YANDAL RESOURCES LIMITED

A GOLD DEVELOPMENT COMPANY

YRL

ANNUAL REPORT 2018

Contents

Corporate Particulars

DIRECTORS	Ms Katina Law (Chair) Mr David Lawrence Hughes (Lorry) Ms Kelly Amanda Ross
COMPANY SECRETARY	Mrs Bianca Taveira
PRINCIPAL PLACE OF BUSINESS	159 Stirling Highway Nedlands WA 6009 Telephone +61 8 9389 9021 Website: www.yandalresources.com.au
REGISTERED OFFICE	159 Stirling Highway Nedlands WA 6009 Telephone +61 8 9389 9021
SHARE REGISTRY	Boardroom Pty Limited Level 12 225 George Street Sydney NSW 2000 Telephone 1300 737 760
AUDITORS	Rothsay Auditing Level 1 Lincoln House 4 Ventnor Avenue West Perth WA 6005 Telephone + 61 8 9486 7094

Directors' Report

Your Directors present their report on Yandal Resources Limited for the financial year ended 30 June 2018.

DIRECTORS

The following persons held office as Directors of Yandal Resources Limited during the financial period and up to the date of this report unless otherwise noted:

Ms Katina Law	Non-Executive Chair	Appointed 1 July 2018	
Mr David Lawrence Hughes	Managing Director	Appointed 6 April 2018	
Ms Kelly Amanda Ross	Non-Executive Director	Appointed 6 April 2018	
Dr Michael Ruane	Executive Director	Appointed 29 December 2017	Resigned 1 July 2018
Mr Ian Philip Gilmour	Sole Director and Secretary	Appointed 16 April 2004	Resigned 29 December 2017

INFORMATION ON DIRECTORS AND OFFICERS

MS KATINA LAW BCom, CPA, MBA, GAICD, NON-EXECUTIVE CHAIR (Appointed 1 July 2018)

Katina Law has over 27 years' experience in the mining industry covering corporate and site based roles across several continents. She is currently the Executive Chair of Ardea Resources Ltd (ASX:ARL). She has worked with a number of ASX listed resources companies in strategic financial advisory and general management roles. Ms Law has worked on several development and evaluation projects which were later subject to corporate transactions including the Deflector gold and copper project and the King Vol polymetallic zinc project. Ms Law was Executive Director and CEO of East Africa Resources Limited from 2012 to 2015, and also held senior positions at Newmont Mining Corporation's Batu Hijau copper gold project in Indonesia and their head office in Denver, USA and at LionOre International based in Perth.

Ms Law has a Bachelor of Commerce degree from UWA, is a Certified Practising Accountant and has an MBA from London Business School. She is a currently a non-executive Director of headspace National Youth Mental Health Foundation and Gumala Enterprises Pty Ltd.

Current and Former Directorships held in the past three years:

Ardea Resources Limited	Non-Executive Director/Chair	Appointed 7 November 2016

Ms Law has no other public company directorships.

MR DAVID LAWRENCE HUGHES BSc (Geol) MAusImm, MANAGING DIRECTOR (appointed 6 April 2018)

Mr Hughes is an Economic Geologist with over 24 years' experience and was recently Executive Director of Intermin Resources Ltd (ASX: IRC) and Managing Director and CEO of South Boulder Mines Ltd (now ASX: DNK and ASX: DKM) from 2008 – 2013. He has held executive and senior management positions on mining and development projects for companies including Energy Metals Ltd, CSA Global, Rio Tinto and Barrick. Mr Hughes has comprehensive mining, exploration and development experience from numerous gold mining projects in Western Australia.

Current and Former Directorships held in the past three years:

Intermin Resources Ltd	Executive Director	Appointed 1 June 2016, Resigned 31 January 2018

Mr Hughes has no other public company directorships.

MS KELLY AMANDA ROSS BBus, CPA, GradDipCSP, AGIS, NON-EXECUTIVE DIRECTOR (appointed 6 April 2018)

Ms Ross is a qualified accountant holding a Bachelor of Business (Accounting) and has the designation CPA from the Australian Society of Certified Practicing Accountants. Ms Ross is a Chartered Secretary with over 25 years' experience in the mining industry.

Ms Ross has overseen company expansion and wealth creation during her career firstly as a senior accountant for Resolute Ltd ("Resolute") from 1987 to 2000. Ms Ross was part of the team that floated Independence Group NL (ASX: IGO), joining as CFO and Company Secretary of the Company in 2001. IGO was listed on the ASX in 2002 and in the same year purchased and recommissioned the Long Nickel Mine. Independence Group received the Digger of the Year Award in 2011 and then jointly with Anglo Gold Ashanti in 2014 for the Tropicana Gold Project. Ms Ross was a Director of IGO from 2002 to the end of 2014.

Current and Former Directorships held in the past three years:

Musgrave Minerals Ltd (ASX: MGV)	Non-Executive Director	Appointed 26 May 2010

Ms Ross has no other public company directorships.

Directors' Report

MRS BIANCA TAVEIRA, COMPANY SECRETARY

Mrs Taveira is an experienced company administrator and manager who has acted as Company Secretary to a number of unlisted public and ASX listed natural resource companies for over 19 years. During this time Mrs Taveira has been involved in a number of initial public offerings, reverse takeover transactions, corporate transactions and capital raisings. Mrs Taveira has a corporate and compliance background and is experienced with administration of the shareholder registry, the ASX Listing Rules, mining tenement management and the Department of Mines regulations. Mrs Taveira is currently the Company Secretary of Reward Minerals Ltd (ASX: RWD) and Intermin Resources Ltd (ASX: IRC).

MEETINGS OF DIRECTORS

The number of meetings held during the year ended 30 June 2018, and the number of meetings attended by each Director were:

	Full Meetings of Directors	
Director	**Eligible to Participate**	**Number Attended**
D Hughes	-	-
K Ross	-	-
Dr M Ruane	1	1
I Gilmour	1	1

In addition to the above meetings several matters were dealt with by circular resolution.

DIRECTOR SHAREHOLDINGS

As at the date of this report, the interests of the Directors in the shares of the Company were:

	Ordinary Shares		Options Exercise price 25 cents, expiry 31 December 2021	
Director	**Direct Interest**	**Indirect Interest**	**Direct Interest**	**Indirect Interest**
K Law	300,000	200,000	-	1,000,000
D Hughes	-	2,333,336	-	2,000,000
K Ross	125,000	-	500,000	-

As at 30 June 2018 the Directors did not hold any options over shares in the Company (2017: Nil).

CORPORATE INFORMATION

Yandal Resources Limited is a Company limited by shares that was incorporated on 16 April 2004 and is domiciled in Australia. The Company was converted to a public company and changed its name from Orex Mining Pty Ltd to Yandal Resources Limited on 27 March 2018.

PRINCIPAL ACTIVITIES

The principal continuing activity of the Company during the year was gold exploration.

OBJECTIVES

Since December 2017, the Company has acquired some prospective gold tenements. The Company aims to seek listing on the ASX and to raise further capital.

The Company will provide an Offer of 25,000,000 Shares at an issue price of 20 cents each to raise $5,000,000.

Directors' Report

RESULTS OF OPERATIONS

The results for the year ended 30 June 2018 was a loss after income tax benefit of $239,021 (2017: $550 loss).

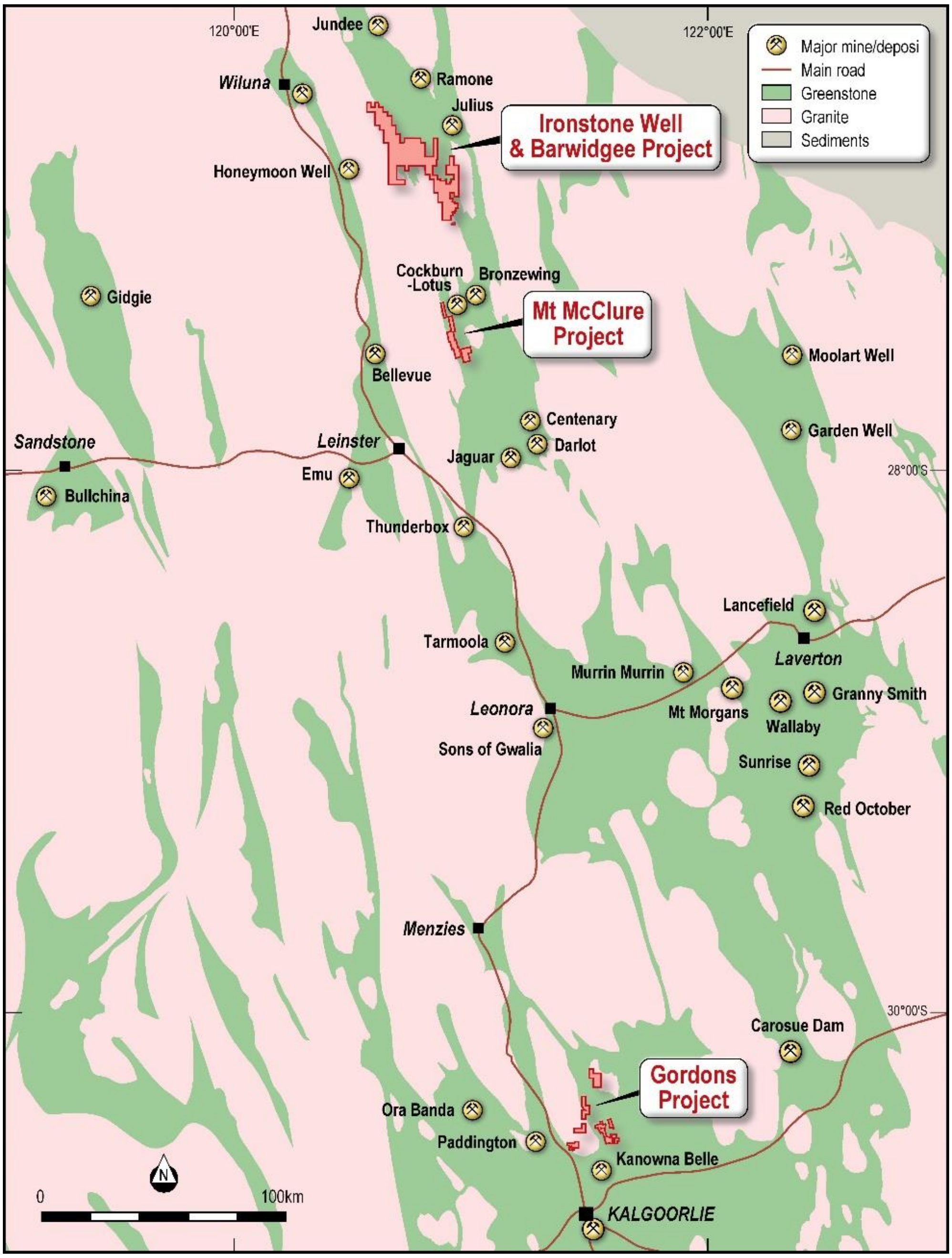
EARNINGS/(LOSS) PER SHARE	2018 $
Basic earnings/(loss) per share	(10.2)
Diluted earnings/(loss) per share	(10.2)

DIVIDENDS

No amount has been paid or declared by way of dividend. The Directors do not recommend that any dividend be paid.

REVIEW OF OPERATIONS

The principal activities of the Company are mineral exploration in the North-Eastern and Eastern Goldfields of Western Australia. The Company is targeting the discovery of significant structurally controlled Archaean Lode gold or Orogenic gold mineralisation such as the nearby Jundee, Bronzewing, Cockburn-Lotus, Centenary-Darlot and Thunderbox gold deposits.



Directors' Report

REVIEW OF OPERATIONS

During the year exploration focussed on data compilation, RC drilling, preparation for new programs for the next 2 years and the acquisition of new complimentary gold projects. The new acquisitions were undertaken to increase the size and scale of the exploration potential of the Company's assets in order to support the completion of a Prospectus, $5 million capital raising and subsequent listing on the Australian Stock Exchange.

The Ironstone Well and adjacent Barwidgee gold projects were acquired as they surround the Company's flagship Flushing Meadows gold deposit in the Yandal Greenstone Belt and provides a large contiguous and underexplored land package on which to conduct further systematic exploration. Extensive historic exploration has been completed on the tenements however upon evaluation and review by the Company and Independent experts, it is believed that substantial drilling was too shallow to effectively test a number of targets.

The new Gordons gold project is located in the Kalgoorlie Terrain of the Norseman–Wiluna Greenstone Belt located between 30 and 60km north of the city of Kalgoorlie-Boulder.

Database compilation and drill collar verification activities were conducted over all projects to improve the quality of target generation in preparation for ranking and drill testing. Other exploration activities included;

- soil sampling at the Morphetts prospect (Ironstone Well) and the Lotus West prospect (Mt McClure);
- geophysical data compilation, reprocessing and imaging for the entire Ironstone Well and Barwidgee projects;
- field reconnaissance mapping at the Rosewall, Copan and Sims Find prospect (Barwidgee);
- RC drilling at the Flushing Meadows and Flinders Park prospects with final results pending (Ironstone Well);
- RC drilling at the Challenger prospect with final results pending (Mt McClure);
- field reconnaissance mapping at the Mulgarrie North and Gordons Dam prospects (Gordons Dam); and
- advanced RC and diamond drill target definition at the Success and Challenger Central prospects (Mt McClure).

Since February 2018 significant corporate activity has been undertaken in preparation for a pending ASX listing. This included a site visit and technical review by Independent Technical Specialist (Dunbar Resource Management) as a requirement of completing a Prospectus for lodgement with the Australian Securities and Investments Commission in the 2019 financial year.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no other significant changes to the state of affairs during the year, other than outlined in the Activities Report, and as follows:

a) In December 2017 Dr Michael Ruane was appointed a Director of the Company, and the registered office and principal place of business was changed to 159 Stirling Highway, Nedlands.
b) A total of 22,500,000 shares were issued to raise $387,500 to assist with working capital requirements.
c) In March 2018, the Company name was changed to Yandal Resources Limited, and the Company was converted to a public company.
d) In April 2018, Mr David Lawrence Hughes and Ms Kelly Amanda Ross were appointed as Directors.
e) In April 2018, a decision was made to list the Company on ASX by way of initial public offering.

Directors' Report

EVENTS AFTER REPORTING DATE
On 1 July 2018, Ms Katina Law was appointed a Non-Executive Chair.

In September 2018, the Company issued 6,158,338 shares at $0.075 each in order to raise $461,875 for working capital.

In September 2018, 4,500,000 Unlisted Options with an exercise price of 25 cents and an expiry date of 31 December 2021 were issued to the Directors, the Company Secretary and the Exploration Manager.

In September 2018, the Company paid $60,000 in cash and issued 4,650,000 shares at $0.075 each to vendors as consideration under the Tenement Sale Agreements.

The Company aims to seek listing on the ASX and to raise further capital.

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 Company, the results of those operations, or the state of affairs of the Company in future financial years.

FUTURE DEVELOPMENTS
In the opinion of the Directors it would prejudice the interests of the Company to provide additional information, beyond that reported in this Annual Report, relating to likely developments in the operations and the expected results of those operations in financial years ended subsequent to 30 June 2018.

ENVIRONMENTAL REGULATION
The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

INDEMNIFICATION AND INSURANCE OF OFFICERS OR AUDITOR
No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

AUDITOR'S INDEPENDENCE DECLARATION
In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a Declaration of Independence from Rothsay Auditing, the Company's auditors, as presented on page 7 of this year's financial report.

This report is made in accordance with a resolution of the Directors and signed for on behalf of the Directors by:

MR LORRY HUGHES
Director

16 October 2018
Perth, WA

Auditor's Independence Declaration

ROTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Yandal Resources Limited
159 Stirling Highway
Nedlands WA 6009

Dear Directors

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 2018 financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan FCA (Lead auditor)

Rothsay Auditing

Dated 16 OCTOBER 2018

Chartered Accountants

Independent Audit Report

ROTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF YANDAL RESOURCES LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Yandal Resources Ltd ("the Company") which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of Yandal Resources Ltd is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Independent Audit Report continued

Directors' Responsibility for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going
concern basis of accounting unless the directors either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatementt, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in
accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate,
they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Rothsay

Rothsay Auditing

Graham R Swan FCA
Partner

Dated 16 OCTOBER 2018

Chartered Accountants

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

Directors' Declaration

The Directors of the Company declare that:

(a) The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position and performance of the Company; and

(ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

(b) The financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1 and other mandatory professional reporting requirements.

(c) The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

(d) There are reasonable grounds to believe that Company 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 Board of Directors and is signed for on behalf of the Directors by:

MR LORRY HUGHES
Director

16 October 2018
Perth, WA

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2018

	Note	2018 $	2017 $
Revenue from continuing operations		-	-
Gain on debt forgiveness	9	95,752	-
Total		**95,752**	**-**
Capitalised exploration expenditure written off	2	(207,719)	-
Professional fees		(24,923)	(550)
Administration fees		(11,723)	-
Employee benefits expenses		(90,408)	-
Profit/(loss) before income tax		**(239,021)**	**(550)**
Income tax (expense)/benefit	3	-	-
Profit/(loss) after income tax for the year		**(239,021)**	**(550)**
Other comprehensive income/(loss):			
Items that will be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss) for the year		-	-
Total comprehensive income/(loss) attributable to Members of Yandal Resources Limited		**(239,021)**	**(550)**
Basic profit/(loss) cents per share	12	(10.2)	(55)
Diluted profit/(loss) cents per share	12	(10.2)	(55)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position
as at 30 June 2018

	Note	2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	4	52,064	10
Trade and other receivables	5	11,559	-
Other	6	55,700	800
Total Current Assets		**119,323**	**810**
NON-CURRENT ASSETS			
Capitalised exploration expenditure	7	436,743	207,719
Total Non-Current Assets		**436,743**	**207,719**
Total Assets		**556,066**	**208,529**
CURRENT LIABILITIES			
Trade and other payables	8	57,201	-
Total Current Liabilities		**57,201**	**-**
NON-CURRENT LIABILITIES			
Borrowings	9	164,000	22,143
Total Non-Current Liabilities		**164,000**	**22,143**
Total Liabilities		**221,201**	**22,143**
Net Assets		**334,865**	**186,386**
EQUITY			
Contributed equity	10	387,510	10
Accumulated (losses)/profits	11	(52,645)	186,376
Total Equity		**334,865**	**186,386**

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

Statement of Changes in Equity for the Year Ended 30 June 2018

	Contributed Equity $	Accumulated Losses $	Total Equity $
Balance at 1 July 2016	10	186,926	186,936
Total comprehensive income for the year	-	(550)	(550)
Balance at 30 June 2017	**10**	**186,376**	**186,386**
Balance at 1 July 2017	10	186,376	186,386
Total comprehensive income for the year	-	(239,021)	(239,021)
Transactions with owners in their capacity as owners	387,500	-	387,500
Balance at 30 June 2018	**387,510**	**(52,645)**	**334,865**

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

Statement of Cash Flows for the Year Ended 30 June 2018

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(91,611)	(550)
Net cash provided by/(used in) operating activities	18	**(91,611)**	**(550)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Capitalised exploration expenses		(213,235)	-
Other		-	550
Share issue costs – prepaid		(30,600)	-
Net cash provided by financing activities		**(243,835)**	**550**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from share issues		387,500	-
Net cash provided by/(used in) investing activities		**387,500**	**-**
Net increase/(decrease) in cash held		52,054	-
Cash and cash equivalents at the beginning of the financial year		10	10
Cash and Cash Equivalents at the End of the Financial Year	18	**52,064**	**10**

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

Notes To and Forming Part of the Financial Statements

1 GENERAL INFORMATION

These financial statements and notes represent those of Yandal Resources Limited (the "Company" or "Entity"). Yandal Resources Limited is a company limited by shares incorporated and domiciled in Australia.

1a Significant accounting policies

Statement of compliance
Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. The financial statements and notes also comply with International Financial Reporting Standards.

Basis of preparation
The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated. The presentation currency is Australian dollars.

New accounting standards and interpretations
Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period. The Company's assessment of the impact of these new standards and interpretations is set out below.

The following Accounting Standards and Interpretations are most relevant to the entity:

- *AASB 9 Financial Instruments*

  This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets.

- *AASB 15 Revenue from Contracts with Customers*

  This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition.

  It is unlikely the adoption of the above standards will materially impact the results of the Company.

Adoption of new and revised Accounting Standards

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2017 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Critical accounting judgements and key sources of estimation uncertainty

In the application of IFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Notes To and Forming Part of the Financial Statements

Critical accounting judgements and key sources of estimation uncertainty continued

i) Significant accounting judgements

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of exploration and evaluation expenditure

The Company has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful developments (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped. As at 30 June 2018, the carrying value of capitalised exploration expenditure is $434,743.

ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

1b Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

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 reporting date.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

1c Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. A provision for bad debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the statement of comprehensive income.

Notes To and Forming Part of the Financial Statements

1d Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid, together with assets ordered before the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition.

1e Cash and Cash Equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid instruments 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 within borrowings in current liabilities on the statement of financial position.

1f Comparative Figures

Where necessary, comparative figures have been adjusted to conform to the presentation in the current year.

1g Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

1h Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated goods and services tax (GST), unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

1i Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, eg as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the statement of comprehensive income and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

1j Impairment of Assets

Assets and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes To and Forming Part of the Financial Statements

1k Earnings per Share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing 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.

1l Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against operating results in the year in which the decision to abandon the area is made. When production commences the accumulated costs for the relevant area of interest are classified as development costs and amortised over the life of the project area according to the rate of depletion of the economically recoverable reserves.

Where independent valuations of areas of interest have been obtained, these are brought to account. Subsequent expenditure on re-valued areas of interest is accounted for in accordance with the above principles. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

At 30 June 2018 the Directors considered that the carrying value of the mineral tenement interests of the consolidated entity was as shown in the Statement of Financial Position and no further impairment arises other than that already recognised.

	2018 $	**2017 $**
2 EXPENSES		
Loss before income tax is arrived at after charging the following items:		
Capitalised exploration expenditure written off	207,719	-
	207,719	**-**
3 INCOME TAX		
Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	**-**
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) before income tax	(239,021)	(550)
Tax at 27.5% (2017: 7.5%)	(65,731)	(151)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Capitalised exploration expenditure written off	57,123	-
Tax losses not recognised as an asset	8,608	151
Income Tax Expense	**-**	**-**

Notes To and Forming Part of the Financial Statements

	2018 $	2017 $

Tax losses and unrecognised temporary differences

The Directors estimate that the potential future income tax benefit at 30 June 2018 in respect of tax losses not brought to account is $8,608 (2017: $Nil). This benefit for tax losses will only be obtained if:

- the Company derives income of a nature and amount sufficient to enable the benefit from the deductions for the loss to be realised;
- the Company continues to comply with the conditions for deductibility imposed by the law; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

The franking account balance is $144,284.

4 CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2018 $	2017 $
Cash at bank	52,064	10
	52,064	**10**

Cash at bank carries a floating interest rate of 0% (2017: 0%). The above figures are reconciled to the cash at the end of the financial year as shown in the statement of cash flows in Note 18.

5 CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2018 $	2017 $
GST assets	11,559	-
	11,559	**-**

6 CURRENT ASSETS - OTHER

	2018 $	2017 $
Prepayments – capital raising	55,700	-
Preliminary expenses	-	800
Total	**55,700**	**800**

7 NON-CURRENT ASSETS – CAPITALISED EXPLORATION EXPENDITURE

	2018 $	2017 $
Capitalised exploration and tenement acquisition costs	436,743	207,719
	436,743	**207,719**

8 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2018 $	2017 $
Accrued expenses	47,746	-
Other expenses	9,455	-
	57,201	**-**

All amounts are expected to be settled in less than 12 months.

Notes To and Forming Part of the Financial Statements

	2018 $	2017 $
9 NON-CURRENT LIABILITIES - BORROWINGS		
Director and shareholder loans	164,000	22,143
	164,000	**22,143**

Director and shareholder loans are both interest and non-interest bearing and are repayable when the Company successfully lists on the ASX and when surplus funds are available in the future. There is no intention of the Directors and shareholders requesting repayment of the loans before 30 June 2019 unless trading conditions change and the Company has available funds to repay the loans and therefore have an unconditional right to defer settlement. They are not secured over assets of the Company. Their fair value approximates their carrying value.

During the year ended 30 June 2018, $95,752 of Director loans were forgiven by Dr Michael Ruane.

	2018 $	2017 $
10 CONTRIBUTED EQUITY		
Issued capital 17,500,010 ordinary shares fully paid	387,510	10
	387,510	**10**

	Number	$
Movement in issued capital - 2018		
Balance at the beginning of the financial year	10	10
Share issue at $0.001	12,500,000	12,500
Share issue at $0.075	5,000,000	375,000
Balance at the End of the Financial Year	**17,500,010**	**387,510**

There were no movements in the number of shares issued during 2017.

Terms and condition of contributed equity
Ordinary Shares
Ordinary shares have no par value.

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

	$	$
11 ACCUMULATED LOSSES		
Opening balance	186,376	186,926
Profit /(Loss) for the year	(239,021)	(550)
Closing Balance	**(52,645)**	**186,376**

Notes To and Forming Part of the Financial Statements

	2018 $	2017 $
12 EARNINGS/(LOSS) PER SHARE		
Profit/(loss) after tax attributable to members of Yandal Resources Limited	(239,021)	(550)
Basic profit/(loss) per share	(10.2) cents	(55) cents
Diluted profit/(loss) per share	(10.2) cents	(55) cents
	Number	**Number**
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted loss per share.	2,351,518	10

Basic Earnings/(Loss) Per Share

Basic earnings/(loss) per share is determined by dividing the loss after income tax attributable to members of Yandal Resources Limited by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

Diluted Earnings/(Loss) Per Share

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any change in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

Where options exercise prices are above market values (out of the money), no dilutive impact arises as it increases the loss per share.

	2018 $	2017 $
13 REMUNERATION OF AUDITORS		
Remuneration for audit of financial reports by Rothsay Auditing	**3,000**	**3,000**

14 KEY MANAGEMENT PERSONNEL DISCLOSURES

The persons holding positions as Directors of the Company during the financial year were:

Mr David Lawrence Hughes	Managing Director	Appointed 6 April 2018
Ms Kelly Amanda Ross	Non-Executive Director	Appointed 6 April 2018
Dr Michael Ruane	Executive Director	Appointed 29 December 2017
Mr Ian Philip Gilmour	Director & Sole Secretary	Resigned 29 December 2017

	2018 $	2017 $
14a Details of remuneration		
Short-term benefits	82,564	-
Post-employment benefits	7,844	-
	90,408	**-**

Other Key Management Personnel

There were no other key management personnel in Yandal Resources Limited during the financial year.

See Note 15 for details of loans from key management personnel and any other transactions with key management personnel.

Notes To and Forming Part of the Financial Statements

15 KEY MANAGEMENT PERSONNEL DISCLOSURES

Interests of the Directors in the shares and options of the Company at 30 June 2018 and 30 June 2017 were:

2018 Director	Ordinary Shares	
	Direct Interest	Indirect Interest
D Hughes	-	2,333,336
K Ross	-	-
M Ruane (Appointed 29 December 2017, Resigned 1 July 2018)	-	11,800,010
I Gilmour (Resigned 29 December 2017)	-	-

2017 Director	Ordinary Shares	
	Direct Interest	Indirect Interest
I Gilmour	20	-

16 EVENTS AFTER REPORTING DATE

On 1 July 2018, Ms Katina Law was appointed a Non-Executive Chair.

In September 2018, the Company issued 6,158,338 shares at $0.075 each in order to raise $461,875 for working capital.

In September 2018, 4,500,000 Unlisted Options with an exercise price of 25 cents and an expiry date of 31 December 2021 were issued to the Directors, the Company Secretary and the Exploration Manager.

In September 2018, the Company paid $60,000 in cash and issued 4,650,000 shares at $0.075 each to vendors as consideration under the Tenement Sale Agreements.

The Company aims to seek listing on the ASX and to raise further capital.

At the date of the Directors' Declaration no other matter or circumstance has arisen since 30 June 2018 that has significantly affected or may significantly affect the operations, results of those operations, or state of affairs of the Company, subsequent to 30 June 2018.

17 COMMITMENTS FOR EXPENDITURE

Commitments for minimum expenditure requirements on the mineral exploration assets it has an interest in are payable as follows:

	2018 $	2017 $
Within one year	382,000	-
Later than one year but not later than five years	780,000	-
Later than five years	800,000	-
	1,962,000	**-**

Notes To and Forming Part of the Financial Statements

18 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2018 $	2017 $
Cash at bank	**52,064**	**10**
Reconciliation of Net Cash Used In Operating Activities To Loss After Income Tax		
Profit/(loss) after income tax	(239,021)	(550)
Depreciation	-	-
Capitalised exploration expenditure written off	207,719	-
Gain on debt forgiveness	(95,752)	-
Other	800	-
Movements in:		
Tax assets	(11,559)	-
Payables	46,202	-
Net Cash provided by/(used in) Operating Activities	**(91,611)**	**(550)**
(b) Non cash financing and investing activities		
Capitalised exploration expenditure satisfied by loan from Director related entities	259,752	-

19 FINANCE FACILITIES

No credit standby facility arrangement or loan facilities existed at 30 June 2018 or 30 June 2017.

20 RELATED PARTIES

Directors

The Directors who held office at any time during the year are as follows:

Mr David Lawrence Hughes, Ms Kelly Amanda Ross, Dr Michael Ruane and Mr Ian Gilmour.

(a) Director and Associated Party Loans

The Company has $164,000 (2017: $22,143) in loans from its directors and associated entities as described in note 9. The loans are non-interest bearing and will be repaid when surplus funds are available in the future. During the year ended 30 June 2018, Dr Michael Ruane forgave an amount of $95,752 owed on his loan.

	2018 $	2017 $
(b) Loans payable to Director and Director Related Entities		
Dr Michael Ruane, a former director and his related entities of which he is a director:		
Opening balance	22,143	21,593
Loans received	237,609	550
Interest on loan	-	-
Repayments made	-	-
Debt forgiven	(95,752)	-
Closing balance	**164,000**	**22,143**

21 COMPANY DETAILS

The registered office of the Company is:

Yandal Resources Limited
159 Stirling Highway
Nedlands WA 6009

Tenement Schedule

Locality	Tenement ID	Holder	Beneficial Ownership of Yandal Resources Ltd	Notes
Ironstone Well Gold Project				
Ironstone Well	M53/1093	Nemex 10%/Yandal 90%	100%	1
Oblique/Quarter Moon	E53/1882	Redcode Pty Ltd	100%	2
Flushing Meadows	E53/1963	Redcode Pty Ltd	100%	2
Flushing Meadows	E53/1964	Redcode Pty Ltd	100%	2
Barwidgee Gold Project				
New England	E53/1843	Legendre, Bruce Robert	100%	3
Tuscana/Corboys	P53/1636	Yandal Resources Limited	100%	
New England	P53/1638	Yandal Resources Limited	100%	
New England	P53/1639	Yandal Resources Limited	100%	
Mt McClure Gold Project				
Anxiety Bore	P36/1808	Yandal Resources Limited	100%	
Anxiety Bore	P36/1809	Yandal Resources Limited	100%	
Anxiety Bore	P36/1810	Yandal Resources Limited	100%	
Anxiety Bore	P36/1811	Yandal Resources Limited	100%	
Anxiety Bore	P36/1812	Yandal Resources Limited	100%	
Success	P36/1813	Yandal Resources Limited	100%	
Success	P36/1814	Yandal Resources Limited	100%	
Success	P36/1815	Yandal Resources Limited	100%	
Success	P36/1816	Yandal Resources Limited	100%	
Parmelia	P36/1817	Yandal Resources Limited	100%	
Parmelia	P36/1818	Yandal Resources Limited	100%	
Parmelia	P36/1819	Yandal Resources Limited	100%	
Challenger	P36/1820	Yandal Resources Limited	100%	
Challenger	P36/1821	Yandal Resources Limited	100%	
Challenger	P36/1822	Yandal Resources Limited	100%	
Challenger	P36/1823	Yandal Resources Limited	100%	
Mt McClure	P36/1824	Yandal Resources Limited	100%	
Mt McClure	P36/1825	Yandal Resources Limited	100%	
Mt McClure	P36/1826	Yandal Resources Limited	100%	
Desperation Well	P36/1827	Yandal Resources Limited	100%	
Desperation Well	P36/1828	Yandal Resources Limited	100%	

Tenement Schedule

Locality	Tenement ID	Holder	Beneficial Ownership of Yandal Resources Ltd	Notes
Mt McClure Gold Project continued				
Desperation Well	P36/1829	Yandal Resources Limited	100%	
Desperation Well	P36/1830	Yandal Resources Limited	100%	
Tony Well	P36/1831	Yandal Resources Limited	100%	
Tony Well	P36/1832	Yandal Resources Limited	100%	
Tony Well	P36/1833	Yandal Resources Limited	100%	
Tony Well	P36/1834	Yandal Resources Limited	100%	
Tony Well	P36/1835	Yandal Resources Limited	100%	
Desperation Well Extended	P36/1852	Yandal Resources Limited	100%	
Challenger Extended	P36/1853	Yandal Resources Limited	100%	
Success Extended	P36/1854	Yandal Resources Limited	100%	
Parmelia Extended	P36/1855	Yandal Resources Limited	100%	
Gordans Gold Project				
Mt Jewell	E24/198	Antony Rolfe	100%	4
Mt Jewell	E27/536	Antony Rolfe & Matthew Rolfe	100%	4
Mulgarrie	M27/237	Antony Rolfe	100%	4
Mt Jewell	P27/2206	Antony Rolfe	100%	4
Boomerang Dam	P27/2214	Kesli Chemicals Pty Ltd	100%	5
Kanowna	P27/1911	Kesli Chemicals Pty Ltd	100%	5, 7
King of the West	ELA24/214	Yandal Resources Limited	100%	
Wild Dog	ELA27/602	Yandal Resources Limited	100%	
Mt Vetters	ELA27/605	Yandal Resources Limited	100%	
Kanowna	MLA27/502	Kesli Chemicals Pty Ltd	100%	5, 7
King of the West	PLA24/5266	Yandal Resources Limited	100%	
King of the West	PLA24/5267	Yandal Resources Limited	100%	
King of the West	PLA24/5268	Yandal Resources Limited	100%	
King of the West	PLA24/5269	Yandal Resources Limited	100%	
King of the West	PLA24/5270	Yandal Resources Limited	100%	
King of the West	PLA24/5271	Yandal Resources Limited	100%	
Gordons	PLA27/2338	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2339	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2340	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2341	Zinfandel Exploration Pty Ltd	100%	6

Tenement Schedule

Locality	Tenement ID	Holder	Beneficial Ownership of Yandal Resources Ltd	Notes
Gordans Gold Project continued				
Gordons	PLA27/2342	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2343	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2344	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2345	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2346	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2354	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2355	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2356	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2357	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2358	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2359	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2360	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2361	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2362	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2363	Zinfandel Exploration Pty Ltd	100%	6
Gordons	PLA27/2364	Zinfandel Exploration Pty Ltd	100%	6

Notes:

1. The 10% interest of Nemex Pty Ltd in this tenement was purchased by the Company under the Nemex Tenement Sale Agreement dated 29 June 2018.

2. These tenements were purchased by the Company under the Redcode Tenement Sale Agreement dated 29 June 2018.

3. This tenement was purchased by the Company under the Legendre Tenement Sale Agreement dated 29 June 2018.

4. These tenements were purchased by the Company under the Rolfe Tenement Sale Agreement dated 21 June 2018.

5. These tenements are the subject of the Kesli Tenement Sale Agreement dated 21 June 2018.

6. These tenements are the subject of the Zinfandel Tenement Sale Agreement dated 28 June 2018.

7. P27/1911 is a tenement that underlies M27/502 (Application). In the event of M27/502 being granted, the tenure on P27/1911 will cease.