydney, New South Wales
20 September 2013

ROTHSAY

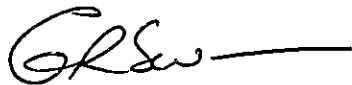
Level 1, 12 O'Connell Street, Sydney NSW 2000 G.P.O. Box 2759, Sydney NSW 2001
Phone 8815 5400 Facsimile 8815 5401 E-mail swan2000@bigpond.com

The Directors
Elysium Resources Limited
Suite 705, 3 Spring Street
Sydney NSW 2000

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2013 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Graham Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 20 September 2013



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).

ELYSIUM RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME
For the year ended 30 June 2013

	Note	CONSOLIDATED	
		2013 \$	2012 \$
Revenue from continuing operations	5	24,525	86,118
Other income	5	1,011	20,607
Administration		(384,834)	(187,597)
Exploration costs		(5,965,160)	(92,415)
Occupancy costs		(241)	(13,818)
Depreciation		(1,359)	(3,342)
Employment costs(including directors)		(52,112)	(451,592)
Takeover costs		-	(27,310)
Loss on sale of shares		(159,859)	-
Loss on fixed assets		(3,206)	-
Impairment of available for sale financial assets	10	-	(1,246,344)
Profit/(Loss) Before Income Tax		(6,541,235)	(1,915,693)
Income tax expense	6	-	-
NET PROFIT/(LOSS) FOR THE YEAR		(6,541,235)	(1,915,693)
Other Comprehensive Income			
Changes in the fair value of available for sale financial assets		-	(370,364)
Other comprehensive income for the year net of tax		-	(370,364)
Total comprehensive income for the year attributable to members of the group		(6,541,235)	(2,286,057)
Basic and diluted earnings/(loss) per share (cents)	25	(5.86)	(2.00)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

ELYSIUM RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL
POSITION
As at 30 June 2013

	Note	CONSOLIDATED	
		2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	7	562,160	110,893
Trade and other receivables	8	24,202	41,041
TOTAL CURRENT ASSETS		586,362	151,934
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,627	4,565
Available for sale financial assets	10	39,500	731,005
Exploration Assets	11	-	5,900,000
TOTAL NON-CURRENT ASSETS		41,127	6,635,570
TOTAL ASSETS		627,489	6,787,504
CURRENT LIABILITIES			
Trade and other payables	12	84,724	73,460
Share application monies		413,622	-
Provisions	13	-	7,772
TOTAL CURRENT LIABILITIES		498,346	81,232
TOTAL LIABILITIES		498,346	81,232
NET ASSETS		129,143	6,706,272
EQUITY			
Contributed Equity	14	13,484,369	13,493,263
Reserves	15	102,180	129,180
Accumulated losses		(13,457,406)	(6,916,171)
TOTAL EQUITY		129,143	6,706,272

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

ELYSIUM RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY
For the year ended 30 June 2013

	Contributed Equity	Accumulated Losses	Option Reserve	Available-for- sale Investments Revaluation Reserve	Total
	\$	\$	\$	\$	\$
2012					
Balance as at 1.07.2011	6,999,398	(5,000,478)	109,180	390,364	2,498,464
Total comprehensive income for the year					
Loss for the year	-	(1,915,693)	-	-	(1,915,693)
Other comprehensive income					
Change in fair value of available for sale financial assets	-	-	-	(370,364)	(370,364)
Total other comprehensive income for the year	-	-	-	(370,364)	(370,364)
Total comprehensive income for the year	-	(1,915,693)	-	(370,364)	(2,286,057)
Shares issued during the year	6,499,878	-	-	-	6,499,878
Capital raising costs	(6,013)	-	-	-	(6,013)
Balance as at 30.06.2012	13,493,263	(6,916,171)	109,180	20,000	6,706,272
2013					
Balance as at 1.07.2012	13,493,263	(6,916,171)	109,180	20,000	6,706,272
Total comprehensive income for the year					
Loss for the year	-	(6,541,235)	-	-	(6,541,235)
Other comprehensive income					
Change in fair value of available for sale financial assets	-	-	-	(27,000)	(27,000)
Total other comprehensive income for the year	-	-	-	(27,000)	(27,000)
Total comprehensive income for the year	-	(6,541,235)	-	(27,000)	(6,568,235)
Shares issued during the year	20,000	-	-	-	20,000
Capital raising costs	(28,894)	-	-	-	(28,894)
Options issued during the year	-	-	-	-	-
Balance as at 30.06.2013	13,484,369	(13,457,406)	109,180	(7,000)	129,143

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

ELYSIUM RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Other Income		14,730	80,555
Payments for exploration, evaluation and acquisition costs		(75,160)	(94,694)
Payments to suppliers and employees		(354,064)	(882,562)
Takeover expenses		(42,998)	(27,310)
Interest received		1,011	12,886
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	21	<u>(456,481)</u>	<u>(911,125)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(1,627)	-
Proceeds from sale of investment		504,647	-
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		<u>503,647</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		20,000	609,878
Share application monies received		413,622	-
Payment of capital raising costs		(28,894)	(6,014)
NET CASH INFLOW FROM FINANCING ACTIVITIES		<u>404,728</u>	<u>603,864</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		451,267	(307,261)
Cash and cash equivalents at the beginning of the financial year		<u>110,893</u>	<u>418,154</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	21	<u>562,160</u>	<u>110,893</u>

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

ELYSIUM RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013

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.

(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.

Financial statement presentation

The Group has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Group had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Elysium Resources Limited (company) as at 30 June 2013 and the results of all subsidiaries for the year then ended. 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.

ELYSIUM RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013

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)).

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

ELYSIUM RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013

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 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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Change in accounting policy

The Group has adopted AASB 8 *Operating Segments* from 1 July 2009. AASB 8 replaces AASB 114 *Segment Reporting*. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This change in policy has not changed the number or nature of reportable segments.

(e) Exploration and Evaluation Expenditure

Acquisition, exploration and evaluation expenditure incurred is written off as incurred.

Mineral assets acquired as part of the acquisition of another entity are capitalised in accordance with the accounting principles set out for consolidations (refer to note 1(b)) and business combinations (refer to note 1(c)).

When production commences, development costs will be capitalised for the relevant area of interest and then amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. Any costs of site restoration are provided for during the relevant production stages, (where the liabilities exist) and included in the costs of that stage.

(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.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

ELYSIUM RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013

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.

(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 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%

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.

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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.

(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.

(i) Investment allowances

The Group may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(j) Employee Benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick 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

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liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

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.

(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.

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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.

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.

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(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.

(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 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.

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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.

(f) 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 2013, the Group recorded a loss of \$6,541,235 (2012: \$1,915,693). At 30 June 2013, the cash balance was \$562,160 (2012: \$110,893).

The accounts have been prepared on a going concern basis. The Directors have determined that future capital raisings or asset sales will be required in order to continue the Group's exploration and development of its mining tenements to achieve a position where they can prove exploration reserves.

The ability of the Group to continue as a going concern is dependent upon the Consolidated Entity raising further capital or realising funds from the sale of assets sufficient to meet the Group's expenditure commitments.

The Directors have prepared a cash flow forecast for the foreseeable future reflecting the above mentioned expectations and their effect upon the Group. The achievement of the forecast is dependent upon the future capital raising and/or sale of assets, the outcome of which is uncertain.

In the event that sufficient capital raising or asset sales at an amount and timing necessary to meet the future budgeted operational and investing activities of the Group is unfavourable the Directors believe that they will be able to contain the operating and investment activities sufficiently to ensure that the Group can meet its debts as and when they become due and payable.

In the event that the events referred to above results in a negative outcome, then the going concern basis of accounting may not be appropriate with the result that the Group may have to realise its assets and extinguish its liabilities other than in the normal course of business and in amounts different from that stated in the financial report.

The financial report does not include any adjustments relating to the recoverability or classification of recorded amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(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

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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

Amendments made to AASB 101 *Presentation of Financial Statements* effective 1st July 2012 now require the statement of comprehensive income to show the items of comprehensive income to be grouped into those that are not permitted to be re-classified to profit and loss in a future period and those that may have to be re-classified if certain conditions are met.

Other new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010) (effective for annual reporting periods beginning on or after 1 January 2013*).

AASB 9 *Financial Instruments* addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013* but is available for early adoption. When adopted, the standard is not expected to have a material impact on the Group financial statements as the Group does not hold any financial assets at fair value through profit and loss or classified as available-for-sale and does not hold any held-to-maturity investment at reporting date.

There will also be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated as at fair value through profit or loss and the Group does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The Group will adopt AASB 9 in 2014.

* In December 2011, the IASB delayed the application date of IFRS 9 to 1 January 2015. The AASB is expected to make an equivalent amendment to AASB 9 shortly.

(ii) AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities* and AASB 128 *Investments in Associates and Joint Ventures* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (effective 1 January 2013)

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However the standard introduces a single

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definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns before control is present. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. There is also new guidance on participating and protective rights and on agent/principal relationships. While the Group does not expect the new standard to have a significant impact on its composition, it has yet to perform a detailed analysis of the new guidance in the context of its various investees that may or may not be controlled under the new rules.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 128. The Group is still assessing the impact of these amendments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The Group is still assessing the impact of these amendments.

The Group will adopt the new standards on their operative date and they will be first applied in the financial statements for the annual reporting period ending 30 June 2014.

(iii) AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The Group does not use fair value measurements extensively. It is therefore unlikely that the new rules will have a significant impact on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

(iv) AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* (effective 1 July 2013)

In July 2011 the AASB decided to remove the individual key management personnel (KMP) disclosure requirements from AASB 124 *Related Party Disclosures*, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the *Corporations Act 2001*. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The *Corporations Act* requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future.

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

2. FINANCIAL RISK MANAGEMENT

The Company'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 Company'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 Company.

Risk management is carried out by the full Board of Directors as the Company 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

As all operations are currently within Australia the Company is not exposed to foreign exchange risk.

(ii) Price risk

Given the current level of operations the Company is not exposed to price risk.

(iii) Interest rate risk

The Company is exposed to movements in market interest rates on cash and cash equivalents. The Company 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 Company \$562,160 (2012: \$110,893) 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 Company was 3.1% (2012: 5.3%).

Sensitivity analysis

At 30 June 2013, 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 Company would have been \$100 lower/higher (2012: \$3,465 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

(b) Credit risk

The Company 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 Company does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

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(c) Liquidity risk

The Company 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 Company. Due to the nature of the Company's activities, being mineral exploration, the Company 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 Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Company are confined to trade 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 Company 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 Company 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.

3. Critical Accounting Estimates and Judgements

Key estimates

(i) Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

During the year ended 30 June 2012, the Group made significant judgement about the impairment of a number of its available-for-sale financial assets.

The Group follows the guidance of AASB 139 Financial Instruments: Recognition and Measurement on determining when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

The decline in fair value below cost for some of these assets has been considered to be significant and/or prolonged. The Group has recorded an impairment loss during the year ended 30 June 2012, being the transfer of the accumulated fair value adjustments recognised in equity on the impaired available-for-sale financial assets to the statement of comprehensive income.

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(ii) Exploration & Evaluation Expenditure

The Group's accounting policy for exploration & evaluation expenditure results in the expense to the statement of comprehensive income all exploration & evaluation expenditure. Management has taken the judgement that the Group's projects are in an early stage of development and as such management have the judgement that there is insufficient evidence to justify the capitalisation of exploration & evaluation expenditure incurred.

(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 parent entity, Elysium Resources Limited, at 30 June 2013. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2013 \$	2012 \$
Current assets	570,782	141,326
Non-current assets	5,931,126	6,625,570
Total assets	6,501,908	6,766,896
Current liabilities	480,359	81,232
Total liabilities	480,359	81,232
Contributed equity	13,484,369	13,493,263
Reserves	102,180	129,180
Accumulated losses	(7,565,000)	(6,936,779)
Total equity	6,021,549	6,685,664
Profit / (Loss) for the year	(628,222)	(1,936,301)
Other comprehensive income for the year	-	(370,364)
Total comprehensive income for the year	(628,222)	(2,306,665)

5. Revenue

From Continuing Activities

Revenue from continuing operations	24,525	73,232
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Other Revenue

Interest received	1,011	12,886
	<u>25,536</u>	<u>86,118</u>

Other Income

Rental Income	-	-
Profit on disposal of property, plant and equipment	-	-
Discount on acquisition of Orange Hills Resources Limited	-	20,607
	<u>-</u>	<u>20,607</u>

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6. Income Tax	2013	2012
	\$	\$
Numerical reconciliation of income tax income to prima facie tax payable		
Net (Loss) before tax	(628,222)	(1,915,693)
Tax benefit at the Australian tax rate of 30% (2012: 30%)	(188,467)	(574,708)
Tax effect of amounts that are not deductible / taxable in calculating taxable income		
Non-deductible expenses	5,405	8,193
Provisions & accruals	(19,500)	(13,060)
Capital raising costs	(5,818)	(4,085)
Impairment of available for sale financial assets	8,100	373,903
Income not taxable	-	(6,182)
Tax losses and temporary differences not brought to account	200,280	215,939
Income Tax Expense	<u>-</u>	<u>-</u>
Tax Losses		
Unused tax losses for which no deferred tax asset has been recognised	5,336,171	4,668,571
Potential tax benefit at 30%	<u>1,600,851</u>	<u>1,400,571</u>
Unrecognised temporary differences		
Temporary differences for which deferred tax assets have not been recognised.		
▪ Provisions and accruals	81,303	61,803
▪ Capital raising costs	51,554	42,051
	<u>132,857</u>	<u>103,854</u>
Unrecognised differed tax assets relating to the above temporary differences	<u>39,857</u>	<u>31,156</u>
7. Cash and Cash Equivalents		
Cash at bank and in hand	<u>562,160</u>	<u>110,893</u>
	<u>562,160</u>	<u>110,893</u>
<p>The Group's exposure to interest rate risk is discussed in note 2(a). 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.</p>		
8. Trade and other receivables		
Trade receivables	6,215	9,795
Goods and services tax refund	17,987	7,529
Prepayment	-	23,717
	<u>24,202</u>	<u>41,041</u>

Refer Note 2 for Financial Risk Management.

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9. Property, Plant and Equipment	2013	2012
	\$	\$
Computer and sundry plant and equipment, at cost	1,627	34,123
Accumulated depreciation	-	(29,558)
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>1,627</u>	<u>4,565</u>

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.

2013	Land & Buildings	Plant & Equipment	Total
	\$	\$	\$
Balance at 1 July 2012	-	4,565	4,565
Additions	-	1,627	1,627
Disposals	-	-	-
Write offs	-	(4,324)	(4,324)
Depreciation	-	(241)	(241)
Balance at 30 June 2013	<u>-</u>	<u>1,627</u>	<u>1,627</u>

2012	Land & Buildings	Plant & Equipment	Total
	\$	\$	\$
Balance at 1 July 2011	-	7,907	7,907
Additions	-	-	-
Disposals	-	-	-
Depreciation	-	(3,342)	(3,342)
Balance at 30 June 2012	<u>-</u>	<u>4,565</u>	<u>4,565</u>

10. Available for sale financial assets	2013	2012
	\$	\$
Shares in listed corporations at fair value	39,500	731,005
	<u>39,500</u>	<u>731,005</u>
At beginning of year	731,005	2,347,713
Acquisitions	-	-
Disposal	(664,505)	-
Fair Value Adjustment to reserves	(27,000)	(370,364)
Impairment of available for sale financial assets	-	(1,246,344)
At end of year	<u>39,500</u>	<u>731,005</u>

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.

ELYSIUM RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL
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11. Exploration Expenditure	2013	2012
	\$	\$
Opening book amount	5,900,000	-
Additions upon consolidation of subsidiary (note 28)	-	5,900,000
Expensed	(5,900,000)	-
Closing book amount	-	5,900,000

(a) Impairment Tests for Intangible Assets

It is considered that there is no impairment of the intangible asset as the Group believes that the realisable value of the assets, should they be sold, is considered to be equal to or greater than their recorded book value.

12. Trade and other payable

Trade Creditors and accruals	84,724	73,460
	<u>84,724</u>	<u>73,460</u>

Refer Note 2 for Financial Risk Management.

13. Provisions

Employee entitlements	-	7,772
	<u>-</u>	<u>7,772</u>

All provisions are expected to be settled within 12 months.

14. Contributed Equity

(a) Issued and Paid Up Capital

113,825,946 (2012: 108,825,946) fully paid ordinary shares	14,573,515	14,553,515
Capital raising costs	(1,089,146)	(1,060,252)
	<u>13,484,369</u>	<u>13,493,263</u>

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

Date	Details	Number of Shares	Issue Price (cents)	\$
1 July 2011	Opening Balance	76,830,000		6,999,398
30 August 2011	Rights Issue	20,329,279	3	609,878
30 April 2012	Share Issue on acquisition of Orange Hills Resources Limited	11,666,667	50.5	5,890,000
30 June 2012	Less capital raising costs			(6,013)
	Balance	<u>108,825,946</u>		<u>13,493,263</u>

ELYSIUM RESOURCES LIMITED
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Date	Details	Number of Shares	Issue Price (cents)	\$
1 July 2012	Opening Balance	108,825,946		13,493,263
12 December 2012	Placement	5,000,000	0.4	20,000
	Less capital raising costs			(28,894)
30 June 2013	Balance	<u>113,825,946</u>		<u>13,484,369</u>

(c) Share Options

The Consolidated Entity has 34,386,426 options on issue as at 30 June 2013.

32,386,426 listed options are exercisable at \$0.20 on or before 31 March 2016.
2,000,000 unlisted options which were issued to the company's former managing director Noel Taylor are exercisable at \$0.20 on or before 1 May 2016.

As a result of the June 2013 rights issue, the Company issued 23,152,398 listed options during July 2013. The options are exercisable at \$0.013 on or before 30 June 2014. 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.

(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.

15. Reserves

The Option Reserve is used to recognise fair value of options issued. The available-for-sale investment revaluation reserve recognises the change in value of available for sale assets. Details of movements in reserves are shown below.

	2013 \$	2012 \$
Option Reserve		
Balance at the beginning of the year	109,180	109,180
Option expense	-	-
Balance at end of year	<u>109,180</u>	<u>109,180</u>

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Available for sale investments revaluation reserve

Balance at the beginning of the year	20,000	390,364
Change in fair value	(27,000)	(370,364)
Balance at end of year	<u>(7,000)</u>	<u>20,000</u>

16. Key Management Personnel Disclosures

(a) Key Management Personnel Compensation:

	The Group 2013 \$	The Group 2012 \$
Short-term	74,053	373,281
Post employment	2,500	63,183
Other long-term	-	-
Termination benefits	-	-
Share-based payment	-	-
	<u>76,553</u>	<u>436,464</u>

The detailed remuneration disclosures are provided in the remuneration report on pages 18 to 21.

(b) Equity Instrument Disclosure relating to Key Management Personnel

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

2013 Director / Key Management Personnel	Balance at beginning of the year	Fully Paid Ordinary Shares Shares issued or purchased	Transfers/ Ceasing to be a director	Balance at the end of the year
Michael Tilley	-	10,000,000	-	10,000,000
Maxim Carling	-	12,000,000	-	12,000,000
Mark Ohlsson	-	-	-	-
David Alan Zohar	28,331,820	-	(28,331,820)	-
John Karajas	5,525,000	-	(5,525,000)	-
Zhukov Pervan	1,666,667	-	(1,666,667)	-
Parmesh Vakil	-	-	-	-
John Wyatt	-	-	-	-
Shoshanna Zohar	264,401	-	(264,401)	-
	<u>35,787,888</u>	<u>22,000,000</u>	<u>(35,787,888)</u>	<u>22,000,000</u>

No shares are held nominally.

Director / Key Management Personnel	Balance at beginning of the year	Share Options Options issued - Direct	Ceasing to be a Director	Balance at the end of the year
Michael Tilley	-	-	-	-
Maxim Carling	-	-	-	-
Mark Ohlsson	-	-	-	-
David Alan Zohar	5,876,274	-	(5,876,274)	-

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John Karajas	-	-	-	-
Zhukov Pervan	725,000	-	(725,000)	-
Parmesh Vakil	-	-	-	-
Noel Taylor	2,000,000	-	(2,000,000)	-
Shoshanna	-	-	-	-
Zoher	-	-	-	-
	<u>8,601,274</u>	<u>-</u>	<u>(8,601,274)</u>	<u>-</u>

2012 Director / Key Management Personnel	Balance at beginning of the year	Fully Paid Ordinary Shares Shares issued – Orange Hills Resources Ltd takeover	Net change other	Balance at the end of the year
David Alan Zohar	21,691,320	7,000,000	(359,500)	28,331,820
John Karajas	5,525,000	-	-	5,525,000
Zhukov Pervan	412,500	666,667	587,500	1,666,667
Parmesh Vakil	-	-	-	-
Jacy Leu	-	-	-	-
Shoshanna	264,401	-	-	264,401
Zohar	-	-	-	-
	<u>27,893,221</u>	<u>7,666,667</u>	<u>228,000</u>	<u>35,787,888</u>

No shares are held nominally.

Director / Key Management Personnel	Balance at beginning of the year	Share Options Options issued - Orange Hills Resources Ltd takeover	Net change other	Balance at the end of the year
David Alan Zohar	6,563,774	-	(687,500)	5,876,274
John Karajas	-	-	-	-
Zhukov Pervan	137,500	-	587,500	725,000
Parmesh Vakil	-	-	-	-
Noel Taylor	2,000,000	-	-	2,000,000
Jacy Leu	-	-	-	-
Shoshanna	-	-	-	-
Zohar	-	-	-	-
	<u>8,701,274</u>	<u>-</u>	<u>(100,000)</u>	<u>8,601,274</u>

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

17. Remuneration of Auditor	2013 \$	2012 \$
Amounts paid or payable to Rothsay for:		
- An audit or review of the financial statements of the entity	24,000	28,000
	<u>24,000</u>	<u>28,000</u>

ELYSIUM RESOURCES LIMITED

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18. Segment Information

The Group operates in the mineral exploration industry in Australia only.

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.

19. Related Party Transactions

(a) Subsidiary Companies

During the year Elysium Resources Limited did not advance any funds to 100% owned subsidiary Orange Hills Resources Limited (2012: nil). The total loan balance as at 30 June 2013 is \$2,407 (2012: \$2,407).

(b) Key Management Personnel

Refer to note 16 for disclosures relating to key management personnel.

(c) Transactions with related parties and key management personnel

During the year ended 30 June 2013 secretarial, consulting and associated services were provided by the Group to the following related parties:

	2013 \$ (GST excl.)	2013 Owing \$ (GST Incl.)	2012 \$ (GST excl.)	2012 Owing \$ (GST Incl.)
Iron Mountain Mining Ltd	-	-	76,850	9,769
Actinogen Ltd	-	-	8	-
Red River Resources Ltd	-	-	2,929	27
Total	-	-	79,787	9,796

During the year ended 30 June 2013 secretarial, consulting and associated services were provided to the Group from the following related parties:

	2013 \$ (GST excl.)	2013 Owing \$ (GST Incl.)	2012 \$ (GST excl.)	2012 Owing \$ (GST Incl.)
Iron Mountain Mining Ltd	-	-	73,144	2,063
Carling Capital Partners	15,000	-	-	-
Actinogen Ltd	-	-	463	463
Total	15,000	-	73,607	2,526

During the year ended 30 June 2013, Elysium Resources Limited paid \$0 (excl GST) (2012 - \$643) to Iron Mountain Mining Limited, a Director related entity of David Zohar (a former director of the Company), for tenement related expenses.

ELYSIUM RESOURCES LIMITED
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At 30 June 2013, the company holds nil (2012: 23,732,341) ordinary shares in Iron Mountain Mining Ltd, a director related entity of David Zohar (a former director of the Company), at a fair value of nil (2012: \$664,506).

As at 30 June 2013, the company holds nil (2012: 1,000,000) ordinary shares in Black Gold Resources Ltd, a director related entity of David Zohar (a former director of the Company) at a fair value of Nil (2012: Nil).

As at 30 June 2013, the company holds 500,000 (2012: 500,000) ordinary shares in Eagle Nickel Ltd, a director related entity of David Zohar (a former director of the Company), at a fair value of \$1,500 (2012: \$6,500). The company also holds 250,000 attaching options at a fair value of Nil (2012: Nil).

As at 30 June 2013, the Company holds 2,000,000 (2012: 2,000,000) ordinary shares in Actinogen Ltd, a Director related entity of David Zohar (a former director of the Company), at a fair value of \$38,000 (2012: \$60,000).

(d) Joint ventures

Refer to note 24 for related party joint venture disclosures.

20. Commitments

Tenement Commitments

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

Tenement Name	Holders	Area	Grant Date	Expiry Date	Rent (\$)	Minimum Expenditure (\$)
E52/2569	Elysium Resources Limited	2 Blocks	18/06/2010	17/06/2015	\$227	\$15,000
E70/4073	Elysium Resources Limited	15 Blocks	2/04/2012	1/04/2017	\$1,751	\$20,000

ELYSIUM RESOURCES LIMITED
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	2013	2012
	\$	\$
21. Reconciliation of the operating (loss) after tax to the net cash flows from operating activities		
Cash Flow Information		
Operating loss after income tax	(6,541,237)	(1,915,693)
Non cash items -		
Depreciation	1,359	3,342
Loss on disposal of property, plant & equipment	3,206	-
Write off exploration expenditure	5,900,000	-
Impairment of available for sale financial assets	27,000	1,246,344
Loss on sale of shares	143,467	-
Discount on consolidation	-	(20,607)
Changes in assets and liabilities		
Increase (Decrease) in payables	3,492	(207,454)
Increase (Decrease) in provisions	-	(613)
Decrease (Increase) in receivables	6,231	(16,444)
Net cash flow from/(used in) operating activities	<u>(456,481)</u>	<u>(911,125)</u>
Reconciliation of Cash		
Cash balance comprises;		
Cash at bank	562,160	110,893

Financing facilities available

As at 30 June 2013 the Group had no financing facilities available.

Non Cash financing and Investing Activities

During the year ended 30 June 2012 Elysium Resources Limited acquired 100% of the shares in Orange Hills Resources Limited in exchange for 11,666,667 ordinary shares in Elysium Resources Limited.

22. Share – Based Payments

The following share based payments existed at 30 June 2013:

	2013		2012	
	Number of options	Weighted Average exercise price	Number of Options	Weighted average exercise price
Outstanding at the beginning of the year	2,000,000	20 cents	2,000,000	20 cents
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year end	<u>2,000,000</u>	<u>20 cents</u>	<u>2,000,000</u>	<u>20 cents</u>
Exercisable at year end	<u>2,000,000</u>	<u>20 cents</u>	<u>2,000,000</u>	<u>20 cents</u>

ELYSIUM RESOURCES LIMITED

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During 2012 2,000,000 options were issued to Consolidated Entity's managing director Noel Taylor, with an exercise price of 20 cents and expiring on 1 May 2016. Using the Black Scholes Model the fair value of an option is approximately 1.44 cents based on the following criteria:

Weighted average exercise price	20 cents
Weighted average life of the options	1,798 days
Underlying share prices	3 cents
Expected volatility	100.46
Risk free interest rate	5.03

23. Contingencies

The Directors are not aware of any contingent liabilities or assets as at 30 June 2013 (2012: Nil).

24. Joint Venture Operations

Canning Basin

EP448, in which Elysium Resources Limited has a 10% interest, is in a joint venture with Gulliver Productions Pty Ltd and Indigo Oil Pty Ltd. Gulliver Productions Pty Ltd is the operator of a major exploration program for oil and gas in the Canning Basin of which EP448 is part.

25. Earnings per share

	2013	2012
Basic and diluted loss per share (cents)	(5.86)	(2.00)
The options are not considered dilutive and therefore no diluted earnings per share is disclosed.		
Weighted average number of ordinary shares used as the denominator	111,565,672	95,854,912
Net loss used in calculating EPS	(6,541,235)	(1,915,693)

26. Events occurring after the reporting period

Rights Issue

Subsequent to the closure of the Rights Issue in June, the Company issued 31,820,180 ordinary shares and 15,910,090 listed options exercisable at 1.3 cents per shares with an expiry of 30 June 2014. On 29 July 2013 under the Rights Issue Shortfall facility, the Company issued a further 14,484,615 ordinary shares and 7,242,308 listed options exercisable at 1.3 cents per shares with an expiry of 30 June 2014.

Malang project – Indonesia

For information about this project refer to Directors Report

Burruga Copper

For information about this project refer to Directors Report

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.

ELYSIUM RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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27. 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	
			2013 %	2012 %
Orange Hills Resources Limited	Australia	Ordinary	100	100

ELYSIUM RESOURCES LIMITED

DIRECTORS' DECLARATION

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 24 to 57, 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 2013 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 comply with Section 300A of the *Corporations Act 2001*.
5. The directors have been given the declaration by the Managing Director, Maxim Carling, as required by section 295A of the *Corporations Act 2001*.

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



Director

Sydney, New South Wales
20 September 2013

ROTHSAY

Level 1, 12 O'Connell Street, Sydney NSW 2000 G.P.O. Box 2759, Sydney NSW 2001
Phone 8815 5400 Facsimile 8815 5401 E-mail swan2000@bigpond.com

INDEPENDENT AUDIT 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 balance sheet as at 30 June 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the year.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of 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 our 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, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

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

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).



Audit opinion

In our opinion the financial report of Elysium Resources Limited is in accordance with the *Corporations Act 2001*, including:

- a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2013. 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.

Audit opinion

In our opinion the remuneration report of Elysium Resources Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Graham Swan
Partner

Dated 20 September 2013

ELYSIUM RESOURCES LIMITED

SHAREHOLDER INFORMATION

ASX Information

Substantial shareholders

The substantial shareholders as at 31 August 2013 were:

Iron Mountain Mining Limited	31,099,288
Carling Capital Partners Pty Ltd	24,000,000
Darmal Pty Ltd	13,010,000
Jend Pty Ltd	12,500,000
Golden Spider Entertainment Pty Ltd	10,000,000

Distribution of shareholders as at 17 August 2013

Range of Holding	Holders	Shares
1-1,000	13	3,350
1,001-5,000	50	211,882
5,001-10,000	245	2,358,814
10,001 - 100,000	374	11,697,908
100,001 - over	53	145,858,788
	<u>735</u>	<u>160,130,742</u>

Shareholders with less than a marketable parcel 505

Distribution of Option Holders (20c options expiring 31 March 2016) as at 31 August 2013

Range of Holding	Holders	Options
1-1,000	0	0
1,001-5,000	176	782,566
5,001-10,000	58	511,522
10,001 - 100,000	113	2,365,764
100,000 - over	13	28,726,574
	<u>360</u>	<u>32,386,426</u>

Option holders with less than a marketable parcel 360

Distribution of Option Holders (1.3c options expiring 30 June 2014) as at 31 August 2013

Range of Holding	Holders	Options
1-1,000	0	0
1,001-5,000	21	95,625
5,001-10,000	15	130,000
10,001 - 100,000	26	519,500
100,000 - over	16	22,407,273
	<u>78</u>	<u>23,152,398</u>

Option holders with less than a marketable parcel 78

Voting Rights

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

ELYSIUM RESOURCES LIMITED SHAREHOLDER INFORMATION

Twenty Largest Shareholders as at 31 August 2013 – 85.01%

	Number of Shares	Percentage of capital held
IRON MOUNTAIN MINING LIMITED	31,099,288	19.42
CARLING CAPITAL PARTNERS PTY LTD	24,000,000	14.99
DARMAL PTY LIMITED	13,010,000	8.12
JEND PTY LTD (TILLEY SUPERFUND)	12,500,000	7.81
GOLDEN SPIDER ENTERTAINMENT PTY LTD	10,000,000	6.24
GRABBOTT ENTERPRISES PTY LTD	7,500,000	4.68
GLOBAL1 PTY LTD	5,020,000	3.13
MECADANE PTY LIMITED	5,000,000	3.12
ZURKIC MINING CONSULTANTS PTY LTD	5,000,000	3.12
APOLLAN PTY LTD	3,846,154	2.40
LILJAM PTY LTD	3,500,000	2.19
MS K JACKSON	3,000,000	1.87
DR S H TRACY	2,500,000	1.56
FARRELL FLOYD HOLDINGS PTY LTD	2,000,000	1.25
TROMSO PTY LIMITED	1,900,000	1.19
MULMORE INVESTMENTS PTY LTD	1,538,462	0.96
CORALCO PTY LTD	1,530,000	0.96
KINETIC INVESTMENTS PTY LTD	1,500,000	0.94
M & K KORKIDAS PTY LTD	900,000	0.56
BUSINESS AND LOGISTICS SOLUTIONS PTY LTD	800,000	0.50
TOTAL	136,143,904	85.01

Twenty Largest Option Holders (20c options expiring 31 March 2016) as at 31 August 2013 – 90.27%

	Number of Options	Percentage of options issued
IRON MOUNTAIN MINING LIMITED	20,012,775	61.79
MS JULIE ZOHAR	2,500,001	7.72
MR DAVID ALAN ZOHAR	1,812,501	5.60
SWANCOVE ENTERPRISES PTY LTD	1,500,000	4.63
EAGLE NICKEL LTD	634,750	1.96
SHELLGROVE PTY LTD <RJM SUPERANNUATION FUND A/C>	500,000	1.54
Z P PTY LTD <Z PERVAN SUPER FUND A/C>	450,000	1.39
J & F JAMES BROS HOLDINGS PTY LTD	312,500	0.96
MR MATTHEW BURFORD	300,000	0.93
DR ZHUKOV PERVAN	275,000	0.85
J & F JAMES BROTHERS HOLDINGS PTY LTD	209,047	0.65
DR ADRIAN PIERCE SERONE	112,500	0.35
MRS JANICE JULIE HOPETOUN WADDELL	107,500	0.33
MR SHANE CHEN	100,000	0.31
MR DANG QUANG LE + MRS RACHANEEBOON LE	100,000	0.31
JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	95,870	0.30
MR DAVID ALAN ZOHAR	63,772	0.20
B HARRIES PTY LTD <BH SUPER FUND A/C>	50,000	0.15
MR SERGE DANN + MRS RHONDA DANN <DANN SUPERANNUATION	50,000	0.15
MR FRANCIS ENGLISH	50,000	0.15
TOTAL	29,236,216	90.27

ELYSIUM RESOURCES LIMITED SHAREHOLDER INFORMATION

Twenty Largest Option Holders (1.3c options expiring 30 June 2014) as at 31 August 2013 – 97.42%

	Number of Options	Percentage of capital held
CARLING CAPITAL PARTNERS PTY LTD	6,000,000	25.92
DARMAL PTY LIMITED	3,250,000	14.04
IRON MOUNTAIN MINING LIMITED	2,500,000	10.80
APOLLAN PTY LTD	1,923,077	8.31
GRABBOIT ENTERPRISES PTY LTD	1,250,000	5.40
JEND PTY LTD	1,250,000	5.40
DR S H TRACY	1,250,000	5.40
FARRELL FLOYD HOLDINGS PTY LTD	1,000,000	4.32
MULMORE INVESTMENTS PTY LTD	769,231	3.32
CORALCO PTY LTD	765,000	3.30
KINETIC INVESTMENTS PTY LTD	750,000	3.24
TROMSO PTY LIMITED	475,000	2.05
BUSINESS AND LOGISTICS SOLUTIONS PTY LTD	400,000	1.73
BROCK SUPER PTY LTD	385,000	1.66
M & K KORKIDAS PTY LTD	250,000	1.08
J P MORGAN NOMINEES AUSTRALIA LIMITED	189,965	0.82
STYX RIVER PTY LTD	45,750	0.20
CHRISTIMEL HOLDINGS PTY LTD	37,500	0.16
MRS ALICE LU & MR DAM LU	37,500	0.16
MR DAVID CHURCH	26,250	0.11
TOTAL	22,554,273	97.42

Unquoted securities

There are 2,000,000 unquoted options exercisable at \$0.20 on or before 1 May 2016.
There are 17,000,000 unquoted options exercisable at \$0.02 on or before 20 June 2017.

Shares and Options escrowed

There are no escrowed shares or options.

The Group has an interest in the following tenements as at 31 August 2013:

Tenement Name	Holders	Area	Grant Date	Expiry Date	Company's beneficial interest
E52/2569	Elysium Resources Limited	2 Blocks	18/06/2010	17/06/2015	100%
E70/4073	Elysium Resources Limited	15 Blocks	2/04/2012	1/04/2017	100%