JINDALEE
Resources Limited

ANNUAL REPORT 2019

CORPORATE DIRECTORY

Board and Management

Justin Mannolini	Non-Executive Chairman
Pip Darvall	Managing Director
Lindsay Dudfield	Executive Director
Patricia (Trish) Farr	Executive Director/Company Secretary[1]

Registered Office & Principal Place of Business

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Web: www.jindalee.net

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, WA 6008

Legal Advisors

House Legal
86 First Avenue
Mount Lawley, WA 6050

Share Registry

Advanced Share Registry
110 Stirling Highway
Nedlands, WA 6000
Telephone: +61 (8) 9389 8033
Facsimile: +61 (8) 9262 3723

Securities Exchange Listing

The Company is listed on the Australian Securities Exchange Ltd ("ASX")
Home Exchange: Perth, Western Australia

ASX Code: JRL

Front Cover

McDermitt Project, Oregon USA

[1] Greg Ledger resigned as Joint Company Secretary on 27 August 2019.

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CHAIRMAN'S REPORT

I am pleased to present the Chairman's Report for Jindalee Resources Limited for 2019.

The past financial year saw a step change in the market's recognition of the capability of the Company as a generator of projects which have the potential to increase shareholder value through targeted and efficient exploration and development activity.

Assisted by global monetary policy easing, the market reached new highs in 2019, but the positive tailwinds have so far proven elusive for most junior exploration companies. Investors' focus has continued to be on more mature companies with relatively stable earnings profiles and conservative balance sheets. The recent exception has been the gold sector, which has continued to benefit from a "perfect storm" of supportive conditions for the yellow metal: cheap money, geo-political uncertainty, and continued demand for so-called safe haven assets.

Much of the hype over the "battery metals" of nickel, lithium, graphite and cobalt, which dominated the speculative end of the market in 2018, has now evaporated, with realised prices for lithium units declining globally.

However, notwithstanding these recent market dynamics, the Board considers that the macro trend towards a low-carbon economy, particularly the electrification of transportation, remains largely intact, and over the medium to long term, prices for the battery metals are likely to continue to be robust, if not immune to the usual cyclical factors.

It is this belief in the underlying industrial thesis for battery metals which has provided the Board with the confidence to continue to invest in the development of our lithium assets in the US. In the past financial year, we completed a maiden drilling programme at the McDermitt Project, and received positive results from initial metallurgical test work. Post financial year end, we commenced follow-up drilling at McDermitt, with the objective of producing a maiden resource estimate by the end of 2019, and assays are awaited.

We have been gratified to see increasing market interest in the potential of lithium sediments to yield economic sources of feedstock for the production of lithium salts (carbonate and hydroxide). The US Government's continued and vocal rhetoric around the need for resource security, coupled with heightened trade tensions with China (which show no signs of abating), provide a favourable backdrop for the Company's lithium strategy. This has also translated into increased demand for Jindalee's shares, and a 40% increase in the market capitalisation of the company over the 12 months to 30 June 2019.

The benefits of Jindalee's diverse portfolio of tenements has also been demonstrated in the recent resurgence of interest in nickel: this time as a key component of battery manufacturing, rather than steel hardening. BHP's decision to reinvest in the future of the Nickel West operations has provided a much-needed fillip to the local industry.

With this in mind, we have continued, through a combination of acquisitions and opportunistic disposals, to consolidate our tenement portfolio, with a particular focus on optimising our position in the Widgiemooltha region of Western Australia. Jindalee now has one of the largest landholdings in the region, which is prospective for a range of minerals including gold, nickel and lithium, and we are actively considering means to leverage this position for the maximum advantage of our shareholders.

We have continued to monetise our interests in non-core assets where they are better suited to development by third parties, electing, where possible, to retain a direct interest in the project. A case in point is the previously announced transaction with SilverStream, which may see a package of royalty interests vended for consideration of up to $500,000.

This approach has assisted us to mitigate cash outflows and minimise the need for fresh capital at a time when this can be hard to come by for junior explorers. Having said this, we are conscious of the need to ensure that the Company is adequately resourced to pursue its objectives and after financial year end announced a non-renounceable entitlement offer to raise approximately $1M. We were pleased to be able to provide shareholders with an opportunity to top up their existing holdings, as well as welcome a number of new shareholders to the register through strategic placement of the shortfall.

Once again I would like to thank key management team members Pip Darvall, Lindsay Dudfield and Trish Farr for their hard work and focus over the past year, and Mr Greg Ledger, who after 17 years of service as sole and later Joint Company Secretary, has recently stepped down from that role. As always, we are indebted to our loyal and patient shareholder base. With our US Lithium assets poised for a substantial step forward in the current financial year, we are hopeful of providing shareholders with material rewards for that loyalty.

Justin Mannolini

Non-Executive Chairman

Since listing in July 2002 Jindalee has been successful in creating wealth for our shareholders using a disciplined approach to mineral exploration. Our preference to build assets from scratch rather than purchase has paid dividends (literally!) and we believe we are setting ourselves up for further success with the continued growth in value of our key US Lithium and Widgiemooltha projects discussed below.

Jindalee provides shareholders with direct exposure to a range of commodities on our own projects including gold, nickel, lithium, magnesite, diamonds and iron ore (Figure 1), with additional exposures via our investee companies. Jindalee's strong balance sheet (around $3.2 million in cash and shares at 30 June 2019) places the Company in a position to add value to the projects already in our portfolio and to acquire further opportunities that may present.

In the 2019 Financial Year we added to our existing ground position in the USA, and in the Widgiemooltha area of Western Australia. At the same time additional prospective ground was pegged in Western Australia to create a project pipeline that will either be added to or traded.

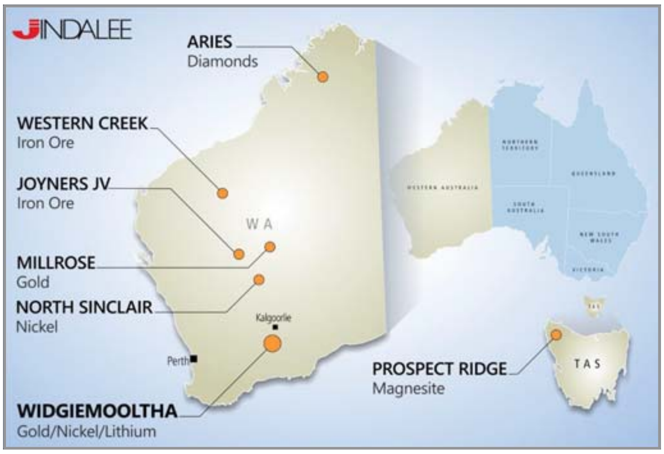

Figure 1. Jindalee's major Australian Projects.

KEY ASSETS

US LITHIUM

In June 2018 Jindalee announced the acquisition of two lithium sediment projects in the United States, at Clayton North[1] and McDermitt[2] (Figure 2). These projects are 100% owned by HiTech Minerals Inc., a wholly owned, US based subsidiary of Jindalee and were generated by Jindalee after an extensive search across Nevada, Arizona and Oregon.

Jindalee was attracted to the projects by several factors:

- the mineralisation style has the potential for large scale, long life sources of lithium that sit at the lower end of the global cost curve;
- the projects are located in a mining friendly jurisdiction with significant domestic lithium demand currently satisfied by imported material; and
- there is the opportunity for Jindalee to rapidly advance the projects through the exploration stage at relatively low cost.

Excellent results from the initial drill program completed at McDermitt in September 2018 underpinned a significant exploration target[3] and positive outcomes from subsequent metallurgical test work[4] have given Jindalee the confidence to undertake follow up drilling (underway at the time of writing[5]).

The Company has maintained a steady, incremental approach to de-risking the McDermitt project at low cost, progressing from surface sampling results, through initial drill testing and metallurgical tests to the current drill program to support the estimation of a maiden mineral resource and update the existing exploration target range. Each increment has built upon the knowledge

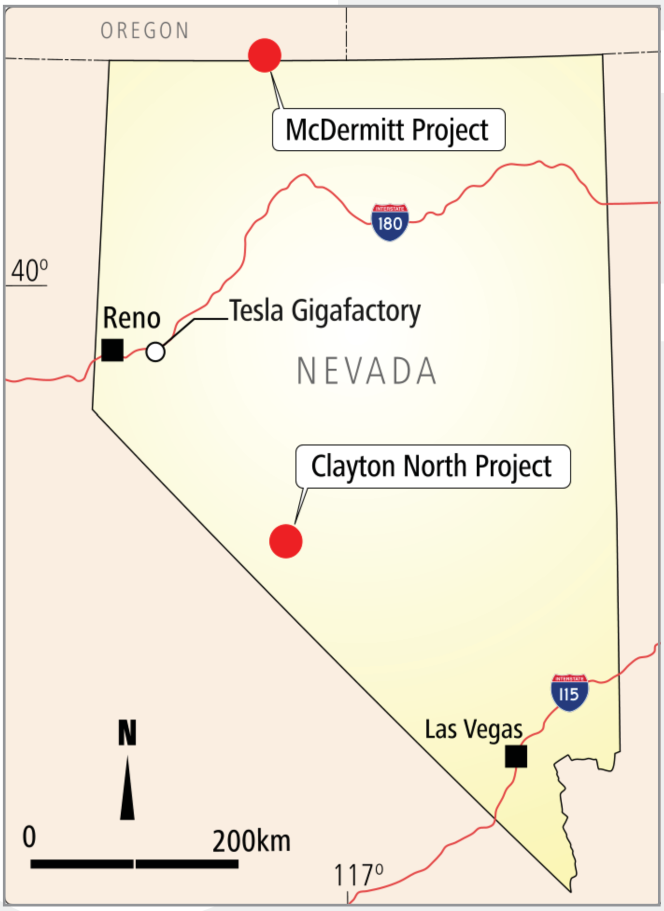

Figure 2. Jindalee's US Lithium Projects.

gained from the previous steps, and progress to date has been excellent. We have established that the scale of McDermitt is significant and that we can extract the lithium using conventional means. Currently we are focussed on defining these parameters in more detail and to a higher level of confidence, with further significant updates anticipated over the coming year.

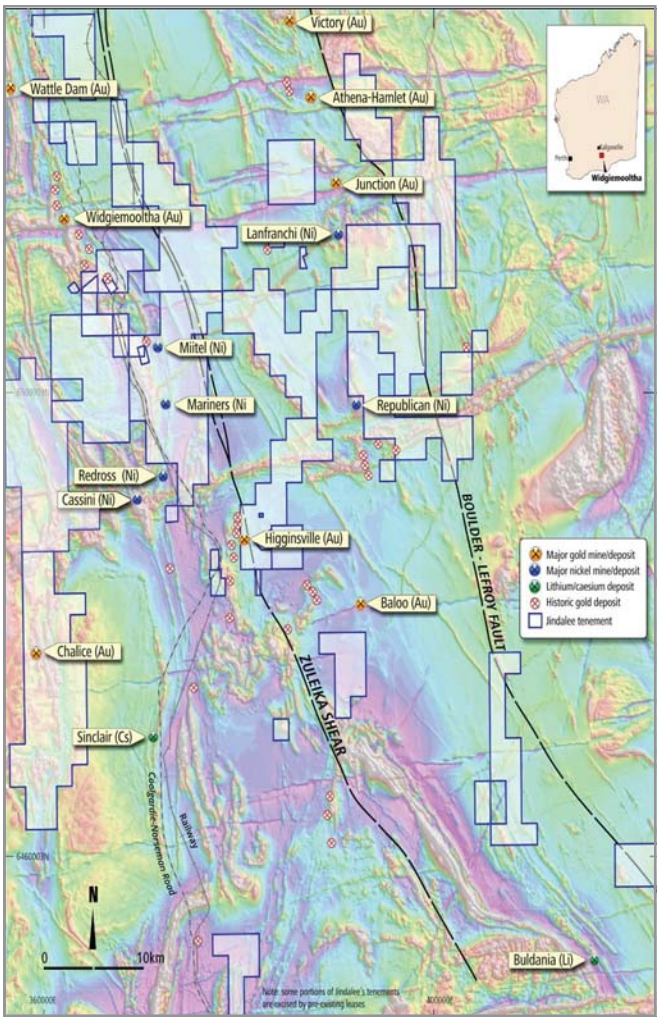

Figure 3: Widgiemooltha Project tenements (as at 30 June 2019) over aeromagnetic imagery.

(Note some portions of the tenements are excised by pre-existing mining and other leases.)

WIDGIEMOOLTHA PROJECT

The Widgiemooltha district has a long mining history with numerous historic and currently operating gold, nickel and rare metal mines. Despite this long history, considerable exploration potential remains, with significant new discoveries made recently including Invincible (Au) by Gold Fields Limited; Baloo (Au) by S2 Resources, now held by Royal Nickel Corporation; Cassini (Ni) by Mincor Resources NL, and Sinclair (Cs) by Pioneer Resources Limited.

Jindalee commenced acquiring ground in the district three years ago, and over the last year has continued to build on its substantial ground position, adding several tenement applications during the period (Figure 3).

A district scale targeting study and review of historic work has been completed, identifying a range of targets for gold and nickel. These are currently the subject of further work and data compilation. Available ground in this highly prospective district is very limited and options for realising the value in Jindalee's tenement package continue to be tested.

OTHER ASSETS

Prospect Ridge (magnesite) (Jindalee 100%)

The Prospect Ridge Project comprises a single granted Exploration Licence (EL5/2016) located 55km southwest of Burnie in NW Tasmania (Figure 4). The project covers the Arthur River and Lyons River magnesite deposits, containing the third largest inventory of magnesite Economic Demonstrated Resources in Australia (refer www.ga.gov.au). The project has been explored by companies including Mineral Holdings Australia, CRAE (now Rio Tinto), TasMag, Crest Magnesium and most recently by Beacon Hill Resources Plc.

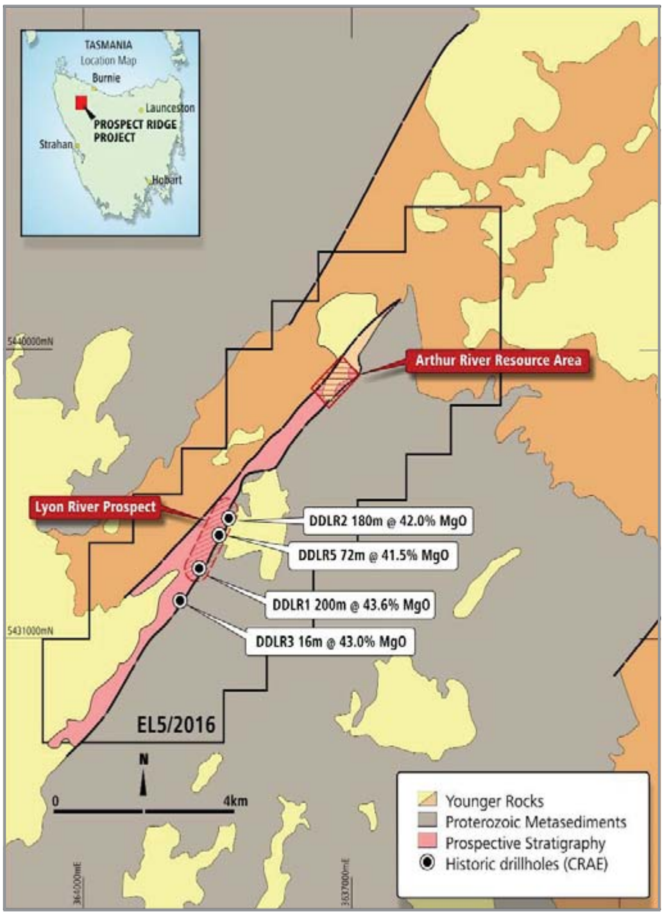

Figure 4: Jindalee's Prospect Ridge Project over regional geology.

Since grant of the licence, Jindalee has compiled the extensive historical database for the project, defined a JORC (2012) compliant resource at Arthur River[6], and completed a program of metallurgical testwork that demonstrated the potential for upgrading higher grade portions of the deposit[7]. Jindalee is currently marketing this project in an effort to find suitably experienced partners to help move this project forward.

Aries (diamonds) (Jindalee 100%)

Jindalee's Aries Project consists of three contiguous tenements (E80/5027, E04/2512 and diamond rights on E80/5117) in the central Kimberley region of Western Australia, approximately 270km east of Derby and 230km west of Rio Tinto's Argyle diamond mine, (Figure 5).

The project covers the Aries kimberlite cluster, including the Aries, Athena, Helena and Persephone diamondiferous kimberlite pipes. Although significant exploration was undertaken in the period from 1986 to 2005, Jindalee believes that there is good potential to find additional diamondiferous pipes and alluvial diamond deposits in the area. Encouragingly, 95% of the diamonds recovered from the project have been gem quality.

Given the diamond specific skill set required to progress this project further, a search for a partner to advance the project and test the new targets generated by Jindalee is underway.

JOINT VENTURES and NON-MANAGED PROJECTS

Joyners (Jindalee 20% free carried)

The Joyners joint venture with GWR Group Limited (ASX: GWR) forms a part of GWR's much larger Wiluna West project. GWR has earned an 80% interest in M53/1078, with Jindalee retaining 20%, free-carried through to completion of a Bankable Feasibility Study. Combined Indicated and Inferred iron oxide resources on the joint venture tenement total 7.9 Mt @ 62.2% Fe[8]. GWR recently announced the signing of a Term Sheet for a Mining Rights Agreement that contemplates mining of up to 3Mt of the 'JWD Deposit' situated approximately 1km to the south of the joint venture ground[9], with positive implications for the Joyners project should mining be successful.

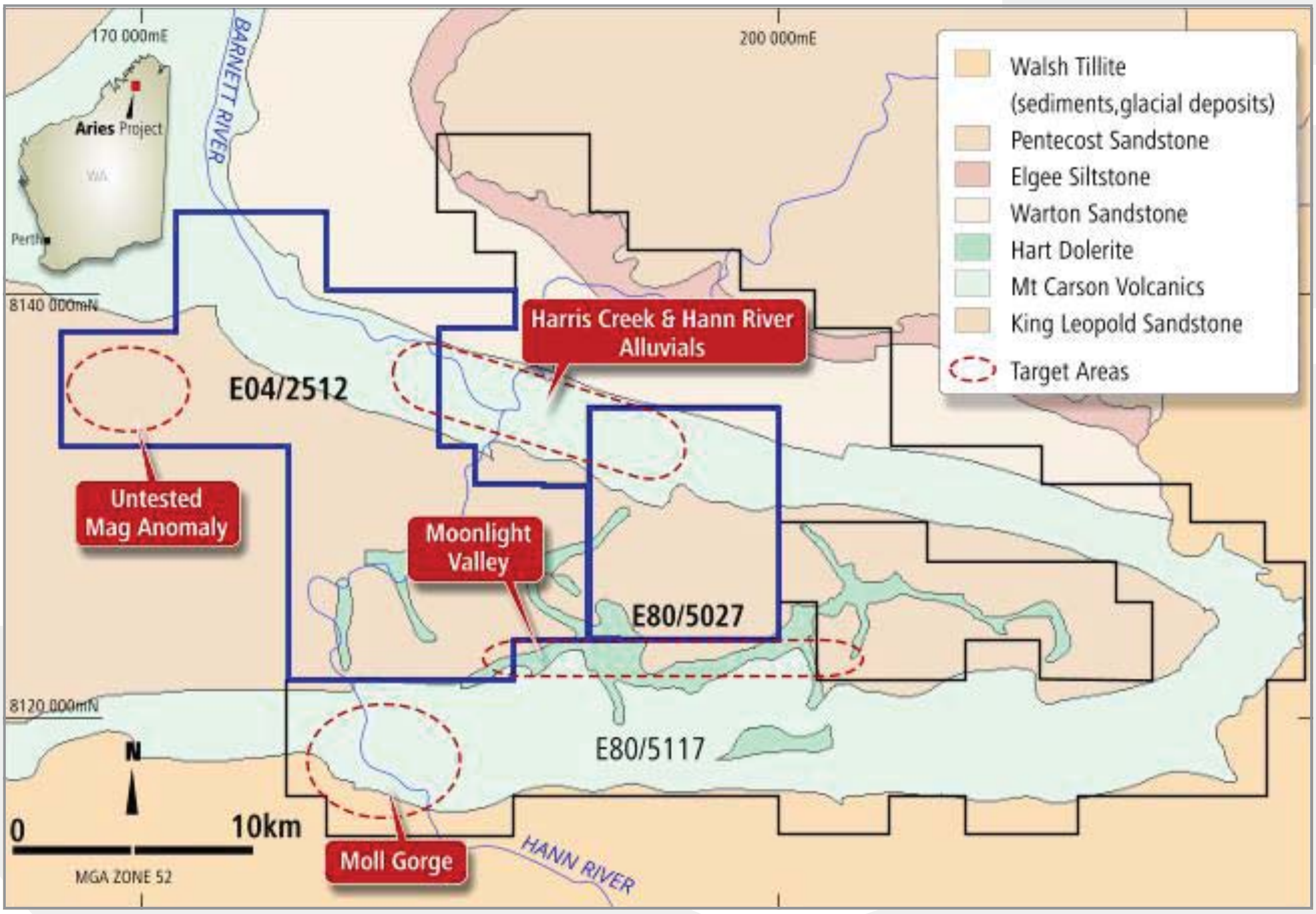

Figure 5: Aries Project tenements over regional geology.

North Sinclair and Camel Bore

(Aldoro 80% of non-gold rights)

Jindalee vended 80% of the non-gold rights of two of its projects into the Aldoro Resources Limited ('Aldoro') initial public offering (IPO)[10]. Since listing Aldoro has undertaken geophysical surveys on the project tenure and identified targets for future drill testing for nickel.

New Bore and Kelly Well

(Jindalee 10% Free Carried)

During the period Jindalee reached agreement with Dacian Gold Limited ('Dacian') (ASX: DCN) for the sale of 90% of Jindalee's New Bore and Kelly Well projects. These projects are located immediately adjacent to Dacian's Mt Morgan gold project. Jindalee's 10% interest is free carried to the finalisation of a feasibility study at which point Jindalee can elect to contribute pro-rata or dilute, with Jindalee reverting to a 1% net smelter royalty if its interest falls below 5%.

Other

Jindalee continued its strategy of adding value to non-core projects prior to divestment, including via acquisition of adjacent prospective ground, compilation of historic data and target generation. Opportunities to divest these projects are taken as they present and the Company continues to actively engage with potential purchasers and joint venture partners as appropriate.

On 10 July 2019 Jindalee announced a 1 for 10 non-renounceable entitlement offer. The offer, which closed on 15 August 2019, was well supported by shareholders and strong demand allowed the shortfall to be placed within a matter of days. Funds raised from the offer will be used to advance the Company's McDermitt Lithium and Widgiemooltha Gold-Nickel projects.

McDermitt core (from the 2019 program) showing excellent recovery.

INDIRECT INTERESTS

Alchemy Resources (Jindalee 3.2% of issued capital)

Jindalee is Alchemy Resources Limited's (ASX: ALY) sixth largest shareholder, providing shareholders with exposure to Alchemy's Bryah Basin gold and base metals project (WA), the Karonie gold project (WA), and a farm in and joint venture with Heron Resources Limited over properties in central NSW (the Cobar Basin/Lachlan Fold Belt and West Lynn Projects) prospective for gold, base metals and high purity alumina. Further information on Alchemy's activities can be found in their announcements and on their website.

Energy Metals (Jindalee 6.7% of issued capital)

Jindalee holds approximately 14 million Energy Metals (ASX: EME) shares, giving shareholders continued exposure to the development of the Bigrlyi uranium-vanadium deposit and the potential of Energy Metals' other uranium projects. Further information on Energy Metals' activities can be found in Energy Metals ASX announcements and on their website.

Other (Jindalee various holdings)

Jindalee holds interests in several other mineral exploration and development companies as a result of previous transactions. These shareholdings will be realised at appropriate times to fund additional activity.

Drilling at McDermitt.

OUTLOOK

Jindalee's strategy to identify and acquire projects with the potential to transform the Company continues to be our primary focus. At the same time the Company maintains the flexibility to deal on other projects as opportunities present, with recent examples being the transactions on New Bore and Kelly Well.

The strategic land packages acquired at Widgiemooltha and McDermitt are examples of larger scale undertakings where Jindalee is investing substantial effort with the goal of creating significant value. A particular focus at present is the McDermitt project which available data suggests has the potential to become one of the largest lithium deposits in the US[3].

At 30 June 2019, Jindalee held cash and marketable securities worth approximately $3.2M. These assets, combined with our tight capital structure (only 38.5M shares on issue following the recent entitlement offer), provide a strong base for advancing existing projects and leveraging into new opportunities.

References:

1. JRL's ASX announcement 8 June 2018: "Jindalee Acquires US Lithium Project at Clayton North".
2. JRL's ASX announcement 13 June 2018: "Jindalee Acquires Second US Lithium Project at McDermitt".
3. JRL's ASX announcement 20 November 2018: "Lithium Exploration Target at McDermitt".
4. JRL's ASX announcement 2 April 2019: "Excellent Metallurgical Test results from McDermitt".
5. JRL's ASX announcement 2 August 2019: "McDermitt Lithium Project Drilling Update".
6. JRL's ASX announcement 10 October 2017: "Arthur River Magnesite Deposit – JORC (2012) Resource Estimate".
7. JRL's ASX announcement 8 August 2018: "Positive Metallurgical Test Results from Prospect Ridge".
8. GWR's ASX announcement 24 February 2010: "Wiluna West Resource Upgrade".
9. GWR's ASX announcement 5 August 2019: "Mining Rights Agreement for Wiluna West Iron Deposit".
10. JRL's ASX announcement 10 May 2018: "Jindalee Partners with Aldoro at North Sinclair and Camel Bore".

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Pip Darvall and Mr Lindsay Dudfield. Mr Darvall is an employee of the Company and Mr Dudfield is a consultant to the Company. Both Mr Darvall and Mr Dudfield are members of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Both Mr Darvall and Mr Dudfield have sufficient experience, relevant to the styles of mineralisation and types of deposits under consideration, and to the activity which they are undertaking, to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves.' Both Mr Darvall and Mr Dudfield consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Forward-Looking Statements

This document may contain certain forward-looking statements. Forward-looking statements include,but are not limited to statements concerning Jindalee Resources Limited's (Jindalee's) current expectations, estimates and projections about the industry in which Jindalee operates, and beliefs and assumptions regarding Jindalee's future performance. When used in this document, the words such as "anticipate", "could", "plan", "estimate", "expects", "seeks", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although Jindalee believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Jindalee and no assurance can be given that actual results will be consistent with these forward-looking statements.

JINDALEE RESOURCES LIMITED AND CONTROLLED ENTITIES

FINANCIAL REPORT 30 JUNE 2019

DIRECTORS' REPORT

The Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Jindalee Resources Limited and the entities it controlled at the end of, or during the year ended 30 June 2019.

Directors

The following persons were directors of Jindalee Resources Limited during the whole of the financial year and up to the date of this report unless noted otherwise:

Lindsay Dudfield
Justin Mannolini
Patricia Farr
Pip Darvall

Principal activities

The principal activity during the year of Jindalee Resources Limited was mineral exploration. During the year there was no change in the nature of this activity.

Financial results

The consolidated loss of the Group after providing for income tax for the year ended 30 June 2019 was $1,019,707 (2018: loss $1,395,292).

Dividends

No dividends have been declared since the end of the previous financial year and no dividends have been recommended by the Directors.

Significant changes in the state of affairs

During the year there has been no significant change in the state of affairs of the Group.

Justin Mannolini, Pip Darvall, Trish Farr and Lindsay Dudfield,

Operations and financial review

The principal activity of the Group is mineral exploration. The Group holds interests in tenements in the United States, Tasmania and Western Australia prospective for lithium, magnesite, gold, diamonds, nickel and iron ore, with most of these tenements wholly owned. The Group also has indirect interests in uranium, gold and base metals through various investee companies.

In line with the Company's business strategy, during the year management evaluated numerous advanced projects in both Australia and overseas, with a view to securing an opportunity capable of growing the Group and creating wealth for Shareholders.

The net assets of the Group have fallen by $847,468 from $5,427,675 at 30 June 2018 to $4,580,207 at 30 June 2019, principally due to the Group's loss for the year of $1,019,707 offset by the movement in share capital and share-based payment reserve of $172,239.

The Directors believe the Group is in a sound financial position to continue its exploration endeavours.

Events since the end of the financial year

As announced to ASX on 10 July 2019, the Company announced a 1 for 10 non-renounceable pro rata entitlement offer at $0.30 per share to raise approximately $1.05M (before costs of the offer). The funds raised are to be used to advance the Company's McDermitt Lithium Project (US), Widgiemooltha Gold-Nickel Project (WA) and for general working capital.

As announced to ASX on 26 July 2019, the Group has entered into a Binding Preliminary Sales and Purchase Agreement ("Agreement") with SilverStream SEZC whereby SilverStream will purchase the Group's royalties over projects in the Eastern Goldfields of Western Australia, including West Kundana, Kookynie, Kelly Well, New Bore and Millrose. The Agreement will serve as the basis for a Definitive Sales and Purchase Agreement ("DPA") to be executed by the parties, with the DPA conditional on third-party consents being obtained by Jindalee and completion of further documentation. Consideration for the sale will comprise $250,000 in cash and a $250,000 convertible note with a 12 month expiry.

Other than the matters outlined above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial years.

Likely developments and expected results of operations

The Directors are not aware of any developments that might have a significant effect on the operations of the Group in subsequent financial years not already disclosed in this report.

Environmental regulation

The Group is subject to significant environmental regulation in respect of its exploration activities. Tenements in Western Australia are granted subject to adherence to environmental conditions with strict controls on clearing, including a prohibition on the use of mechanised equipment or development without the approval of the relevant government agencies, and with rehabilitation required on completion of exploration activities. These regulations are controlled by the Department of Mines and Petroleum.

Jindalee's claims in the United States of America are all located on Federally owned land managed by the Bureau of Land Management. There are a range of requirements that must be met when undertaking exploration activities, including seeking approval depending on the nature of the activities and undertaking rehabilitation once activities are complete. Bonds are payable prior to the commencement of exploration activities and are returned on satisfactory completion of rehabilitation. Jindalee Resources Limited conducts its exploration activities in an environmentally sensitive manner and the Group is not aware of any breach of statutory conditions or obligations.

<u>Greenhouse gas and energy data reporting requirements</u>

The Directors have considered compliance with both the Energy Efficiency Opportunity Act 2006 and the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements for the year ended 30 June 2019, however reporting requirements may change in the future.

Information on Directors

J Mannolini B.Com/LLB (Hons), LLM (Cantab), GAICD, SA FIN. *Non-Executive Chairman*		
Experience and expertise	Mr Mannolini was appointed to the Jindalee Board as a Non-Executive Director in September 2013 and as Chairman in July 2016. Mr Mannolini is a partner in the Corporate Advisory Group of Australian law firm Gilbert + Tobin. He was an Executive Director with Macquarie Capital, the investment banking division of the Macquarie Group from March 2013 to May 2016 and was responsible for cross-industry coverage of the Western Australian market. Prior to joining Macquarie, Mr Mannolini was Managing Director and head of Gresham Advisory Partners' Perth office, and before that, a partner in the mergers and acquisitions group of Australian law firm Freehills. In May 2016 Mr Mannolini was appointed to the board of the Northern Australia Infrastructure Facility, a $5B fund set up by the Australian Government to encourage population growth and economic development in northern Australia. As a lawyer and investment banker, Mr Mannolini has more than 20 years experience in corporate finance ranging across industry sectors and product lines, including mergers and acquisitions transactions and general strategic advisory mandates for companies in the resources sector.	
Other current directorships	None	
Former directorships in last 3 years	None	
Special responsibilities	Chairman	
Interests in shares and options	Ordinary Shares – Jindalee Resources Limited	250,000
	Unlisted $0.40 Options expiring 30/06/2022	500,000 (vested 22/11/2017)

P Darvall M.Sc.(Geology), MBA, GAICD *Managing Director*		
Experience and expertise	Mr Darvall is a geologist with exploration experience across a range of commodities, in Australia, PNG and the USA. From 2010 to 2014 he was Exploration Manager for Atlas Iron overseeing a rapid growth in Atlas' resource base, before starting his own consultancy company specialising in resource project evaluation and management. Mr Darvall has a MSc (Geology) from Monash University, an MBA from Curtin University and is a graduate of the AICD Company Directors Course. Mr Darvall is also a member of the AusIMM, AIG and SEG. Mr Darvall was appointed Managing Director on 28/05/2018.	
Other current directorships	None	
Former directorships in last 3 years	None	
Special responsibilities	Managing Director	
Interests in shares and options	Ordinary Shares – Jindalee Resources Limited	54,500
	Unlisted $0.40 Options expiring 30/06/2022	1,500,000 (vested 30/06/2018)
	Unlisted $0.50 Options expiring 30/06/2022	1,500,000 (vested 30/06/2019)
	Unlisted $0.60 Options expiring 30/06/2022	1,500,000 (vesting 30/06/2020)

L Dudfield B.Sc. *Executive Director*		
Experience and expertise	Mr Dudfield is a qualified geologist with over 40 years experience exploring for gold and base metals in Australia and abroad, including close involvement with a number of greenfields discoveries. Mr Dudfield is a member of the AusIMM, SEG, AIG and GSA. He is a founding director of Jindalee Resources Limited and has been a Director for 16 years.	
Other current directorships	Energy Metals Limited - Non-Executive Director Alchemy Resources Limited – Non-Executive Chairman	
Former directorships in last 3 years	None	
Special responsibilities	None	
Interests in shares and options	Ordinary Shares – Jindalee Resources Limited	12,480,844
	Unlisted $0.40 Options expiring 30/06/2022	1,000,000 (vested 22/11/2017)

P Farr GradCertProfAcc. GradDipACG. GAICD FGIA/FCIS *Executive Director/Joint Company Secretary*		
Experience and expertise	Ms Farr is an experienced Chartered Secretary with over 20 years experience in the exploration and mining industry in the areas of corporate governance, compliance and administration. Ms Farr provides Company secretarial services to several ASX listed companies including Musgrave Minerals Limited and prior to that Energy Metals Limited and Fox Resources Limited. Mrs Farr is a graduate member of the Australia Institute of Company Directors, Fellow member of Governance Institute of Australia (formerly Chartered Secretaries Australia) and the Institute of Chartered Secretaries and Administrators. Mrs Farr was appointed to the Jindalee Board in 2008.	
Other current directorships	None	
Former directorships in last 3 years	None	
Special responsibilities	None	
Interests in shares and options	Ordinary Shares – Jindalee Resources Limited	406,533
Unlisted $0.40 Options expiring 30/06/2022	Unlisted $0.40 Options expiring 30/06/2022	500,000 (vested 22/11/2017)

Company Secretary Information

Mr Greg Ledger was appointed Company Secretary on 4 April 2002 and has held that position, as well as other accounting and managerial roles since that date. Mr Ledger is a Chartered Accountant and holds a Bachelor of Commerce Degree from the University of Western Australia.

Ms Farr was appointed joint Company Secretary on 1 July 2010. She is an experienced Chartered Secretary having provided Company Secretarial services to several ASX listed companies and unlisted companies, the majority of which operate in the mineral resources sector in Australia. Ms Farr is a graduate member of the Australian Institute of Company Directors and fellow member of Governance Institute of Australia (formerly Chartered Secretaries Australia).

Meetings of Directors

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2019 and the numbers of meetings attended by each Director.

Name	Board of Directors	
	Meetings Held	**Meetings Attended**
J Mannolini	9	9
P Darvall	9	9
L Dudfield	9	9
P Farr	9	9

As at the date of this report, the Group did not have an Audit Committee of the Board of Directors. The Board considers that due to the Group's size, an Audit Committee's functions and responsibilities can be adequately and efficiently discharged by the Board as a whole, operating in accordance with the Group's mechanisms designed to ensure independent judgement in decision making.

Retirement, election and continuation in office of directors

Mr Justin Mannolini is a director retiring by rotation who, being eligible, may offer himself for re-election at the Company's 2019 Annual General Meeting.

AUDITED REMUNERATION REPORT

The Directors are pleased to present Jindalee Resources Limited's 2019 remuneration report which sets out remuneration information for the Company's non-executive directors, executive directors and other key management personnel.

The report contains the following sections:

(a) Key management personnel disclosed in this report

(b) Remuneration governance and the use of remuneration consultants

(c) Executive remuneration policy and framework

(d) Relationship between remuneration and the Group's performance

(e) Non-executive director remuneration policy

(f) Voting and comments made at the Company's 2018 Annual General Meeting

(g) Details of remuneration

(h) Service agreements

(i) Details of share-based compensation and bonuses

(j) Equity instruments held by key management personnel

(k) Loans to key management personnel

(l) Other transactions with key management personnel

(a) Key management personnel disclosed in this report

J Mannolini	Non-Executive Chairman
P Darvall	Managing Director
Dudfield	Executive Director
P Farr	Executive Director/Company Secretary

For further details on each director see pages 12 - 13.

(b) Remuneration governance and use of remuneration consultants

The Company has a Remuneration Policy however has not established a separate Remuneration Committee. 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 directors and key executives. The Board considers that it is more appropriate to set aside time at a Board meeting each year to specifically address matters that would ordinarily fall to a remuneration committee such as reviewing remuneration, recruitment, retention and termination procedures and evaluating senior executives remuneration packages and incentives. A copy of the Remuneration Policy can be found on the Company's website www.jindalee.net

In addition, all matters of remuneration will continue to be in accordance with the Corporations Act requirement, especially with regard to related party transactions. That is, none of the directors participate in any deliberations regarding their own remuneration or related issues.

Independent external advice is sought from remuneration consultants when required, however no advice has been sought during the year ended 30 June 2019.

The Corporate Governance Statement provides further information on the Company's remuneration governance. Further details on the Corporate Governance Statement can be found on the Company's website www.jindalee.net

(c) Executive remuneration policy and framework

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Company to attract and retain key talent
- Aligned to the Company's strategic and business objectives and the creation of shareholder value
- Transparent and easily understood, and
- Acceptable to shareholders.

All executives receive consulting fees or a salary, part of which may be taken as superannuation, and from time to time, options. Options issued to directors are subject to approval by Shareholders. The Board reviews executive packages annually by reference to the executive's performance and comparable information from industry sectors and other listed companies in similar industries.

Board members are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.

All remuneration paid to directors and specified executives is valued at the cost to the Group and expensed. Options are valued using the Black-Scholes methodology.

(d) Relationship between remuneration and the Group's performance

The policy setting the terms and conditions for the executive directors, was developed and approved by the Board and is considered appropriate for the current exploration phase of the Groups development. Emoluments of Directors are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of directors. Fees paid to directors are not linked to the performance of the Group. This policy may change once the exploration phase is complete and the Company is generating revenue. At present the existing remuneration policy is not impacted by the Group's performance including earnings and changes in shareholder wealth (dividends, changes in share price or returns of capital to shareholders). The Board has not set short term performance indicators, such as movements in the Company's share price, for the determination of director emoluments as the Board believes this may encourage performance which is not in the long-term interests of the Company and its shareholders. The Board has structured its remuneration arrangements in such a way it believes is in the best interests of building shareholder wealth in the longer term. The Board believes participation in the Company's Employee Share Option Plan motivates key management and executives with the long-term interests of shareholders.

The following table shows the share price and the market capitalisation of the Group at the end of each of the last five financial years.

	2015	2016	2017	2018	2019
Share Price	$0.17	$0.23	$0.21	$0.28	$0.39
Market Capitalisation	$5.91M	$8.03M	$7.33M	$9.77M	$13.65M
Dividends (cents per share)	–	–	–	–	–

(e) Non-executive director remuneration policy

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms including remuneration, relevant to the office of director.

The Board policy is to remunerate non-executive directors at commercial market rates for comparable companies for their time, commitment and responsibilities.

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 and is currently set at $200,000 per annum.

Fees for non-executive directors are not linked to the performance of the Group. Non-executive directors' remuneration may also include an incentive portion consisting of options, subject to approval by Shareholders.

(f) Voting and comments made at the Company's 2018 Annual General Meeting

Jindalee received 99% of "yes" votes on its remuneration report for the 2018 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

(g) Details of remuneration

The following table sets out details of the remuneration received by the Group's key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

		Short-term benefits		Post-employment benefits		Share-based payment			Remuneration consisting of options
Non-Executive Director/Chairman		Directors Fees $	Cash Salary, Consulting Fees	Super-annuation $	Long Service Leave $	Options $	Shares $	Total $	Percentage %
J Mannolini	2018	50,000	–	4,750	–	52,982	–	107,732	49%
	2019	40,000	–	3,800	–	–	–	43,800	–
Executive Directors							–		
P Darvall	2018	–	161,846	15,375	–	260,034	–	437,255	59%
	2019	–	240,000	22,800	–	126,458	–	389,258	32%
L Dudfield	2018	–	125,625	–	–	105,965	–	231,590	46%
	2019	–	89,100	–	–	–	–	89,100	–
P Farr	2018	–	96,000	9,120	–	52,982	–	158,182	33%
	2019	–	106,000	10,070	7,305	–	–	123,375	–

(h) Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods.

J Mannolini

Mr Mannolini was appointed a Non-Executive Director on 30 September 2013 and appointed Chairman on 1 July 2016.

Mr Mannolini's is paid directors fees of $40,000 per annum plus statutory superannuation in accordance with his letter of appointment. Mr Mannolini's appointment is contingent upon satisfactory performance and successful re-election by shareholders of the Company as and when required by the Constitution of the Company and the Corporations Act. Mr Mannolini is not entitled to any termination benefits.

P Darvall

Mr Darvall was appointed Managing Director on 28 May 2018. Mr Darvall is paid an annual salary of $240,000 per annum plus statutory superannuation pursuant to an Executive Services Agreement. Mr Darvall's service agreement may be terminated by either party on the giving of three months notice. Upon termination of the contract for any reason, the Company will pay leave entitlements due to Mr Darvall.

L Dudfield

Mr Dudfield was appointed a director on 22 January 1996. Mr Dudfield is remunerated pursuant to the terms and conditions of a consultancy agreement entered into with Mr Dudfield and Jopan Management Pty Ltd trading as Western Geological Services. During the financial year ended 30 June 2019, Mr Dudfield was paid consulting fees of $89,100. Unless extended for a further period, the current consultancy agreement will expire in June 2021. The agreement may be terminated by either party on the giving on 90 days notice or earlier in the event of a default not remedied within 14 days. Mr Dudfield is not entitled to any termination benefits.

P Farr

Ms Farr was appointed as a director on 29 August 2008. Ms Farr is paid a salary plus statutory superannuation pursuant to the terms and conditions of an ongoing employment contract. Due to reduced hours during the financial year Ms Farr was paid a salary of $106,000 and statutory superannuation of $10,070 for the year ended 30 June 2019. Ms Farr's employment contract may be terminated by either party on the giving of one month's notice. Upon termination of the contract for any reason the Company will pay leave entitlements due to Ms Farr.

(i) Details of share-based compensation and bonuses

Options over shares in Jindalee Resources Limited are granted under the Company's Employee Share Option Plan. Participation in the plan and any vesting criteria, is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Any options issued to directors of the Company are subject to shareholder approval.

Details of options over ordinary shares in the Company provided as remuneration to each director of the Company are set out below.

No options were issued as remuneration to any director for the year ended 30 June 2019.

The fair value of services received in return for share options granted to employees is measured by reference to the fair value of options granted. The estimate of the fair value of the services is measured based on Black-Scholes option valuation methodology. The life of the options and early exercise option are built into the option model.

No bonuses were paid during the year and there is currently no bonus scheme in place.

Further information on the fair value of share options and assumptions is set out in Note 18 to the financial statements.

(j) Equity instruments held by key management personnel

The following tables detail the number of fully paid ordinary shares and options over ordinary shares in the Company that were held during the financial year and the previous financial year by key management personnel and their associated related parties.

2019									
Name	**Balance at the start of the year**	**Options/ Shares granted as compen-sation**	**Received during the year on the exercise of options**	**Number of options vested during year**	**Number of options forfeited during the year**	**Other changes during the year**	**Balance at the end of the year**	**Vested and exercisable**	**Unvested**
J Mannolini									
Ordinary fully paid shares	250,000	–	–	–	–	–	250,000	–	–
Unlisted Options	500,000	–	–	–	–	–	500,000	–	–
P Darvall									
Ordinary fully paid shares	–	–	–	–	–	54,500*	54,500	–	–
Unlisted Options	4,500,000	–	–	1,500,000	–	–	4,500,000	3,000,000	1,500,000
L Dudfield									
Ordinary fully paid shares	12,280,844	–	–	–	–	200,000*	12,480,844	1,000,000	–
Unlisted Options	1,000,000	–	–	–	–	–	–	–	–
P Farr									
Ordinary fully paid shares	406,533	–	–	–	–	–	406,533	–	–
Unlisted Options	500,000	–	–	–	–	–	500,000	500,000	–

* Changes during the year relate to on-market purchases.

Securities Policy

The Company has implemented a policy on trading in the Company's securities designed to ensure that all directors, senior management and employees of the Company act ethically and do not use confidential inside information for personal gain. The policy states acceptable and unacceptable times for trading in Company securities and outlines the responsibility of directors, senior management and employees to ensure that trading complies with the Corporations Act 2001, the Australian Securities Exchange (ASX) Listing Rules and Company Policy. A copy of this policy was lodged with the ASX and is available on the Company's website.

Any transaction conducted by Directors with regards to shares of the Company requires notification to the ASX. Each Director has entered into an agreement to provide any such information with regards to Company dealings directly to the Company Secretary promptly to allow the Company to notify the ASX within the required reporting timeframes.

Shares provided on exercise of options

During the year, no ordinary shares in the Company were provided as a result of the exercise of remuneration options.

For details on the valuation of the options, including models and assumptions used, please refer to Note 18. There were no alterations to the terms and conditions of options granted as remuneration since their grant date. No options were granted as remuneration during the year ended 30 June 2019.

(k) *Loans to key management personnel*

There were no loans to individuals or members of key management personal during the financial year or the previous financial year.

(l) *Other transactions with key management personnel*

During the year the Group paid a total of $89,100 to Western Geological Services (a division of Jopan Management Pty Ltd), the fees being for the provision of technical and management services provided to the Group by Mr Lindsay Dudfield. Mr Dudfield's spouse is the major shareholder of and the sole director and company secretary of Jopan Management Pty Ltd.

End of Audited Remuneration Report

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant Date	Number	Date vested & exercisable	Expiry Date	Exercise Price
22/08/2017	400,000	22/08/2017	30/06/2022	$0.40
22/11/2017	2,000,000	22/11/2017	30/06/2022	$0.40
22/11/2017	1,500,000	30/06/2018	30/06/2022	$0.40
22/11/2017	1,500,000	30/06/2019	30/06/2022	$0.50
22/11/2017	1,500,000	30/06/2020	30/06/2022	$0.60
16/01/2019	200,000	16/01/2019	30/06/2022	$0.50

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Shares Issued on Exercise of Options

There were no shares issued on exercise of options during the year and up to the date of this report.

Directors and Officers insurance

Jindalee Resources Limited paid a premium during the year in respect of directors' and officers' liability insurance policy, insuring the directors and officers of the company against a liability incurred whilst acting in the capacity of a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the policy as such disclosure is prohibited under the terms of the contract of insurance.

Corporate Governance Statement

The Company's 2019 Corporate Governance Statement has been released as a separate document and is located on the Company's website at http://jindalee.net/corporate-governance/.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit services

The Company from time to time may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company is important.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor as set out below did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- the non-audit services have been reviewed by the Board to ensure they do not impact on the impartiality and objectivity of the auditor; and
- none the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

During the year ended 30 June 2019 and in the previous financial year there were no fees paid or payable for non-audit services provided by the auditor of Jindalee Resources Limited.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by section 307C of the *Corporations Act 2001* is included on page 50.

This report is signed in accordance with a resolution of the Directors.

P DARVALL

Managing Director

Perth

19 August 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Revenue from continuing operations	4	32,470	65,874
Other income	4	386,766	198,924
Employee benefits expense		(217,965)	(259,500)
Share-based payments	18	(172,239)	(498,039)
Depreciation expense	12	(6,568)	(18,057)
Exploration expenditure		(189,186)	(315,498)
Impairment of exploration assets	13	2,966	(21,490)
Fair value movement on financial assets	11a	(564,676)	–
Impairment of available for sale assets		–	(258,125)
Tenancy and operating expenses		(95,941)	(104,008)
Gain on foreign exchange		13,837	-
Other administration expenses		(147,112)	(132,256)
Corporate and regulatory expenses		(62,059)	(53,117)
Loss before income tax		(1,019,707)	(1,395,292)
Income tax benefit	5	–	–
Loss after income tax		(1,019,707)	(1,395,292)
Loss attributable to owners of Jindalee Resources Limited		(1,019,707)	(1,395,292)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Revaluation of investments taken to equity		–	807,301
Other comprehensive income for the year		–	807,301
Total comprehensive loss for the year attributable to the ordinary equity holders of the Company		(1,019,707)	(587,991)
Loss per share attributable to the ordinary equity holders of the Company			
Basic loss per share (cents per share)	7	(2.92)	(4.00)
Diluted loss per share (cents per share)	7	(2.92)	(4.00)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	9	908,486	2,312,083
Trade and other receivables	10	18,867	16,159
Total Current Assets		927,353	2,328,242
NON-CURRENT ASSETS			
Available for sale financial assets	11b	–	2,601,522
Other receivables	10	60,216	58,418
Property, plant and equipment	12	21,856	28,424
Exploration and evaluation expenditure	13	1,381,602	545,961
Financial assets at fair value through profit or loss	11a	2,228,085	–
Total Non-Current Assets		3,691,759	3,234,325
TOTAL ASSETS		4,619,112	5,562,567
CURRENT LIABILITIES			
Trade and other payables	14	14,495	60,663
Dividend payable	8	–	66,610
Provision for annual leave		17,105	7,619
Total Current Liabilities		31,600	134,892
NON-CURRENT LIABILITIES			
Provision for long service leave		7,305	–
Total Non-Current Liabilities		7,305	–
TOTAL LIABILITIES		38,905	134,892
NET ASSETS		**4,580,207**	**5,427,675**
EQUITY			
Contributed equity	15	7,255,254	7,227,254
Accumulated losses	16	(5,287,099)	(5,204,784)
Reserves	17	2,612,052	3,405,205
TOTAL EQUITY		**4,580,207**	**5,427,675**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Payments in the course of operations		(660,431)	(832,850)
Interest received		43,825	73,222
Net cash outflow from operating activities	6	(616,606)	(759,628)
Cash flows from investing activities			
Payments for exploration and evaluation		(847,342)	(457,719)
Payments for property, plant and equipment		–	(10,182)
(Payment)/refund of bonds		(1,800)	79,996
Proceeds from sale of tenements		40,000	200,000
Proceeds/(payments) for sale/purchase of financial assets at fair value through profit or loss		88,761	(16,507)
Net cash outflow from investing activities		(720,381)	(204,412)
Cash flows from financing activities			
Payment of dividend		(66,610)	(6,875)
Net cash outflow from financing activities		(66,610)	(6,875)
Net decrease in cash and cash equivalents		(1,403,597)	(970,915)
Cash and cash equivalents at the beginning of the financial year		2,312,083	3,282,998
Cash and cash equivalents at the end of the financial year	9	908,486	2,312,083

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

Consolidated	**Contributed equity**	**Share-based payment reserve**	**Available for sale investments revaluation reserve**	**Accumulated losses**	**Total equity**
	$	**$**	**$**	**$**	**$**
Balance at 1 July 2017	**7,227,254**	**1,969,774**	**130,091**	**(3,809,492)**	**5,517,627**
Total comprehensive loss for the year:					
Loss for the year	–	–	–	(1,395,292)	(1,395,292)
Other comprehensive income					
Revaluation of investments	–	–	807,301	–	807,301
Total comprehensive loss for the year:	–	–	807,301	(1,395,292)	(587,991)
Transactions with owners in their capacity as owners					
Share-based payments	–	498,039	–	–	498,039
Balance at 30 June 2018 as originally stated	**7,227,254**	**2,467,813**	**937,392**	**(5,204,784)**	**5,427,675**
Change in accounting policy	–	-	(937,392)	937,392	–
Restated balance at 1 July 2018	**7,227,254**	**2,467,813**	**–**	**(4,267,392)**	**5,427,675**
Total comprehensive loss for the year:					
Loss for the year	–	–	–	(1,019,707)	(1,019,707)
Total comprehensive loss for the year	–	–	–	(1,019,707)	(1,019,707)
Transactions with owners in their capacity as owners					
Share-based payments	28,000	144,239	–	–	172,239
Balance at 30 June 2019	**7,227,254**	**2,612,052**	–	**(5,287,099)**	**4,580,207**

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

1. CORPORATION INFORMATION

These financial statements of Jindalee Resources Limited for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of directors on 19 August 2019.

The financial statements cover the Group of Jindalee Resources Limited and it's controlled entities. Jindalee Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in Note 3.

Unless otherwise stated, policies adopted in the preparation of the financial statements are consistent with those of the previous year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In order to assist in the understanding of the financial statements, the following summary explains the material accounting policies that have been adopted in the preparation of the accounts.

(a) Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Compliance with IFRS

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

Impact of adoption of AASB 9 Financial Instruments

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 resulted in changes in the Group's related accounting policy and a reclassification of amounts recognised in the financial statements.

The Group elected to treat financial assets as fair value through profit and loss ("FVPL"). Changes in the fair value of assets at FVPL are recognized in fair value movement of financial assets in the statement of profit or loss. This is an irrevocable election effective from 1 July 2018. Gains/(Losses) on disposal will be determined by comparing the proceeds with the carrying value and will be recognized in profit and loss.

The related fair value gains of $937,392 were transferred from the available for sale revaluation reserve to accumulated losses at 1 July 2018.

AASB 9 has been adopted without restating comparative information. The reclassifications are therefore recognised in the opening Statement of Financial Position on 1 July 2018. The reclassifications are noted below:

Statement of Financial Position	**30 June 2018**	**AASB 9**	**1 July 2018 Restated**
	$	$	$
Available for sale investments revaluation reserve	937,392	(937,392)	–
Accumulated losses	(5,204,784)	937,392	(4,267,392)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards

New or revised requirement	Application date of standard	Application date for Group
AASB 16: *Leases* This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is expected to not have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.	1 Jan 2019	1 Jul 2019

(c) Basis of Preparation/Accounting

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

In applying International Financial Reporting Standards ("IFRS"), management is required to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. 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.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. These accounting policies have been consistently applied throughout the period, except for the adoption of AASB 1 and AASB 15.

The significant accounting policies set out below have been applied in the preparation and presentation of the financial statements for the year ended 30 June 2019 and the comparative information.

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Jindalee Resources Limited ("Company" or "Parent Entity") as at 30 June 2019 and the results of all subsidiaries for the year then ended. Jindalee Resources Limited and its subsidiaries together are referred to in the financial statements as the Group or consolidated entity.

Subsidiaries are all 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 business combinations by the Group.

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 are changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the parent entity information disclosures of Jindalee Resources Limited.

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 Jindalee 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 the 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.

(e) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, and term deposits repayable on demand with a financial institution. The cash and cash equivalents balance primarily consists of funds on term deposit with original maturity at time of purchase of three months or less that are readily convertible to known amounts of cash and which are subject to minimal risk of changes in value.

(f) Trade and Other Receivables

Trade receivables are recognised initially at fair value, less any allowance for expected credit losses. See note 10 for further information about the group's accounting for trade receivables.

(g) Revenue Recognition

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

All revenue is stated net of the amount of goods and services tax.

Revenue in relation to joint venture agreements is recognised over the period the services are rendered.

(h) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated using the diminishing value and prime cost methods and is brought to account over the estimated economic lives of all property, plant and equipment. The rates used are based on the useful life of the assets and range from 10% to 40%.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(i) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's values in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its' recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

As assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had the impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(j) Exploration and Evaluation Expenditure

The Group's policy with regards to exploration and evaluation expenditure, including the costs of acquiring licences and permits, are capitalised as exploration and evaluation assets on an area of interest basis. Under this method exploration and evaluation expenditure is carried forward on the following basis:

i) Each area of interest is considered separately when deciding whether, and to what extent, to carry forward or write off exploration and evaluation costs.

ii) Exploration and evaluation expenditure related to an area of interest is carried forward provided that rights to tenure of the area of interest are current and that one of the following conditions is met:

- such evaluation costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
- exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Exploration and evaluation costs accumulated in respect of each particular area of interest include only net direct expenditure.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

(l) Employee Entitlements

The Group's liability for employee entitlements arising from services rendered by employees to reporting date are recognised in current liabilities. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled within one year, have been measured at their nominal amount and include related on-costs.

(m) Share Based Payment Transactions

Share based payments

Under AASB 2 Share Based Payments, the Group must recognise the fair value of options granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

The Group provides benefits to employees (including directors) of the Group 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 (including directors) is measured by reference to fair value at the date they are granted. For options the fair value is determined using a Black-Scholes model.

(n) Loss Per Share

(i) Basic Loss Per Share

Basic loss per share is determined by dividing the operating loss attributable to the equity holder of the Group after income tax by the weighted average number of ordinary shares outstanding during the financial period.

(ii) Diluted Loss Per Share

Diluted loss per share adjusts the figures used in determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the period.

(o) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(p) Income Tax and Other Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interest in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

  The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flow arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(q) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting for capitalised exploration and evaluation expenditure

The Group's accounting policy is stated at Note 2(j). There is some subjectivity involved in the carrying forward as capitalised or writing off to the statement of profit or loss and other comprehensive income exploration and evaluation expenditure, however management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure fairly reflect the prevailing situation.

Share-based payments

The Group measures share-based payments at fair value at the grant date. The fair value is determined using a Black-Scholes model or other valuation technique appropriate for the instrument being valued.

Deferred tax balances

Deferred tax assets in respect of tax losses are not recognised in the financial statements as management considers that it is currently not probable that future taxable profits will be available to utilise those tax losses. Management reviews on a regular basis the future profitability of the Group to consider if tax losses should be recognised and to ensure that any tax losses recognised will be utilised.

(r) Investment and other financial assets

Financial Instruments

The Group has exposure to interest rate risk which is the risk that the Group's financial position will be adversely affected by movements in interest rates. Interest rate risk on cash and short term deposits is not considered to be a material risk due to the short term nature of these financial instruments.

The Group has no monetary foreign currency assets or liabilities.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss ("FVTPL") include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

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 date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and/or loss are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in eq uity are included in the statement of profit or loss and other comprehensive income as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets are subsequently carried at fair value. Gains on available-for-sale financial assets are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined is disclosed in Notes 19 and 22.

(s) Provisions

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.

(t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(u) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

3. SEGMENT INFORMATION

Management has determined that the Group has two reportable segments, being mineral exploration in Australia and the United States. As the Group is focused on mineral exploration, the Board periodically monitors the Group based on actual versus budgeted exploration expenditure incurred in each of these geographical locations. This internal reporting framework is most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration programmes and activities, while also taking into consideration the results of exploration work that has been performed to date.

	Mineral exploration		Total
	Australia	USA	
	$	$	
Year ended 30 June 2019			
Reconciliation of segment revenue to Group revenue			
Revenue from external sources	–	–	–
Unallocated revenue			32,470
Total revenue			32,470
Reconciliation of segment result to Group losss			
Segment result	(613,744)	(14,133)	(627,877)
Unallocated			
- Interest revenue		32,470	
- Corporate expenses and other costs, net of other income			(424,300)
Loss before tax			(1,019,707)
As at 30 June 2019			
Reconciliation of segment assets to Group assets			
Segment assets	4,604,980	567,614	5,172,594
Intersegment eliminations			(553,482)
Total assets			4,619,112
Reconciliation of segment liabilities to Group liabilities			
Segment liabilities	(38,905)	(553,482)	(592,387)
Intersegment eliminations			553,482
Total liabilities			(38,905)

3. SEGMENT INFORMATION (continued)

	Mineral exploration $	Total $
Year ended 30 June 2018		
Reconciliation of segment revenue to Group revenue		
Revenue from external sources	–	–
Unallocated revenue		65,874
Total revenue		65,874
Reconciliation of segment result to Group loss		
Segment result	(655,509)	(655,509)
Unallocated		
- Interest revenue		65,874
- Corporate expenses and other costs, net of other income		(805,657)
Loss before tax		(1,395,292)
As at 30 June 2018		
Reconciliation of segment assets to Group assets		
Segment assets	5,562,567	5,562,567
Intersegment eliminations		–
Total assets		5,562,567
Reconciliation of segment liabilities to Group liabilities		
Segment liabilities	(134,892)	(134,892)
Intersegment eliminations		–
Total liabilities		(134,892)

4. REVENUE AND OTHER INCOME

	2019 $	2018 $
Revenue from continuing operations		
Interest	32,470	65,874
Other income		
Gain on sale of tenements#	370,402	175,025
Other	16,364	23,899
	386,766	198,924

Refers to: sale of New Bore and Kelly Well tenements to Dacian Gold Ltd; sale of 80% of non-gold rights and payment of Option on Camel Bore and North Sinclair tenements by Aldoro Resources Ltd; sale of Butler tenements to Australian Manganese and non-refundable option payment received for Millrose project.

5. TAXATION

	2019 $	2018 $
(a) Income tax expense/(benefit)		
Current tax	–	–
Deferred tax	–	–
	–	–
Deferred income tax expense included in income tax expense/(benefit) comprises:		
(Decrease)/increase in deferred tax liability	–	–
	–	–
Opening balance - deferred tax (asset)/ liability	–	–
Movement for period	–	–
Closing Balance – deferred tax (asset)/ liability	–	–
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax:	(1,019,707)	(1,395,292)
Tax at the Australian tax rate of 30% (2018: 27.5%)	(305,912)	(383,705)
Tax effect of amounts which are not deductible in calculating taxable income:		
Foreign income not assessable	(4,240)	–
Non-deductible (income)/expenses	(1,972)	(3,483)
Gains recognised in equity	–	222,007
Share-based payments	51,672	136,961
Over provision in prior year	–	13,019
Tax losses not recognised	260,452	15,201
Total income tax benefit	–	–

The franking account balance at year end was $nil (2018: $nil).

Jindalee Resources Limited and its wholly owned subsidiaries have not implemented the tax consolidation legislation.

Jindalee Resources Limited has unrecognised deferred tax assets at year-end of $1,214,460 (2018: $874,507) representing unrecognised tax losses.

Jindalee Resources Limited is no longer considered a base rate entity for income tax purposes and is therefore subject to income tax at a rate of 30% (2018: 27.5%). As a result, the deferred tax assets of the Company have been adjusted in the 2019 year to reflect the increase in corporate tax rate applicable to the Company.

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised. The Company's ability to use losses in the future is subject to the Company satisfying the relevant tax authority's criteria for using these losses.

6. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2019 $	2018 $
Loss after income tax	(1,019,707)	(1,395,292)
Exploration expenditure written off	(2,966)	21,490
Depreciation	6,569	18,057
Gain on sale of tenements	(370,332)	(175,025)
Share-based payments	172,239	498,039
Fair value movement on financial assets	564,676	–
Impairment of available for sale assets	––	258,125
Change in operating assets and liabilities during the financial year:		
(Increase)/decrease in trade and other receivables	11,354	7,348
Increase/(decrease) in trade and other payables	4,771	8,749
Increase/(decrease) in provisions	16,790	(1,118)
Net cash outflow from operating activities	(616,606)	(759,628)

7. LOSS PER SHARE

	2019 $	2018 $
Loss used in calculation of basic and diluted loss per share	(1,019,707)	(1,395,292)
Basic loss per share (cents per share)	(2.92)	(4.00)
Diluted loss per share (cents per share)	(2.92)	(4.00)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share.	34,940,105	34,894,775

Options on issue were not considered to be dilutive as their impact would have been to increase the loss per share.

8. DIVIDENDS

No dividend has been declared for the year ended 30 June 2019 (2018: nil).

9. CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Term deposits	––	2,107,998
Cash at bank	908,486	204,085
	908,486	2,312,083

Term deposits include $57,700 deposited as a guarantee. The Group's exposure to interest rate risk is disclosed in Note 19.

10. TRADE AND OTHER RECEIVABLES

	2019	2018
	$	$
Current		
Trade and other receivables	18,867	16,159
Non-current		
Other receivables (deposits)	60,216	58,418

Trade and other receivables are denominated in Australian dollars and are interest free with settlement terms of between 7 and 30 days. No trade receivables were past due or impaired as at 30 June 2019 (2019: nil). 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. A provision for doubtful receivables is established, using the expected credit loss model under AASB9 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.

The amounts held in trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these trade and other receivables, it is expected that these amounts will be received when due.

Due to the short-term nature of these receivables their carrying value is assumed to be their fair value. Please refer to Note 19 for information on credit risk.

11a. NON-CURRENT – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2019	2018
	$	$
Shares in listed corporations		
- Opening balance	2,601,522	–
- Additions[2]	280,000	–
- Disposals	(88,761)	–
- Fair value movement	(564,676)	–
- Closing balance	2,228,085	–

The fair value of listed financial assets at fair value through profit and loss has been determined directly by reference to published price quotations in an active market.

At 30 June 2019 the market value of the Group's shareholding in Energy Metals was $1,824,977 (2018: $2,105,742) and Kin Mining NL was $55,250 (2018: $127,500).

Refer to Note 19 for information on Group's exposure to price risk.

1 Due to a change in accounting policy upon adoption of AASB 9 *Financial Instruments* on 1 July 2018 (refer Note 2(a)), financial assets previously classified as available for sale *financial assets* are now classified as financial assets at *fair value through profit and loss.*

2 These financial assets were acquired as consideration for tenement sales (refer Note 4) and were non-cash transactions.

11b. NON-CURRENT – AVAILABLE FOR SALE FINANCIAL ASSETS

	2019 $	2018 $
Shares in listed corporations		
- Opening balance	–	1,985,841
- Additions	–	66,505
- Revaluation increase	–	807,301
- Impairment	–	(258,125)
- Closing balance	–	2,601,522

12. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	2019 $	2018 $
Plant and equipment - at cost	179,776	179,776
Less: accumulated depreciation	(157,920)	(151,352)
	21,856	28,424
Reconciliation of the carrying amount of property, plant and equipment:		
Carrying amount at beginning of year	28,424	36,299
Additions and disposals (net)	–	10,182
Less: depreciation expense for year	(6,568)	(18,057)
Carrying amount at end of year	21,856	28,424
Total property, plant and equipment	21,856	28,424

13. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION EXPENDITURE

	2019 $	2018 $
Balance at beginning of year	545,961	134,707
Exploration expenditure incurred	847,343	457,719
Disposal of tenements/interest in JV	(8,736)	(24,975)
Exploration expenditure written off	(2,966)	(21,490)
Balance at the end of the year	1,381,602	545,961

The balance carried forward represents projects in the exploration and evaluation phase.

Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

The exploration expenditure written off during the year relates to exploration and evaluation expenditure on tenements surrendered, or to which the Group does not currently have right to tenure.

14. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2019 $	2018 $
Trade payables	14,495	60,663

Trade and other payables are non-interest bearing and are normally settled on 30 day terms.

The carrying value of trade and other payables are assumed to be the same as their fair values, due to their short term nature.

15. CONTRIBUTED EQUITY

	2019 $	2018 $
Share capital		
34,994,775 ordinary fully paid shares (2018: 34,894,775)	7,255,254	7,227,254

	Number	$
Balance at the beginning of year	34,894,775	7,227,254
Share-based payment[1]	100,000	28,000
Balance at the end of the year	34,994,775	7,255,254

[1] On 16 January 2019 the Company issued 100,000 fully paid ordinary shares at $0.28/share for a total of $28,000 and 200,000 unlisted options exercisable at $0.50 and expiring 30/06/2022 as consideration for the acquisition of geological data. Refer to note 18 for additional details.

Ordinary shares participate in dividends. On winding up of the Group any proceeds would be distributed to the number of shares held.

At shareholder meetings on a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

16. ACCUMULATED LOSSES

	2019 $	2018 $
Retained earnings at the beginning of the financial year	(5,204,784)	(3,809,492)
Loss attributable to members of the Group	(1,019,707)	(1,395,292)
Transfer from available for sale investments revaluations reserve (refer note 2(a))	937,392	–
Accumulated losses at the end of the financial year	(5,287,099)	(5,204,784)

17. RESERVES

	2019 $	2018 $
Share-based payment reserve		
Balance at the beginning of the year	2,467,813	1,969,774
Share-based payments (refer to note 18)	144,239	498,039
Balance at the end of the year	2,612,052	2,467,813
Available for sale investments revaluations reserve		
Balance at the beginning of year	937,392	130,091
Transfer to retained earnings following change in accounting policy (refer note 2(a))	(937,392)	–
Revaluation on available for sale investments	–	807,301
Balance at the end of the year	–	937,392
Total reserves	2,612,052	3,405,205

Nature and purpose of the reserves:

(i) The share-based payments reserve is used to recognise the fair value of options issued but not exercised.

(ii) Prior to the change in accounting policy (refer note 2(a)), the available-for-sale investment revaluation reserve was used to recognise the change in fair value in available-for-sale investments which were not assessed as impairment.

18. SHARE BASED PAYMENT TRANSACTIONS

Share based payments transactions are recognised at fair value in accordance with AASB 2. The adoption of AASB 2 is equity-neutral for equity-settled transactions. The expense in the year was $172,239, including an amount of $28,000 recognised as exploration expenditure in the statement of profit or loss for the year ended 30 June 2019 (2018: $498,039).

Employee Share Option Plan

Jindalee Resources Limited Employee Share Option Plan (“ESOP”) was established to encourage all eligible directors, executive officers and employees who have been continuously employed by the Group to have a greater involvement in the achievement of the Group’s objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Group through share ownership.

The ESOP allows the Group to issue free options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price in accordance with the rules of the ESOP.

All options on issue are fully vested at grant date with the exception of some of the options issued to Mr Darvall which are subject to vesting criteria.

Set out below are summaries of options granted during the year ended 30 June 2018. No options were granted during the year ended 30 June 2019:

18. SHARE BASED PAYMENT TRANSACTIONS continued

Grant Date	Expiry Date	Exercise Price	Balance at the start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
2018								
22/08/2017	30/06/2022	$0.40 T1	400,000	–	–	–	400,000	400,000
22/11/2017	30/06/2022	$0.40 T2	2,000,000	–	–	–	2,000,000	2,000,000
22/11/2017	30/06/2022	$0.40 T3	1,500,000	–	–	–	1,500,000	1,500,000
22/11/2017	30/06/2022	$0.50 T4	1,500,000	–	–	–	1,500,000	1,500,000
22/11/2017	30/06/2022	$0.60 T5	1,500,000	–	–	–	1,500,000	–
Weighted average exercise price			$0.47	–	–	–	–	–

The weighted average remaining contractual life of share options outstanding at the end of the period is 3 years (2018: 4 years).

Fair Value of Share Options and Assumptions

The fair value of services received in return for share options granted to directors is measured by reference to the fair value of options granted. The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology. This life of the options and early exercise option are built into the option model.

The assumptions used for the options valuation are as follows:

	T1	T2	T3	T4	T5	T6
Grant Date	22/08/2017	22/11/2017	22/11/2017	22/11/2017	22/11/2017	16/01/2019
Exercise Price	$0.40	$0.40	$0.40	$0.50	$0.60	$0.50
Expected Life	4.85 years	4.77 years	4.77 years	4.77 years	4.77 years	3.45 years
Share Price at Time of Issue	$0.18	$0.25	$0.25	$0.25	$0.25	$0.28
Expected Volatility	65%	65%	65%	65%	65%	65%
Dividend Yield	0%	0%	0%	0%	0%	0%
Risk Free Interest Rate	2.20%	2.14%	2.14%	2.14%	2.14%	1.92%
Option Value	$0.06519	$0.10845	$0.10845	$0.09518	$0.08464	$0.08891

As a result, a share-based payment expense of $144,239 was recognised during the year ended 30 June 2019 in relation to the continued vesting of the Managing Directors options and $28,000 for the issue of 200,000 unlisted options for the purchase of project data. Assumptions for the valuation of the $28,000 expense recognised as exploration expenditure in the statement of profit or loss is provided at T6 above.

19. FINANCIAL AND CAPITAL RISK MANAGEMENT

(a) Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders. In order to achieve this object, the Group seeks to maintain a capital structure that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through new share issues, or sourcing of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

19. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

There have been no significant changes to the Group's capital management objectives, policies and processes in the year nor has there been any change in what the Group considers to be its capital.

The capital structure of the Group consists of cash and cash equivalents (Note 9) and equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings (accumulated losses) as disclosed in Notes 15, 16 and 17 respectively.

(b) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 of the financial statements.

(c) Categories of Financial Instruments

	2019 $	2018 $
Financial Assets		
Current		
Cash and cash equivalents	908,486	2,312,083
Trade and other receivables	18,867	16,159
Total Current Financial Assets	927,353	2,328,242
Non-current		
Available for sale financial assets	–	2,601,522
Financial assets at fair value through profit and loss	2,228,085	–
Other receivables	60,218	58,418
Total Non-Current Financial Assets	2,288,303	2,659,940
Financial Liabilities		
Current		
Trade and other payables and provision for dividend	14,495	127,273
Total Current Financial Liabilities	14,495	127,273

(d) Credit Risk Exposure

As at the reporting date, the Group has no significant concentrations of credit risk. The carrying amount reflected above represents the Group's maximum exposure to credit risk.

(e) Interest Rate Risk Exposure

The Group's exposure to interest rate risk arises from assets bearing variable interest rates. The weighted average interest rate on cash holdings was 2.00% at 30 June 2019 (2018: 2.21%). All other financial assets and liabilities are non-interest bearing. The net fair value of the Group's financial assets and liabilities approximates their carrying value.

The Group invests its surplus funds on deposit with Australian banking financial institutions, namely the National Australia Bank and ANZ Bank. For banks and financial institutions, only independently rated parties with a minimum rating of AA- are accepted.

The table below summarises the impact of an increase/decrease in interest rates received on cash deposits held at year end on the Group's pre-tax profit for the year and on equity. The analysis is based on the assumption that rates increased/decreased proportionally by 10% of the current weighted average interest rate with all other variables held constant.

Impact on profit and equity	2019 $	2018 $
Increase of 10%	3,247	6,587
Decrease of -10%	(3,247)	(6,587)

19. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(f) Price Risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified in the statement of financial position as financial assets at fair value through profit and loss. The Group is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

The table below summarises the impact of an increase/decrease in prices of securities held at year end on the Group's pre-tax profit for the year and on equity. The analysis is based on the assumption that the prices of all securities increased/decreased by 10% with all other variables held constant.

	2019	2018
Impact on profit and equity	**$**	**$**
Increase of 10%	222,808	260,152
Decrease of -10%	(222,808)	(260,152)

(g) Liquidity Risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost-effective manner. The Board reviews the Group's liquidity position on a regular basis including cash flow statements to determine the forecast liquidity position and maintain appropriate liquidity levels. Note 14 details the Group's current obligations which are all due within 12 months and reflect the actual cash flows given the short-term nature of these liabilities.

There are no unused borrowing facilities from any financial institution.

(h) Fair Values

The carrying amounts and estimated fair values of financial assets and financial liabilities are as follows:

Consolidated	**2019**	**2018**
	$	**$**
Financial Assets		
Cash and cash equivalents	908,486	2,312,083
Trade and other receivables	18,867	16,159
Non-current deposits	60,218	58,418
Available for sale financial assets	–	2,601,522
Financial assets at fair value through profit and loss	2,228,085	–
Total Financial Assets	3,215,656	4,988,182
Financial Liabilities		
Trade and other payables and provision for dividend	14,495	127,273
Total Financial Liabilities	14,495	127,273

The methods and assumptions used to estimate the fair value of financial instruments are outlined below:

Cash

The carrying amount is fair value due to the liquid nature of these assets.

Receivables/payables

Due to the short-term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values. Non-current receivables receive a market rate of interest and are assessed as representing their fair values.

Financial assets at fair value through profit and loss

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. Refer to Note 22 for further details.

20. CONTINGENCIES

Contingent Liabilities

Claims of Native Title

To date the Group has been notified by the Native Title Tribunal of native title claims which cover some of the Group's licence holdings. Until further information arises in relation to the claims and its likelihood of success, the Group is unable to assess the likely effect, if any, of the claims.

Performance Bonds and Security Documents

In support of titles granted to or operated by the Group, various securities are submitted to the Department of Mines, Industry Regulation and Safety. These consist of unconditional performance bonds and securities or Form 32 security documents. The Company has no liability outstanding.

Tenement Subject to Option

The Group entered into an agreement with Aldoro Resources Ltd (ARN) agreeing to vend an 80% interest in non-gold rights over tenements E36/895 and E36/910 into an initial public offering. The Group maintains a 20% free carried position to Decision to Mine. At Decision to Mine the Group can either contribute pro-rata or dilute, with the Group reverting to a 2% gross royalty if the Group's interest falls below 5%. As part of the terms of the sale, Jindalee is entitled to contingent consideration upon delineation of a JORC Code Compliant Non-Gold Mineral Resource, which consists of the greater in value of the following:

i) Number of ordinary shares in ARN equivalent to $500,000 at a deemed issue price equal to the 5 day VWAP; or

ii) 1,250,000 ordinary shares in ARN.

The Group entered into an agreement with Dacian Gold Limited (DCN) for the sale of 90% of E38/3211 and E38/3272. The Group's 10% interest is free carried to the finalisation of a feasibility study at which point the Group can elect to contribute pro-rata or dilute, with the Group reverting to a 1% net smelter royalty if the Group's interest falls below 5%.

Other than the above, there has been no change in contingent liabilities, contingent assets or commitments since the last annual reporting date, 30 June 2018.

There are no other contingencies of the Group at balance date.

21. COMMITMENTS

Capital Commitments

There are no capital expenditure commitments for the Group as at 30 June 2019.

Contractual Commitment

As at 30 June 2019 the Group has a contractual lease agreement for its registered offices which is due to expire on 15 June 2022. The amount contracted on a per year basis but not included as a liability at 30 June 2019 was $90,522.

	2019 $	2018 $
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
< 1 year	90,522	98,010
1-5 years	280,704	345,417
	371,226	443,427

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The carrying values of financial assets and liabilities of the Group approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and / or disclosure purposes.

Fair value hierarchy

The Group classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The table following analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
30 June 2019				
Financial assets at fair value through profit and loss	2,228,085	–	–	2,228,085
Total as at 30 June 2019	2,228,085	–	–	2,228,085
30 June 2018				
Available-for-sale financial assets	2,601,522	–	–	2,601,522
Total as at 30 June 2018	**2,601,522**	**–**	**–**	**2,601,522**

Due to their short-term nature, the carrying amount of the current receivables and current payables is assumed to approximate their fair value.

23. CONTROLLED ENTITIES

						Investment at Cost	
Controlled Entity	**2019**	**2018**	**Class**	**State of Incorporation**	**Date of Incorporation**	**2019 $**	**2018 $**
Eastmin Pty Limited	100%	100%	Ord	WA	15/04/2005	2	2
HiTec Minerals Pty Ltd	100%	100%	Ord	WA	13/04/2016	100	100
HiTech Minerals Inc.	100%	100%	Ord	Nevada, USA	21/02/2018	2	2

The date of acquisition of the controlled entities was on the date of incorporation.

24. RELATED PARTY TRANSACTIONS

(a) Parent entity

The parent entity within the Group is Jindalee Resources Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 23.

(c) Key management personnel compensation

	2019 $	2018 $
Short-term employee benefits	482,405	433,471
Post-employment benefits	36,670	29,245
Share-based payments	126,458	471,960
	645,533	934,676

Refer to the remuneration report contained within the Directors' Report and Note 18 for further details on other transactions with key management personnel and share based compensation.

25. REMUNERATION OF AUDITORS

	2019 $	2018 $
Amounts paid or payable at 30 June to the auditors for:		
Audit and review of financial statements	27,733	22,023
Total remuneration for audit and other assurance services	27,733	22,023

26. PARENT ENTITY FINANCIAL INFORMATION

The following details information related to the parent entity, Jindalee Resources Limited, at 30 June 2019 and 30 June 2018.

The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	2019 $	2018 $
Financial Position		
Assets		
Current assets	614,492	1,657,875
Non-current assets	3,712,312	3,622,141
Total assets	4,326,804	5,280,016
Liabilities		
Current liabilities	31,599	134,892
Non-current liabilities	7,305	–
Total liabilities	38,904	134,892
Net assets	4,287,900	5,145,124
Equity		
Issued capital	7,255,254	7,227,254
Accumulated losses	(6,516,798)	(5,229,210)
Reserves	3,549,444	3,147,080
Total equity	4,287,900	5,145,124
Financial Performance		
Loss for the year	(1,029,170)	(1,377,846)
Other comprehensive income	–	807,301
Total comprehensive loss	(1,029,170)	(570,545)

No guarantees have been entered into by Jindalee Resources Limited in relation to the debts of its subsidiary companies.

Jindalee Resources Limited had no commitments or contingent liabilities at year end other than those disclosed in Notes 20 and 21.

27. EVENTS OCCURING AFTER THE REPORTING PERIOD

As announced to ASX on 10 July 2019, the Company announced a 1 for 10 non-renounceable pro rata entitlement offer at $0.30 per share to raise approximately $1.05M (before costs of the offer). The funds raised are to be used to advance the Company's McDermitt Lithium Project (US), Widgiemooltha Gold-Nickel Project (WA) and for general working capital.

As announced to ASX on 26 July 2019, the Group has entered into a Binding Preliminary Sales and Purchase Agreement ("Agreement") with SilverStream SEZC whereby SilverStream will purchase the Group's royalties over projects in the Eastern Goldfields of Western Australia, including West Kundana, Kookynie, Kelly Well, New Bore and Millrose. The Agreement will serve as the basis for a Definitive Sales and Purchase Agreement ("DPA") to be executed by the parties, with the DPA conditional on third-party consents being obtained by Jindalee and completion of further documentation. Consideration for the sale will comprise $250,000 in cash and a $250,000 convertible note with a 12 month expiry.

Other than the matters outlined above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, 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 2019 and of its performance for the year ended on that date.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. The directors have been given the declarations as required by section 295A of the *Corporations Act 2001*.

4. Note 2(a) confirms that the financial statements also comply with International Reporting Standards as issued by the International Accounting Standards Board.

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

P Darvall

Managing Director

19th day of August 2019 at Perth, Western Australia.

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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF JINDALEE RESOURCES LIMITED

As lead auditor of Jindalee Resources Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 19 August 2019

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Jindalee Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Jindalee Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors’ declaration.

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

(i) Giving a true and fair view of the Group’s financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of exploration and evaluation expenditure

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 13 to the Financial Report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Group. Refer to Note 2 of the Financial Report for a description of the accounting policy and significant judgements applied to capitalised exploration and evaluation expenditure. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* (AASB 6), the recoverability of exploration and evaluation expenditure requires significant judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and directors' minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Notes 2 and 13 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the year ended 30 June 2019, but does not include the financial report and the auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities 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 misstatement, 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 the 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 (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor’s report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 12 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Jindalee Resources Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 19 August 2019

ADDITIONAL INFORMATION

The following additional information not shown elsewhere in this report is required by the Australian Securities Exchange in respect of listed public companies only. This information is current as at 19 September 2019.

Securities

Quotation has been granted for 38,494,253 ordinary shares of the Company on the Australian Stock Exchange.

Quoted Securities

ASX Code	Number of Holders	Security Description	Total Securities
JRL	809	Ordinary Fully Paid	38,494,253

Unquoted Securities

ASX Code	Number of Holders	Security Description	Total Securities
JRLAA	6	Options expiring 30/06/22 Exercisable at $0.40	3,900,000
JRLAA	2	Options expiring 30/06/22 exercisable at $0.50	1,700,000
JRLAA	1	Options expiring 30/06/22 (vesting 30/06/2020) exercisable at $0.60	1,500,000

One holder, Mr Pip Darvall, holds 4,500,000 unlisted options (equivalent to 65% of total unlisted options).

Voting Rights

The voting rights attached to each class of security are as follows:

- Ordinary Fully Paid shares – one vote per share held.
- Options – no voting rights are attached to unexercised options.

Distribution schedule

Spread of Holdings - Ordinary Shares (ASX Code: JRL)

			Holders	Units	Percentage
1	-	1,000	162	73,983	0.19%
1,001	-	5,000	267	758,552	1.97%
5,001	-	10,000	129	1,028,140	2.67%
10,001	-	100,000	197	5,943,304	15.44%
100,001	-	99,999,999	54	30,690,274	79.73%
		TOTAL	809	38,494,253	100%

Unmarketable Parcel

There are 239 Shareholders holding less than a marketable parcel of fully paid ordinary shares (a minimum parcel is $500 being 2,000 shares using a market value of $0.25 per Share).

Substantial Shareholding

The Company has received the following notices of substantial holding:

- Kale Capital Corporation Limited in relation to 3,000,000 ordinary shares
- Teck Australia Pty Ltd in relation to 2,050,000 ordinary shares

Register of Securities

The Register of securities is held at Advanced Share Registry Limited at unit 2, 150 Stirling Highway, Nedlands, Western Australia. Telephone: 61 8 9389 8033.

Buyback

No on-market share buy-back is current.

Top 20 Shareholders

The names of the twenty largest shareholders (ASX Code: JRL) are listed below:

	Name	% of Issued Securities	Number of Ordinary Shares
1.	Mr LG Dudfield <LG Dudfield Pension Fund A/C>	33.44	12,872,065
2.	Kale Capital Corporation Limited	8.00	3,080,565
3.	Teck Australia Pty Ltd	5.33	2,050,000
4.	Pillage Investments Pty Ltd <The Pillage Super Fund A/C>	3.38	1,300,000
5.	Yandal Investments Pty Ltd	2.60	1,000,000
6.	Ayers Rock Holdings Pty Ltd <The Ward Super Fund A/C>	2.00	770,000
7.	TBB NSW Pty Ltd <The Watson No 1 A/C>	1.98	761,650
8.	Neometals Investments Pty Ltd	1.65	633,333
9.	Kevrex Pty Ltd <Kevrex Investment A/C>	1.49	575,000
10.	Windsong Valley Pty Ltd <Wheeler Family A/C>	1.36	523,822
11.	Farr Family SF Pty Ltd <Farr Family Super Fund A/C>	1.14	440,000
12.	Eric's Pty Ltd <Employees Provident Fund A/C>	1.08	415,621
13.	Liberator Holdings Pty Ltd <Scoones Retirement Fund A/C>	0.91	350,350
14.	KM Pilgrim Family Pty Ltd <K&M Pilgrim Family A/C>	0.90	348,250
15.	PJ & SL Moylan Pty Ltd <The Moylan Family SF A/C>	0.90	347,220
16.	Mr John Roderick Boyle	0.90	347,000
17.	Jopan Management Pty Ltd	0.87	335,442
18.	Marbury Pty Ltd <Buckley Super Fund A/C>	0.83	319,177
19.	Mr Justin Jerome Mannolini	0.71	275,000
20.	Mr Stephen Martin Brun	0.71	275,000

ADDITIONAL INFORMATION

Tenements Schedule

Project	Tenement Reference	Locality	Status	Interest held
Mt Barnett	E04/2512	Western Australia	Application	100%
Planets	E15/1549	Western Australia	Granted	100%
Widgie	E15/1552	Western Australia	Granted	100%
Highway	E15/1563	Western Australia	Application	100%
Railway	E15/1564	Western Australia	Granted	100%
Lawry	E15/1624	Western Australia	Application	100%
Lawry	E15/1626	Western Australia	Granted	100%
Planets	E15/1639	Western Australia	Application	100%
Widgie	E15/1645	Western Australia	Application	100%
St Ives	E15/1647	Western Australia	Application	100%
St Ives	E15/1650	Western Australia	Application	100%
Higginsville	E15/1667	Western Australia	Application	0%
St Ives	E15/1669-70	Western Australia	Application	0%
Widgie	E15/1680	Western Australia	Application	100%
Higginsville	E15/1691	Western Australia	Application	100%
Widgie	E15/1697	Western Australia	Application	100%
St Ives	E15/1699	Western Australia	Application	100%
Widgie	E15/1700	Western Australia	Application	100%
St Ives	E15/1703-4	Western Australia	Application	100%
Chalice	E15/1705	Western Australia	Application	100%
Widgie	E15/1712-3	Western Australia	Application	100%
Salt Creek	E15/1716	Western Australia	Application	100%
St Ives	E15/1718	Western Australia	Application	100%
St Ives	E15/1720	Western Australia	Application	100%
Chalice	E15/1721	Western Australia	Application	100%
St Ives	E15/1722	Western Australia	Application	100%
St Ives	E15/1730-31	Western Australia	Application	100%
St Ives	E15/1736	Western Australia	Application	100%
Salt Creek	E25/562	Western Australia	Granted	100%
Salt Creek	E25/572	Western Australia	Application	100%
North Sinclair	E36/895	Western Australia	Granted	100%
Camel Bore	E36/910	Western Australia	Granted	100%
Camel Bore	E36/953	Western Australia	Application	100%
Lockyer Well	E37/1370	Western Australia	Application	100%
New Bore	E38/3211	Western Australia	Granted	10%
Kelly Well	E38/3272	Western Australia	Granted	10%
Kenya	E39/1998	Western Australia	Granted	100%
Kenya	E39/2005	Western Australia	Granted	100%
Mulga Tank	E39/2134	Western Australia	Application	100%
Meentheena	E45/5381	Western Australia	Application	100%
Mt Samson	E47/3975	Western Australia	Application	100%
Bundie Bore	E51/1909	Western Australia	Application	100%
Western Creek	E52/3520	Western Australia	Granted	100%
Millrose	E53/1962	Western Australia	Granted	100%
Taipan	E63/1823	Western Australia	Granted	100%

Tenements Schedule (continued)

Project	*Tenement Reference*	*Locality*	*Status*	*Interest held*
Jeffreys Find	E63/1832	Western Australia	Granted	100%
Killaloe	E63/1874-5	Western Australia	Granted	100%
Mission	E63/1916	Western Australia	Application	100%
Lake Percy	E63/1981	Western Australia	Application	100%
Forrestania	E77/2575-6	Western Australia	Application	100%
Aries	E80/5027	Western Australia	Granted	100%
Cummins Range	E80/5091*	Western Australia	Application	100%
Aries	E80/5117****	Western Australia	Application	0%
Halls Creek Tungsten	E80/5410	Western Australia	Application	100%
Prospect Ridge	EL5/2016**	Tasmania	Granted	100%
Clayton North	HTC 1-28***	Nevada, USA	Granted	100%
McDermitt	HTM 1-242***	Oregon, USA	Granted	100%
McDermitt	HTM 243-354***	Oregon, USA	Granted	100%
Kelly Well	M39/1135	Western Australia	Application	10%
Joyners	M53/1078-I	Western Australia	Granted	20%
Higginsville	P15/6112	Western Australia	Granted	100%
Railway	P15/6245-6	Western Australia	Application	100%
Highway	P15/6267-8	Western Australia	Application	100%
Widgie	P15/6342-3	Western Australia	Application	100%
Widgie	P15/6367	Western Australia	Application	100%
Widgie	P15/6388	Western Australia	Application	100%
Salt Creek	P25/2568	Western Australia	Application	100%
Macey Hill	P39/5925-6	Western Australia	Granted	100%
Bundie Bore	P51/3145-7	Western Australia	Application	100%

* Tenement held or applied for through JRL's wholly-owned subsidiary, Eastmin Pty Ltd.

**Tenement held or applied for through Jindalee's wholly-owned subsidiary, HiTec Minerals Pty Ltd.

***Tenements held or applied for through Jindalee's wholly-owned US subsidiary, HiTech Minerals Inc.

****Diamond rights only on Celsius Resources Ltd tenement.

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