



**YANDAL**  
RESOURCES LIMITED

A GOLD DEVELOPMENT COMPANY

**YRL**

ANNUAL REPORT

**2020**

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# Corporate Particulars

## **DIRECTORS**

Ms Katina Law (Chair)  
Mr David (Lorry) Hughes  
Ms Kelly Ross

## **COMPANY SECRETARY**

Mrs Bianca Taveira

## **PRINCIPAL PLACE OF BUSINESS**

159 Stirling Highway  
Nedlands WA 6009  
Telephone +61 8 9389 9021  
[www.yandalresources.com.au](http://www.yandalresources.com.au)

## **REGISTERED OFFICE**

159 Stirling Highway  
Nedlands WA 6009

## **SHARE REGISTRY**

Boardroom Pty Limited  
Level 12  
225 George Street  
Sydney NSW 2000  
Telephone 1300 737 760

## **AUDITORS**

Rothsay Auditing  
Level 1  
Lincoln House  
4 Ventnor Avenue  
West Perth WA 6005  
Telephone + 61 8 9486 7094

## **STOCK EXCHANGE LISTING**

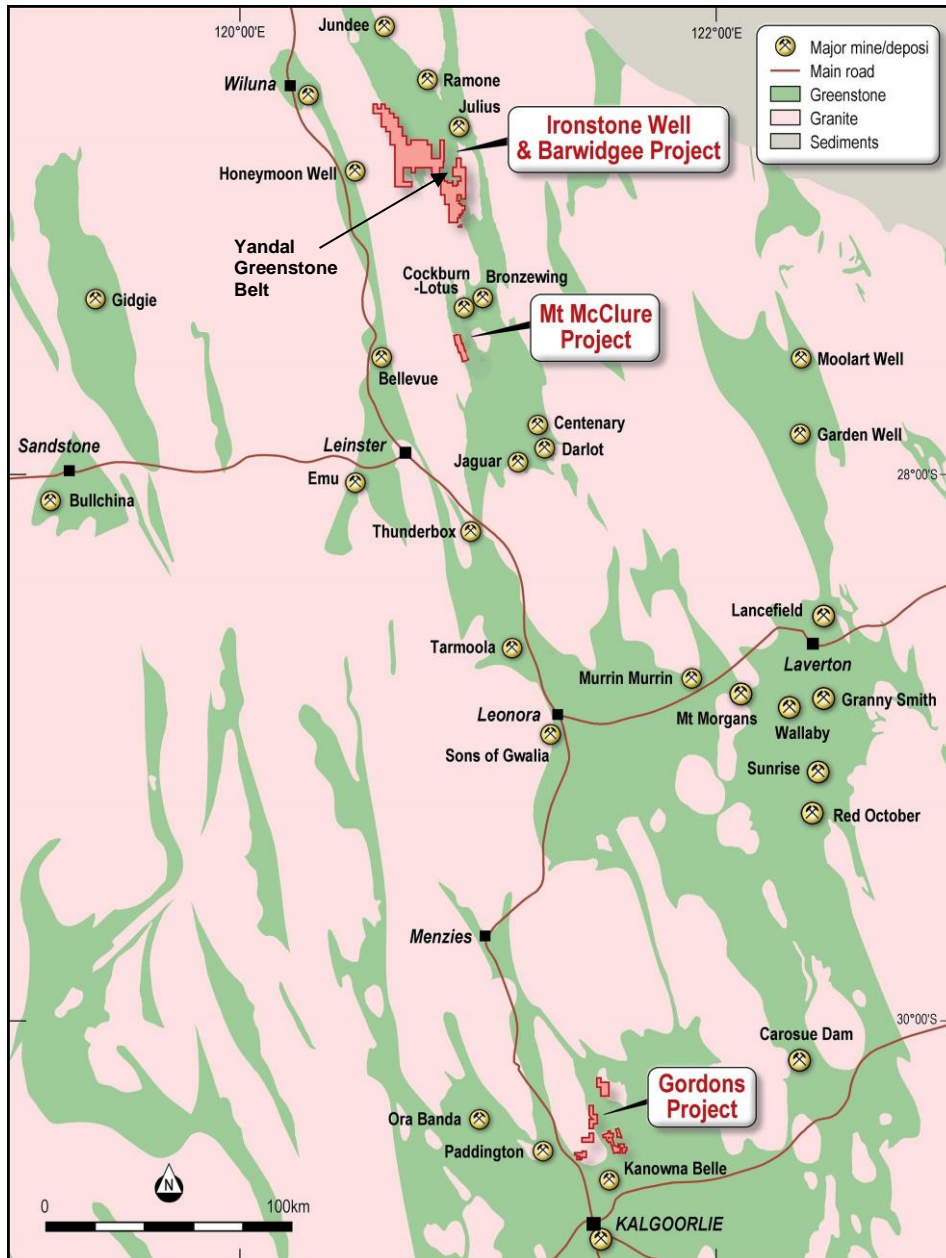
Australian Securities Exchange  
Home Exchange: Perth  
Code: YRL

# Operations Report

## REVIEW OF OPERATIONS

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

### Regional map of the Company's gold projects, greenstone belts, regional towns and significant gold deposits.



Exploration programs during the year continued to focus on advancing the development of our flagship Flushing Meadows gold deposit in the Yandal Greenstone Belt. Work has progressed rapidly at this prospect in preparation of a robust feasibility study and oxide open pit mining approvals which are anticipated in 2021.

Within the broader exploration portfolio a number of early stage reverse circulation (“RC”) and Air-core (“AC”) drilling programs returned promising results worthy of follow-up at the Barty, Flushing Meadows North and Flinders Park prospects within the Ironstone Well and Barwidgee project.

Near Kalgoorlie the Gordons Dam prospect has increased in importance for the Company and a maiden shallow Mineral Resource Estimate (“MRE”) is expected to be compiled in late 2020. Further aggressive exploration is warranted as the current mineralisation is open in most directions.

# Operations Report

## Ironstone Well and Barwidgee Projects

The majority of exploration drilling was again completed at the Flushing Meadows prospect with smaller reconnaissance programs completed at the Flushing Meadows North, Flushing Meadows South, Flinders Park, Barty and Woolshed Well prospects.

The Flushing Meadows exploration programs were completed to infill RC drill the 2019 MRE in order to convert Inferred Resources to Indicated Resources, provide further quality assurance and quality control data and test a number of specific deeper targets. The current MRE is summarised in the table below and the updated MRE is expected to be complete in the December Quarter 2020.

**September 2019 Flushing Meadows Mineral Resource Estimate (0.5g/t Au Lower Grade Cut-off). For full details of the MRE (refer Yandal Resources Ltd's ASX announcement dated 24 September 2019).**

Material Type	Indicated			Inferred			Total		
	Tonnes	Au (g/t)	Oz	Tonnes	Au (g/t)	Oz	Tonnes	Au (g/t)	Oz
Laterite	10,353	1.42	473	47,824	1.13	1,730	58,177	1.18	2,203
Oxide	710,322	1.55	35,444	1,803,863	1.28	74,118	2,514,185	1.35	109,562
Transition	147,552	1.60	7,609	742,181	1.24	29,612	889,733	1.30	37,221
Fresh				1,132,379	1.15	41,795	1,132,379	1.15	41,795
<b>Total</b>	<b>868,227</b>	<b>1.56</b>	<b>43,518</b>	<b>3,726,247</b>	<b>1.23</b>	<b>147,236</b>	<b>4,594,474</b>	<b>1.29</b>	<b>190,849</b>

- The model is reported within a geological wireframe above an average depth of 130m below surface (maximum 210m) and a nominal 0.5g/t Au lower cut-off grade for all material types. Classification is according to JORC Code Mineral Resource Categories. Totals may vary due to rounded figures'
- Refer Competent Persons Statement at the end of the Operations Report.

The MRE contains a higher-grade component of 2.8Mt @ 1.63g/t Au for 147,000oz (> 1.0g/t Au lower cut-off grade) with numerous mineralisation envelopes open at depth. The majority of the MRE reports to the Inferred Resource Category and it is likely that with infill drilling to nominal spacing of 20-25m a large portion could be upgraded to the higher confidence Indicated Resource Category.

Diamond drilling was completed late in the year and has provided high quality data for geotechnical, geological and hydrogeological monitoring. The data once fully assessed will be used to create a robust open pit mine design, Mining Proposal and Mine Closure Plan as part of the approval process.

The Flushing Meadows prospect is located within the Kultju (Aboriginal Corporation) RNTBC ("Kultju"), Kultju Determination. The Kultju Aboriginal Corporation is an incorporated body under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth) and is the Registered Native Title Body Corporate determined to hold native title rights and interests on trust for the Kultju Native Title Holders. Central Desert Native Title Services Limited ("Central Desert") has been authorised by Kultju Aboriginal Corporation to act as its agent in regards to land access negotiations and agreements.

The Company is in the early stages of engagement with Central Desert, the Shire of Wiluna and the Department of Mines, Industry, Regulation and Safety to work towards the completion of all statutory approvals to mine.

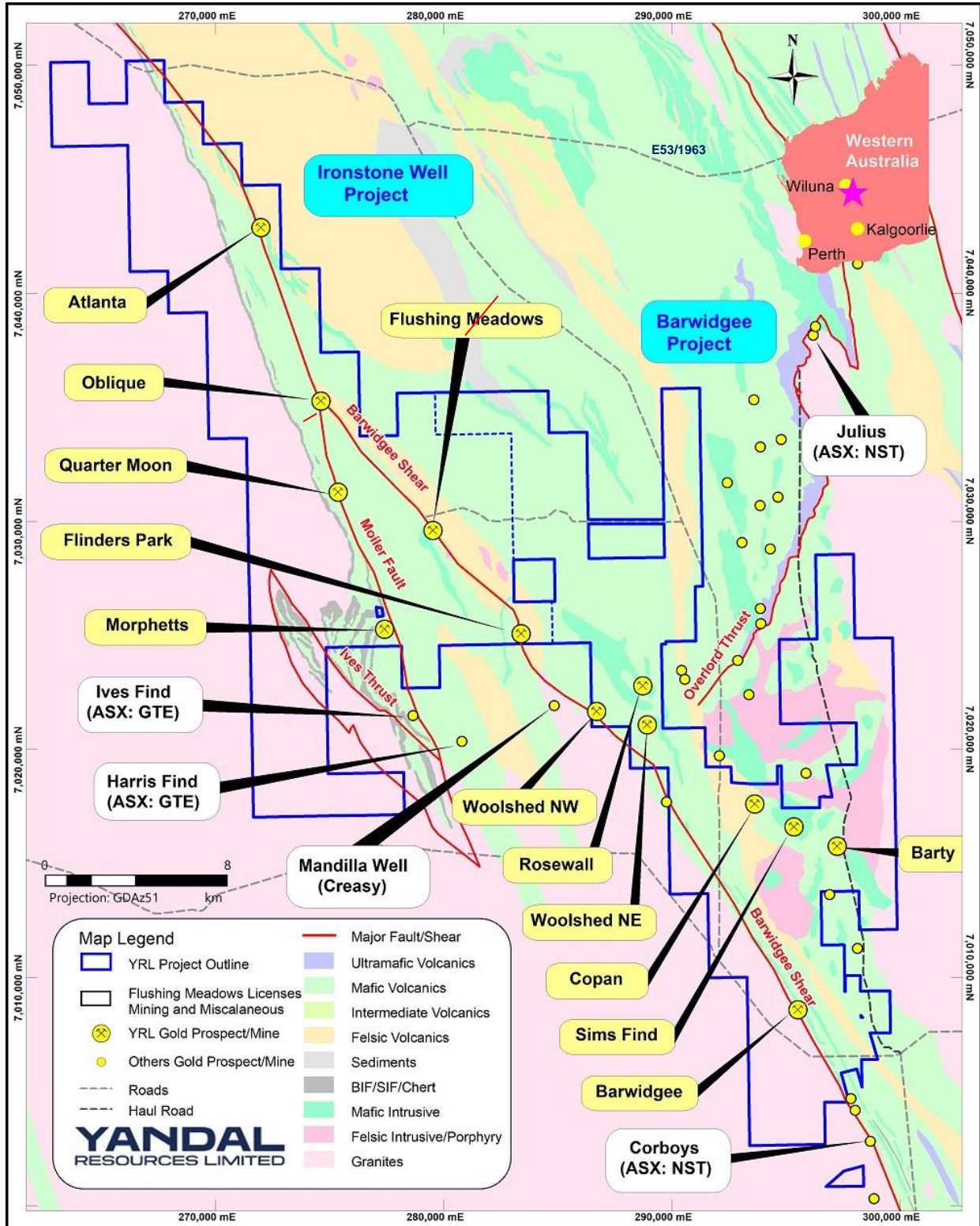
The Company's strategy going forward at the project is to target further shallow mineralisation with potential for conversion to Resources such as the known mineralisation at the Quarter Moon, Oblique and Sims Find prospects. Additional exploration funds for auger and reconnaissance AC drilling will be also be directed towards new grass roots discoveries such as Barty.

Key exploration activities completed during the year at the Ironstone Well and Barwidgee project included;

- Infill RC and diamond drilling at Flushing Meadows to improve geological confidence and assess potential at depth. Metallurgical, geotechnical, hydrogeological, engineering and environmental studies for feasibility studies were also commenced;
- New Mining and Miscellaneous Licences were applied for as part of the Flushing Meadows development;
- Reconnaissance AC and RC drilling at the Flushing Meadows North/South Flinders Park, Woolshed Well, Copan and Barty prospects;
- Auger soil sampling at Barty.

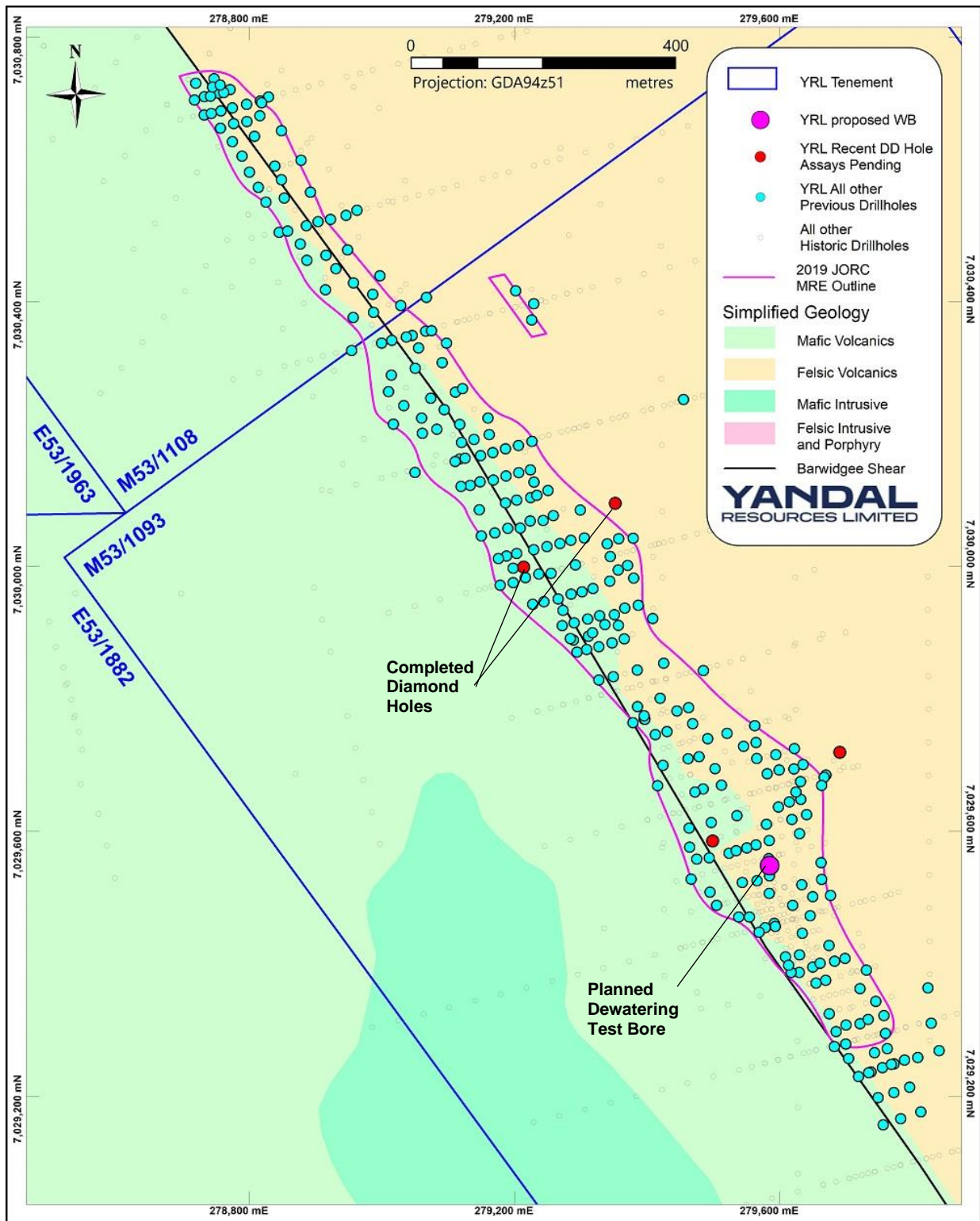
# Operations Report

Regional geology map of the Ironstone Well and Barwidgee gold projects showing mining tenements, the Barwidgee Shear Zone, the Flushing Meadows deposit area and other priority prospects.



# Operations Report

Plan view of the Flushing Meadows prospect showing the 2019 MRE outline and all historic and recent drill collars prior to a 2020 MRE Update. (Note the new Mining Lease Application M53/1108 to capture additional mineralisation with the potential to be mined).

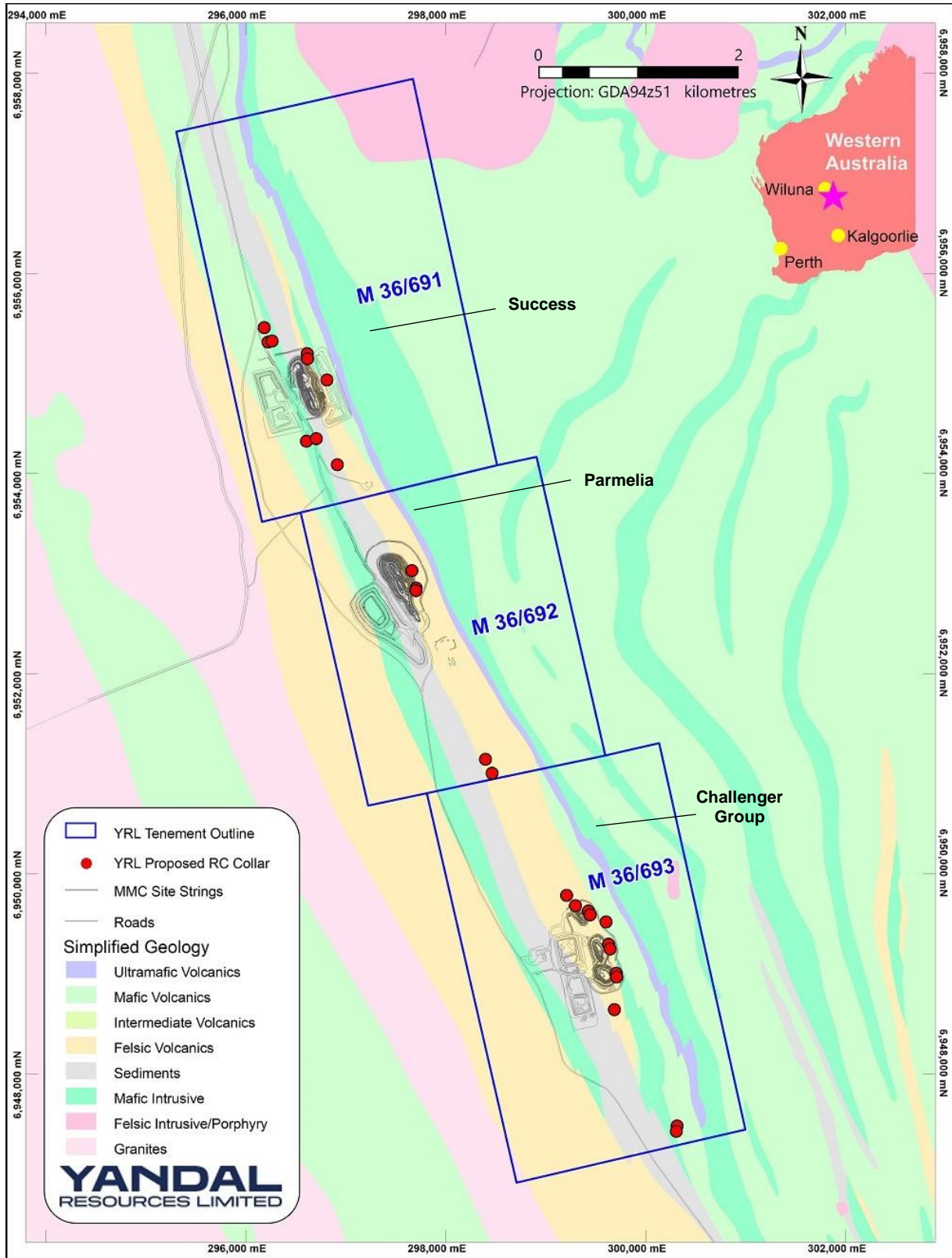


## Mt McClure Project

The Mt McClure project contains a number of historic prospects and open pit mines within a short haulage distance on existing haul roads from the 2Mtpa Bronzewing processing facility owned by Northern Star Resources Ltd (ASX: NST). During the year, exploration activities were focussed on updating the historic database, defining new exploration targets, Mining Lease applications, assessment of the potential for the definition of Mineral Resources and preparation of drill sites.

# Operations Report

Plan view of the Mt McClure project showing the regional geology, new Mining Leases, the location of historic open pits, waste dumps and planned priority drill sites.



There is potential to define new mineralisation capable of being included in a MRE upon all three Mining Leases and significant RC drill programs are in the advanced planning stages. All the historic open pits were mined when gold prices were substantially lower than price ranges seen in recent months. The Bronzewing processing facility is currently on care and maintenance however the project should grow in importance should a decision to resume milling be made.

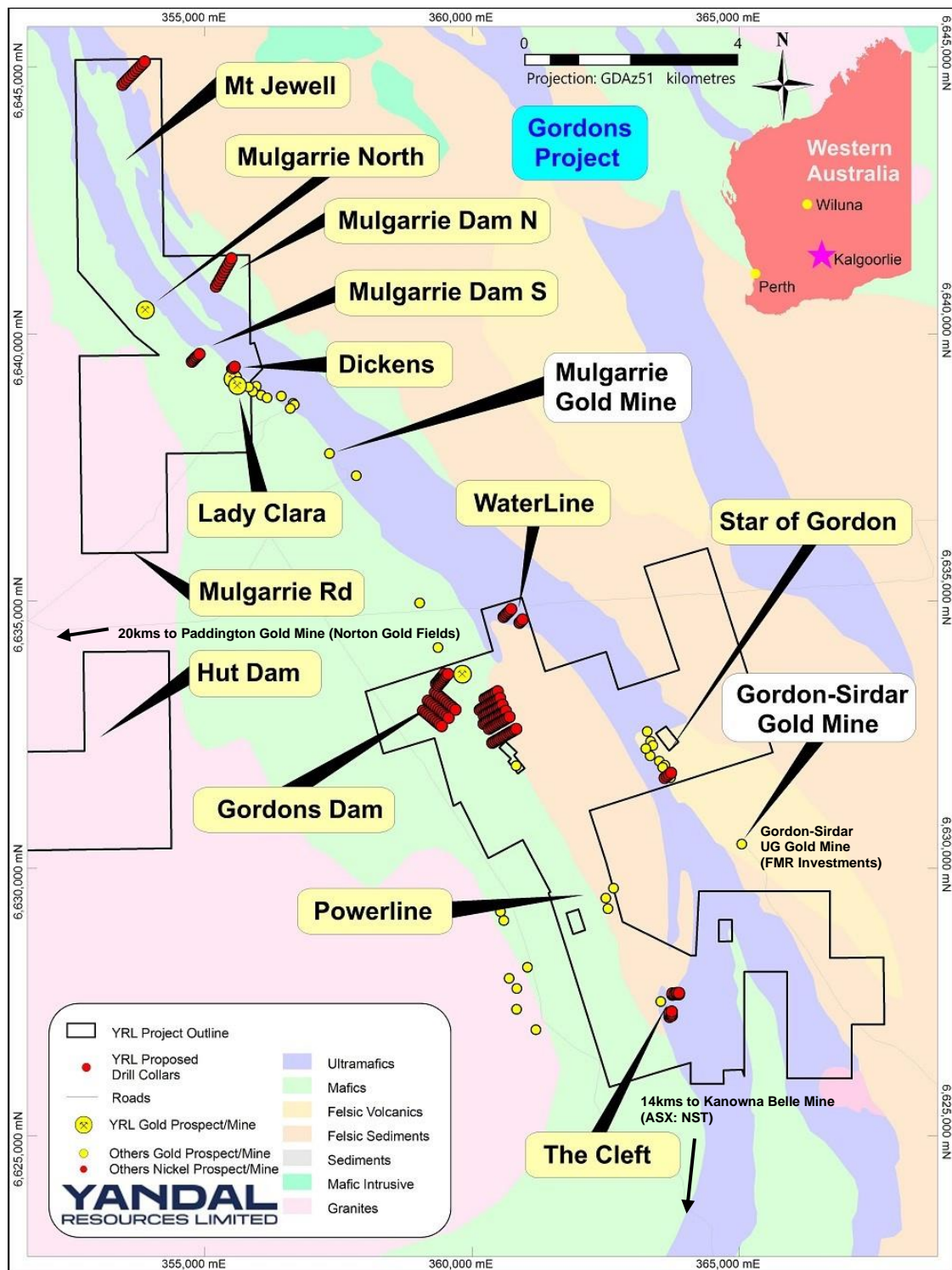


# Operations Report

## Gordons Gold Project

The Gordons Gold project comprises a number of priority prospects within close proximity to the City of Kalgoorlie-Boulder, ore haulage infrastructure and operating mines. During the year the Company completed a number of very successful AC and RC drilling programs at the Gordons Dam prospect as has defined significant mineralisation that remains open in most directions. A maiden MRE is due for completion in 2020 in order to assess the economic importance of the discovery.

**Regional geology map of part of the Gordons Gold project showing individual prospects with the location of planned AC drill holes to follow up promising result returned in 2019.**



# Operations Report

Gordons Dam mineralisation is contained within clays and palaeochannel sediments over a 400m strike zone and within structurally controlled felsic porphyry and mafic rocks at depth. Some important RC intercepts to be included in a maiden MRE include;

- 1m @ 5.27g/t Au within 9m @ 0.72g/t Au from 32m (YRLRC0301)
- 1m @ 22.29g/t Au within 23m @ 1.54g/t Au from 40m (YRLRC0307)
- 1m @ 5.99g/t Au within 19m @ 0.96g/t Au from 31m (YRLRC0311)
- 1m @ 47.96g/t Au within 8m @ 7.33g/t Au from 35m (YRLRC0019)
- 3m @ 18.31g/t Au within 8m @ 7.47g/t Au from 34m (YRLRC0024)
- 4m @ 13.16g/t Au from 35m (KESGR1321)
- 10m @ 3.98g/t Au from 32m (KESGR1323)
- 5m @ 4.79g/t Au from 36m (KESGR1340)
- 4m @ 11.80g/t Au within 10m @ 6.02g/t Au from 30m (KESGR1345)

*(Refer to Yandal Resources Ltd announcement dated 6 May 2019).*

Limited RC drilling to explore for the primary source of the sediment hosted mineralisation has returned some narrow high grade intercepts and broader low grade intercepts related to haematite, pyrite, sericite and chlorite altered porphyry rocks which have a similar alteration assemblage to known deposits in the area.

Substantial further exploration including diamond drilling is warranted at this prospect to understand the economic importance of the discovery to the Company.

## **Competent Person Statement**

*The information in this document that relates to Exploration Results, geology and data compilation is based on information compiled by Mr Trevor Saul, a Competent Person who is a Member of The Australian Institute of Mining and Metallurgy (AusIMM). Mr Saul is the Exploration Manager of Yandal Resources. He is a full-time employee of Yandal Resources and holds shares and options in the Company.*

*Mr Saul has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Saul consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.*

*The information in this announcement that relates to the Flushing Meadows Mineral Resource Estimate is based on information compiled and generated by Andrew Bewsher, an employee of BM Geological Services Pty Ltd ("BMGS"). Both Andrew Bewsher and BMGS hold shares in the company. BMGS consents to the inclusion, form and context of the relevant information herein as derived from the original resource reports. Mr Bewsher has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.*

# Directors' Report

Your Directors present their report on Yandal Resources Limited for the financial year ended 30 June 2020.

## DIRECTORS

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

Ms Katina Law	Non-Executive Chair
Mr David (Lorry) Hughes	Managing Director
Ms Kelly Ross	Non-Executive Director

## INFORMATION ON DIRECTORS AND OFFICERS

### MS KATINA LAW BCom, FCPA, MBA, GAICD, NON-EXECUTIVE CHAIR (appointed 1 July 2018)

Katina Law has over 29 years' experience in the mining industry covering corporate and site based roles across several continents. She has worked with a number of ASX listed resources companies in strategic financial advisory and general management roles. Ms Law has worked on several development and evaluation projects which were later subject to corporate transactions including the Deflector gold and copper project and the King Vol polymetallic zinc project. Ms Law was Executive Director and CEO of East Africa Resources Limited from 2012 to 2015, and also held senior positions at Newmont Mining Corporation's Batu Hijau copper gold project in Indonesia and their head office in Denver, USA and at LionOre International based in Perth.

Ms Law has a Bachelor of Commerce degree from UWA, is a Certified Practising Accountant and has an MBA from London Business School. She is currently a non-executive Director of headspace National Youth Mental Health Foundation and DGO Gold Limited (ASX: DGO).

Current and Former Directorships held in the past three years:

Ardea Resources Limited	Non-Executive Director/Chair	Appointed 7 November 2016, Resigned 31 July 2020
DGO Gold Limited	Non-Executive Director	Appointed 1 June 2020

Ms Law has no other public company directorships.

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

Mr Hughes is an Economic Geologist with over 25 years' experience and was recently Executive Director of Horizon Minerals Limited *formerly Intermin Resources Ltd* (ASX: HRZ *formerly IRC*) and Managing Director and CEO of South Boulder Mines Ltd (now ASX: DNK and ASX: DKM) from 2008 – 2013. He has held executive and senior management positions on mining and development projects for companies including Energy Metals Ltd, CSA Global, Rio Tinto and Barrick. Mr Hughes has comprehensive mining, exploration and development experience from numerous gold mining projects in Western Australia.

Current and Former Directorships held in the past three years:

Horizon Minerals Limited	Executive Director	Appointed 1 June 2016, Resigned 31 January 2018
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Mr Hughes has no other public company directorships.

### MS KELLY ROSS BBus, CPA, ACS (CS, CGP) NON-EXECUTIVE DIRECTOR (appointed 6 April 2018)

Ms Ross is a qualified accountant holding a Bachelor of Business (Accounting) and has the designation CPA from the Australian Society of Certified Practising Accountants. Ms Ross is a Chartered Secretary and Chartered Governance Professional with over 30 years' experience in accounting and administration in the mining industry.

Ms Ross was part of the team that floated Independence Group NL ("IGO"). IGO listed on the ASX in 2002 and Mrs Ross was Company Secretary and CFO for 10 years. Ms Ross was a Director of IGO for 12 years from 2002 to 2014. Ms Ross retired from the Board of IGO on 24 December 2014.

Prior to IGO, Ms Ross was a senior accountant at Resolute Ltd from 1987 to 2000 during which time Resolute became a gold producer in Ghana, Tanzania and at several mines in Western Australia.

Current and Former Directorships held in the past three years:

Musgrave Minerals Ltd (ASX: MGV)	Non-Executive Director	Appointed 26 May 2010
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Ms Ross has no other public company directorships.

# Directors' Report

## MRS BIANCA TAVEIRA, COMPANY SECRETARY

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

## CORPORATE INFORMATION

Yandal Resources Limited is a Company limited by shares that was incorporated on 16 April 2004 and is domiciled in Australia. The Company was converted to a public company and changed its name from Orex Mining Pty Ltd to Yandal Resources Limited on 27 March 2018. The Company listed on the Australian Stock Exchange on 14 December 2018 (ASX: YRL).

## PRINCIPAL ACTIVITIES

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

## RESULTS OF OPERATIONS

The results for the year ended 30 June 2020 was a loss after income tax benefit of \$503,704 (2019: \$670,115 loss).

EARNINGS/(LOSS) PER SHARE	2020 ¢	2019 ¢
Basic earnings/(loss) per share	(0.77)	(1.69)
Diluted earnings/(loss) per share	(0.77)	(1.69)

## REVIEW OF OPERATIONS

Refer to the Operations Report for detailed information on the Company's exploration activities over the past year.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other significant changes to the state of affairs during the year, other than outlined in the Operations Report, are as follows:

In June 2019, the Company announced a Non-renounceable pro-rata entitlement to 1 New Share for every 4 Shares held at an issue price of 22 cents per New Share plus 1 free attaching New Option for every 2 New Shares issued with an exercise price of 27 cents and an expiry date of 30 June 2021.

On 23 July 2019, the Company announced the results of its pro-rate issue, raising \$2,941,319 before share issue costs with shares issued as follows:

- On 29 July 2019, the Company issued 10,969,555 shares and 5,484,785 Unlisted Options.
- On 16 August 2019, the Company issued 2,400,172 shares and 1,200,036 Unlisted Options being the remaining shortfall shares under the 1 for 4 Non-Renounceable Pro-Rata Rights Issue.

On 24 September 2019, the Company completed an initial Mineral Resource for the Flushing Meadows gold deposit.

## EVENTS AFTER REPORTING DATE

In June 2020, the Company announced a Non-renounceable pro-rata entitlement to 1 New Share for every 5 Shares held at an issue price of 25 cents per New Share.

In August 2020, the Company announced the results of its pro-rata issue, raising \$3,342,408 before share issue costs with shares issued as follows:

- On 20 July 2020, the Company issued 8,498,542 shares
- On 28 July 2020, the Company further allotted 3,551,093 shares
- On 3 August 2020, the Company issued 1,320,000 shares being the remaining shortfall shares under the 1 for 5 Non-Renounceable Pro-Rata Rights Issue.

Total shares on hand as at the date of this report is 80,217,610.

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

# Directors' Report

## FUTURE DEVELOPMENTS

In the opinion of the Directors it would prejudice the interests of the Company to provide additional information, beyond that reported in this Annual Report, relating to likely developments in the operations and the expected results of those operations in financial years ended subsequent to 30 June 2020.

## COVID-19 IMPACT

The full impact of the COVID-19 pandemic continues to evolve at the date of this report. The Company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity and future results of operations during 2020 or 2021. Management continues to actively monitor the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for the 2020/21 financial year.

The health and wellbeing of all Yandal employees remain a key focus in response to the ongoing COVID-19 pandemic. The work practices and measures implemented to mitigate COVID-19 related risks have so far proven successful with no known COVID-19 cases across our workforce and minimal disruption to our operations to date.

## DIVIDENDS

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

## MEETINGS OF DIRECTORS

The number of meetings held during the year ended 30 June 2020, and the number of meetings attended by each Director were:

Director	Full Meetings of Directors		Audit & Risk Committee Meetings	
	Eligible to Participate	Number Attended	Eligible to Participate	Number Attended
K Law	5	5	2	2
D Hughes	5	5	2	2
K Ross	5	5	2	2

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

## DIRECTOR SHARE AND OPTION HOLDINGS

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

Director	Ordinary Shares		Options Exercise price 25 cents, expiry 31 December 2021		Options Exercise Price 27 cents, expiry 30 June 2021	
	Direct Interest	Indirect Interest	Direct Interest	Indirect Interest	Direct Interest	Indirect Interest
K Law	-	565,000	-	1,000,000	-	32,500
D Hughes	-	2,988,654	-	1,950,000	-	90,909
K Ross	156,251	-	500,000	-	15,626	-

## SHARES UNDER OPTION

Unissued ordinary shares of Yandal Resources Limited under option as at the date of this report are as follows:

Nature	Expiry Date	Exercise Price of Options	Number under Option
Unlisted options	31 December 2021	25 cents	6,450,000 *
Unlisted options	30 June 2021	27 cents	6,684,821

\* 5,950,000 options are subject to 24 months escrow, effective from the Company's date of listing on the ASX, 14 December 2018.

# Directors' Report

## SHARES UNDER OPTION (continued)

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the Company during or since the end of the reporting period.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

## Remuneration Report (Audited)

The information provided in this remuneration report has been audited as required by section 300A of the *Corporations Act 2001*.

### A Principles Used to Determine Amount and Nature of Remuneration

All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed. Shares given to Directors and Executives are valued as the difference between the market price of those shares and the amount paid by the Director or Executive. Options are valued using the Black-Scholes or Binomial methodologies.

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the annual general meeting (currently \$300,000). Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in employee option plans.

The objective of the Company's executive reward framework is set to attract and retain the most qualified and experienced Directors and Senior Executives. The Board ensures that executive reward satisfies the following criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency
- capital management

### Directors' Fees

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

### Performance Based Remuneration

The Company uses both short term and long term incentive programs to balance the short and long term aspects of business performance, to reflect market practice, to attract and retain key talent and to ensure a strong alignment between the incentive arrangements of Executives and the creation and delivery of shareholder return.

Executives are encouraged by the Board to hold shares in the Company and it is therefore the Company's objective to provide incentives for participants to partake in the future growth of the Company and, upon becoming shareholders in the Company, to participate in the Company's profits and dividends that may be realised in future years. The Board considers that this equity performance linked remuneration structure is effective in aligning the long-term interests of Company executives and shareholders as there exists a direct correlation between shareholder wealth and executive remuneration.

### Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and Executives. This is facilitated through the issue of options or performance rights to Directors and Executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

# Directors' Report

## B Details of Remuneration of Key Management Personnel of the Company

Details of the nature and amount of each element of remuneration of each Director and key management personnel of the Company for the financial year are as follows:-

Directors	Year	Consulting Fees \$	Salary \$	Directors' Fee \$	Post Employment Superannuation \$	Share Based Payments Expense \$	Total \$	Performance Related %
<b>K Law</b>	<b>Non-Executive Chair</b>							
	2020	-	-	43,667	4,148	-	47,815	-
	2019	-	-	21,692	2,061	93,100	116,853	79.6
<b>D Hughes</b>	<b>Director</b>							
	2020	-	231,872	-	22,028	-	253,900	-
	2019	-	200,000	-	19,000	186,200	405,200	45.8
<b>K Ross</b>	<b>Non- Executive Director</b>							
	2020	-	-	32,750	3,111	-	35,861	-
	2019	-	-	16,269	1,545	46,550	<b>64,364</b>	72.3

There were no termination benefits paid during the year to any Director or key management personnel.

## C Share-Based Compensation

### (i) Options

There were no options issued to the Board as remuneration during the year ended 30 June 2020.

During the year ended 30 June 2019, the Board were issued options by the Company as incentive to perform their role from the date of ASX listing. The options are linked to future performance of the Company. The fair value of the incentive options issued to key management personnel is \$325,850 as determined using the Black-Scholes valuation methodology. This amount was recognised as a share based payment, refer Note 21 to the financial statements.

The options were granted on 5 October 2018 with an expiry date of 31 December 2021 and an exercise price of \$0.25 per option.

The Director's option values are as follows:

Directors	Grant Date	No of Options Granted	Fair value per option at Grant Date	Vested at 30 June 2020	Total value of Options \$	No of options exercised	Options exercised \$	Balance of options at year end
K Law	5 Oct 2018	1,000,000	\$0.0931	1,000,000	93,100	-	-	1,000,000
D Hughes	5 Oct 2018	1,950,000	\$0.0931	1,950,000	186,200	-	-	1,950,000
K Ross	5 Oct 2018	500,000	\$0.0931	500,000	46,550	-	-	500,000

Fair values at grant date are independently determined using a Black & Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

## D Service Contracts

Mr Hughes has entered into an executive service agreement with the Company under which he is engaged as Managing Director. The engagement of Mr Hughes under the agreement commenced on 5 February 2018 and continues until terminated by either party. The Company may terminate the employment without notice upon limited events akin to misconduct or incapacity. Additionally, the Company may terminate the agreement without cause upon one month's written notice. Mr Hughes may terminate the agreement without cause on 3 months written notice.

Non-Executive Directors are not employed under written contracts. Non-Executive Directors may be paid consulting fees at commercial rates calculated according to the amount of time spent on the Company's business. All Directors may receive consulting fees on an hourly basis which are paid from time to time for specialist services beyond normal duties. No Directors have received loans from the Company during the annual period.

# Directors' Report

## E Key Management Personnel Disclosures

### Key Management Personnel Interests in the Shares and Options of the Company

#### Director Shares

Interests of the Directors in the shares and options of the Company at 30 June 2020 and 30 June 2019 were:

2020	Balance at start of the year	Shares issued during the year	Options exercised during the year	Shares disposed of during the year	Balance at the end of the year
K Law	500,000	65,000	-	-	565,000
D Hughes	2,633,336	355,318	-	-	2,988,654
K Ross	125,000	31,251	-	-	156,251
	<b>3,258,336</b>	<b>451,569</b>	<b>-</b>	<b>-</b>	<b>3,709,905</b>
2019					
K Law (appointed 1 July 2018)	-	500,000	-	-	500,000
D Hughes	2,333,336	250,000	50,000	-	2,633,336
K Ross	-	125,000	-	-	125,000
M Ruane (resigned 1 July 2018)	11,800,010*	-	-	-	-
	<b>14,133,346</b>	<b>875,000</b>	<b>50,000</b>	<b>-</b>	<b>3,258,336</b>

\*Balance held at date of resignation

#### Director Options

The number of options over ordinary shares in the Company held during the financial year by each Key Management Personnel of Yandal Resources Limited including their personally related parties are set out below:

2020	Balance at start of the year	Options issued/acquired	Options expired during the year	Exercised during the year	Options sold	Balance at the end of the year	Vested and exercisable at the end of the year
K Law	1,000,000	32,500	-	-	-	1,032,500	1,032,500
D Hughes	1,950,000	90,909	-	-	-	2,040,909	2,040,909
K Ross	500,000	15,626	-	-	-	515,626	515,626
	<b>3,450,000</b>	<b>139,035</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,589,035</b>	<b>3,589,035</b>
2019							
K Law	-	1,000,000	-	-	-	1,000,000	1,000,000
D Hughes	-	2,000,000	-	(50,000)	-	1,950,000	1,950,000
K Ross	-	500,000	-	-	-	500,000	500,000
	<b>-</b>	<b>3,500,000</b>	<b>-</b>	<b>(50,000)</b>	<b>-</b>	<b>3,450,000</b>	<b>3,450,000</b>

[End of remuneration report]



# Directors' Report

## **NON-AUDIT SERVICES**

The auditors have not provided any non-audit services to the Company in the current financial year.

## **INDEMNIFICATION AND INSURANCE OF OFFICERS OR AUDITOR**

During the financial year, the Company maintained an insurance policy which indemnifies the Directors and Officers of Yandal Resources Limited in respect of any liability incurred in connection with the performance of their duties as Directors or Officers of the Company. The Company's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

## **AUDITOR'S INDEPENDENCE DECLARATION**

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a Declaration of Independence from Rothsay Auditing, the Company's auditors, as presented on page 16 of this year's financial report.

## **ENVIRONMENTAL REGULATION**

The Company's Projects are subject to State and Federal laws and regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws and regulations determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly, if the Company's activities result in mine development. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

## **PROCEEDINGS ON BEHALF OF COMPANY**

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

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

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



**MR LORRY HUGHES**  
Director

**30 September 2020**  
Perth, WA

# Auditor's Independence Declaration



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

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of the audit of Yandal Resources Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

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

Rothsay Auditing

A handwritten signature in black ink that reads 'Dalla'.

Daniel Dalla  
Partner  
29 September 2020



# Independent Auditor's Report



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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YANDAL RESOURCES LIMITED

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Yandal Resources Limited ("the Company") which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 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 these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (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.



Liability limited by a scheme approved under Professional Standards Legislation

# Independent Auditor's Report continued



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YANDAL RESOURCES LIMITED (continued)

<b><i>Key Audit Matter - Cash and Cash Equivalents</i></b>	<b><i>How our Audit Addressed the Key Audit Matter</i></b>
<p>The Company's cash and cash equivalents make up 96% of current assets by value and are considered to be the key driver of the Company's operations.</p> <p>We do not consider cash and cash equivalents to be at a high risk of significant misstatement or to be subject to a significant level of judgement.</p> <p>However due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures over the existence of the Company's cash and cash equivalents included but were not limited to:</p> <ul style="list-style-type: none"> <li>• Documenting and assessing the processes and controls in place to record cash transactions;</li> <li>• Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and</li> <li>• Agreeing balances to independent third-party confirmations.</li> </ul> <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>
<b><i>Key Audit Matter - Exploration and evaluation expenditure</i></b>	<b><i>How our Audit Addressed the Key Audit Matter</i></b>
<p>The Company has capitalised a significant amount of exploration and evaluation expenditure during the year.</p> <p>We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We assessed exploration and evaluation expenditure with reference to AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</li> <li>• We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments; and</li> <li>• We documented and assessed the processes and controls in place to record exploration and evaluation transactions.</li> </ul> <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>

# Independent Auditor's Report continued



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YANDAL RESOURCES LIMITED (continued)

### ***Other Information***

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Directors' Responsibility for the Financial Report***

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

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

### ***Auditor's Responsibility for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

# Independent Auditor's Report continued



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YANDAL RESOURCES LIMITED (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

### ***Report on the Remuneration Report***

#### ***Opinion on the Remuneration Report***

We have audited the remuneration report included in the directors' report for the year ended 30 June 2020.

In our opinion the remuneration report of Yandal Resources Limited for the year ended 30 June 2020 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.

Rothsay Auditing

Dated 29 September 2020

Daniel Dalla  
Partner

# Directors' Declaration

The Directors of the Company declare that:

- (a) The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position and performance of the Company; and
  - (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- (b) The financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1 and other mandatory professional reporting requirements.
- (c) The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.
- (d) There are reasonable grounds to believe that Company will be able to pay its debts as and when they become due and payable.

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



**MR LORRY HUGHES**  
Director

**30 September 2020**  
Perth, WA

# Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue from continuing operations	2	166,425	86,773
<b>Total</b>		<b>166,425</b>	<b>86,773</b>
Exploration expenditure written off	2	(83,551)	(35,614)
Professional fees		(110,012)	(91,026)
Administration fees		(153,427)	(112,391)
Employee benefits expenses		(305,054)	(75,344)
Share based payments	21(ii)(a)	-	(418,950)
Depreciation expenses		(11,643)	(3,253)
Travel expenses		(6,442)	(20,310)
<b>Profit/(loss) before income tax</b>		<b>(503,704)</b>	<b>(670,115)</b>
Income tax (expense)/benefit	3	-	-
<b>Profit/(loss) after income tax for the year</b>		<b>(503,704)</b>	<b>(670,115)</b>
Other comprehensive income/(loss) for the year		-	-
<b>Total comprehensive income/(loss) attributable to Members of Yandal Resources Limited</b>		<b>(503,704)</b>	<b>(670,115)</b>
Basic profit/(loss) cents per share	12	(0.77)	(1.69)
Diluted profit/(loss) cents per share	12	(0.77)	(1.69)

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



# Statement of Financial Position as at 30 June 2020

	Note	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	3,384,990	3,545,670
Trade and other receivables	5	145,891	65,589
Other	6	5,255	5,968
<b>Total Current Assets</b>		<b>3,536,136</b>	<b>3,617,227</b>
<b>NON-CURRENT ASSETS</b>			
Capitalised exploration expenditure	7	4,506,326	2,207,224
Property, plant and equipment	8	18,255	24,340
<b>Total Non-Current Assets</b>		<b>4,524,581</b>	<b>2,231,564</b>
<b>Total Assets</b>		<b>8,060,717</b>	<b>5,848,791</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	119,473	277,162
<b>Total Current Liabilities</b>		<b>119,473</b>	<b>277,162</b>
<b>Total Liabilities</b>		<b>119,473</b>	<b>277,162</b>
<b>Net Assets</b>		<b>7,941,244</b>	<b>5,571,629</b>
<b>EQUITY</b>			
Contributed equity	10	8,567,958	5,694,639
Reserves	11(b)	599,750	599,750
Accumulated (losses)/profits	11(a)	(1,226,464)	(722,760)
<b>Total Equity</b>		<b>7,941,244</b>	<b>5,571,629</b>

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

# Statement of Changes in Equity for the Year Ended 30 June 2020

	Contributed Equity \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2018	387,510	-	(52,645)	334,865
Total comprehensive income/ (loss) for the year	-	-	(670,115)	(670,115)
Transactions with owners in their capacity as owners:				
Shares issued during the year	5,848,325	-	-	5,848,325
Share issue costs	(541,196)	-	-	(541,196)
Options issued during the year	-	599,750	-	599,750
<b>Balance at 30 June 2019</b>	<b>5,694,639</b>	<b>599,750</b>	<b>(722,760)</b>	<b>5,571,629</b>
Balance at 1 July 2019	5,694,639	599,750	(722,760)	5,571,629
Total comprehensive income/ (loss) for the year	-	-	(503,704)	(503,704)
Transactions with owners in their capacity as owners:				
Shares issued during the year	2,941,319	-	-	2,941,319
Share issue costs	(68,000)	-	-	(68,000)
<b>Balance at 30 June 2020</b>	<b>8,567,958</b>	<b>599,750</b>	<b>(1,226,464)</b>	<b>7,941,244</b>

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

# Statement of Cash Flows for the Year Ended 30 June 2020

Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	50,000	-
	(702,054)	(308,009)
	67,462	49,469
18	<b>(584,592)</b>	<b>(258,540)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	(5,558)	(27,273)
	-	(60,000)
	(2,443,849)	(1,156,260)
	<b>(2,449,407)</b>	<b>(1,243,533)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	2,941,319	5,446,600
	-	(164,000)
	(68,000)	(286,921)
	<b>2,873,319</b>	<b>4,995,679</b>
	(160,680)	3,493,606
	3,545,670	52,064
18	<b>3,384,990</b>	<b>3,545,670</b>

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

# Notes To and Forming Part of the Financial Statements

## 1 GENERAL INFORMATION

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

### (a) Significant accounting policies

#### Statement of compliance

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

#### Basis of preparation

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

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

#### New accounting standards and interpretations

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. These Standards and Interpretations did not have any material impact on these financial statements. Details of the impact of adoption of AASB 16 Leases are detailed in Note 1p and Note 22.

#### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2020.

The Company has reviewed the new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2020. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

#### Critical accounting judgements and key sources of estimation uncertainty

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

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

### i) Significant accounting judgements

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

#### *Capitalisation of exploration and evaluation expenditure*

The Company has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful developments (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped. As at 30 June 2020, the carrying value of capitalised exploration expenditure is \$4,506,326.

### ii) Significant accounting estimates and assumptions

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

# Notes To and Forming Part of the Financial Statements

## (a) Significant accounting policies (continued)

### ii) Significant accounting estimates and assumptions (continued)

#### *Impairment of capitalised exploration and evaluation expenditure*

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

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

## (b) Income Tax

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

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

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

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

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

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

## (c) Trade and Other Receivables

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

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

## (d) Trade and Other Payables

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

## (e) Cash and Cash Equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid instruments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## (f) Comparative Figures

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

# Notes To and Forming Part of the Financial Statements

## **(g) Borrowings**

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

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

## **(h) Goods and Services Tax**

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

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

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

## **(i) Contributed Equity**

Ordinary shares are classified as equity.

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

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

## **(j) Impairment of Assets**

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

## **(k) Earnings per Share**

### **(i) Basic earnings per share**

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

### **(ii) Diluted earnings per share**

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

## **(l) Exploration and Evaluation Expenditure**

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

# Notes To and Forming Part of the Financial Statements

## (l) Exploration and Evaluation Expenditure (continued)

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

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

At 30 June 2020 the Directors considered that the carrying value of the mineral tenement interests of the consolidated entity was as shown in the Statement of Financial Position and no further impairment arises other than that already recognised.

## (m) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for major business activities as follows:

### (i) Interest Income

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

### (ii) Other Services

Other debtors are recognised at the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided.

## (n) Share-Based Payments

Share-based compensation benefits are provided to employees via the Company's Employee Incentive Plans. The incentive plans consist of the short term and long term incentive plans for Executive Directors and other Executives and the employee share scheme for all other employees.

The fair value of rights granted under the short term and long term incentive plans is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions and the impact of service conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of rights that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

The initial estimate of fair value for market based and non-vesting conditions is not subsequently adjusted for differences between the number of rights granted and number of rights that vest.

When the rights are exercised, the appropriate amount of shares are transferred to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

The fair value of deferred shares granted to employees for nil consideration under the employee share scheme is recognised as an expense over the relevant service period, being the year to which the incentive relates and the vesting period of the shares. The fair value is measured at the grant date of the shares and is recognised in equity in the share-based payment reserve. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period and adjustments are recognised in profit or loss and the share-based payment reserve.

# Notes To and Forming Part of the Financial Statements

## (o) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the steering committee that makes strategic decisions.

The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are regularly reviewed by the Company's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

## (p) Leases

AASB 16 replaces AASB 117 Leases. AASB 16 removes the classification of leases as either operating leases or finance leases-for the lessee – effectively treating all leases as finance leases. AASB 16 is applicable to annual reporting periods beginning on or after 1 July 2019.

### *Impact on operating leases*

AASB 16 will change how the Company accounts for leases previously classified as operating leases under AASB 117, which were off-balance sheet. On initial application of AASB 16, for all leases (except as noted below), the Company will:

- Recognise right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments.
- Recognise depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss.
- Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

Lease incentives (e.g. rent-free period) will be recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight-line basis.

Under AASB 16, right-of-use assets will be tested for impairment in accordance with AASB 136 Impairment of Assets. This will replace the previous requirement to recognise a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Company will opt to recognise a lease expense on a straight-line basis as permitted by AASB 16.

The Company has applied AASB 16 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2019.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative periods, refer to Note 22 for further detail.



# Notes To and Forming Part of the Financial Statements

	2020 \$	2019 \$
<b>2 INCOME AND EXPENSES</b>		
Revenue from continuing operations:		
ATO cash flow boost (Note 5(i))	100,000	-
Interest received	66,425	51,711
Other income	-	35,062
	<b>166,425</b>	<b>86,773</b>
Loss before income tax is arrived at after charging the following items:		
Capitalised exploration expenditure written off	83,551	35,614
<b>3 INCOME TAX</b>		
Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-
<b>Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Profit/(loss) before income tax	(503,704)	(670,115)
Tax at 27.5% (2019: 27.5%)	(138,519)	(184,290)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax effect of exploration expenditure claimed	(632,253)	(367,546)
Permanent differences	(22,286)	119,978
Other timing differences	(24,116)	(44,639)
Tax losses not recognised as an asset	817,174	476,497
<b>Income Tax Expense</b>	<b>-</b>	<b>-</b>
<b>Tax losses and unrecognised temporary differences</b>		
The Directors estimate that the potential future income tax benefit at 30 June 2020 in respect of tax losses not brought to account is as follows:		
Potential future tax benefit – income tax losses	1,414,612	598,123
Potential future tax benefit – capital losses	34,485	-
Potential deferred tax liability – exploration expenditure	(1,062,231)	-
	<b>386,866</b>	<b>598,123</b>
This benefit for tax losses will only be obtained if:		
<ul style="list-style-type: none"> <li>the Company derives income of a nature and amount sufficient to enable the benefit from the deductions for the loss to be realised;</li> <li>the Company continues to comply with the conditions for deductibility imposed by the law; and</li> <li>no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.</li> </ul>		

# Notes To and Forming Part of the Financial Statements

## 4 CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Cash at bank

2020 \$	2019 \$
3,384,990	3,545,670
<b>3,384,990</b>	<b>3,545,670</b>

Cash at bank carries a floating interest rate of 1% (2019: 2%). The above figures are reconciled to the cash at the end of the financial year as shown in the statement of cash flows in Note 18.

## 5 CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

ATO Cash flow boost (i)

GST assets

Other receivables

50,000	-
94,686	63,347
1,205	2,242
<b>145,891</b>	<b>65,589</b>

(i) The Company qualified as an eligible entity for the ATO cash flow boost and accordingly will receive the second tranche subsequent to 30 June 2020.

## 6 CURRENT ASSETS - OTHER

Prepaid insurance

5,255	5,968
<b>5,255</b>	<b>5,968</b>

## 7 NON-CURRENT ASSETS – CAPITALISED EXPLORATION EXPENDITURE

Capitalised exploration and tenement acquisition costs:

Carrying amount at the beginning of the year

Acquisition of tenements

Acquisition of tenements by share based payments (refer Note 18b (i) and (ii))

Exploration expenditure capitalised

2,207,224	436,743
-	60,000
-	373,950
2,299,102	1,336,531
<b>4,506,326</b>	<b>2,207,224</b>

The ultimate recoupment of above expenditure relating to exploration is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

## 8 PROPERTY, PLANT AND EQUIPMENT

Plant and equipment at cost

Less provision for depreciation

27,593	27,593
(9,338)	(3,253)
<b>18,255</b>	<b>24,340</b>

### Reconciliations:

#### Plant and Equipment

Carrying amount at the beginning of the year

Additions

Depreciation

**Carrying amount at the end of the year**

24,340	-
5,558	27,593
(11,643)	(3,253)
<b>18,255</b>	<b>24,340</b>

# Notes To and Forming Part of the Financial Statements

	2020 \$	2019 \$
<b>9 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES</b>		
Trade payables	61,906	218,260
Accrued expenses	46,062	18,000
Other expenses	11,505	40,902
	<b>119,473</b>	<b>277,162</b>
All amounts are expected to be settled in less than 12 months.		
<b>10 CONTRIBUTED EQUITY</b>		
Issued capital 66,847,975 (2019: 53,478,348) ordinary shares fully paid (net of share issue costs)	8,567,958	5,694,639
	<b>8,567,958</b>	<b>5,694,639</b>

	Number 2020	Number 2019	\$ 2020	\$ 2019
<b>Movement in issued capital</b>				
Balance at the beginning of the financial year	53,478,348	17,500,010	5,694,639	387,510
Shares issued under the Public Offer	-	25,000,000	-	5,000,000
Shares issued under a non-renounceable pro-rata rights issue	13,369,627	-	2,941,319	-
Shares issued for acquisition of mining tenements	-	4,770,000	-	373,950
Shares issued from options exercised (refer Note 14d)	-	50,000	-	12,500
Share issue at \$0.075	-	6,158,338	-	461,875
Share issue costs	-	-	(68,000)	(541,196)
<b>Balance at the End of the Financial Year</b>	<b>66,847,975</b>	<b>53,478,348</b>	<b>8,567,958</b>	<b>5,694,639</b>

## Terms and condition of contributed equity

### Ordinary Shares

Ordinary shares have no par value.

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

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

# Notes To and Forming Part of the Financial Statements

## 11 RESERVES AND ACCUMULATED LOSSES

### (a) Accumulated Losses

Opening balance

(722,760) (52,645)

Profit/(Loss) for the year

(503,704) (670,115)

**Closing Balance**

**(1,226,464) (722,760)**

### (b) Reserves

Share based payment reserve (i)

599,750 599,750

**599,750 599,750**

#### (i) Share-Based Payments Reserve

The share-based payments reserve is used to recognise the fair value of shares, options and performance rights issued.

Balance at beginning of the year

599,750 -

Fair value of options granted (refer Note 21)

- 599,750

**Balance at the end of the year**

**599,750 599,750**

## 12 EARNINGS/(LOSS) PER SHARE

Profit/(loss) after tax attributable to members of Yandal Resources Limited

(503,704) (670,115)

Basic profit/( loss) per share

(0.77) cents (1.69) cents

Diluted profit/(loss) per share

(0.77) cents (1.69) cents

Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted loss per share.

65,753,780 39,639,164

### Basic Earnings/(Loss) Per Share

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

### Diluted Earnings/(Loss) Per Share

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

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

	2020 \$	2019 \$
	(722,760)	(52,645)
	(503,704)	(670,115)
<b>Closing Balance</b>	<b>(1,226,464)</b>	<b>(722,760)</b>
	599,750	599,750
	<b>599,750</b>	<b>599,750</b>
	599,750	-
	-	599,750
<b>Balance at the end of the year</b>	<b>599,750</b>	<b>599,750</b>
	(503,704)	(670,115)
	(0.77) cents	(1.69) cents
	(0.77) cents	(1.69) cents
	<b>Number</b>	<b>Number</b>
	65,753,780	39,639,164



# Notes To and Forming Part of the Financial Statements

## 17 COMMITMENTS FOR EXPENDITURE

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

	2020 \$	2019 \$
Within one year	706,000	821,000
Later than one year but not later than five years	1,003,000	850,000
Later than five years	1,003,000	850,000
	<b>2,712,000</b>	<b>2,521,000</b>

## 18 NOTES TO THE STATEMENT OF CASH FLOWS

### (a) Reconciliation of Cash

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

Cash at bank	<b>3,384,990</b>	<b>3,545,670</b>
--------------	------------------	------------------

### Reconciliation of Net Cash Used In Operating Activities To Loss After Income Tax

Profit/(loss) after income tax	(503,704)	(670,115)
Depreciation	11,643	2,933
Share based payment	-	418,950

#### Movements in:

Receivables	(48,963)	(2,242)
Tax assets	(31,339)	(51,789)
Prepayments	713	4,032
Payables	(12,942)	39,691

### Net Cash provided by/(used in) Operating Activities

	<b>(584,592)</b>	<b>(258,540)</b>
--	------------------	------------------

### (b) Non cash financing and investing activities

(i) Issue of 4,650,000 shares at \$0.075 each to vendors as consideration under the Tenement Sale Agreements.	-	348,750
(ii) Issue of 120,000 shares at \$0.21 each to vendors as consideration for the acquisition of an exploration and prospecting licence.	-	25,200
	-	<b>373,950</b>

# Notes To and Forming Part of the Financial Statements

## 19 RELATED PARTIES

### Directors

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

Ms Katina Law, Mr David (Lorry) Hughes and Ms Kelly Ross.

	2020 \$	2019 \$
<b>(a) Loans payable to Director and Director Related Entities</b>		
Dr Michael Ruane, a former Director and his related entities of which he is a Director:		
Opening balance	-	164,000
Loans received	-	-
Interest on loan	-	-
Repayments made	-	(164,000)
Debt forgiven	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>20 FINANCIAL RISK MANAGEMENT AND POLICIES</b>		
The Company's exploration activities are being funded by equity and are not exposed to significant financial risks. There are no speculative or financial derivative instruments. Funds are invested for various short term periods to match forecast cash flow requirements.		
The Company holds the following financial instruments:		
<b>Financial assets</b>		
Cash and cash equivalents	3,384,990	3,545,670
Receivables	145,891	65,589
	<b>3,530,881</b>	<b>3,611,259</b>
<b>Financial liabilities</b>		
Payables	119,473	277,162
	<b>119,473</b>	<b>277,162</b>

The Company's principal financial instruments comprise cash and short-term deposits. The Company does not have any borrowings. The main purpose of these financial instruments is to fund the Company's operations.

The main risks arising from the Company are credit risk, capital risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below:

### (a) Credit risk

Management does not actively manage credit risk.

The Company has no significant exposure to credit risk from external parties at year end. The maximum exposure to credit risk at the reporting date is equal to the carrying value of financial assets at 30 June 2020.

Cash at bank is held with internationally regulated banks.

Other receivables are of a low value and all amounts are current.

# Notes To and Forming Part of the Financial Statements

## 20 FINANCIAL RISK MANAGEMENT AND POLICIES (continued)

### (b) Capital risk

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

### (c) Liquidity risk

#### Maturity profile of financial instruments

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Company's exposure to the risk of changes in market interest rates relate primarily to cash assets and floating interest rates. The Company does not have significant interest-bearing assets and is not materially exposed to changes in market interest rates.

The Directors monitor the cash-burn rate of the Company on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

The following table sets out the carrying amount, by maturity, of the financial instruments including exposure to interest rate risk:

	< 1 month	1 – 3 months	3 months – 1 year	1 – 5 years	Over 5 years	Total	Weighted average effective interest rate %
<b>As at 30 June 2020</b>							
Financial Assets:							
Cash	3,384,990	-	-	-	-	3,384,990	1%
Receivables	145,891	-	-	-	-	145,891	-
	<b>3,530,881</b>	-	-	-	-	<b>3,530,881</b>	-
Financial Liabilities:							
Payables	119,473	-	-	-	-	119,473	-
	<b>119,473</b>	-	-	-	-	<b>119,473</b>	-
<b>As at 30 June 2019</b>							
Financial Assets:							
Cash	3,545,670	-	-	-	-	3,545,670	2%
Receivables	65,589	-	-	-	-	65,589	-
	<b>3,611,259</b>	-	-	-	-	<b>3,611,259</b>	-
Financial Liabilities:							
Payables	277,162	-	-	-	-	277,162	-
	<b>277,162</b>	-	-	-	-	<b>277,162</b>	-

#### Sensitivity analysis – interest rates

The sensitivity effect of possible interest rate movements have not been disclosed as they are immaterial.

#### (d) Net fair value of financial assets and liabilities

Unless otherwise stated, the carrying amount of financial instruments reflect their fair value.



# Notes To and Forming Part of the Financial Statements

## 21 SHARE BASED PAYMENTS

### (i) 30 June 2020

There were no share based payments transactions during the year.

### (ii) 30 June 2019

(a) In October 2018, 4,500,000 Series A unlisted options were issued to Directors, associates and unrelated parties, with an exercise price of \$0.25 and an expiry date of 31 December 2021.

Of the 4,500,000 Series A unlisted options that were issued, 4,000,000 options are escrowed for the period of 24 months from the date of listing on the ASX.

During the year ended 30 June 2019, \$418,950 was expensed as a share based payment.

The fair value of these options granted was calculated by using the Black-Scholes option valuation methodology and applying the following inputs:

Weighted average exercise price (cents)	25
Weighted average life of the options (years)	3.24
Weighted average underlying share price (cents)	20
Expected share price volatility	75%
Risk-free interest rate	2.60%
Grant date	5 October 2018
Expiry date	31 December 2021
Value per option	\$0.0931
Total value granted	\$418,950

(b) In December 2018, 2,000,000 Series A unlisted options were issued to the Lead Manager to the Initial Public Offering, pursuant to the Company's prospectus dated 19 October 2018, with an exercise price of \$0.25 and an expiry date of 31 December 2021.

The unlisted options issued are escrowed for a period of 24 months from the date of listing on the ASX.

During the year ended 30 June 2019, \$180,800 was charged to share issue costs.

The fair value of these options granted was calculated by using the Black-Scholes option valuation methodology and applying the following inputs:

Weighted average exercise price (cents)	25
Weighted average life of the options (years)	3.07
Weighted average underlying share price (cents)	20
Expected share price volatility	75%
Risk-free interest rate	2.60%
Grant date	7 December 2018
Expiry date	31 December 2021
Value per option	\$0.0904
Total value granted	\$180,800

# Notes To and Forming Part of the Financial Statements

## 22 LEASES

This note provides information for leases where the Company is a lessee.

The Company adopted AASB 16 from 1 July 2019.

The Company applied AASB 16 on its leases as follows:

Lease	Impact on the Company's Financial Position or Performance June 2020
Office space	Lease agreement is on a month by month basis, therefore eligible for short term exemption, no impact.
Office equipment/photocopiers	Lease agreement is on a month by month basis, therefore eligible for short term exemption, no impact.

## 23 CONTINGENCIES

There are no contingent assets or liabilities at reporting date.

## 24 EVENTS AFTER REPORTING DATE

In June 2020, the Company announced a Non-renounceable pro-rata entitlement to 1 New Share for every 5 Shares held at an issue price of 25 cents per New Share.

In August 2020, the Company announced the results of its pro-rata issue, raising \$3,342,408 before share issue costs with shares issued as follows:

- On 20 July 2020, the Company issued 8,498,542 shares.
- On 28 July 2020, the Company further allotted 3,551,093 shares.
- On 3 August 2020, the Company issued 1,320,000 shares being the remaining shortfall shares under the 1 for 5 Non-Renounceable Pro-Rata Rights Issue.

Total shares on hand as at the date of this report is 80,217,610.

At the date of the Directors' Declaration no other matter or circumstance has arisen since 30 June 2020 that has significantly affected or may significantly affect the operations, results of those operations, or state of affairs of the Company, subsequent to 30 June 2020.

# Shareholder Information

Additional information required by the Australian Stock Exchange Limited Listing Rules, and not disclosed elsewhere in this report.

## SHAREHOLDINGS

The names of ordinary shares held by the substantial shareholders as at 21 September 2020 were:

Au Xingao Investment Pty Ltd  
Northern Star Resources  
Kesli Chemicals Pty Ltd <Ruane Super Fund A/C>  
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>  
Mr Kenneth Joseph Hall <Hall Park A/C>

## UNQUOTED SECURITIES OPTIONHOLDINGS

Nature	Expiry Date	Exercise Price of Options	Number under Option	Number of Holders
Unlisted options	30 June 2021	27 cents	6,684,821	69
Unlisted options	31 December 2021	25 cents	6,450,000*	6

\* 5,950,000 options are subject to 24 months escrow.

The numbers of unlisted options with an exercise price \$0.27, expiring 30 June 2021 held by the substantial optionholders as at 21 September 2020 were:

Abadi Investments Pty Ltd <VK & ML Datt Super A/C>	2,340,909	35.018%
AU Xingao Investment Pty Ltd	1,908,370	28.548%

The numbers of unlisted options with an exercise price \$0.25, expiring 31 December 2021 held by the substantial optionholders as at 21 September 2020 were:

Hera Investments Pty Ltd	2,000,000	33.613%
Ms Renae Wainwright & Mr David Lawrence Hughes <Hughes Family A/C>	1,950,000	32.773%

## ESCROWED SECURITIES

Nature	Escrowed to	Expiry Date	Exercise Price	Number under ASX escrowed securities
Fully Paid Ordinary Shares	14 December 2020	-	-	14,648,970
Unlisted options	14 December 2020	31 December 2021	25 cents	5,950,000

## CLASS OF SHARES AND VOTING RIGHTS

As at 21 September 2020, there were 548 holders of the ordinary shares and 72 holders of unlisted options of the Company. The voting rights attached to the shares are:

- at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
- on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

## DISTRIBUTION OF SHAREHOLDERS (as at 21 September 2020)

Category	Number of Shareholders
1 – 1,000	13
1,001 – 5,000	63
5,001 – 10,000	112
10,001 – 100,000	298
100,001 – over	62
<b>TOTAL HOLDERS</b>	<b>548</b>

The number of shareholders holding less than a marketable parcel as at 21 September 2020 was 23.

# Shareholder Information

Twenty largest shareholders as at 21 September 2020

	Name	Balance	%
1	AU XINGAO INVESTMENT PTY LTD	12,700,088	15.832%
2	NORTHERN STAR RESOURCES LIMITED	12,000,000	14.959%
3	KESLI CHEMICALS PTY LTD <RUANE S/F A/C>	11,260,010	14.037%
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,313,775	7.871%
5	MR KENNETH JOSEPH HALL <HALL PARK A/C>	4,250,001	5.298%
6	MS RENAE WAINWRIGHT & MR DAVID L HUGHES <HUGHES FAMILY A/C>	2,920,454	3.641%
7	BILL BROOKS PTY LTD <BILL BROOKS SUPER FUND A/C>	2,057,874	2.565%
8	ZINFANDEL EXPLORATION PTY LTD	1,500,000	1.870%
9	MR RODERICK JAMES TRIGWELL	1,397,177	1.742%
10	NATIONAL NOMINEES LIMITED	1,132,966	1.412%
11	MRS MARISA MACKOW	864,638	1.078%
12	POUNAMU CAPITAL PTY LIMITED	750,000	0.935%
13	JXB HOLDINGS PTY LTD <CORNUCOPIA STRATAGEM SF A/C>	750,000	0.935%
14	TOPWEAL PTY LTD <HART SUPER FUND A/C>	700,000	0.873%
15	BRUCE ROBERT LEGENDRE	600,000	0.748%
16	MR SANDOR HELBY	480,000	0.598%
17	VIVIEN ENTERPRISES PTE LTD	400,000	0.499%
18	MR PETER PIOTR MACKOW	374,000	0.466%
19	MR BARRY D KELSEY & MRS HEATHER JL KELSEY <KELSEY SUPER FUND A/C>	351,560	0.438%
20	MRS KATINA ME LAW & MR PETER S LAW <KATINA LAW FAMILY A/C>	340,000	0.424%
	<b>Total Securities of Top 20 Holdings</b>	<b>61,142,543</b>	<b>76.221%</b>
	<b>Total of Securities</b>	<b>80,217,610</b>	

# Tenement Schedule

Locality	Tenement ID	Holder	Beneficial Ownership of Yandal Resources Ltd	Notes
<b>Ironstone Well Gold Project</b>				
Oblique/Quarter Moon	E53/1882	Yandal Resources Limited	100%	
Flushing Meadows	E53/1963	Yandal Resources Limited	100%	
Flushing Meadows	E53/1964	Yandal Resources Limited	100%	
Ironstone Well	M53/1093	Yandal Resources Limited	100%	
Flushing Meadows	MLA53/1108	Yandal Resources Limited	100%	
Flushing Meadows	LA53/222	Yandal Resources Limited	100%	
<b>Barwidgee Gold Project</b>				
New England	E53/1843	Yandal Resources Limited	100%	
Tuscana/Corboys	P53/1636	Yandal Resources Limited	100%	
New England	P53/1638	Yandal Resources Limited	100%	
New England	P53/1639	Yandal Resources Limited	100%	
Mazzucco	P53/1704	Yandal Resources Limited	100%	
<b>Mt McClure Gold Project</b>				
Success	P36/1813	Yandal Resources Limited	100%	
Success	P36/1814	Yandal Resources Limited	100%	
Success	P36/1815	Yandal Resources Limited	100%	
Success	P36/1816	Yandal Resources Limited	100%	
Parmelia	P36/1817	Yandal Resources Limited	100%	
Parmelia	P36/1818	Yandal Resources Limited	100%	
Parmelia	P36/1819	Yandal Resources Limited	100%	
Challenger	P36/1820	Yandal Resources Limited	100%	
Challenger	P36/1821	Yandal Resources Limited	100%	
Challenger	P36/1822	Yandal Resources Limited	100%	
Challenger	P36/1823	Yandal Resources Limited	100%	
Challenger Extended	P36/1853	Yandal Resources Limited	100%	
Success Extended	P36/1854	Yandal Resources Limited	100%	
Parmelia Extended	P36/1855	Yandal Resources Limited	100%	
Success	MLA36/691	Yandal Resources Limited	100%	
Parmelia	MLA36/692	Yandal Resources Limited	100%	
Challenger	MLA36/693	Yandal Resources Limited	100%	

# Tenement Schedule

Locality	Tenement ID	Holder	Beneficial Ownership of Yandal Resources Ltd	Notes
<b>Gordans Gold Project</b>				
Mt Jewell	E24/198	Yandal Resources Limited	100%	
King of the West	E24/214	Yandal Resources Limited	100%	
Mt Jewell	E27/536	Yandal Resources Limited	100%	
Gordons	E27/601	Yandal Resources Limited	100%	
Wild Dog	E27/602	Yandal Resources Limited	100%	
Mt Vettors	E27/605	Yandal Resources Limited	100%	
Mulgarrie	M27/237	Yandal Resources Limited	100%	
Gordons	MLA27/502	Yandal Resources Limited	100%	
King of the West	P24/5266	Yandal Resources Limited	100%	
King of the West	P24/5267	Yandal Resources Limited	100%	
King of the West	P24/5268	Yandal Resources Limited	100%	
King of the West	P24/5269	Yandal Resources Limited	100%	
King of the West	P24/5270	Yandal Resources Limited	100%	
King of the West	P24/5271	Yandal Resources Limited	100%	
Kanowna	P27/1911	Yandal Resources Limited	100%	
Mt Jewell	P27/2206	Yandal Resources Limited	100%	
Boomerang Dam	P27/2214	Yandal Resources Limited	100%	
Mt Eba	P27/2331	Yandal Resources Limited	100%	
Gordons	P27/2338	Yandal Resources Limited	100%	
Gordons	P27/2339	Yandal Resources Limited	100%	
Gordons	P27/2340	Yandal Resources Limited	100%	
Gordons	P27/2341	Yandal Resources Limited	100%	
Gordons	P27/2342	Yandal Resources Limited	100%	
Gordons	P27/2343	Yandal Resources Limited	100%	
Gordons	P27/2344	Yandal Resources Limited	100%	
Gordons	P27/2345	Yandal Resources Limited	100%	
Gordons	P27/2346	Yandal Resources Limited	100%	
Gordons	P27/2354	Yandal Resources Limited	100%	
Gordons	P27/2355	Yandal Resources Limited	100%	
Gordons	P27/2356	Yandal Resources Limited	100%	
Gordons	P27/2357	Zinfandel Exploration Pty Ltd	100%	1
Gordons	P27/2358	Zinfandel Exploration Pty Ltd	100%	1
Gordons	P27/2359	Yandal Resources Limited	100%	

# Tenement Schedule

Locality	Tenement ID	Holder	Beneficial Ownership of Yandal Resources Ltd	Notes
<b>Gordans Gold Project continued</b>				
Gordons	P27/2360	Yandal Resources Limited	100%	
Gordons	P27/2361	Yandal Resources Limited	100%	
Gordons	P27/2362	Yandal Resources Limited	100%	
Gordons	P27/2363	Yandal Resources Limited	100%	
Gordons	P27/2364	Yandal Resources Limited	100%	

**Notes:**

1. These tenements are the subject of the Zinfandel Exploration Pty Ltd Tenement Sale Agreement dated 28 June 2018. Awaiting finalisation of transfers.

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