OAKAJEE CORPORATION LIMITED

ACN 123 084 453

Appendix 4E

For the year ended 30 June 2018

OAKAJEE CORPORATION LIMITED

ACN 123 084 453

Appendix 4E
Preliminary Final Report

Financial year ended: **30 June 2018**
Previous financial year ended: **30 June 2017**

	Percentage change (%)	**2018 Amount $**	**2017 Amount $**
Revenue	33%	209,737	157,646
Loss before interest, taxation, depreciation and amortisation	(75%)	(62,308)	(248,574)
Net loss	(79%)	(50,212)	(237,103)
Net loss for the period attributable to members	(79%)	(50,212)	(237,103)
Total comprehensive income/(loss)	(757%)	1,754,298	(267,103)

Brief explanation of any of the figures necessary to enable the figures to be understood:

The net loss after income tax attributable to members of the Company for the financial year ended 30 June 2018 amounted to $50,212 (2017: $237,103).

Revenue for the year comprises interest earned on cash holdings and a gain on sale of listed investments.

Expenses for the year mainly comprises impairment of available for sale listed investments, a loss on sale of listed investments, employee benefit expenses and general corporate overheads.

Review of Operations

Refer to the “Review of operations” section of the Directors’ Report for the year ended 30 June 2018 for commentary on the results and operations for the period.

Net tangible assets per security:
At 30 June 2018, the Company had net assets of $3,840,923 (2017: $2,086,625).

	Year ended 30 June 2018	**Year ended 30 June 2017**
Net Tangible Asset Backing per Security (cents/security)	7.53	4.09

Dividends Paid and Declared
No dividends were paid during the year and the directors recommend that no dividends be paid or declared for the financial year ended 30 June 2018.

Statement of comprehensive income for the financial year ended 30 June 2018
Refer to the audited annual financial statements for the year ended 30 June 2018.

Statement of financial position as at 30 June 2018
Refer to the audited annual financial statements for the year ended 30 June 2018.

Statement of cash flows for the financial year ended 30 June 2018
Refer to the audited annual financial statements for the year ended 30 June 2018.

Statement of changes in equity for the year ended 30 June 2018
Refer to the audited annual financial statements for the year ended 30 June 2018.

Details of entities over which control has been gained or lost
N/A

Details of associates and joint venture entities
N/A

Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position
Refer to the "Review of operations" section of the Directors' Report for the year ended 30 June 2018.

For foreign entities details of which set of accounting standards is used in compiling the report
N/A

Commentary on the results for the period
Refer to the "Review of operations" section of the Directors' Report for the year ended 30 June 2018.

This report is based on accounts to which the following applies.
Audited annual financial statements.

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.
N/A

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.
N/A

OAKAJEE CORPORATION LIMITED

ACN 123 084 453

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2018

OAKAJEE CORPORATION LIMITED

ACN 123 084 453

CONTENTS OF FINANCIAL REPORT

OAKAJEE CORPORATION LIMITED
ACN 123 084 453

CORPORATE DIRECTORY

DIRECTORS:	Mr Mark Jones (Managing Director) Mr Garry Thomas (Non-Executive Director) Mr Gary Watson (Non-Executive Director)
COMPANY SECRETARY:	Ms Krystel Kirou
REGISTERED AND PRINCIPAL OFFICE:	39 Clifton Street Nedlands WA 6009 Telephone: +61 8 9389 6032 Facsimile: +61 8 9389 8226
POSTAL ADDRESS:	39 Clifton Street Nedlands WA 6009
WEBSITE:	www.oakajeecorp.com.au
SHARE REGISTRY:	Advanced Share Registry Services 110 Stirling Highway Nedlands WA 6009 Tel: +61 8 9389 8033 Fax: +61 8 9262 3723
SECURITIES EXCHANGE:	Australian Securities Exchange Limited Level 40, Central Park 152-158 St Georges Terrace Perth WA 6000 ASX Code: OKJ
AUDITOR:	HLB Mann Judd Chartered Accountants Level 4, 130 Stirling Street Perth WA 6000

DIRECTORS' REPORT

The Directors of Oakajee Corporation Limited (the "Company" or "Oakajee") present their annual financial report on the Company for the financial year ended 30 June 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors' report is as follows.

The Board of Directors

The names and details of Directors who held office during and since the end of financial year and until the date of this report are as follows.

Directors were in office for the entire period unless otherwise stated.

Mr Mark Jones (Managing Director)

Mr Jones is a Non-Executive Director of Patersons Securities Limited, one of the largest stockbroking firms in Australia and is the Chairman of Santa Fe Minerals Limited. He has been instrumental in raising capital for many exploration companies from IPO to production and brings over 25 years' of mining and stock market experience.

Other Current Directorships
Santa Fe Minerals Limited (formerly EZA Corporation Limited)

Former Directorships in the Last Three Years
None

Mr Garry Thomas (Non-Executive Director)

Mr Thomas is a Civil Engineer with over 34 years' experience in civil construction, mine development and operations. He has been involved in the implementation of mining operations in Australia, Indonesia, Laos, Russia, Zimbabwe, Ghana, Zambia, South Africa, Algeria, Mexico and Mali.

He has managed the construction and commissioning of over 20 CIL/CIP, flotation and heap leach plants in Australasia, Russia and Africa as well as many plant upgrades.

Mr Thomas has been instrumental in the procurement and development of Elemental Minerals Limited's Potash project in West Africa. He was also the founding Managing Director of Intermet Engineering Pty Limited, a minerals processing engineering Company, since its inception in Australia in 2001 to its sale in 2008.

Other Current Directorships
None

Former Directorships in the Last Three Years
None

Mr Gary Watson (Non-Executive Director) - Appointed on 1 August 2017

Mr Watson has over 15 years' of extensive experience in the resources, finance and energy infrastructure industries. He has worked in a number of different roles, with particular emphasis on technical and economic project evaluation.

Mr Watson has a unique view of the resources industry having worked in a variety of mining methods in iron ore, gold and nickel mines, coupled with his experience as an Equity Analyst at Canaccord Genuity. He holds a Bachelor of Commerce degree from Curtin University and is a CFA Charterholder.

Other Current Directorships
None

Former Directorships in the Last Three Years
None

DIRECTORS' REPORT

Mr Douglas Rose (Non-Executive Director) - *Resigned on 30 July 2017*

Company Secretary

Krystel Kirou

Ms Kirou holds a Bachelor of Commerce from the University of Western Australia and has over 8 years' experience in financial reporting and corporate services. She is a member of CPA Australia and Governance Institute of Australia. Ms Kirou is an employee of Nexia Perth, a mid-tier corporate advisory and accounting practice, and has held similar secretarial roles in various other listed companies in resource sectors.

Principal Activities

The principal activity of the Company during the year was maintaining investments in listed securities.

Review of Operations

The Board reviewed a number of new investment opportunities in various sectors however none of these projects met all of the Board's criteria for investment approval. The Board will continue to evaluate new opportunities.

The total value of the Company's available for sale investments increased from $1,610,000 at 30 June 2017 to $3,560,000 at 30 June 2018, and the Company recorded a loss from operations for the year of $50,212 down from a loss of $237,103 in the previous year.

At 30 June 2018, the Company had net assets of $3,840,923 (2017: $2,086,625).

Operating Results for the Year

The net loss after income tax of the Company for the year ended 30 June 2018 was $50,212 (2017: $237,103). At 30 June 2018, the Company had $370,519 in cash (2017: $548,723).

Dividends

No dividends were paid during the year and the Directors recommend that no dividends be paid or declared for the financial year ended 30 June 2018.

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Company not otherwise disclosed to the date of this report.

Subsequent Events

No matters or events have arisen since 30 June 2018 which have 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 periods.

DIRECTORS' REPORT

Likely Developments

Disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Therefore, this information has not been presented in this report.

Environmental Legislation

The Company is not subject to any significant environmental legislation.

Interests in the shares and options of the Company and related bodies corporate

The relevant interests of Directors held directly, or indirectly or beneficially, by each specified Director including their personally-related entities, in shares and options of the Company as at the date of this report:

Director	No. of options over ordinary shares	No. of fully paid ordinary shares
Mark Jones	1,562,786	4,688,358
Garry Thomas	1,583,334	4,750,000
Gary Watson[1]	-	-

There are no unpaid amounts on the shares issued.

Meetings of Directors

During the financial year, the following number of meetings of Directors were held and attended by each Director:

Director	Number eligible to attend	Number attended
Mark Jones	2	2
Garry Thomas	2	2
Gary Watson[1]	2	2
Douglas Rose[2]	-	-

[1] Mr Watson was appointed on 1 August 2017.
[2] Mr Rose resigned on 30 July 2017.

DIRECTORS' REPORT

Remuneration Report (audited)

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for key management personnel of Oakajee Corporation Limited (the "Company") for the financial year ended 30 June 2018. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

Details of Key Management Personnel

Directors

Mark Jones (Managing Director)

Garry Thomas (Non-Executive Director)

Gary Watson (Non-Executive Director) - Appointed 1 August 2017

Douglas Rose (Non-Executive Director) - Resigned 30 July 2017

Remuneration Policy

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board.

The Board acts as the Remuneration Committee and assesses the nature and amount of compensation of key management personnel.

All remuneration paid to key management personnel is expensed. Any options granted to key management personnel are valued using either the Black-Scholes or binomial option pricing models.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and will review their remuneration annually, based on market practice, duties and accountability and to ensure their remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. Independent external advice is sought where required.

The maximum amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are currently fixed at up to $350,000 and 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.

Performance Based Remuneration

No performance based amounts have been paid or determined to be paid to Directors at this stage of the Company's development.

DIRECTORS' REPORT

Details of Remuneration

Year ended 30 June 2018

Director	Salary and fees ($)	Superannuation ($)	Total ($)
Mark Jones (Managing Director)	100,000	9,500	109,500
Garry Thomas (Non-Executive Director	22,831	2,169	25,000
Gary Watson (Non-Executive Director)[1]	20,928	1,988	22,916
Douglas Rose (Non-Executive Director)[2]	1,903	181	2,084
Total	**145,662**	**13,838**	**159,500**

Year ended 30 June 2017

Director	Salary and fees ($)	Superannuation ($)	Total ($)
Mark Jones (Managing Director)	100,000	9,500	109,500
Garry Thomas (Non-Executive Director	22,831	2,169	25,000
Gary Watson (Non-Executive Director)[1]	-	-	-
Douglas Rose (Non-Executive Director)[2]	22,831	2,169	25,000
Total	**145,662**	**13,838**	**159,500**

[1] Mr Watson was appointed on 1 August 2017.
[2] Mr Rose resigned on 30 July 2017.

No percentage of 2018 and 2017 remuneration paid is performance based. No other long-term benefits or equity compensation were granted to key management personnel in 2018 or 2017.

DIRECTORS' REPORT

Service Agreements

As at the date of this report there are no executives or key management personnel, other than the Directors, engaged by the Company. The Company has entered into service agreements with the Directors.

Mark Jones	$100,000 per annum plus statutory superannuation of 9.5%. Termination of employment by either party giving written notice of not less than 3 (three) months' notice. The Company may elect to pay in lieu of notice. At any time during the Employee's employment, should a change of control event occur resulting in the Employee's termination as an officer of the Company by the Company within 12 months of the change of control, the Company must pay the Employee a severance payment equal to twelve months of the Employee's annual remuneration package.
Garry Thomas	$25,000 per annum inclusive of statutory superannuation of 9.5%
Gary Watson	$25,000 per annum inclusive of statutory superannuation of 9.5%

Service agreements with Directors are separate from any responsibility they may have to the Company or the role they perform as a result of their appointment as a Director of the Company.

The Directors may also be paid for travelling and other expenses properly incurred by them in attending, participating in and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the business of the Company.

A Director may also receive remuneration for performing extra services, or making special exertion in going or residing abroad or otherwise for the Company by payment of a fixed sum determined by the Directors which may be either in addition to or in substitution for the Directors usual remuneration.

Option Holdings

No options over issued shares or interests in the Company were granted as remuneration during the period or since the end of the financial period. Furthermore, there are no remuneration options on issue at the date of this report.

Directors' Shareholdings

The movement during the reporting period in the number of shares of the Company held directly, indirectly or beneficially, by each Director including their related entities as at the date of this report are:

Director	***Balance 1 July 2017***	***Granted as remuneration***	***Received on exercise of options***	***Other Change[3]***	***Balance 30 June 2018***
Mark Jones	4,688,358	-	-	-	4,688,358
Garry Thomas	4,750,000	-	-	-	4,750,000
Gary Watson[1]	-	-	-	-	-
Douglas Rose[2]	2,196,824	-	-	2,196,824	-

[1] Mr Watson was appointed on 1 August 2017.
[2] Mr Rose resigned on 30 July 2017.
[3] Number held at resignation date.

DIRECTORS' REPORT

Directors' Option Holdings

The movement during the reporting period in the number of options of the Company held directly, indirectly or beneficially, by each Director including their related entities as at the date of this report are:

Director	***Balance 1 July 2017***	***Granted as remuneration***	***Received on exercise of options***	***Other Changes[3]***	***Balance 30 June 2018***	***Vested and exercisable***
Mark Jones	1,562,786	-	-	-	1,562,786	1,562,786
Garry Thomas	1,583,334	-	-	-	1,583,334	1,583,334
Gary Watson[1]	-	-	-	-	-	-
Douglas Rose[2]	732,275	-	-	732,275	-	-

[1] Mr Watson was appointed on 1 August 2017.
[2] Mr Rose resigned on 30 July 2017.
[3] Number held at resignation date.

Other Transactions with Directors

During the period, the Company paid $20,796 (excluding GST) to a Director related entity of Mark Jones for rental of office premises. As at 30 June 2018, there is a nil balance outstanding.

Oakajee Corporation Limited has an agreement with a related entity of Mark Jones and Douglas Rose, Santa Fe Minerals Limited (formerly EZA Corporation Limited), to sub-lease its office premises. Normal commercial terms apply. The Company received $13,000 (excluding GST) from Santa Fe Minerals Limited during the period.

There were no other related party transactions during the year ended 30 June 2018.

End of remuneration report.

Indemnification and insurance of Directors and Officers

The Company currently has Directors and Officers insurance. The Company has entered into deeds with each Director indemnifying each Director against liabilities arising out of their conduct while acting in the capacity of a Director of the Company to the full extent permitted by Corporations Act 2001.

The insurance premium relates to liabilities that may arise from their position as Directors and Officers of the Company, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain personal advantage.

The Officers covered by the insurance policies are the Directors and the Company Secretary.

The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of the premium.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 10 and forms part of this Directors' Report for the year ended 30 June 2018.

DIRECTORS' REPORT

Non-Audit Services

There were no non-audit services provided by the Company's auditor during the financial year

Legal Proceedings

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.

Signed in accordance with a resolution of the Board of Directors.

Mark Jones
Date: 29 August 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Oakajee Corporation Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

Perth, Western Australia **N G Neill**

29 August 2018 **Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Email: mailbox@hlbwa.com.au | Website: www.hlb.com.au

Corporate Governance Statement

Overview

The Board of Directors ('the Board') of Oakajee Corporation Limited (the 'Company') is responsible for establishing the Company's corporate governance framework, the key features of which are set out in this Corporate Governance Statement ('Statement').

The Board endorses the ASX Corporate Governance Principles and Recommendations ('ASX CGP') however, at this stage of the Company's corporate development, implementation of the ASX CGP is not practical in every instance given the current size and scale of the Company operations.

During the year ended 30 June 2018, the Company considered the 3rd Edition of the ASX CGP. This Statement reports on the revised recommendations and outlines the main corporate governance practices employed by the Board. Where the Board has not adopted a particular recommendation, an explanation is provided.

This Corporate Governance Statement was approved by the Board on 28 August 2018 and is current as at that date in accordance with ASX Listing Rule 4.10.3.

Principle 1: Lay solid foundations for management and oversight

<u>Recommendation 1.1</u>
The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management and has documented this in its Board Charter. A copy of the Board Charter is available in the Corporate Governance section of the Company's website.

<u>Recommendation 1.2</u>
In determining candidates for the Board, consideration is given to the mix of skills, experience, and diversity of the existing Board in addition to the balance of independent Directors.

Before appointing a new Director, the Company will undertake appropriate checks such as a character reference, police clearance certificate, bankruptcy check and any other check it deems appropriate.
Directors are re-elected in accordance with the Company's Constitution and the ASX Listing Rules. Shareholders will be provided with all material information for a Director's election in the Notice of Meeting that would be relevant for shareholders to make a decision on whether or not to elect or re-elect a Director, such as the Director's qualifications, experience and contribution to the Board.

<u>Recommendation 1.3</u>
Newly appointed Non-Executive Directors receive formal letters of appointment setting out the key terms, conditions, responsibilities and expectations of their appointment. Additionally, the Company enters into employment contracts with each newly employed Senior Executives, setting out in further detail the responsibilities specifically delegated to them.

<u>Recommendation 1.4</u>
The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board as outlined in the Company's Board Charter.

<u>Recommendation 1.5</u>
The Company is committed to a diverse and inclusive workforce across a wide range of workforce demographics that extends beyond gender. The Board considers that due to the size of the Company, formally documenting the policy concerning gender diversity and the setting of measurable diversity objectives is not appropriate.

The Company provides equal employment opportunities to men and women at all times. Measurable objectives will be considered by the Board when the Company becomes of a size that warrants such objectives. Once established, the Board will review progress against any objectives identified on an annual basis.

The Company currently has a total of 3 Directors who are male and a Company Secretary who is female. At the date of this Statement, there are no other employees or senior executives.

Corporate Governance Statement

Recommendation 1.6
The Chairman has the overall responsibility for evaluating the performance of the Board and individual Directors. The process employed by the Chairman for evaluating the performance may involve meeting with each Director privately, ongoing observation and discussion by the Board and the circulation of questionnaires.

Measures against which the performance of the Board and individual Directors will be evaluated include:

- the skills, performance and contribution of individual members of the Board;
- the performance and effectiveness of the Board as a whole;
- awareness of Directors of their responsibilities and duties as Directors of the Company and of corporate governance and compliance requirements;
- awareness of Directors of the Company's strategic direction; and
- opportunities for continuing improvement of Board functions.

The Board undertakes a performance evaluation of the Board at least annually. Performance reviews of the Board and individual Directors are currently informal. A formal Board performance evaluation was not undertaken in the 2018 financial year.

Recommendation 1.7
A Director is nominated to review the individual performance of the Chairman and/or the Managing Director and meets privately with him to discuss this assessment.

The Managing Director and/or the Chairman reviews the performance of the Senior Executives. The Managing Director conducts a performance evaluation of the Senior Executives by meeting individually with each Senior Executive at least annually to review performance against the Senior Executive's responsibilities as outlined in his or her contract with the Company.

A formal performance evaluation of senior executives was not undertaken in the 2018 financial year. The Board currently comprises 3 Directors and there are no other senior executives.

Principle 2: Structure the board to add value

Recommendation: 2.1
The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee.

The Board did not officially convene as a Nomination and Remuneration Committee during the Reporting Period, however nomination and remuneration related discussions occurred from time to time during the year as required.

The Company's objective is to have an appropriate mix of expertise and experience on the Board, and where appropriate its committees, so that the Board can effectively discharge its corporate governance and oversight responsibilities.

Recommendation: 2.2
The Company is committed to ensuring that the composition of the Board includes directors who bring an appropriate mix of skills, experience and expertise to Board decision making. The following table summarises the key skills and experience that the Board believes are appropriate for the Company.

Skills and experience	**Number of Directors**
Successful experience in CEO/Managing Director and/or other Board level roles	2
Relevant industry (resources, mining, exploration) experience	3
Experience and capability in corporate finance, business analysis and financial forecasting	2
Development and implementation of corporate strategy	1

Corporate Governance Statement

The Board currently comprises 3 Directors. Details of the directors, including their skills, experience and year of appointment, are detailed on the Company's website and contained in the Remuneration Report which forms part of the Directors' Report.

Recommendation: 2.3
During the reporting period, the independence of Directors was measured having regard to the guidance in Box 2.3 of the ASX Principles. Only one Director, Mr Gary Watson, is considered independent. Mr Mark Jones and Mr Garry Thomas are not independent as they are substantial security holders of the Company and/or act in an executive capacity with the Company.

Recommendation: 2.4
The Board does not have a majority of directors who are independent, primarily due to their substantial shareholdings in the Company and/or their executive capacity with the Company.

All Directors bring to the Board the requisite skills which are complementary to those of the other Directors and enable them to adequately discharge their responsibilities and bring independent judgments to bear on their decisions.

The following measures are in place to ensure the decision making process of the Board is subject to independent judgments:

- a standard item on each Board Meeting agenda requires directors to focus on and declare any conflicts of interest in addition to those already declared;
- directors are permitted to seek the advice of independent experts at the Company's expense, subject to the approval of the Chairman;
- all directors must act at all times in the interest of the Company; and
- directors meet as required independently of executive management.

Recommendation 2.5
There is currently no formal Chairman of the Board. Mr Mark Jones, the Managing Director of the Company, is acting Chairman in the interim. An independent director will take over the role of acting Chair if Mr Jones is unable to act in that capacity as a result of his lack of independence.

Recommendation: 2.6
New Directors undergo an induction program in which they are given a full briefing on the Company, its operations and the industry in which it operates.

The Board regularly reviews whether the Directors as a Company have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board effectively. Where any gaps are identified, the Board considers what training or development should be undertaken to fill those gaps. In particular, the Board ensures that any director who does not have specialist accounting skills or knowledge has a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the Company's financial statements.

Principle 3: Promote ethical and responsible decision making

Recommendation: 3.1
A Code of Conduct Policy is in place to promote ethical and responsible practices and standards of behaviour expected of the Board, Directors, employees and consultants of the Company when dealing with each other, shareholders, other stakeholders and the broader community. This Policy reflects the Directors' and key officers' intention to ensure that their duties and responsibilities to the Company are performed with the utmost integrity.

The Company has a Securities Trading Policy to minimise the risk of insider trading in the Company's securities. The policy prohibits all employees, officers and Directors of the Company from trading in the Company's securities if they are in possession of inside information. Employees, Officers and Directors must not trade in the Company's securities during closed periods. Trading is generally permitted at other times provided there is no contravention of the insider trading laws.

A copy of the Code of Conduct and Securities Trading Policy is available in the Corporate Governance section of the Company's website.

Corporate Governance Statement

Principle 4: Safeguard integrity in financial reporting

Recommendation: 4.1
The Board has not established a separate Audit Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit Committee.

Accordingly, the Board performs the role of Audit Committee and performs the following responsibilities:

- reviewing and approving statutory financial reports and all other financial information distributed externally;
- monitoring the effective operation of the risk management and compliance framework;
- reviewing the effectiveness of the Company's internal control environment including compliance with applicable laws and regulations;
- the nomination of the external auditors and the review of the adequacy of the existing external audit arrangements; and
- considering whether non audit services provided by the external auditor are consistent with maintaining the external auditor's independence.

The Board did not officially convene as an Audit Committee during the 2018 financial year, however audit-related discussions occurred from time to time during the year as required. The Company will give consideration at an appropriate time in the Company's development, for the creation of an Audit Committee.

Recommendation 4.2
Prior to Board approval of the quarterly, half-year and annual financial statements, the Managing Director and the Chief Financial Officer must provide a declaration to the Board in accordance with section 295A of the Corporations Act 2001 (Cth) and the statement under Recommendation 4.2 of the ASX Principles.

The declaration states that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3
The Company's external auditor attends each Annual General Meeting (AGM) and is available to answer shareholder questions about the conduct of the audit, the preparation and content of the Independent Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Principle 5: Make timely and balanced disclosures

Recommendation 5.1
The Company has a Continuous Disclosure and Communications Policy that sets out:

- the Company's continuous disclosure obligations under the ASX Listing Rules and Corporations Act;
- how the Company's personnel are required to deal with potentially price sensitive information and communications with external stakeholders such as media, security holders and the community to ensure that the Company meets its continuous disclosure obligations; and
- the Company's shareholder communication policy generally.

A copy of the Continuous Disclosure and Communications Policy is available in the Corporate Governance section of the Company's website.

Principle 6: Respect the rights of shareholders

Recommendation 6.1
The Board is committed to providing shareholders with sufficient information to enable them to assess the performance of the Company, and to inform shareholders of major developments affecting the state of affairs of the Company. Information is communicated to shareholders by lodging all relevant financial and other information with the ASX and publishing information on the Company's website at www.oakajeecorp.com.au.

Recommendation 6.2
The Company recognises the importance of its relationships with investors and analysts. The Managing Director is the primary contact for communicating with the investment community.

Corporate Governance Statement

Recommendation 6.3
To encourage shareholder engagement and participation at the AGM, shareholders have the opportunity to attend the AGM, ask questions on the floor, participate in voting and meet the Board and Management in person.

Shareholders who are unable to attend the AGM are encouraged to vote on the proposed motions by appointing a proxy via the proxy form accompanying the Notice of Meeting. Shareholders have the opportunity to submit written questions to the Company and external auditor prior to the commencement of the meeting.

Recommendation 6.4
Shareholders are given the option to receive communications from, and send communications to, the Company and its share registry electronically.

Principle 7: Recognise and manage risk

Recommendation 7.1
The Board has not established a separate Risk Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Risk Committee. Accordingly, the Board performs the role of Risk Committee.

The Board is responsible for effective oversight and management of risks, including but not limited to identification of principal risks and effective management of those risks. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board deals with any conflicts of interest that may occur when convening in the capacity of the Risk Committee by ensuring that the director with conflicting interests is not party to the relevant discussions

The Board did not officially convene as a Risk Committee during the 2018 financial year, however risk related discussions occurred from time to time during the year as required.

Recommendation 7.2
During the 2018 financial year, the Board conducted an annual review of the Company's risk management framework and is satisfied that it continues to be sound.

Recommendation 7.3
The Company does not have an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks.

Recommendation 7.4
The Company's approach to risk management is based on the identification, assessment, monitoring, management and reporting of material risks related to its business and management systems.

The Company has material exposure to a number of business and economic risks, including funding to acquire a viable project, regulatory and legislative risks, going concern, retaining key personnel and internal controls.

The Board will consider these material risks as part of its periodic risk management review, on an as required basis upon advice from Senior Management, including the Managing Director.

Levels of insurance cover on insurance policies maintained by the Company to mitigate some operational risks are disclosed to the Board for review.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1
The Board has not established a separate Remuneration Committee. Given the current size and composition of the Company, the Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of Remuneration Committee.

Corporate Governance Statement

The full Board approves all management remuneration including the allocation of options (if any) and involves itself in the nomination, selection and retirement of Directors. No Director may be involved in setting their own remuneration or terms and conditions and in such a case relevant Directors are required to be absent from the full Board discussion.

The Board seeks to ensure that collectively its membership represents an appropriate balance between Directors with experience and knowledge of the Company and Directors with an external or fresh perspective. It shall review the range of expertise of its members on a regular basis and seeks to ensure that it has operational and technical expertise relevant to the operation of the Company.

Directors are re-elected, nominated and appointed to the Board in accordance with the Board's policy on these matters set out in the Remuneration Committee Charter, the Company's Constitution and ASX Listing Rules.

The Company's remuneration philosophy, objectives and arrangements are detailed in the Remuneration Report which forms part of the Directors' Report.

Recommendation 8.2
The Company's policy is to remunerate Non-Executive Directors at a fixed fee for time, commitment and responsibilities. Remuneration for Non-Executive Directors is not linked to individual performance. The maximum aggregate amount of fees (including superannuation payments) that can be paid to Non-Executive Directors is subject to approval by shareholders. There are no termination or retirement benefits for Non-Executive Directors other than for superannuation entitlements. From time to time the Company may permit Non-Executives to participate in equity-based remuneration plans.

Executive remuneration consists of a base salary and in some instances, performance incentives. Long term performance incentives may include options, performance rights or other equity-based schemes granted at the discretion of the Board subject to obtaining the relevant approvals. Equity-based plans are designed to recognise and reward efforts as well as to provide additional incentive to continue those efforts for the benefit of the Company, and may be subject to the successful completion of performance hurdles. Executives are offered a competitive level of base pay at market rates (for comparable companies), which are reviewed at least annually to ensure market competitiveness.

Details of remuneration, including the Company's policy on remuneration, are contained in the Remuneration Report which forms part of the Directors' Report.

Recommendation 8.3
Under the Company's Security Trading Policy, Restricted Persons are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity-based remuneration scheme.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
Revenue			
Interest income	2	12,354	12,541
Other income	2	197,383	145,105
Expenses			
Administration expenses	2	144,811	110,913
Impairment expense		-	76,013
Employee benefit expense		177,593	171,244
Consulting fees		-	7,406
Depreciation expense		258	1,070
Travel expenses		11,498	28,103
Loss before income tax		**(124,423)**	**(237,103)**
Income tax benefit	4	74,211	-
Net loss after tax		**(50,212)**	**(237,103)**
Other comprehensive income, net of income tax			
Items that may be reclassified to profit or loss			
Net change in fair value of available-for-sale financial assets		1,804,510	-
Items that have been reclassified to profit or loss			
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		-	(30,000)
Income tax relating to these items	11(d)	-	-
Total comprehensive income/(loss) for the year		**1,754,298**	**(267,103)**
Basic and diluted loss per share (cents per share)	12	(0.10)	(0.46)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 $	2017 $
Current assets			
Cash and cash equivalents	5	370,519	548,723
Trade and other receivables	6	3,159	3,691
Available-for-sale financial assets	9	3,560,000	-
Other assets	8	11,000	10,083
Total current assets		**384,678**	**562,497**
Non-current assets			
Property, plant and equipment	7	444	701
Available-for-sale financial assets	9	-	1,610,000
Total non-current assets		**3,560,444**	**1,610,701**
Total assets		**3,945,122**	**2,173,198**
Current liabilities			
Trade and other payables	10	24,481	23,849
Provisions	11	79,717	62,724
Total current liabilities		**104,199**	**86,573**
Total liabilities		**104,199**	**86,573**
Net assets		**3,840,923**	**2,086,625**
Equity			
Issued capital	12	7,131,169	7,131,169
Reserves	12	2,434,689	630,179
Accumulated losses		(5,724,935)	(5,674,723)
Total equity		**3,840,923**	**2,086,625**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Issued Capital	Accumulated Losses	Options Reserve	Unrealised Gains Reserve	Total Equity
	$	$	$	$	$
Balance as at 1 July 2016	**7,131,169**	**(5,437,620)**	**-**	**582,000**	**2,275,549**
Net loss for the period	-	(237,103)	-	-	(237,103)
Other comprehensive loss net of tax	-	-	-	(30,000)	(30,000)
Total comprehensive loss for the year	-	(237,103)	-	(30,000)	**(267,103)**
Shares issued during the year	-	-	-	-	-
Options issued during the year	-	-	85,000	-	85,000
Option issue costs	-	-	(6,821)	-	(6,821)
Balance as at 30 June 2017	**7,131,169**	**(5,674,723)**	**78,179**	**552,000**	**2,086,625**
Net loss for the period	-	(50,212)	-	-	(50,212)
Other comprehensive income net of tax	-	-	-	1,804,510	1,804,510
Total comprehensive loss for the year	-	(50,212)	-	1,804,510	**1,754,298**
Shares issued during the year	-	-	-	-	-
Options issued during the year	-	-	-	-	-
Option issue costs	-	-	-	-	-
Balance as at 30 June 2018	**7,131,169**	**(5,724,935)**	**78,179**	**2,356,510**	**3,840,923**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
		Inflows/(Outflows)	
Cash flows from operating activities			
Payments to suppliers and employees		(316,661)	(316,735)
Interest received		12,354	12,489
Net cash flows used in operating activities	21	(304,307)	(304,246)
Cash flows from investing activities			
Proceeds from sale of shares in listed entities		786,709	262,105
Payments for shares in listed entities		(1,155,606)	(366,013)
Proceeds from capital return in listed entities		495,000	-
Net cash flows provided by/(used in) investing activities		126,103	(103,908)
Cash flows from financing activities			
Proceeds from issue of securities	12	-	85,000
Payments for issue costs		-	(6,821)
Net cash flows provided by financing activities		-	78,179
Net decrease in cash and cash equivalents		(178,204)	(329,975)
Cash and cash equivalents at the beginning of the financial year		548,723	878,698
Cash and cash equivalents at end of financial year	5	**370,519**	**548,723**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Statement of Significant Accounting Policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Australian Accounting Standards, Accounting Interpretations and other mandatory professional reporting requirements. The financial report has been prepared on a historical cost basis, except for available-for-sale financial assets which have been measured at fair value, and is presented in Australian dollars.

Oakajee Corporation Limited is a Company limited by shares, incorporated and domiciled in Australia, whose shares commenced public trading on the Australian Securities Exchange on 11 June 2008. The Company was registered on 11 December 2006.

b) Statement of Compliance

The financial report of Oakajee Corporation Limited (the “Company” or “Oakajee”) for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the Directors on 28 August 2018.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (“AIFRS”). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (“IFRS”).

c) New, revised or amending Accounting Standards and Interpretations adopted

Standards and Interpretations applicable to 30 June 2018
In the year ended 30 June 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

Standards and Interpretations in issue not yet adopted
The Directors have also reviewed all Standards and Interpretations in issued but are not yet adopted for the year ended 30 June 2018. As a result of this review the Directors have determined that AASB 9 *Financial Instruments* will have a material effect on Company accounting policies in future financial periods.

The Company has elected not to early adopt this Standard and Interpretation.

<u>*AASB 9 Financial Instruments*</u>
AASB 9 (2014), published in December 2014, replaces the existing guidance AASB 9 (2009), AASB 9 (2010) and AASB 139 *Financial Instruments: Recognition and Measurement* and is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

c) New, revised or amending Accounting Standards and Interpretations adopted (continued)

AASB 9 Financial Instruments (continued)
The new standard results in changes to accounting policies for financial assets and liabilities covering classification and measurement, hedge accounting and impairment. The standard eliminates the existing 139 categories of held to maturity, loans and receivables and available for sale. The Company has financial assets in relation to available-for-sale equity investments of $3,560,000. Under AASB 9, the Company is able to elect to continue classify these investments as at fair value through other comprehensive income. Accordingly, the Company does not expect any impact to the classification and measurement of these financial assets.

However, gains or losses realised on the sale of the financial assets at fair value through other comprehensive income will no longer be transferred to profit or loss but instead be reclassified below the line from the fair value reserve to retained earnings. During the financial year 2018, $197,383 of such gains were recognised in profit or loss in relation to the disposal of available-for-sale financial assets.

Other than the above, the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no material change is necessary to Company accounting policies.

d) Significant accounting judgements, estimates and assumptions

The application of accounting policies requires the use of 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 other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods of the revision affect both current and future periods.

Impairment of available-for-sale financial assets

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

e) Going Concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern which assumes the commercial realisation of the future potential of the Company's assets and the discharge of its liabilities in the normal course of business.

As at 30 June 2018, the Company has cash and cash equivalents of $370,519 and net operating cash outflows of $304,307 for the year ended on that date. Notwithstanding this, the accounts have been prepared on a going concern basis. The Company has available-for-sale financial assets with a market value of $3,560,000 at 30 June 2018. These available-for-sale financial assets represent investments in listed Australian companies which are traded on ASX.

The Company has the ability to sell these investments in a liquid market as and when the need for additional working capital arises. Listed shares were disposed of during the year ended 30 June 2018 for total proceeds of $786,709. Further tranches will be sold if and when the need arises.

Accordingly, the Directors believe that Oakajee Corporation Limited has access to sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the financial report.

f) Revenue Recognition

Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue can be recognised:

(i) Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(ii) Dividends
Dividends are recognised as revenue when the Company's right to receive the payment is established.

g) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases
The minimum lease payments of operating leases, where the lessor effectively retains substantially all the risks and benefits of the leased item, are charged as expenses in the periods in which they are incurred.

h) Cash and cash equivalents

Cash comprises cash at bank and on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

i) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company.

The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance. The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses.

When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

j) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

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

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

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

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

j) Income tax (continued)

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

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

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable or payable is included as a current asset or current liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable or payable are classified as operating cash flows.

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

l) Property plant and equipment

Property, plant and equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Class of fixed asset	**Depreciation rate**
Office Furniture	20%
Computer Software and Equipment	25%

l) Property plant and equipment (continued)

Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal and the carrying amount of the asset) is included in the profit and loss in the year the asset is derecognised.

m) Financial assets

Financial assets within the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

m) Financial assets (continued)

(iii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

n) De-recognition of financial assets and financial liabilities

(i) Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either:
    (a) has transferred substantially all the risks and rewards of the asset, or
    (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Company could be required to repay.

(ii) Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

o) Impairment of financial assets

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the presented value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a Company of financial assets with similar credit risk characteristics and that Company of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and is current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

p) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

q) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

r) Employee leave benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

s) Issued capital

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are shown in equity as a deduction, net of tax, from the proceeds received.

t) Earnings or loss per share

Basic earnings or loss per share is calculated as net profit or loss after income tax attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares outstanding, adjusted for any bonus elements in ordinary shares issued during the year.

t) Earnings or loss per share (continued)

Diluted earnings or loss per share is calculated as net profit or loss attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

u) Segment reporting

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

v) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

2. Revenue and expenses

	2018 $	2017 $
a) Revenue and Other income		
Interest income	12,354	12,541
Gain on sale of listed investments	197,383	145,105
	209,737	157,646
b) Administrative expenses		
Accounting fees	24,000	24,750
Legal and professional fees	19,215	7,407
Insurance expenses	13,233	9,670
Operating lease rental expenses	7,796	7,796
Other expenses	80,567	68,696
	144,811	118,319

3. Dividends

No dividends have been paid or are proposed as at 30 June 2018.

As at 30 June 2018 the Company has no franking credits available for use in future years.

4. Income tax

a) Income tax (benefit)/expense

The prima facie income tax (benefit)/expense on pre-tax accounting (loss)/profit from operations reconciles to the income tax (benefit)/expense in the financial statements as follows:

	2018 $	2017 $
Accounting loss before tax from continuing operations	(124,423)	(237,103)
Income tax benefit calculated at 27.5% (30% in prior year).	(34,216)	(65,203)
Non-deductible expenses	951	250
Non-assessable income	(54,280)	(39,904)
Recognition of previously unrecognised temporary differences	(22,326)	(20,453)
Deferred tax assets and liabilities not recognised	(270,071)	127,186
Income tax not recognised	454,153	(1,876)
Income tax benefit reported in the statement of comprehensive income	74,211	-

The tax rate used in the above reconciliation is the corporate tax rate at 27.5% payable by Australian corporate entities on taxable profits under Australian tax laws. The tax rate used in the previous reporting period was 30%.

b) Income tax charged/(credited) directly to equity

	2018 $	2017 $
Share revaluation reserve	(74,211)	-
Option issue costs	(1,126)	(1,501)
Amount not recognised	1,126	1,501
	(74,211)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

4. Income tax (continued)

c) Deferred tax balances

	2018 $	2017 $
Deferred tax assets comprise of:		
Losses available for offset against future taxable income	608,224	524,977
Revaluations of available-for-sale investments	-	329,701
Option issue expenses	1,126	1,501
Accrued expenses and liabilities	26,999	22,326
Deferred tax assets not brought to account as realisation is not regarded as probable	(562,138)	(878,505)
	74,211	-
Deferred tax liabilities comprise of:		
Revaluations of available-for-sale investments to fair value	74,211	-
	74,211	-
Capital losses comprise of:		
Losses available for offset against future taxable income	641,193	796,781
Deferred tax assets not brought to account	(641,193)	(796,781)
	-	-

Reconciliation of deferred tax assets/(liabilities):

	Opening balance $	Charged to income $	Charged to equity $	Amounts not recognised $	Closing balance $
30 June 2018					
Available-for-sale financial assets	-	-	(74,211)	74,211	-
Tax losses carried forward	-	608,224	-	(608,224)	-
Option issue expenses	-	-	1,126	(1,126)	-
Accrued expenses and liabilities	-	26,999	-	(26,999)	-
	-	635,223	(73,085)	(562,138)	-

	Opening balance $	Charged to income $	Charged to equity $	Amounts not recognised $	Closing balance $
30 June 2017					
Available-for-sale financial assets	-	329,701	-	(329,701)	-
Tax losses carried forward	-	524,977	-	(524,977)	-
Option issue expenses	-	-	1,501	(1,501)	-
Accrued expenses and liabilities	-	22,326	-	(22,326)	-
	-	877,004	1,501	(878,505)	-

The Company has tax losses arising in Australia, the tax effect of these losses is $608,224 (2017: $524,977). The losses are available indefinitely for offset against future taxable profits of the companies in which the losses arose.

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits thereof.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

5. Cash and cash equivalents

	2018 $	2017 $
Cash at bank	370,519	548,723

Cash at bank earns interest at floating rates based on daily bank deposit rates.

6. Trade and other receivables

	2018 $	2017 $
GST receivable	3,159	3,691

There are no receivables which are past due or impaired.

7. Property, plant and equipment

	2018 $	2017 $
At cost	29,780	29,780
Accumulated depreciation	(29,336)	(29,078)
Total written down value	444	701

Reconciliation
A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial period.

Property, plant and equipment	2018 $	2017 $
Carrying amount at beginning of year	702	1,771
Additions	-	-
Depreciation expense	(258)	(1,070)
Total property, plant and equipment	444	701

8. Other assets

	2018 $	2017 $
Prepaid insurance	11,000	10,083
Total other assets	11,000	10,083

9. Available-for-sale financial assets

	2018 $	2017 $
Available for sale investments carried at fair value:		
Listed shares	3,560,000	1,610,000

10. Trade and other payables

	2018 $	2017 $
Trade creditors	1,592	1,533
Accruals	22,889	22,316
	24,481	23,849

Trade creditors are non-interest bearing and are normally settled on 30 days terms.

11. Provisions

	2018 $	2017 $
Employee benefits	79,717	62,724
	79,717	62,724

The provision for employee benefits represents annual leave and long service leave payable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

12. Issued capital and reserves

	2018 $	2017 $
(a) Issued and paid up capital		
51,000,000 (2017: 51,000,000) ordinary shares fully paid	7,131,169	7,131,169

(b) Movements in fully paid ordinary shares during the year were as follows:

	2018		2017	
	No. of shares	*$*	*No. of shares*	*$*
Opening balance	51,000,000	7,131,169	51,000,000	7,131,169
Movements in shares on issue	-	-	-	-
Closing balance	51,000,000	7,131,169	51,000,000	7,131,169

(c) Terms and conditions of issued capital

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholder meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(d) Reserves	2018 $	2017 $
Unrealised Gains Reserve		
Opening balance	552,000	582,000
Net unrealised (loss)/gain on available for sale investments	1,804,510	(30,000)
Income tax relating to components of other comprehensive income	-	-
Closing balance	2,356,510	552,000

Unrealised gains reserve
This reserve records fair value changes on available-for-sale investments.

Options Reserve		
Opening balance	78,179	-
Issue of 17,000,000 unlisted options exercisable at $0.02 each on or before 28 February 2019	-	85,000
Issue costs	-	(6,821)
Closing balance	78,179	78,179
	2,434,689	630,179

Options reserve
This reserve records share options issued by the Company.

13. Earnings per share

Basic loss per share (cents)	(0.10)	(0.46)
Weighted average number of ordinary shares on issue used in the calculation of basic (loss)/earnings per share	51,000,000	51,000,000
Loss used in the calculation of basic (loss)/earnings per share	(50,212)	(237,103)

As there are no outstanding options on issue, the diluted (loss)/earnings per share is the same as basic (loss)/earnings per share.

14. Key management personnel disclosures

(a) ***Details of key management personnel during the year ended 30 June 2018***

Directors
Mark Jones (Managing Director)
Garry Thomas (Non-Executive Director)
Gary Watson (Non-Executive Director)
Douglas Rose (Non-Executive Director) - Resigned on 30 July 2017

(b) ***Remuneration of key management personnel***

Key management personnel remuneration has been included in the Remuneration Report of the Directors' Report.

The aggregate compensation paid to key management personnel of the Company is set out below:

	2018 **$**	**2017** **$**
Short-term employee benefits	145,662	145,662
Post-employment benefits	13,838	13,838
Total	159,500	159,500

(c) ***Loans to/from related parties***

There were no loans outstanding to/from related parties at the end of the period.

(d) ***Transactions with other related parties***

During the period, the company paid $20,796 (excluding GST) to a Director related entity of Mark Jones for rental of office premises. As at 30 June 2018, there is a nil balance outstanding.

Oakajee Corporation Limited has an agreement with a related entity of Mark Jones and Douglas Rose, Santa Fe Minerals Limited (formerly EZA Corporation Limited), to sub-lease its office premises. Normal commercial terms apply. The Company received $13,000 (excluding GST) from Santa Fe Minerals Limited during the period.

There were no other related party transactions during the year ended 30 June 2018.

15. Auditor's remuneration

The auditor of Oakajee Corporation Limited is HLB Mann Judd.

	2018 **$**	**2017** **$**
Amounts received or due and receivable (excluding GST) by the auditors of the Company for:		
(i) Audit or review of the financial statements	23,300	23,250
	23,300	23,250

16. Significant Events After Balance Date

No matters or events have arisen since 30 June 2018 which have 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 periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

17. Segment information

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Company that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance.

The chief operating decision maker for Oakajee Corporation Limited reviews internal reports prepared as financial statements and strategic decisions of the Company are determined upon analysis of these internal reports. During the period, the Company operated predominantly in one segment being the investment sector in Australia. Accordingly, under the "management approach" outlined, only one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

18. Related party disclosures

Transactions with Key Management Personnel

Refer to Note 14 for details of transactions with key management personnel.

Other than disclosed in Note 14, there were no other related party transactions during the financial year.

19. Commitments and Contingencies

Capital Commitments
The Company does not have any capital commitments as at balance date.

Operating lease - office premises
The Company holds an operating lease with no fixed term for office premises which commenced on 1 August 2012. Annual rent for the lease for the year ended 30 June 2018 was $20,796 (excluding GST).

20. Financial instruments disclosure

(a) Capital Risk Management

Management's policy is to control the capital of the Company to ensure that the Company can fund its operations and continue as a going concern, with the intention of providing shareholders with adequate returns.

The Company's overall strategy remains unchanged from 2017.

The Company is not subject to externally imposed capital requirements. Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings.

(b) Financial risk management objectives and policies

The Company's principal financial instruments are cash and cash equivalents and available-for-sale-financial assets. The main purpose of these financial instruments is to provide working capital for operations.

The Company has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. The main risks currently arising from the Company's financial instruments are interest rate risk, credit risk and equity price risks.

(c) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

20. Financial instruments disclosure (continued)

(d) Categories of financial instruments

	2018 $	2017 $
Financial assets		
Cash and cash equivalents	370,519	548,723
Trade and other receivables	3,159	3,691
Other financial assets	11,000	10,083
Available-for-sale investments	3,560,000	1,610,000
Financial liabilities		
Trade creditors and other payables	24,482	23,849
Provisions	79,717	62,724

(e) Interest rate risk

The cash balance of $370,519 as at 30 June 2018 is sensitive to interest rate risk whereby a 1% per annum movement in interest rates would impact the statement of comprehensive income and equity by $3,705 (2017: $5,487). The following table sets out the carrying amount and maturity of the financial instruments exposed to interest rate risk:

30 June 2018	Time Period	Interest Bearing (Floating)	Non-Interest Bearing	Total Carrying Amount as per the Balance Sheet	Weighted Average Effective Interest Rate %
Financial assets:					
Cash	<1 year	370,519		370,519	1
Trade and other receivables	<1 year	-	3,159	3,159	-
Other financial assets	<1 year	-	11,000	11,000	-
Available-for-sale investments	<1 year	-	3,560,000	3,560,000	-
Total financial assets		370,519	3,574,159	3,944,678	
Financial liabilities					
Trade creditors and other payables		-	24,482	24,482	-
Provisions		-	79,717	79,717	
Total financial liabilities		-	104,199	104,199	

30 June 2017	Time Period	Interest Bearing (Floating)	Non-Interest Bearing	Total Carrying Amount as per the Balance Sheet	Weighted Average Effective Interest Rate %
Financial assets:					
Cash	<1 year	548,723		548,723	1.5
Trade and other receivables	<1 year	-	3,691	3,691	-
Other financial assets	<1 year	-	10,083	10,083	-
Available-for-sale investments	>1 year	-	1,610,000	1,610,000	-
Total financial assets		548,723	1,623,774	2,172,497	
Financial liabilities					
Trade creditors and other payables		-	23,849	23,849	-
Provisions		-	62,724	62,724	
Total financial liabilities		-	86,573	86,573	

20. Financial instruments disclosure (continued)

(f) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated to the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses publicly available financial information and its own trading record to rate is major customers.

The Company’s exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board annually.

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company’s maximum exposure to credit risk without taking account of the value of any collateral obtained.

(g) Equity price risks

The Company is exposed to equity price risks arising from available-for-sale financial assets. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

All of the Company’s investments are publicly traded. The Company’s exposure to equity price risks at balance date is not material and no sensitivity analysis has been performed.

(h) Fair value of financial instruments

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

(h) Fair value of financial instruments (continued)

The following table presents the Company's assets and liabilities measured and recognised at fair value:

2018	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets				
Available- for sale financial assets	3,560,000	-	-	3,560,000
	3,560,000	-	-	3,560,000

2017	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets				
Available- for sale financial assets	1,610,000	-	-	1,610,000
	1,610,000	-	-	1,610,000

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

(i) Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

21. Cash flow information

	2018 $	**2017 $**
Reconciliation of loss after income tax to the net cash flows from operations:		
(Loss)/profit from ordinary activities after income tax	(50,212)	(237,103)
Add (less) non-cash items:		
Income tax benefit	(74,211)	-
Impairment expense	-	76,013
Depreciation expense	258	1,070
Net loss/(gain) on sale of Available-for sale assets	(197,383)	(145,105)
Changes in assets and liabilities:		
Increase/(decrease) in trade creditors and accruals	17,734	6,891
(Increase)/decrease in sundry receivables and prepayments	(493)	(6,012)
Net cash flow used in operating activities	(304,307)	(304,246)

DIRECTORS' DECLARATION

In the opinion of the Directors of Oakajee Corporation Limited (the "Company"):

a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:
   (i) complying with Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory Australian requirements; and
   (ii) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the financial year ended on that date.

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

c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

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

Mark Jones
Date: 29 August 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

Independent Auditor's Report
To the Members of Oakajee Corporation Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Client Name ("the Company") which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

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.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Key Audit Matter	How our audit addressed the key audit matter
Classification, Valuation and Impairment of Investments Note 9	
This balance represents the largest asset on the Statement of Financial Position, representing 90% of total assets. We have considered this to be a key audit matter due to the importance of the matter to users understanding of the financial report.	Our procedures included but were not limited to; - Considering the classification of the financial assets in accordance with Australian Accounting Standards; - Considering the valuation methodology applied with reference to readily available market data and consideration of impairment indicators; - Re-performing the accounting for the relevant disposals and acquisitions throughout the period; and - Verification of shareholdings.

Information Other than the Financial Report and Auditor's Report Thereon

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 2018, 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 that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among 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.

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 these 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 communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Client Name Limited for the year ended 30 June 2018 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.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
29 August 2018

Norman Glad

N G Neill
Partner

SHAREHOLDER INFORMATION
AT 23 AUGUST 2018

A. CORPORATE GOVERNANCE

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the reporting period is contained within the Directors Report.

B. SHAREHOLDING

1. Substantial Shareholders

The names of the substantial shareholders listed on the company's register:

Size of Holding	No. Shares	%
Success Concept Investment Limited	6,385,085	12.520
Dog Meat Pty Limited <DM A/C>	4,688,358	9.193
Mr Garry Thomas & Mrs Nancy-Lee Thomas <Thomas Family A/C>	4,500,000	8.824
Malcora Pty Ltd <C & C Ceniviva A/C>	3,352,254	6.573
Asian Star Investments Limited	3,200,000	6.275
Falfaro Investments Limited	3,000,000	5.882
Total	**25,125,697**	**49.267**

2. Number of holders in each class of equity securities and the voting rights attached

There are 321 holders of Ordinary shares. Each shareholder is entitled to one vote per share held.

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

There are 84 holders of Options. All 17,000,000 Options are not quoted on the ASX and are free of escrow conditions. Options for ordinary shares do not carry any voting rights.

3. Distribution schedule of the number of ordinary holders

Size of Holding	Number of Holders	Shares Held
1 - 1,000	12	2,480
1,001 - 5,000	24	85,876
5,001 - 10,000	103	976,353
10,001 – 100,000	134	5,711,988
100,001 and over	48	44,223,303
Total	**321**	**51,000,000**

4. Marketable Parcel

There are 44 shareholders with less than a marketable parcel.

SHAREHOLDER INFORMATION
AT 23 AUGUST 2018

5. Twenty largest holders of each class of quoted equity security

The names of the twenty largest holders of each class of quoted equity security, the number of equity security each holds and the percentage of capital each holds is as follows:

	Shareholder	No. Shares	%
1	Success Concept Investment Limited	6,385,085	12.520
2	Dog Meat Pty Limited <DM A/C>	4,688,358	9.193
3	Mr Garry Thomas & Mrs Nancy-Lee Thomas <Thomas Family A/C>	4,500,000	8.824
4	Malcora Pty Ltd <C & C Ceniviva A/C>	3,352,254	6.573
5	Asian Star Investments Limited	3,200,000	6.275
6	Falfaro Investments Limited	3,000,000	5.882
7	Parabolica Capital Pty Limited <Tabac A/C>	2,196,824	4.307
8	Mr Stephen Frederick Schmedje & Mrs Cornelia Petra Schmedje	2,117,914	4.153
9	Simdilex Pty Limited <NSD A/C>	1,600,000	3.137
10	Mr Bjorn Herluf Jonshagen & Ms Beverley Vickers <B&B's Super Fund A/C>	1,500,000	2.941
11	HSBC Custody Nominees (Australia) Limited	1,260,000	2.471
12	Malcora Pty Ltd <C & C Ceniviva A/C>	1,130,000	2.216
13	Mr Cesare Michael Ceniviva <Martino Family A/C>	655,000	1.284
14	Jokula Limited	600,000	1.176
15	Vassago Pty Ltd <Aston A/C>	572,500	1.123
16	Mrs Suzette May Thomas	500,000	0.980
17	Mr Mark Lippi & Mrs Kelly Lippi	500,000	0.980
18	Mr Bernard John Lippi & Mrs Lena Margaret Lippi <Lippi Discretionary A/C>	451,349	0.885
19	Rosa Diana Marisa Di Falco <Cardinals Investments A/C>	400,000	0.784
20	Mr Richard Alexander Lipton	326,989	0.641
	Total	**38,936,273**	**76.346**

SHAREHOLDER INFORMATION AT 23 AUGUST 2018

C. OTHER DETAILS

1. Company Secretary

   The name of the Company Secretary is Krystel Kirou.

2. Address and telephone details of the Company's registered and administrative office:

   39 Clifton Street
   Nedlands WA 6009
   Telephone: +61 8 9389 6032
   Facsimile: +61 8 9389 8226

3. Address of the office at which a register of securities is kept:

   Advanced Share Registry Services
   110 Stirling Highway
   Nedlands WA 6009

4. Stock exchange on which the Company's securities are quoted:

   The Company's listed equity securities are quoted on the Australian Stock Exchange (ASX: OKJ).

5. Review of Operations

   A review of operations is contained in the Directors' Report.

6. Consistency with business objectives

   The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way consistent with its stated business objectives.