ELYSIUM RESOURCES LIMITED

ABN 45 115 593 005

INTERIM FINANCIAL STATEMENTS 2014

For the Half-Year Ended 31 December 2014

CONTENTS

Your directors present their report on the consolidated entity consisting of Elysium Resources Limited and the entities it controlled at the end of or during the half year ended 31 December 2014 (Elysium, Group or Consolidated Entity).

Directors

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

Maxim Carling – Director
Michael Tilley – Non-Executive Chairman
Mark Ohlsson – Non-Executive Director
Neb Zurkic - Director

Review of Operations

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

The net loss of the Group for the half year ended 31 December 2014 was $2,526,130 (2013: $639,158). No dividends were paid and the directors have not recommended the payment of a dividend.

On 6 August 2014, the Group entered into a Share Subscription Agreement with Blumont Group Ltd ("Blumont"), pursuant to which the Blumont agreed to subscribe for, and Elysium agreed to allot and issue to Blumont, 100,000,000 ordinary shares in the capital of Elysium at an issue price of 1 cent per share (with one option per share). The options had an exercise price of 1.4 cents each and expired 30 November 2014.

Under the terms of terms of the Subscription Agreement and in consideration of issuing the Elysium shares, Elysium subscribed for ordinary shares in the capital of Blumont. Elysium subsequently disposed of the Blumont shares raising $850,889 before costs to fund its operations.

The Company announced the closing of its Non-Renounceable Rights Issue on 8 December 2014 with a total amount of $615,923.28 being taken up by Shareholders.

This resulted in 123,184,656 ordinary shares being issued and 123,184,656 Options at an exercise price of 0.05 cents per share with an expiry date of 30 September 2015.

Since the closing of the Rights Issue the Company has received a total of $225,000 in Shortfall Applications and is working towards placing further Shortfall shares with strategic investors.

Exploration Activities

NSW

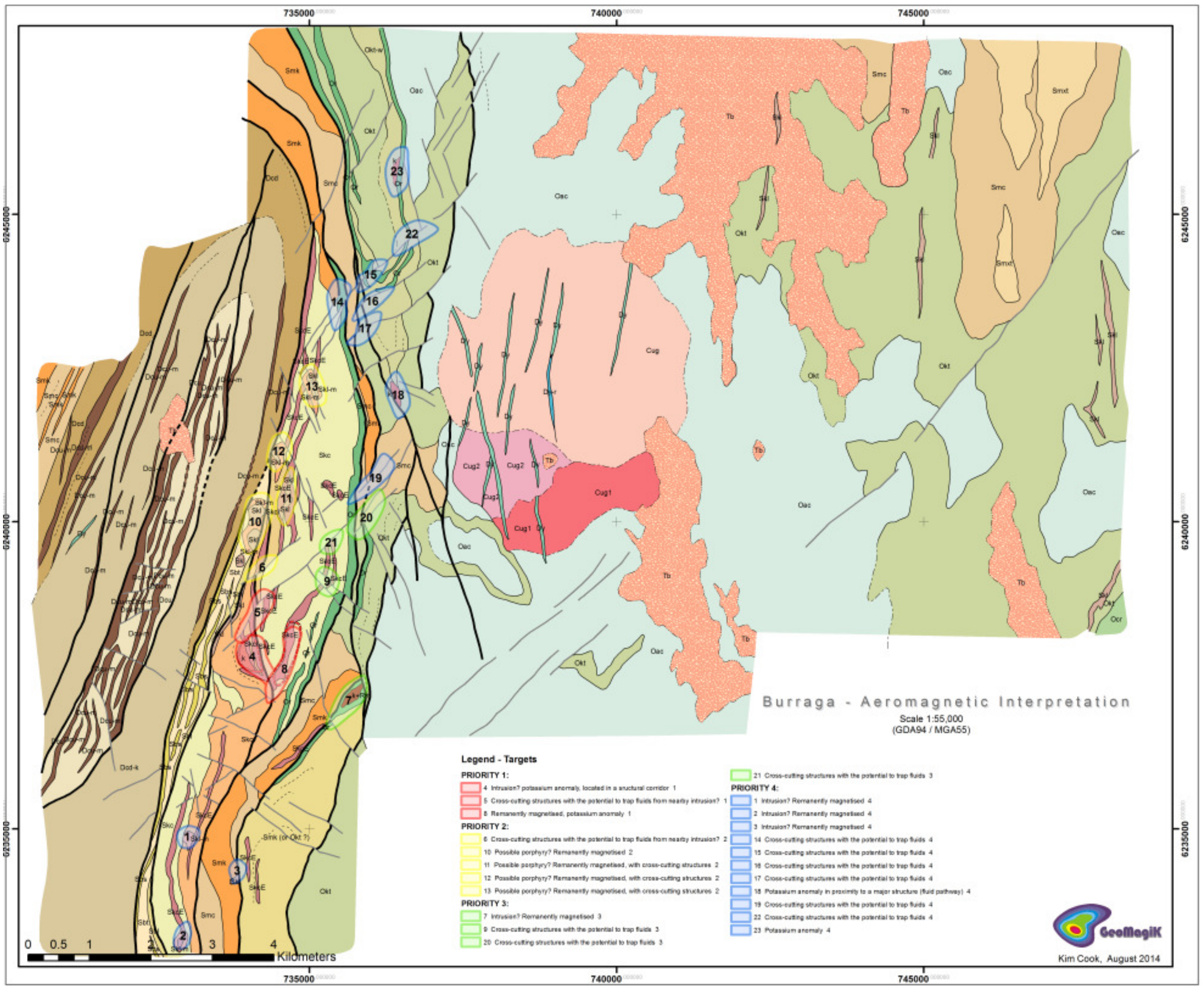
EL6463- (100%)
EL6874-(100%)
EL7975- (100%)

<u>Development</u>

The water monitoring bores required as part of the EIS process (as announced April 9th 2014) have been established and groundwater monitoring commenced during December. Coffey Geotechnics Pty Ltd ("Coffey") have assisted the Company in establishing the bores and will create the groundwater model when sufficient data becomes available. Coffey is a recognised consultancy well-versed in the hydrogeological requirements for mine permitting in NSW.

Eight reverse circulation (RC) drill-holes were completed (as announced November10th and 24th 2014) as phase one of the resource development drilling over the hard-rock resource at the historical Lloyds Mine. This was also a pre-cursor to phase one of the metallurgical drilling to collect core for the bulk sample (as announced December 3rd 2014). A 200kg sample was collected from three diamond drill-holes and dispatched to the Bureau Veritas laboratory in Adelaide for comminution and flotation test-work.

The final phase of resource development and metallurgical drilling commenced in January. The drilling will conclude with pit and infrastructure site drilling for geotechnical assessment.



Exploration

Preliminary interpretations for the geophysics surveys completed during the first half of 2014 show numerous targets in EL6463 and single anomalies on the peripheries of the Burraga Granite in both EL6874 and EL7975.

A cluster of 3 high priority targets are defined 0.5 to 1.5km to the south of the historic Lloyds Mine. The central potassium anomaly is located in a structural corridor and presents as a potential intrusion. The Priority 1 target directly to the south-east is a remnantly magnetised potassium anomaly and the cross-cutting structures to the north could provide potential fluid traps for the suspected central intrusion. These interpretations are further supported by previously reported strong soil geochemistry over this area. The Company commenced drilling in this area in December to confirm the potential of the area. Should the drilling sterilize the area, the Company proposes to locate plant infrastructure and a tailings storage facility as close as possible to the mining operation in order to keep operating costs to a minimum.

The Priority 2 target that extends from Lloyds in the NE direction is interpreted as a cross-cutting structure possibly providing a trap for fluids from the suspected intrusion to the south, suggesting possibly that Lloyds itself is a surface expression of a concealed system as reported previously on numerous occasions. Three further Priority 2 targets further north are possibly porphyries and / or display as cross-cutting remnantly magnetised features, which coincide with the historical North and Howards shafts. Two IP targets, lie intermittent to these (coinciding to magnetic highs), one directly to the north of Lloyds and one directly beneath the southern slag dump. The Company intends to drill the Priority 2 targets at Lloyds and directly to the north of Lloyds including below the southern slag dump in early 2015.

Priority 3 targets generally conform to the NE trending IP anomaly and require additional field work before drilling is proposed. Soil sampling is planned for these areas during 2015.

The group of Priority 4 targets to the north of EL6463 may relate to the gold deposits at Lucky Draw and Hackneys Creek. Structurally they appear related to the major NNW faulting corridor previously inferred as the southern extension of the Godolphin Fault which hosts the 2.5Moz McPhillamy's Gold Deposit (refer www.regisresources.com.au) some 50km to the NW.

In EL6874 a remnantly magnetised anomaly within the Burraga Granite requires field investigation, as does a magnetic high on the SE periphery of the granite in EL7975. Mapping and soil sampling is being planned for these areas to investigate whether drilling is warranted.

Indonesia – Malang Project
IUP(Industrial) number: 180/005/IUPE/421.302/2013 (earn to 67.5%)

No activity

WA

Horseshoe South Project (100%)
EL52/2569

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

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

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

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

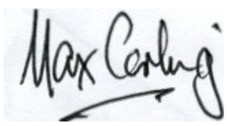
(d) Exercise Price - $100,000 payable in cash or by Horseshoe shares (based on 10 day VWAP price from date of exercise notice), at the election of Horseshoe.

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

Auditor's Independence Declaration

The auditor's independence declaration under Section 307C of the Corporations Act 2001 for the half year ended 31 December 2014 has been received and is set out on page 4.

Signed in accordance with a resolution of Directors



Mr Max Carling
Director
16 March 2015
Sydney

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Elysium Resources Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

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

Sydney, NSW
16 March 2015

M D Muller
Partner

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ELYSIUM RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 31 December 2014

	Note	31 December 2014 $	31 December 2013 $
Revenue			
Interest		1,014	4,379
Rent received		5,700	-
Administration		(342,031)	(421,639)
Occupancy costs		(41,447)	(34,841)
Depreciation		(8,169)	(7,983)
Loss on sale of shares		(149,110)	-
Employment costs (including directors)		(295,000)	(179,074)
Impairment of exploration assets	6	(1,697,087)	-
Loss Before Income Tax		(2,526,130)	(639,158)
Income tax expense		-	-
Loss for the Half Year		**(2,526,130)**	**(639,158)**
Other comprehensive income			
Net increase in fair value of investments		34,000	-
Other comprehensive income for the half year, net of tax		**34,000**	**-**
Total comprehensive loss for the half-year		**(2,492,130)**	**(639,158)**
Earnings per share for loss attributable to the ordinary equity holders of the Group			
Basic loss per share (cents)	3	(0.278)	(0.109)

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 31 December 2014

	Note	31 December 2014 $	30 June 2014 $
CURRENT ASSETS			
Cash and cash equivalents		308,243	144,848
Trade and other receivables		111,286	141,237
TOTAL CURRENT ASSETS		419,529	286,085
NON-CURRENT ASSETS			
Property, plant & equipment	4	52,914	61,083
Available for sale financial assets	5	46,500	12,500
Exploration and Evaluation Expenditure	6	3,532,235	4,612,073
TOTAL NON-CURRENT ASSETS		3,631,649	4,685,656
TOTAL ASSETS		4,051,178	4,971,741
CURRENT LIABILITIES			
Trade and other payables		536,538	602,905
TOTAL CURRENT LIABILITIES		536,538	602,905
TOTAL LIABILITIES		536,538	602,905
NET ASSETS		3,514,640	4,368,836
EQUITY			
Contributed equity		9,057,016	7,419,083
Reserves		654,400	620,400
Accumulated losses		(6,196,776)	(3,670,647)
TOTAL EQUITY		3,514,640	4,368,836

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 half year ended 31 December 2014

2013	Contributed Equity $	Accumulated Losses $	Investment Revaluation Reserve $	Option Reserve $	Total $
Balance at 1 July 2013	**4,472,443**	**(1,778,983)**	**-**	**110,500**	**2,803,960**
Total comprehensive loss for the period ended 31 December 2013	-	(639,158)	-	-	(639,158)
Transactions with owners in their capacity as owners:					
Deemed cost of reverse acquisition of Elysium Resources Limited (Note 10)	2,081,541	-	-	-	2,081,541
Balance as at 31 December 2013	**6,553,984**	**(2,418,141)**	**-**	**110,500**	**4,246,343**

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

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

ELYSIUM RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2014

	31 December 2014 $	31 December 2013 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers and employees	(607,193)	(200,633)
Interest received	1,014	4,379
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	(606,179)	(196,254)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditure	(617,248)	(252,789)
Payments for Plant & equipment	-	(14,150)
Proceeds from sale of shares	850,889	-
Bonds	(6,600)	-
Net cash acquired on acquisition of subsidiary	-	142,852
NET CASH INFLOW / (OUTFLOWS) FROM FINANCING ACTIVITIES	227,041	(124,087)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares	615,924	-
Costs of capital raising	(48,391)	-
Loan repayment	(100,000)	-
Share application monies received	75,000	-
NET CASH INFLOWS FROM FINANCING ACTIVITIES	542,533	-
NET INCREASE / (DECREASE) IN CASH HELD	163,395	(320,341)
Cash and cash equivalents at the beginning of the half year	144,848	521,049
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF YEAR	308,243	200,708

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

1. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

These half yearly financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these statements are to be read in conjunction with the annual reports for the year ended 30 June 2014 of Elysium Resources Limited and any public announcements made by the Consolidated Entity during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

(b) Principles of Consolidation and Reverse Acquisition

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

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

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

(c) Going Concern

For the half year ended 31 December 2014, the Group recorded a loss of $2,492,130. At 31 December 2014, the consolidated entity had a deficiency of net current assets of $117,009 and the cash balance was $308,243.

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

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

2. Segment Reporting

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

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

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

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

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

3. Loss per share

	HALF YEAR	
	31.12.2014	31.12.2013
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	908,843,022	585,155,122
Loss used to calculate basic EPS	(2,526,130)	(639,158)
Basic loss per share (cents per share)	(0.278)	(0.109)

4. Property, Plant and Equipment

	31.12.2014	30.06.2014
Plant and Equipment		
At cost	59,164	59,164
Accumulated depreciation	(23,477)	(17,512)
Total Plant and Equipment	35,687	41,652
Motor Vehicles	40,000	40,000
Accumulated depreciation	(22,773)	(20,569)
Total Motor Vehicles	17,227	19,431
Total Property, Plant and Equipment and Motor Vehicles	52,914	61,083

5. Available for Sale Financial Assets

	31.12.2014	30.06.2014
Listed investment at fair value [1]	46,500	12,500
At beginning of period	12,500	-
Revaluation to market	34,000	-
Acquisitions – as part of reverse takeover	-	61,500
Impairment of available for sale financial assets	-	(49,000)
At end of period	46,500	12,500

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

6. Exploration and Evaluation Expenditure

	31.12.2014	30.06.2014
Exploration and evaluation expenditure capitalised	3,532,235	4,612,073
At beginning of period	4,612,073	2,210,658
Exploration expenditure incurred	617,249	604,328
Expenditure capitalised on reverse takeover[1]	-	1,797,087
Impairment[2]	(1,697,087)	-
At end of period	3,532,235	4,612,073

[1] On 1 December 2013 $1,797,087 of exploration and evaluation expenditure was capitalised, being the fair value of Elysium's exploration assets at the date of the reverse takeover. Refer Note 10 Reverse Acquisition.

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

7. Contingent Liabilities

The Directors are not aware of any contingent liabilities as at 31 December 2014.

8. Dividends

No dividends were paid or proposed during the period.

9. Events occurring after the reporting period

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

- Subsequent to the closure of the Rights Issue the Company has issued additional shares with proceeds of $225,000 in shortfall applications.

10. Reverse Acquisition

On 1 December 2013 Elysium acquired the share capital of Burraga Copper Limited by issuing 6.5 Elysium shares for each Burraga share and one Elysium share for each Burraga option held by the Burraga Shareholders and Optionholders. Details of the deemed purchase consideration and net assets acquired are as follows:-

	$
Deemed purchase consideration of shares transferred by the owners of Burraga Copper Limited	1,971,041

	Fair value $
Assets and liabilities excluding exploration assets	173,954
Exploration assets recognised at the date of takeover	1,797,087
	1,971,041

11. Related Party Transactions

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

The Group uses the accounting services of Graham Abbott Associates, a firm owned and operated by Graham Abbott, who was a Director of Burraga Copper Limited until his resignation on 5 December 2013. The arrangement is a fee for service arrangement based on hourly rates for professional and administrative attendances. The rates for fees charged are within the range of rates charged by smaller accounting firms for services to company clients.

A total of $16,985 was paid during the 6 months ended 31 December 2014(2013: $12,252) by the Group to Graham Abbott Associates.

During the 6 months ended 31 December 2013, as a result of the completion of the reverse takeover, a success fee of $250,000 was payable by Burraga to Carling Capital Partners, a director related entity of Mr Max Carling. $150,000 of these fees remained payable as at 31 December 2014.

In the directors' opinion:

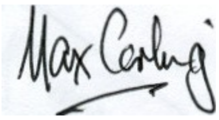
(a) the financial statements and notes set out on pages 5 to 12 are in accordance with the Corporations Act 2001, including:

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

   (ii) Giving a true and fair view of the entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date, and

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

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



Mr Max Carling
Director

16 March 2015
Sydney, New South Wales

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Elysium Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Elysium Resources Limited ("the company") which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

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

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our conclusion, we draw attention to Note 1(c) (Going concern) in the half-year financial report, which indicates that the consolidated entity incurred a net loss of $2,492,130 during the half-year ended 31 December 2014 and, as of that date, the consolidated entity's had a deficiency of net current assets of $117,009.

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

HLB Mann Judd

M. Muller

HLB Mann Judd
Chartered Accountants

M D Muller
Partner

Sydney, NSW
16 March 2015