



ABN 86 108 753 608

**Interim Financial Report
for the half-year ended
31 December 2018**

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Corporate Directory

DIRECTORS

Katina Law
Non-Executive Chair

David Hughes (Lorry)
Managing Director

Kelly Ross
Non-Executive Director

COMPANY SECRETARY

Bianca Taveira

PRINCIPAL OFFICE

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Email: yandal@yandalresources.com.au
Web: www.yandalresources.com.au

REGISTERED OFFICE

159 Stirling Highway
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AUDITORS

Rothsay Chartered Accountants
Level 1, Lincoln House
4 Ventnor Avenue
West Perth WA 6005

SHARE REGISTRY

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

STOCK EXCHANGE LISTING

Australian Stock Exchange
Code: YRL

Directors' Report

The Directors of Yandal Resources Limited ("Yandal Resources") submit herewith the financial report for the half-year ended 31 December 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors Report as follows:

The names of the Directors of the Company during or since the end of the half-year are:

Katina Law (*appointed 1 July 2018*)
David Hughes (Lorry)
Kelly Ross
Michael Ruane (*resigned 1 July 2018*)

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

Operating Results

The operating loss of the Company for the six months amounted to \$521,285 (December 2017: Loss of \$Nil).

Review of Operations/Exploration Activity

On 14 December 2018, Yandal Resources was admitted to the Official List of the Australian Securities Exchange ("ASX") following the successful completion of an Initial Public Offering ("IPO") to raise \$5 million before costs. The IPO was pursuant to a Replacement Prospectus lodged with the Australian Securities and Investments Commission on 22 November 2018 and released on the ASX on 12 December 2018. Other than the matters above, there were no significant changes in the state of affairs of the Company during the period.

The Company has a portfolio of advanced gold exploration projects in the highly prospective Yandal and Norseman-Wiluna Greenstone Belts of Western Australia. (Figure 1). Soon after the ASX Listing, exploration results were received from work completed at the Company's Yandal Belt gold projects during the September Quarter 2018 (*refer ASX announcement dated 20 December 2018*).

Significant downhole intercepts from reverse circulation ("RC") drilling at the Ironstone Well gold project (Figure 2) included;

Flinders Park Prospect

- **15m @ 2.03g/t Au from 77m including 1m @ 14.52g/t Au from 79m (Hole YRLRC0017).**

Flushing Meadows Prospect

- **6m @ 3.92g/t Au from 18m including 2m @ 9.87g/t Au from 21m and 6m @ 1.10g/t Au from 50m (Hole YRLRC0003);**
- **6m @ 1.96g/t Au from 8m (Hole YRLRC0004); and**
- **2m @ 3.36g/t Au from 18m (Hole YRLRC0005).**

The majority of the drilling (12 holes for 974m) was completed at the Flushing Meadows prospect where the program was designed to confirm the location and grade of historically defined mineralisation and to collect new QA/QC data to support the compilation of JORC Compliant Mineral Resource Estimates. The new results were largely in line with expectations and provided confirmation of the reliability of data that has been used for historic Resource Estimates. The results also assisted with the design of new drilling programs completed subsequent to the end of the reporting period.

Holes completed at the Flinders Park prospect (5 holes for 420m) were to follow up encouraging historic Air-core ("AC") intercepts and returned the highest and widest intercepts to date at the prospect. Hole YRLRC0017 returned 15m @ 2.03g/t Au from 77m including 1m @ 14.52g/t Au from 79m and the mineralisation is interpreted to be open in all directions.

Directors' Report

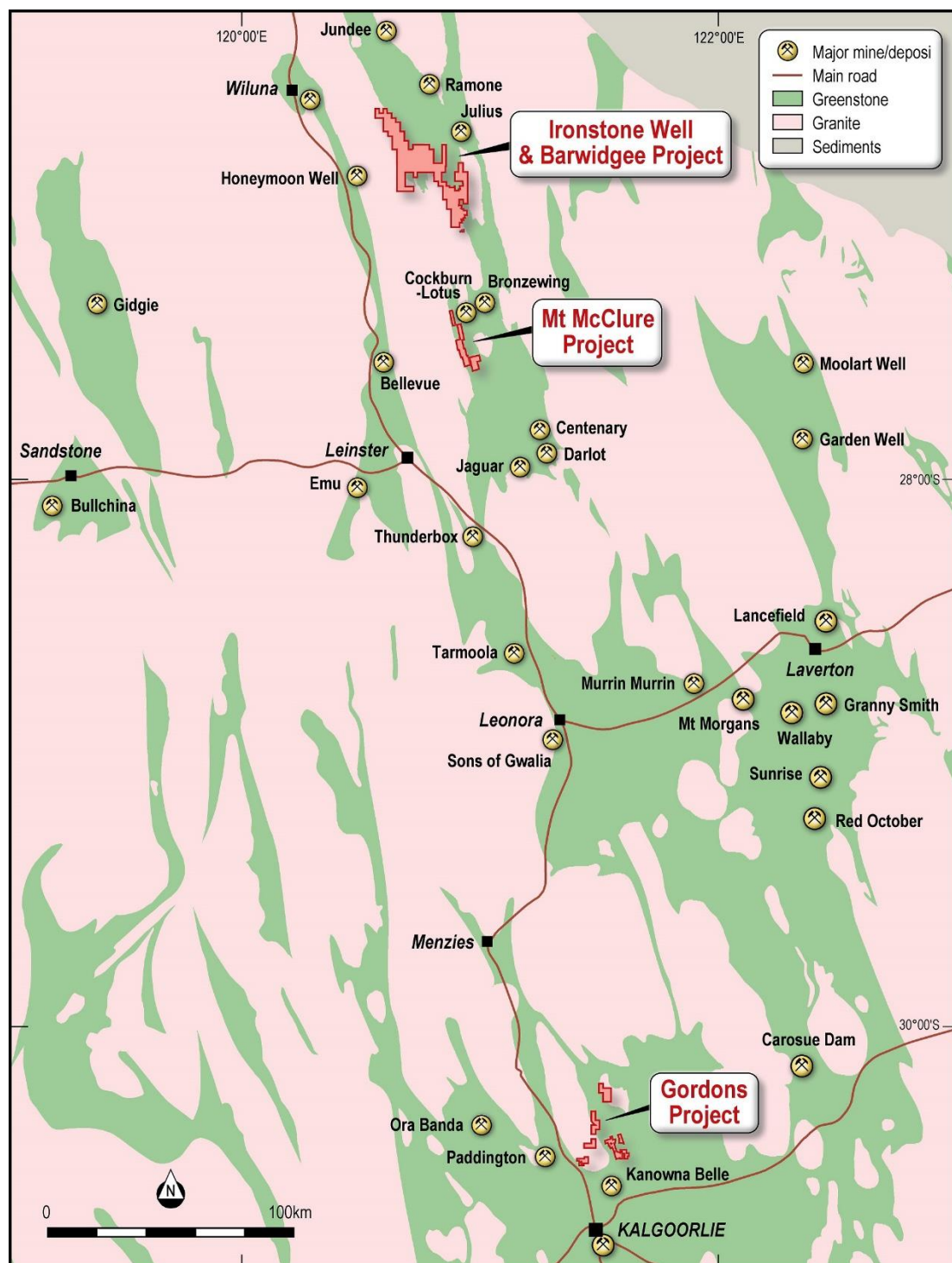


Figure 1 – Location of Yandal Resources' Ironstone Well, Barwidgee, Mt McClure and Gordons gold projects in Western Australia.

The Company interpreted the mineralisation at Flinders Park to dip toward the west like some known mineralisation along strike to south at Mandilla Well (Figure 2). West dipping mineralisation has not been systematically tested with the historic exploration programs as most historic holes were either drilled toward the west or vertical. The fresh rock interface at Flinders Park is particularly deep, estimated to be approximately 125m in places, a fact that hampered the geological understanding of the prospect by previous explorers.

Directors' Report

The discovery of new mineralisation at Flinders Park has improved the prospectivity of Flinders Park particularly as over 1.5km immediately northwest along the interpreted strike is considered ineffectively tested.

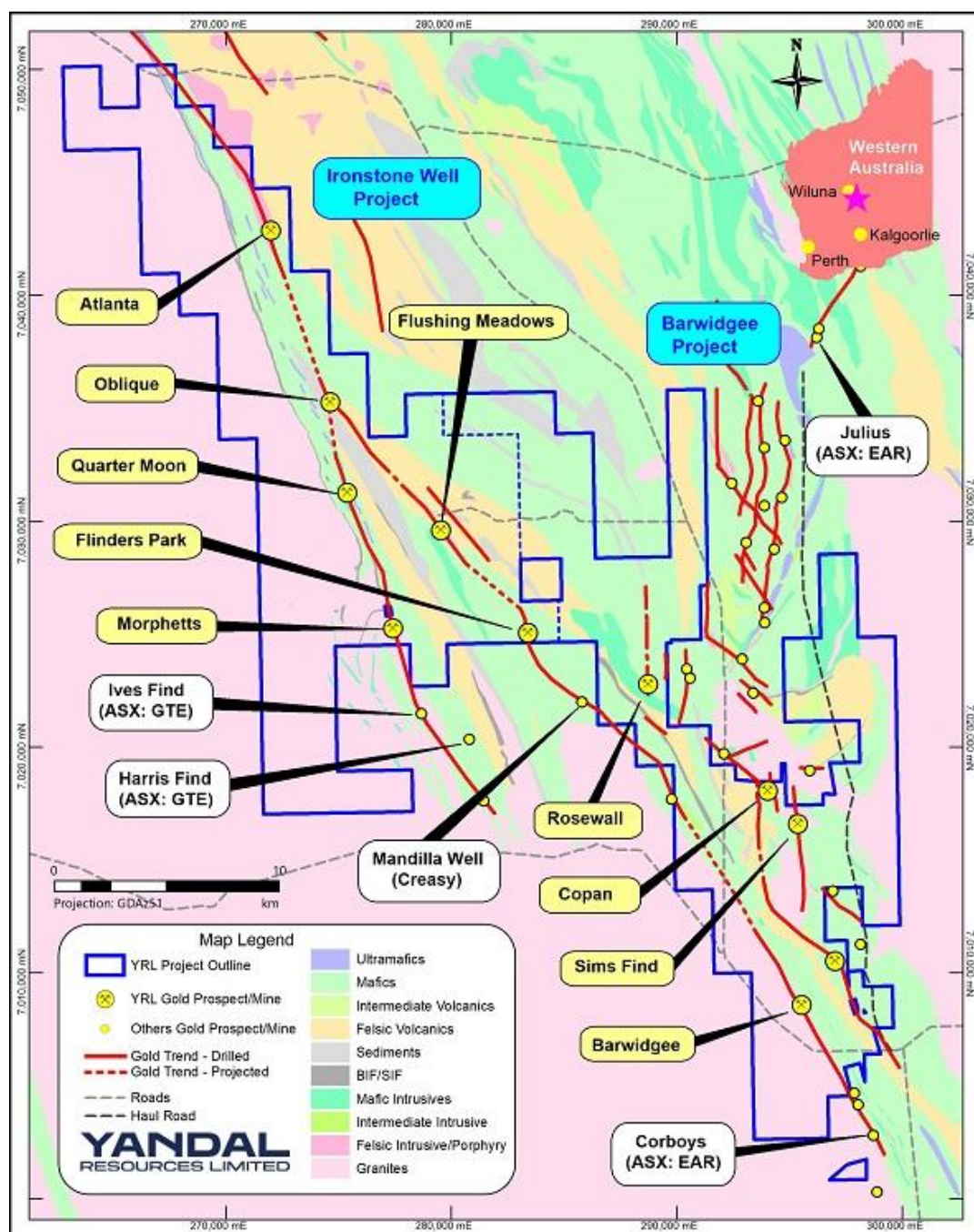


Figure 2 – Ironstone Well and Barwidgee gold project geological interpretation map including known prospects and structures.

Competent Person Statement

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

Directors' Report

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

Subsequent Events

The Company released an announcement (*refer ASX announcement dated 9 January 2019*) detailing highly encouraging RC drilling results from the Gordons gold project (Figure 1). Significant downhole intercepts from the Gordons Dam prospect included;

- 8m @ 7.33g/t Au from 35m including 1m @ 47.96g/t Au from 36m (Hole YRLRC0019); and
- 3m @ 18.30g/t Au from 34m including 1m @ 26.04g/t Au from 34m (Hole YRLRC0024).

Two announcements detailing the new AC and RC drilling programs at the Ironstone Well, Barwidgee and Mt McClure gold projects were released on the ASX (*refer ASX announcements dated 4 and 18 February 2019*). These programs were completed in February with results pending.

Managing Director Lorry Hughes exercised 50,000 Unlisted Options (\$0.25 exercise price) for a consideration of \$12,500 (*refer ASX announcement dated 14 February 2019*).

The Company entered into an agreement to acquire a 100% interest in an exploration licence and a prospecting licence in the Kalgoorlie region. The consideration was 120,000 Fully Paid Ordinary Shares in the Company which are escrowed until 19 August 2019 (*refer ASX announcement dated 20 February 2019*).

Other than noted above, in the opinion of the Directors of the Company, there are no other matters or circumstances that have arisen since 31 December 2018 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial periods.

Dividends Paid or Recommended

No dividends were paid during the period and no recommendation is made as to payments of future dividends.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 6 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors

Mr Lorry Hughes
Director

11 March 2019

Auditor's Independence Declaration



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The Directors
Yandal Resources Ltd
159 Stirling Highway
Nedlands WA 6009

Dear Directors

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 31 December 2018 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan FCA (Lead auditor)

Rothsay Auditing

Dated 11 March 2019



Liability limited by a scheme approved under Professional Standards Legislation

Independent Review Report



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Independent Review Report to the Members of Yandal Resources Ltd

The financial report and directors' responsibility

The interim financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Yandal Resources Ltd for the half year ended 31 December 2018.

The Company's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the financial position as at 31 December 2018 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Yandal Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- giving a true and fair view of the financial position as at 31 December 2018 and of the performance for the half year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay Auditing

Graham Swan FCA
Partner

Dated 11 March 2019



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Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes set out on pages 9 to 17 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance, as represented by the results of its operations and its cash flow, for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Mr Lorry Hughes
Director

Date: 11 March 2019

Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2018

	NOTE	Half-year ended 31 Dec 2018 \$	Half-year ended 31 Dec 2017 \$
Continuing Operations			
Interest income		5,292	-
Other income		24,641	-
Total Revenue from Continuing Operations		29,933	-
Employee and contractors expenses		(21,900)	-
Occupancy expenses		(12,572)	-
Administration expenses		(26,211)	-
Consultants expenses and professional costs		(47,823)	-
Travel expenses		(12,492)	-
Exploration expenses		(11,270)	-
Share based payments	6	(418,950)	-
Loss from continuing operations before income tax		(521,285)	-
Income tax (expense)/benefit		-	-
Loss from continuing operations after income tax for the period		(521,285)	-
Other comprehensive income for the period			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period		-	-
Total comprehensive loss for the period attributable to owners of Yandal Resources Limited		(521,285)	-
Basic loss (cents per share)		(2.00) cents	-

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

Statement of Financial Position as at 31 December 2018

	NOTE	31 Dec 2018 \$	30 Jun 2018 \$
CURRENT ASSETS			
Cash and cash equivalents	2	4,570,555	52,064
Trade and other receivables		29,336	11,559
Other assets		23,392	55,700
TOTAL CURRENT ASSETS		4,623,283	119,323
NON-CURRENT ASSETS			
Capitalised exploration & evaluation expenditure costs	3	1,180,162	436,743
TOTAL NON-CURRENT ASSETS		1,180,162	436,743
TOTAL ASSETS		5,803,445	556,066
CURRENT LIABILITIES			
Trade and other payables		92,910	57,201
TOTAL CURRENT LIABILITIES		92,910	57,201
NON-CURRENT LIABILITIES			
Borrowings	4	-	164,000
TOTAL NON-CURRENT LIABILITIES		-	164,000
TOTAL LIABILITIES		92,910	221,201
NET ASSETS		5,710,535	334,865
EQUITY			
Issued capital	5	5,684,715	387,510
Reserves	6	599,750	-
Accumulated losses		(573,930)	(52,645)
TOTAL EQUITY		5,710,535	334,865

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

Statement of Changes in Equity for the half-year ended 31 December 2018

	Attributable to equity holders			
	Ordinary Shares \$	Option Issue Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2018	387,510	-	(52,645)	334,865
Comprehensive income for the half-year				
Loss for the half-year	-	-	(521,285)	(521,285)
Total comprehensive loss for the half-year	-	-	(521,285)	(521,285)
Transactions with owners in their capacity as owners:				
Issue of shares and options during the period	5,810,625	599,750	-	6,410,375
Share issue costs	(513,420)	-	-	(513,420)
Balance at 31 December 2018	5,684,715	599,750	(573,930)	5,710,535

	Attributable to equity holders			
	Ordinary Shares \$	Option Issue Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2017	10	-	186,376	186,386
Comprehensive income for the half-year				
Loss for the half-year	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	-
Balance at 31 December 2017	10	-	186,376	186,386

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

Statement of Cash Flows for the half-year ended 31 December 2018

	Half-year ended 31 Dec 2018 \$	Half-year ended 31 Dec 2017 \$
Cash flows from operating activities		
Payments to suppliers and employees	(146,560)	-
Interest received	1,927	-
Net cash used in operating activities	(144,633)	-
Cash flows from investing activities		
Exploration and evaluation expenditure	(281,008)	-
Payments for acquisition of tenements	(60,000)	-
Net cash used in investing activities	(341,008)	-
Cash flows from financing activities		
Proceeds from issues of ordinary shares	5,461,875	-
Share issue costs	(293,743)	-
Repayment of borrowings	(164,000)	-
Net cash provided by financing activities	5,004,132	-
Net increase/(decrease) in cash and cash equivalents	4,518,491	-
Cash and cash equivalents at the beginning of the half-year	52,064	-
Cash and cash equivalents at the end of the half-year	4,570,555	-

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

Notes to the Interim Financial Statements for the half-year ended 31 December 2018

1. Basis of Accounting and Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including *AASB 134 Interim Financial Reporting* and other mandatory professional reporting requirements. The interim financial statements were approved by the Board of Directors on 11 March 2019. The accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in its financial report for the year ended 30 June 2018.

It is also recommended that the half-year financial report be considered together with any public announcements made by Yandal Resources Limited during the half-year ended 31 December 2018 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

New accounting standards and interpretations

In the half-year ended 31 December 2018, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018.

As a result of this review, the Company initially applied AASB 9 and AASB 15 from 1 July 2018.

Due to the transition methods chosen by the Company in applying AASB 9 and AASB 15, comparative information throughout the interim financial statements has not been restated to reflect the requirements of the new standards.

It has been determined that there is no material impact of the new and revised Standards and Interpretations on the financial position or performance of the Company.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2018. The impact on the financial statements is not expected to be material.

(a) Share Based Payments

Share based compensation benefits are provided to directors, associates and external parties through the granting of shares and options.

The fair value of shares and options granted by the Company are recognised as a share based payment expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the shares and options granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions.

Notes to the Interim Financial Statements for the half-year ended 31 December 2018

	31 Dec 2018 \$	30 Jun 2018 \$
2. Cash and Cash Equivalents		
Cash on hand	10	10
Cash at bank	1,070,545	52,054
Term deposit	3,500,000	-
	4,570,555	52,064
3. Capitalised Exploration and Evaluation Expenditure		
Opening balance at beginning of period	436,743	207,719
Acquisition of tenements during the period	408,750	2,000
Exploration expenditure capitalised during the period	334,669	434,743
Exploration expenditure written off	-	(207,719)
Closing balance at end of period	1,180,162	436,743
4. Borrowings		
Loan – Director and shareholder loans	-	164,000
	-	164,000
During the half-year, director and shareholder loans were repaid in full upon the Company successfully listing on the ASX. The loan was unsecured and interest free.		

Notes to the Interim Financial Statements for the half-year ended 31 December 2018

5. Issued Capital

(a) Movements in share capital during the six months to 31 December 2018 were as follows:

		Issue Price	Fully Paid Ordinary Shares	\$
01/07/18	Opening balance		17,500,010	387,510
28/09/18	Issue of Seed Capital Shares	\$0.075	6,158,338	461,875
28/09/18	Issue of Vendor Shares (refer Note 6)	\$0.075	4,650,000	348,750
10/12/18	Issue of Shares	\$0.20	25,000,000	5,000,000
	Share issue costs		-	(513,420)
31/12/18	Closing balance		53,308,348	5,684,715

Movements in share capital during the six months to 31 December 2017 were as follows:

		Issue Price	Fully Paid Ordinary Shares	\$
01/07/17	Opening balance		10	10
31/12/17	Closing balance		10	10

(b) Options

As at 31 December 2018, 6,500,000 unlisted options were on issue. The options are exercisable at 25 cents and expire on 31 December 2021.

Of the unlisted options on issue, 6,000,000 options are escrowed for a period of 24 months from the date of listing.

Refer to Note 6 for further details regarding the issue of the unlisted options.

Notes to the Interim Financial Statements for the half-year ended 31 December 2018

6. Share Based Payments

- (a) In September 2018, the Company issued 4,650,000 shares at \$0.075 each to vendors as consideration under the Tenement Sale Agreements.
- (b) In October 2018, 4,500,000 Series A unlisted options were issued to Directors, associates and unrelated parties.

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

During the half-year ended 31 December 2018, \$418,950 was expensed as a share based payment.

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

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

- (c) In December 2018, 2,000,000 Series A unlisted options were issued to the Lead Manager to the Initial Public Offering, pursuant to the Company's prospectus dated 19 October 2018.

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

During the half-year ended 31 December 2018, \$180,800 was charged to share issue costs.

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

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

7. Segment Information

The Company operates predominantly in one business segment, which is the exploration for gold, and predominately in one geographical area, which is in Western Australia.

Notes to the Interim Financial Statements for the half-year ended 31 December 2018

8. Commitment and Contingent Liabilities

There are no known contingent liabilities at reporting date.

There are no significant changes to the Company's commitments since 30 June 2018.

9. Events Subsequent To Reporting Date

There are no matters or circumstances that have arisen since 31 December 2018 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial periods.