OAKAJEE CORPORATION LIMITED

ACN 123 084 453

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2019

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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) Mr Douglas Rose (Non-Executive Director)
GROUP SECRETARY:	Ms Krystel Kirou
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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 present their report together with the consolidated financial statements of the Group comprising of Oakajee Corporation Limited ("Oakajee" or the "Company") and its subsidiaries for the year ended 30 June 2019. 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 or 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 was previously a Non-Executive Director (Private Clients) of Patersons Securities Limited, one of the largest stockbroking firms in Australia and is currently 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. Mr Jones has been a Director of the Company since July 2008.

Other Current Directorships
Santa Fe Minerals Limited (since 27 May 2011)

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.

Mr Thomas has been a Director of the Company since March 2012.

Other Current Directorships
None

Former Directorships in the Last Three Years
None

Mr Gary Watson (Non-Executive Director)

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. Mr Watson has been a Director of the Company since August 2017.

Other Current Directorships
None

Former Directorships in the Last Three Years
None

DIRECTORS' REPORT

Mr Douglas Rose (Non-Executive Director) - Appointed on 16 October 2018

Mr Rose is currently the Managing Director of Santa Fe Minerals Limited, an Australian gold and base metals exploration company. Mr Rose was previously a Private Client Adviser with Patersons Securities Limited. He holds a Bachelor of Commerce degree from Curtin University and has over 12 years' experience in the financial services industry.

Other Current Directorships
Santa Fe Minerals Limited (since 1 July 2013)

Former Directorships in the Last Three Years
Mr Rose was previously a Director of Oakajee for the period 21 July 2015 to 31 July 2017.

Group 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 the resources sector.

Principal Activities

The principal activities of the Group during the course of the financial year were the review of investment opportunities in the resources sector and exploration for gold and base metals within Australia.

Review of Operations

During the financial year, the Group completed the acquisition of a combination of exploration, prospecting and mining licences and selected minerals rights across 112km^2 of ground within the Paynes Find Greenstone Belt in Western Australia (Acquisition) (Paynes Find Project).

Following the completion of recompliance with the ASX Listing Rules, the Group's securities were reinstated to official quotation on 21 June 2019. As part of relisting, the Group raised $2 million (before costs) under a public offer.

Applications for exploration licences EL32051 and EL32052 were made during the year and granted on 3 July 2019. These licences cover 1,116km^2 at the Birrindudu Nickel Project in the Northern Territory.

At 30 June 2019, the Group had net assets of $4,156,637 (2018: $3,840,923).

Exploration Activities Update

Between the re-quotation of the Company's securities and the end of the financial year, preliminary exploration planning and desktop work was undertaken and is currently ongoing at the date of this report. Two field trips to the Paynes Find Gold Project were recently conducted, with regional sampling and drilling campaigns are expected to commence in the latter part of 2019.

DIRECTORS' REPORT

Review of Operations (continued)

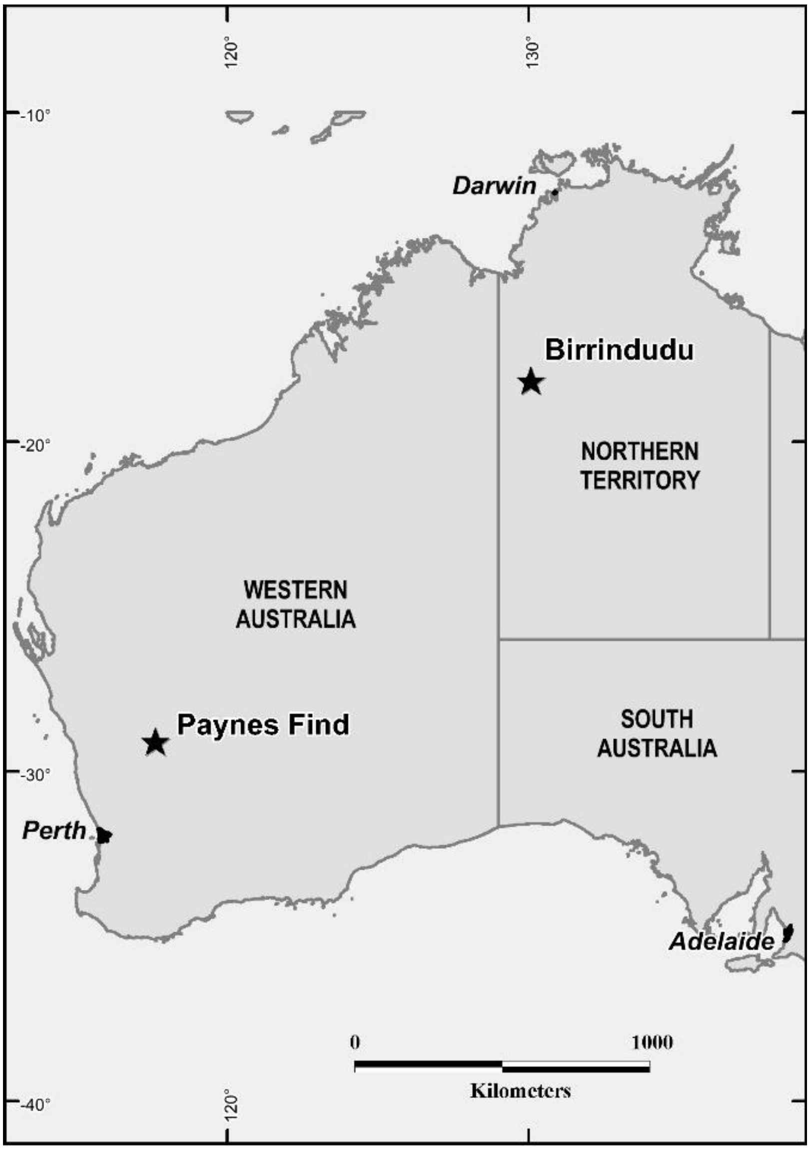

Figure 1 - Project locations

As per the Company's previous announcements to ASX, a summary of the Paynes Find Gold Project and the Birrindudu Nickel Project are as follows:

Paynes Find Gold Project

The Paynes Find Gold Project is located in Western Australia covering an area of approximately 112km^2 and comprising:

- an 80% interest in M59/549, P59/2075, P59/2083, P59/2085 and E59/2312; and
- an 80% interest in the non-lithium mineral rights in respect of E59/2092 and E59/2055.

The Paynes Find Gold Project is located adjacent to the Paynes Find settlement, approximately 455km by road northeast of Perth. The land holding represents the second largest exploration project area within the Paynes Find Greenstone Belt which has produced more than 72,000oz of gold.

DIRECTORS' REPORT

Review of Operations (continued)

The Paynes Find Gold Project covers mostly greenstone sequences along strike and to the west of the Paynes Find Gold camp. Whilst the Paynes Find Gold Project has been explored since the 1970's, little effective testing of the greenstone sequences has been undertaken due to fragmented tenement holdings and alluvial cover limiting the effectiveness of conventional soil sampling.

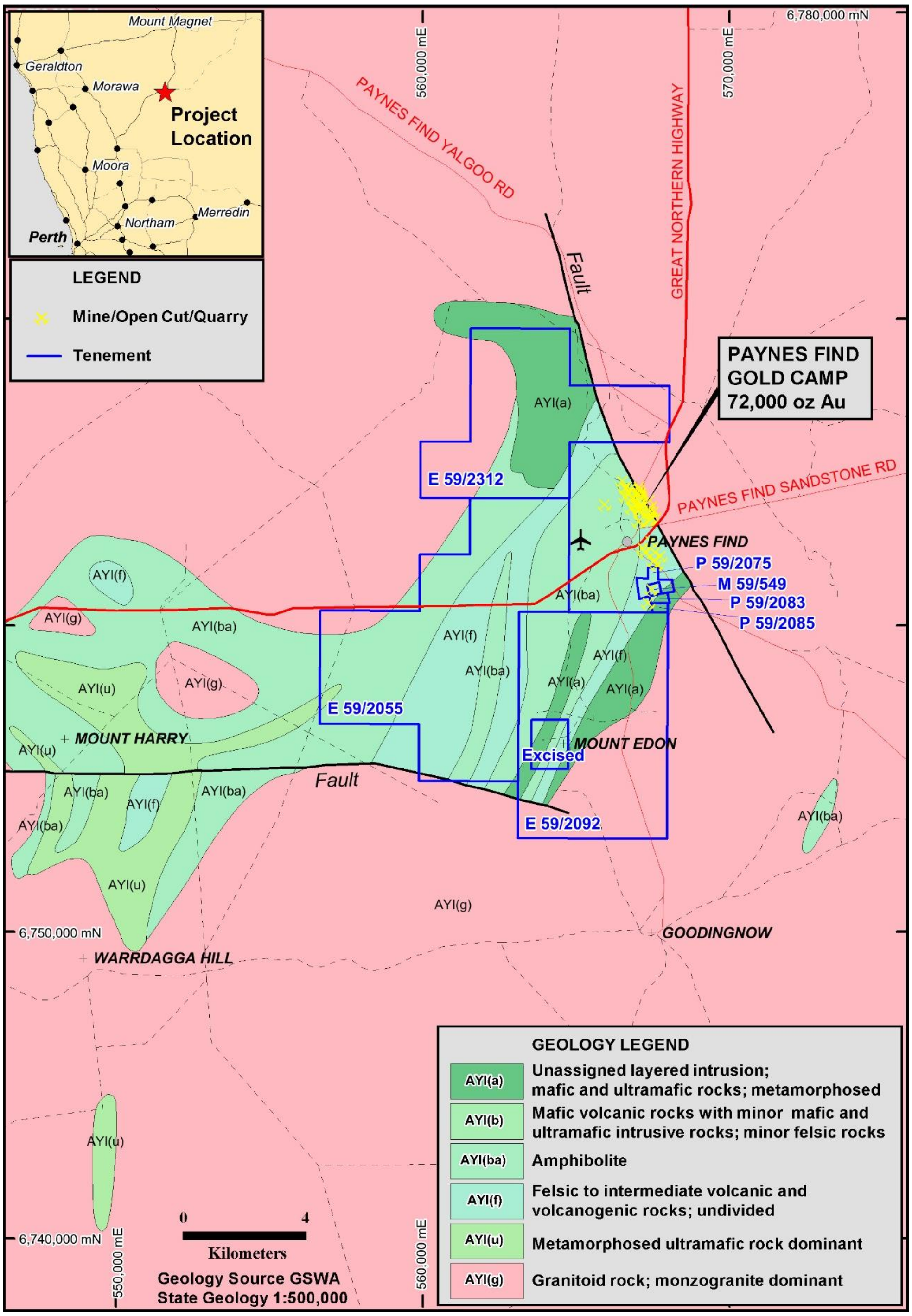

Figure 2 - Paynes Find Gold Project location plan

DIRECTORS' REPORT

Review of Operations (continued)

Work completed by the Company's geological consultants has identified advanced targets based on the past exploration work that will be the focus of the Company's initial work. The Company plans to follow-up previously defined gold anomalies as well as drill test conceptual structural targets under transported cover. The exploration potential of the remainder of the Paynes Find Gold Project will be assessed as the Company develops its exploration program.

The priority areas are:

a) Matriarch Prospect (M59/549, P59/2075, P59/2083, P59/2085, E59/2092);
b) Paynes Find South (E59/2092); and
c) Paynes Find North (E59/2312).

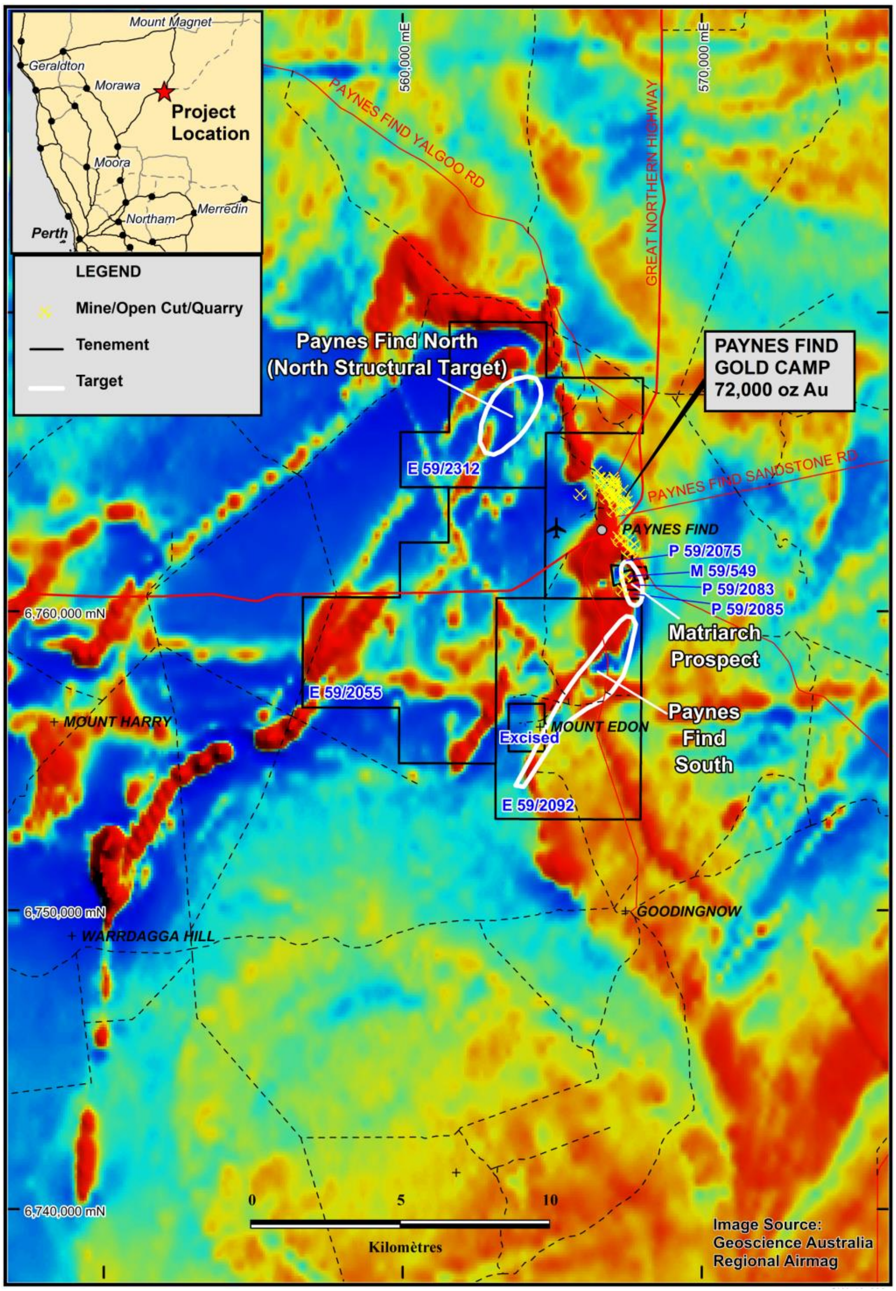

Figure 3 - Paynes Find Gold Project priority targets

DIRECTORS' REPORT

<u>Review of Operations (continued)</u>

Birrindudu Nickel Project

The Company lodged two mineral exploration licence applications (EL32051 and EL32052) totalling 1,116km^2 at Birrindudu in the Northern Territory during the financial year and these were granted on 3 July 2019.

The Birrindudu Nickel Project is ~650km SSW of Darwin and ~250km east of Halls Creek. Road access from Halls Creek is by the Buntine Highway or from Kununurra by Duncan Road and then south on tracks through Riveren Station. The tenements are located on Riveren Pastoral Lease and border the Hooker River Aboriginal reserve to the east. The Lajamanu community is about 55km east of the Birrindudu Nickel Project tenure.

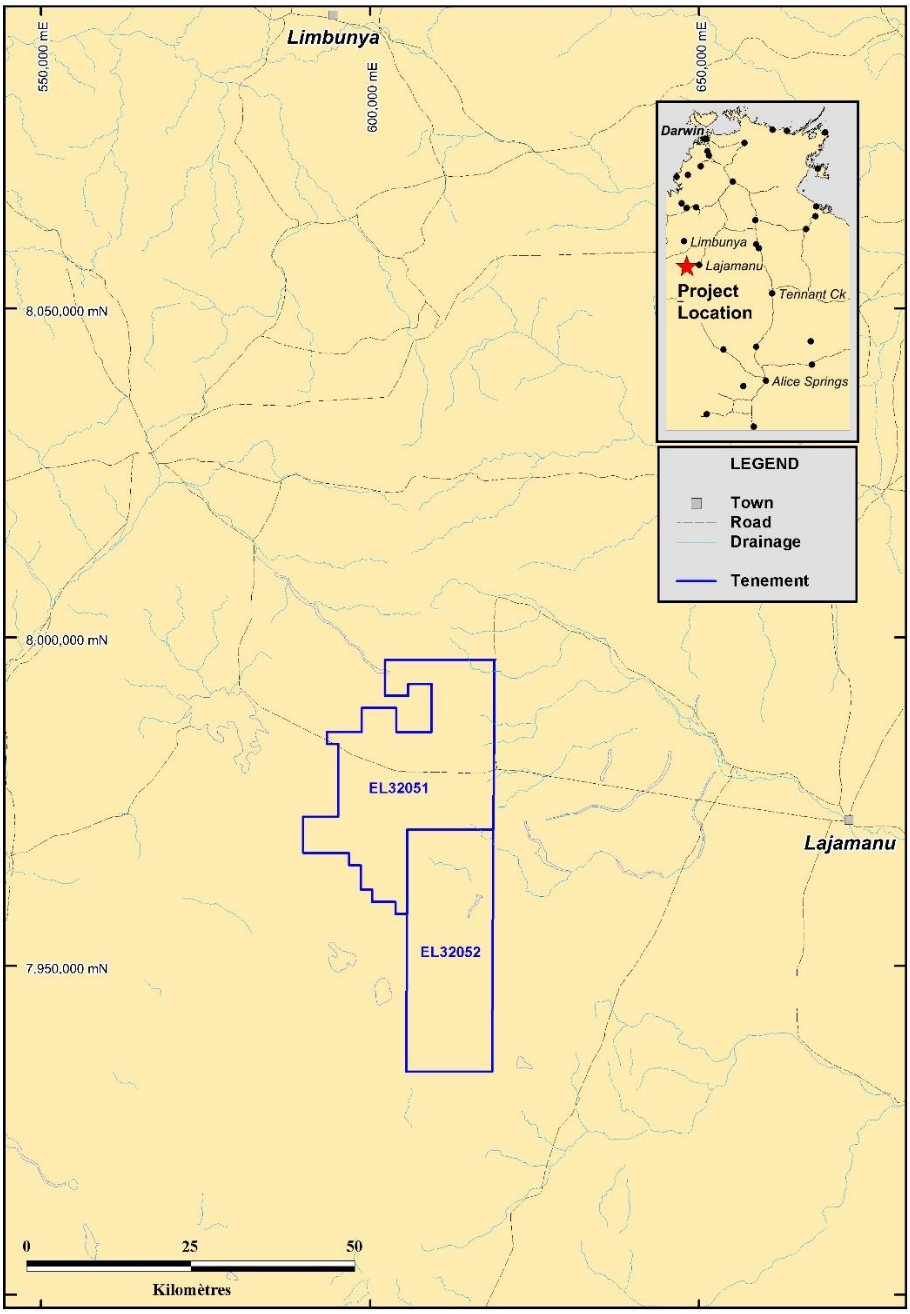

Figure 4 - Birrindudu Project location

DIRECTORS' REPORT

Review of Operations (continued)

The exploration concept for a magmatic Ni-Cu-PGE sulphide deposit within the Birrindudu Nickel Project is largely conceptual at this stage. The work completed to date has identified at least one possible intrusion within the project area which has nickel, copper, and PGE anomalism recorded in shallow drilling.

Further work needs to be undertaken in order to validate the concept and generate targets for drill testing. The Company intends to undertake soil sampling and high powered, fixed loop electromagnetic (EM) surveying in order to refine targets for initial drilling.

The Company also continues to assess other potential exploration and/or development projects in the resources sector.

COMPLIANCE STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr. Reginald Beaton who is a Member of the Australian Institute of Geoscientists. Mr. Beaton is an employee of Oakajee Corporation Limited and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

All technical information contained in this report has previously been reported to ASX - see "Paynes Find Gold Project Acquisition (Correction)" dated 18 January 2019, "Replacement Prospectus" dated 18 April 2019 and "Quarterly Activities and Cashflow Report" dated 24 July 2019 .Mr. Beaton consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears.

The Company is not aware of any new information or data that materially affects the information included in this report.

DIRECTORS' REPORT

Operating Results for the Year

The net loss after income tax of the Group for the year ended 30 June 2019 was $671,965 (2018: $50,212). At 30 June 2019, the Group had $3,038,344 in cash (2018: $370,519).

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 2019.

Significant Changes in State of Affairs

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

Subsequent Events

Subsequent to year-end, the Group holds additional shares in listed investments purchased for $581,935.

No other matters or events have arisen since 30 June 2019 which have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Likely Developments

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

Environmental Legislation

The Group is not subject to any significant environmental legislation.

Interests in the shares and options of the Group 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 Group as at the end of the financial year:

Director	No. of options over ordinary shares	No. of fully paid ordinary shares
Mark Jones	-	6,251,144
Garry Thomas	-	6,333,344
Douglas Rose	-	3,129,099
Gary Watson	-	-

There are no unpaid amounts on the shares issued.

DIRECTORS' REPORT

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	3	3
Garry Thomas	3	2
Gary Watson	3	3
Douglas Rose[1]	3	3

[1] Mr Rose was appointed on 16 October 2018.

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 2019. 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 Group, directly or indirectly, including any Director (whether Executive or otherwise) of the Group.

Details of Key Management Personnel

Directors
Mark Jones (Managing Director)
Garry Thomas (Non-Executive Director)
Gary Watson (Non-Executive Director)
Douglas Rose (Non-Executive Director) - Appointed 16 October 2018

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.

DIRECTORS' REPORT

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.

Details of Remuneration

30 June 2019

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)	22,831	2,169	**25,000**
Douglas Rose (Non-Executive Director)[1]	24,855	2,361	**27,216**
Total	**170,517**	**16,199**	**186,716**

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)	20,928	1,988	**22,916**
Douglas Rose (Non-Executive Director)[1]	1,903	181	**2,084**
Total	**145,662**	**13,838**	**159,500**

[1] Mr Rose was appointed on 16 October 2018. He previously held the position of Non-Executive Director form July 2015 to July 2017.

No percentage of 2019 and 2018 remuneration paid is performance based. No other long-term benefits or equity compensation were granted to key management personnel in 2019 or 2018.

Use of Remuneration Consultants

Due to the size of the Company's operations, the Company has not engaged remuneration consultants to review and measure its remuneration policy and strategy. The Board reviews remuneration strategy periodically and may engage remuneration consultants in future to assist with this process.

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 Group. The Group 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 Group may elect to pay in lieu of notice. At any time during the Employee's employment, should a Change of Control Event occur, the Group must pay the Employee a 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%
Douglas Rose	$35,000 per annum inclusive of statutory superannuation of 9.5%

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

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 Group or otherwise in connection with the business of the Group.

A Director may also receive remuneration for performing extra services, or making special exertion in going or residing abroad or otherwise for the Group 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 Group 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 2018	Other Change	Received on exercise of options	Granted as remuneration	Balance 30 June 2019
Mark Jones	4,688,358	-	1,562,786	-	6,251,144
Garry Thomas	4,750,000	-	1,583,334	-	6,333,334
Gary Watson	-	-	-	-	-
Douglas Rose	-	2,396,824[1]	732,275	-	3,129,099

[1] Mr Rose was appointed on 16 October 2018. Prior to his appointment, he held 2,196,824 fully paid ordinary shares and acquired a further 200,000 fully paid ordinary shares subsequent to his appointment.

DIRECTORS' REPORT

Directors' Option Holdings

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

Director	Balance 1 July 2018	Other Changes	Exercised during the year	Granted as remuneration	Balance 30 June 2019	Vested and exercisable
Mark Jones	1,562,786	-	(1,562,786)	-	-	-
Garry Thomas	1,583,334	-	(1,583,334)	-	-	-
Gary Watson	-	-	-	-	-	-
Douglas Rose[2]	-	732,275	(732,275)	-	-	-

[2] Mr Rose was appointed on 16 October 2018. Prior to his appointment, he held 732,275 options.

Other Transactions with Directors

During the period, the Group paid $20,796 (excluding GST) to a director related entity of Mark Jones for rental of office premises. As at 30 June 2019, there is a nil balance outstanding.

The Company had an agreement with a related entity of Mark Jones and Douglas Rose, Santa Fe Minerals Limited ("Santa Fe"), to sub-lease its office premises. The Group received $8,667 (excluding GST) from Santa Fe during the period. The lease agreement was terminated in February 2019.

There were no other related party transactions during the year ended 30 June 2019.

End of remuneration report.

Indemnification and insurance of Directors and Officers

The Group currently has Directors and Officers insurance. The Group 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 Group 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 Group, 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 Group 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

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Group with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 15 and forms part of this Directors' Report for the year ended 30 June 2019.

DIRECTORS' REPORT

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 16 to the consolidated financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Legal Proceedings

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

Corporate governance statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, the Company and its controlled entities have adopted the third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 March 2015 and became effective for financial years beginning on or after 1 July 2015.

The Group's Corporate Governance Statement for the financial year ended 30 June 2019 is dated as at 18 September 2019 and was approved by the Board on that date.

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

Mark Jones
Date: 23 September 2019

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Oakajee Corporation Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of 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
23 September 2019

L Di Giallonardo
Partner

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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 2019, the Board 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 18 September 2019 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 4 Directors who are male and a Company Secretary who is female. At the date of this Statement, there are no other permanent 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 Company undertakes a performance evaluation of the Board at least annually. The Company utilised a combination of both individual feedback and performance questionnaires during the 2019 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 2019 financial year. The Board currently comprises 4 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	3
Relevant industry (resources, mining, exploration) experience	4
Experience and capability in corporate finance, business analysis and financial forecasting	3
Development and implementation of corporate strategy	2

Corporate Governance Statement

The Board currently comprises 4 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. Two Directors, Mr Gary Watson and Mr Doug Rose, are 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 not act against 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 2019 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.

Corporate Governance Statement

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.

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 2019 financial year, however risk related discussions occurred from time to time during the year as required.

Recommendation 7.2
During the 2019 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.

<u>Recommendation 8.2</u>
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.

<u>Recommendation 8.3</u>
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.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $	Parent 2018 $
Revenue			
Interest income		11,510	12,354
Gain on sale of listed investments		-	197,383
Expenses			
Administrative expenses	2	449,813	144,811
Employee benefit expenses	2	188,870	177,593
Exploration expenditure		21,067	-
Share-based payment expenses		8,000	-
Depreciation expense		107	258
Travel expenses		34,232	11,498
Loss before income tax		**(690,579)**	**(124,423)**
Income tax benefit	4	18,614	74,211
Net loss after tax		**(671,965)**	**(50,212)**
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 will not be reclassified subsequently to profit or loss			
Net fair value gain/(loss) on fair value of equity investments designated at FVOCI (net of tax)		(1,346,300)	-
Income tax relating to these items	4d)	-	-
Total comprehensive income/(loss) for the year		**(2,018,265)**	**1,754,298**
Basic and diluted loss per share (cents per share)	14	(1.12)	(0.10)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	Consolidated 2019 $	Parent 2018 $
Current assets			
Cash and cash equivalents	5	3,038,344	370,519
Trade and other receivables	6	31,936	3,159
Equity investments	10	1,067,000	3,560,000
Other assets	8	13,200	11,000
Total current assets		**4,150,480**	**3,944,678**
Non-current assets			
Property, plant and equipment	7	337	444
Deferred exploration and evaluation expenditure	9	135,000	-
Total non-current assets		**135,337**	**444**
Total assets		**4,285,817**	**3,945,122**
Current liabilities			
Trade and other payables	11	47,309	24,481
Provisions	12	81,871	79,717
Total current liabilities		**129,180**	**104,199**
Total liabilities		**129,180**	**104,199**
Net assets		**4,156,637**	**3,840,923**
Equity			
Issued capital	13a	9,465,148	7,131,169
Reserves	13d	(4,121,821)	2,434,689
Accumulated losses		(1,186,690)	(5,724,935)
Total equity		**4,156,637**	**3,840,923**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital	Options Reserve	Fair Value Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
Consolidated					
At 1 July 2018	**7,131,169**	**78,179**	**2,356,510**	**(5,724,935)**	**3,840,923**
Adjustment on initial application of AASB 9 (Note 10)	-	-	(4,994,000)	4,994,000	-
	7,131,169	**78,179**	**(2,637,490)**	**(730,935)**	**3,840,923**
Net loss for the period	-	-	-	(671,965)	(671,965)
Other comprehensive loss, for the period, net of income tax	-	-	(1,346,300)	-	(1,346,300)
Total comprehensive loss for the year	-	-	(1,346,300)	(671,965)	(2,018,265)
Shares issued on exercise of options	288,171	-	-	-	288,171
Shares issued during the year under public offer	2,000,000	-	-	-	2,000,000
Shares issued for asset acquisition	75,000	-	-	-	75,000
Share issue costs	(37,192)	-	-	-	(37,192)
Recognition of share-based payments	8,000	-	-	-	8,000
Transfer of fair value reserve upon disposal of investments in equity instruments designated as at FVTOCI	-	-	(216,210)	216,210	-
At 30 June 2019	**9,465,148**	**78,179**	**(4,200,000)**	**(1,186,690)**	**4,156,637**

	Issued Capital	Options Reserve	Fair Value Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
Parent					
At 1 July 2017	**7,131,169**	**78,179**	**552,000**	**(5,674,723)**	**2,086,625**
Net loss for the period	-	-	-	(50,212)	(50,212)
Other comprehensive income, for the period, net of income tax	-	-	1,804,510	-	1,804,510
Total comprehensive income for the year	-	-	1,804,510	(50,212)	1,754,298
At 30 June 2018	**7,131,169**	**78,179**	**2,356,510**	**(5,724,935)**	**3,840,923**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $	Parent 2018 $
		Inflows/(Outflows)	
Cash flows from operating activities			
Payments to suppliers and employees		(699,977)	(316,661)
Interest received		11,509	12,354
Net cash flows used in operating activities	22	(688,468)	(304,307)
Cash flows from investing activities			
Proceeds from sale of shares in equity investments		2,234,984	786,709
Payments for shares in listed equity investments		(1,069,670)	(1,155,606)
Payments for acquisition of tenements	9	(60,000)	
Return of capital on available-for-sale assets held		-	495,000
Net cash flows provided by investing activities		1,105,314	126,103
Cash flows from financing activities			
Proceeds from issue of securities		2,288,171	-
Payments for issue costs		(37,192)	-
Net cash flows provided by financing activities		2,250,979	-
Net increase/(decrease) in cash and cash equivalents		2,667,825	(178,204)
Cash and cash equivalents at the beginning of the financial year		370,519	548,723
Cash and cash equivalents at end of financial year	5	**3,038,344**	**370,519**

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1. Statement of Significant Accounting Policies

The following is a summary of the material accounting policies adopted by the Group 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 consolidated financial statements incorporate the assets, liabilities and results of Oakajee Corporation Limited ('Company' or 'parent entity') and its subsidiary as at 30 June 2019.

Oakajee Exploration Pty Ltd was incorporated on 22 October 2018 as a wholly-owned subsidiary of the Company. Prior period information presented is only for the parent entity.

The Company and its subsidiary are referred to in this financial report as the Group. The financial statements of the subsidiary are prepared for the same reporting period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability in its power to affect its returns.

The Company will reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

b) Statement of Compliance

The financial report of the Group for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 20 September 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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 2019
In the year ended 30 June 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. This includes consideration of AASB 9 and AASB 15.

As a result of this review, the Group has initially applied AASB 9 from 1 July 2018. Due to the transition methods chosen by the Group in applying AASB 9, comparative information throughout the interim financial statements has not been restated to reflect the requirements of the new standard. The Directors do not consider that the requirements of AASB 15 will have a material impact.

<u>AASB 9 Financial Instruments</u>
AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and makes changes to a number of areas including classification of financial instruments, measurement, impairment of financial assets and hedge accounting model.

Financial instruments are classified as either held at amortised cost or fair value. Financial instruments are carried at amortised cost if the business model concept can be satisfied.

All equity instruments are carried at fair value and the cost exemption under AASB 139 which was used where it was not possible to reliably measure the fair value of an unlisted entity has been removed. Equity instruments which are non-derivative and not held for trading may be designated as fair value through other comprehensive income (FVOCI). The Group has elected to do this as at 1 July 2018. Previously classified available-for-sale investments, now carried at fair value, are exempt from impairment testing and gains or loss on sale are no longer recognised in profit or loss.

The AASB 9 impairment model is based on expected loss at day 1 rather than needing evidence of an incurred loss, this is likely to cause earlier recognition of bad debt expenses. Most financial instruments held at fair value are exempt from impairment testing.

The Group has applied AASB 9 with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information Accordingly, the information presented for 31 December 2017 and 30 June 2018 has not been restated. The impact on the financial performance and position of the Group from the adoption of these Accounting Standards is detailed in Note 10.

Other than the above, the Directors have determined that there is no material impact of the other new and revised Standards and Interpretations on the Group and therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted
The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2019.

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

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

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

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

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

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

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

The Group has elected not to early adopt AASB 16 but has conducted an assessment of the impact of the new standard and has determined that there is no material impact.

Interpretation 23 Uncertainty over Income Tax Treatments
This Interpretation clarifies how to apply the recognition and measurement requirements in AASB 112 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in AASB 112 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation. Interpretation 23 is effective from annual reporting periods beginning on or after 1 July 2019.

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 change is necessary to Group 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

e) Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

As at 30 June 2019, the Company has cash and cash equivalents of $3,038,344 and net operating cash outflows of $684,468 for the year ended on that date. The Company has equity investments with a market value of $1,067,000 at 30 June 2019. These equity investments represent investments in listed Australian companies which are traded on ASX. 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 as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs. Finance lease assets are depreciated over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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 CONSOLIDATED FINANCIAL STATEMENTS

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) Deferred exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

a) the rights to tenure of the area of interest are current; and
b) at least one of the following conditions is also met:
    - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
    - exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation costs, excluding the costs of acquiring tenements and permits, are expensed as incurred.

l) Deferred exploration and evaluation expenditure (continued)

Acquisition costs will be assessed on a case-by-case basis and, if appropriate, they will be capitalised. These acquisition costs are carried forward only if the rights to tenure of the area of interest are current and either:

- they are expected to be recouped through successful development and exploitation of the area of interest or;
- the activities in the area of interest at the reporting date have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest, are continuing.

Accumulated acquisition costs in relation to an abandoned area are written off in full to the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the area is made.

The carrying values of acquisition costs are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Where a decision has been made to proceed with development in respect of an area of interest the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development

m) 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%

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

n) Financial assets

Recognition and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity’s business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets that are held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

n) Financial assets (continued)

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)
Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss.

Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139. Any gains or losses recognised in other comprehensive income (OCI) are not recycled upon derecognition of the asset.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)
Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI.

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is to "hold to collect" the associated cash flows and sell financial assets; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets
AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets
The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

n) Financial assets (continued)

In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities
The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derivative financial instruments and hedge accounting
Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL) except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position. To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

o) Trade and other payables

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

Employee leave benefits
Wages, salaries, annual leave and sick leave
Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date.

They 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 are measured at the rates paid or payable.

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

p) Provisions

Provisions are recognised when the Group 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 Group 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 profit or loss and other comprehensive income net of any reimbursement. Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. 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.

q) 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.

r) 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.

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; and
- 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.

s) 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.

t) Comparative figures

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

u) Interest in joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interests a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the relevant standards and interpretations applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group’s consolidated financial statements only to the extent of other parties’ interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

2. Revenue and expenses

		Consolidated 30 June 2019 $	Parent 30 June 2018 $
a)	**Revenue and other income**		
	Interest income	11,510	12,354
	Gain on sale of listed investments	-	197,383
		11,510	209,737
b)	**Administrative expenses**		
	ASX fees	110,196	27,503
	Accounting and company secretarial fees	47,960	24,000
	Legal and professional fees	144,111	19,215
	Share registry fees	19,469	4,956
	Insurance expenses	13,929	13,233
	Office rental expenses	12,129	7,796
	Other expenses	102,019	48,108
		449,813	144,811
c)	**Employee benefits expenses**		
	Directors’ fees and salaries	170,517	145,662
	Superannuation	16,199	13,838
	Leave entitlements expense	2,154	16,993
		188,870	188,870

3. Dividends

No dividends have been paid or are proposed as at 30 June 2019. As at 30 June 2019 the Company has no franking credits available for use in future years.

4. Income tax

		Consolidated 30 June 2019 $	Parent 30 June 2018 $
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:

	Consolidated 30 June 2019 $	Parent 30 June 2018 $
Accounting loss before tax from continuing operations	690,579	124,423
Income tax benefit calculated at 30% (27.5% in prior year).	207,174	34,216
Non-deductible expenses	(13,075)	(951)
Non-assessable income	-	54,280
Recognition of previously unrecognised temporary differences	47,055	22,326
Deferred tax assets and liabilities not recognised	(1,672,706)	270,071
Income tax not recognised	1,412,938	(454,153)
Income tax benefit reported in the statement of comprehensive income	(18,614)	(74,211)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

4. Income tax (continued)

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

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

	Consolidated 30 June 2019 $	Parent 30 June 2018 $
Share revaluation reserve	(18,614)	(74,211)
Share issue costs	11,158	(1,126)
Amount not recognised	(11,158)	1,126
	(18,614)	(74,211)

c) Deferred tax balances

	Consolidated 30 June 2019 $	Parent 30 June 2018 $
Deferred tax assets comprise of:		
Losses available for offset against future taxable income	828,717	608,224
Intangible assets	6,154	-
Revaluations of equity investments	1,247,400	-
Share issue expenses	38,715	1,126
Accrued expenses and liabilities	30,349	26,999
Deferred tax assets not brought to account as realisation is not regarded as probable	(2,132,721)	(562,138)
	18,614	74,211
Deferred tax liabilities comprise of:		
Revaluations of equity investments to fair value	18,614	74,211
	18,614	74,211
Capital losses comprise of:		
Losses available for offset against future taxable income	788,624	641,193
Deferred tax assets not brought to account	(788,624)	(641,193)
	-	-

Reconciliation of deferred tax assets/(liabilities):

	Opening balance $	Charged to income $	Charged to equity $	Amounts not recognised $	Closing balance $
30 June 2019					
Equity financial assets	-	-	(18,614)	18,614	-
Intangible assets	-	6,154	-	(6,154)	-
Other assets	-	(3,960)	-	3,960	-
Tax losses carried forward	-	828,717	-	(828,717)	-
Share issue expenses	-	-	38,714	(38,714)	-
Accrued expenses and liabilities	-	30,349	-	(30,349)	-
	-	861,260	20,100	(881,360)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

4. Income tax (continued)

	Opening balance $	Charged to income $	Charged to equity $	Amounts not recognised $	Closing balance $
30 June 2018					
Equity 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)	-

The Company has tax losses arising in Australia, the tax effect of these losses is $828,717 (2018: $608,224). 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.

5. Cash and cash equivalents

	Consolidated 30 June 2019 $	**Parent 30 June 2018 $**
Cash at bank	3,038,344	370,519

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

6. Trade and other receivables

GST receivable	31,936	3,159

There are no receivables which are past due or impaired.

7. Property, plant and equipment

At cost	29,780	29,780
Accumulated depreciation	(29,443)	(29,336)
Total written down value	337	444

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		
Carrying amount at beginning of year	444	702
Additions	-	-
Depreciation expense	(107)	(258)
Total property, plant and equipment	337	444

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

8. Other assets

	Consolidated 30 June 2019 $	Parent 30 June 2018 $
Prepaid insurance	13,200	11,000

9. Deferred exploration and evaluation expenditure

Balance at beginning of period	-	-
Acquisition of tenements (i)	135,000	-
Total deferred exploration and evaluation expenditure	135,000	-

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

(i) Acquisition of Paynes Find Project
During the year, the Company completed the acquisition of a combination of exploration, prospecting and mining licences and selective mineral rights within the Paynes Find Project. Consideration for this acquisition comprised:

Cash	60,000	-
Issue of 937,500 fully paid ordinary shares at $0.08 each	75,000	-
	135,000	-

10. Financial instruments

Capital risk management
The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2018.

The capital structure of the Group consists of cash and cash equivalents, borrowings and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. None of the Group's entities are 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 general administrative outgoings.

Financial risk management objectives
The Group is exposed to, (i) market risk (which includes foreign currency exchange risk, interest rate risk, share price risk and commodity price risk), (ii) credit risk and (iii) liquidity risk.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes

Market risk
The Group's activities expose it primarily to the financial risks of changes in interest rates and share prices. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

10. Financial instruments (continued)

Interest rate risk management

The Company's exposure to risks of changes in market interest rates relates primarily to the Company cash balances. The Company constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Company has no interest bearing borrowing, its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits.

30 June 2019	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	3,038,344	-	3,038,344	1
Trade and other receivables	<1 year	-	31,936	31,936	-
Other financial assets	<1 year	-	13,200	13,200	-
FVOCI investments	>1 year	-	1,067,000	1,067,000	-
Total financial assets		**3,038,344**	**1,112,136**	**4,150,480**	
Financial liabilities					
Trade creditors and other payables	<1 year	-	47,309	47,309	-
Provisions	<1 year	-	81,871	81,871	-
Total financial liabilities		**-**	**129,180**	**129,180**	

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	-
FVOCI 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	<1 year	-	24,482	24,482	-
Provisions	<1 year	-	79,717	79,717	-
Total financial liabilities		**-**	**104,199**	**104,199**	

Interest rate risk sensitivity analysis

Exposure arises predominantly from assets and liabilities bearing variable interest rates as the Company intends to hold fixed rate assets and liabilities to maturity. Interest rate risk is considered immaterial.

10. Financial instruments (continued)

Credit risk management
Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The group is exposed to credit risk from financial assets including cash and cash equivalents held at banks and trade and other receivables.

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 allowance for losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Liquidity risk management
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 Group's short, medium and long-term funding and liquidity management requirements.

The Group 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.

Equity price risks
The Group is exposed to equity price risks arising from equity investment assets. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments. All of the Group's investments are publicly traded. The Group's exposure to equity price risks at balance date is not material and no sensitivity analysis has been performed.

Fair value measurement
The fair value of financial assets and financial liabilities for investment not measured at fair value on a recurring basis, approximates their carrying value at balance date. Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observe ability of significant inputs to the measurement, as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at 30 June 2019 and 30 June 2018:

	30 June 2019 Fair value $	30 June 2018 Fair value $	Fair value hierarchy	Valuation technique
Equity investments designated FVOCI	1,067,000	3,560,000	Level 1	Quoted market prices in an active market

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

10. Financial instruments (continued)

The Directors consider that the carrying amounts of current receivables and current payables are a reasonable approximation of their fair values. Movement in equity investments designated at FVOCI:

	Consolidated 30 June 2019 $	Parent 30 June 2018 $
Opening balance	3,560,000	1,610,000
Additions	1,069,670	1,155,605
Fair value movement through OCI	(1,346,300)	1,804,510
Deferred tax on revaluation	18,614	74,211
Disposals	(2,234,984)	(786,709)
Gain on sale	-	197,383
Return of capital	-	(495,000)
	1,067,000	3,560,000

Impairment expenses recognised in profit and loss in earlier periods have been adjusted on initial application by transferring from accumulated losses to the fair value reserve as follows:

	Accumulated losses $	Fair value reserve $
Prior recognition of impairment of equity investments	4,994,000	(4,994,000)

11. Trade and other payables

	Consolidated 30 June 2019 $	Parent 30 June 2018 $
Accruals	15,000	22,889
Trade creditors	17,192	1,592
Other expenses	15,117	-
	47,309	24,481

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

12. Provisions

Employee benefits	81,871	79,717

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

13. Issued capital and reserves

	30 June 2019 $	30 June 2018 $
(a) Issued and paid up capital		
91,446,030 (2018: 51,000,000) ordinary shares fully paid	9,465,147	7,131,169

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

13. Issued capital and reserves (continued)

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

	2019		2018	
	No. of shares	**$**	**No. of shares**	**$**
Opening balance	51,000,000	7,131,169	51,000,000	7,131,169
Issue of shares in public offer	25,000,000	2,000,000	-	-
Issue of shares on exercise of unlisted options	14,408,530	288,171	-	-
Issue of shares to consultants	100,000	8,000	-	-
Issue of shares for asset acquisition	937,500	75,000	-	-
Less: capital raising costs	-	(37,193)	-	-
Closing balance	91,446,030	9,465,147	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

	Consolidated 30 June 2019 $	Parent 30 June 2018 $
Fair value reserve		
Opening balance	2,356,510	552,000
Prior recognition of impairment of equity investments	(4,994,000)	-
Equity investments at FVOCI – net change in fair value	(1,346,300)	1,804,510
Transfer on disposal of investments of equity investments at FVOCI	(216,210)	-
Closing balance	4,200,000	2,356,510

The fair value reserve comprises the cumulative net change in the fair value of equity securities designated at FVTOCI (2018: available-for-sale financial assets). Impairment expenses totalling $4,994,000 recognised in profit and loss in earlier periods have been adjusted on initial application by transferring from accumulated losses to the fair value reserve.

Options Reserve

The options reserve comprises the amount paid for 17,000,000 share options issued by the Company on 28 February 2019.

14. Earnings per share

Basic loss per share (cents)	(1.12)	(0.10)
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	58,142,593	51,000,000
Loss used in the calculation of basic loss per share	(671,965)	(50,212)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15. Key management personnel disclosures

(a) Details of key management personnel during the year ended 30 June 2019

Directors

Mark Jones (Managing Director)	Gary Watson (Non-Executive Director)
Garry Thomas (Non-Executive Director)	Douglas Rose (Non-Executive Director)

(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:

	Consolidated 30 June 2019 $	**Parent 30 June 2018 $**
Short-term employee benefits	170,517	145,662
Post-employment benefits	16,199	13,838
Total	186,716	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 2019, there is a nil balance outstanding.

Oakajee had an agreement with a related entity of Mark Jones and Douglas Rose, Santa Fe Minerals Limited ("Santa Fe"), to sub-lease its office premises. The Company received $8,667 (excluding GST) from Santa Fe during the period. The lease agreement was terminated in February 2019.

There were no other related party transactions during the year ended 30 June 2019.

16. Auditor's remuneration

The auditor of Oakajee Corporation Limited is HLB Mann Judd.

	Consolidated 30 June 2019 $	**Parent 30 June 2018 $**
Amounts received or due and receivable (excluding GST) by the auditors of the Company for:		
(i) Audit or review of the financial statements	25,486	23,300
(ii) Other assurance services - independent limited assurance report for prospectus	9,000	-
	34,486	23,300

17. Significant events after balance date

Subsequent to year-end, the Group holds additional shares in listed investments purchased for $581,935.

No other matters or events have arisen since 30 June 2019 which have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

18. Segment information

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being minerals exploration and one geographical segment, namely Australia.

The revenues and results of this segment are those of the Group as a whole and are set out in the consolidated statement of profit or loss and other comprehensive income and the assets and liabilities of the Group as a whole are set out in the consolidated statement of financial position.

19. Commitments and Contingencies

Exploration commitments
The Company has certain obligations to perform minimum exploration work and to spend minimum amounts on exploration tenements. The obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Company.

Due to the nature of the Company's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or any new joint venture agreements. Expenditure may be increased when new tenements are granted.

Commitment contracted for at balance date but not recognised as liabilities are as follows:

	2019 **$**	**2018** **$**
Within one year	200,000	-

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 2019 was $20,796 (excluding GST).

20. Related party disclosures

Subsidiary Entities
The consolidated financial statements include the financial statements of Oakajee Corporation Limited and its wholly owned subsidiary Oakajee Exploration Pty Ltd which was incorporated on 22 October 2018.

Oakajee Corporation Limited is the ultimate Australian parent entity and ultimate parent of the Group. Loans made by Oakajee Corporation Limited to its wholly-owned subsidiary are contributed to meet required expenditure payable on demand and are not interest bearing.

Transactions with other Related Parties
Refer to Note 15 for details of transactions with key management personnel.

Other than disclosed in Note 15, there were no other related party transactions during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

21. Cash flow information

	Consolidated 30 June 2019 $	Parent 30 June 2018 $
Reconciliation of loss after income tax to the net cash flows from operations:		
Loss from ordinary activities after income tax	(671,965)	(50,212)
Add (less) non-cash items:		
Income tax benefit	(18,614)	(74,211)
Share-based payment expense	8,000	-
Depreciation expense	107	258
Net loss/(gain) on sale of equity investments	-	(197,383)
Changes in assets and liabilities:		
Increase/(decrease) in trade creditors and accruals	13,732	17,734
(Increase)/decrease in sundry receivables and prepayments	(19,728)	(493)
Net cash flow used in operating activities	(688,468)	(304,307)

22. Parent entity information

	30 June 2019 $	30 June 2018 $
Financial position		
Assets		
Current assets	3,069,552	384,678
Non-current assets	1,216,265	3,560,444
Total assets	**4,285,817**	**3,945,122**
Liabilities		
Current liabilities	129,180	104,199
Non-current liabilities	-	-
Total liabilities	**129,180**	**104,199**
Net assets	**4,156,637**	**3,840,923**
Equity		
Issued capital	9,465,147	7,131,169
Reserves	(4,144,921)	2,434,689
Accumulated losses	(1,163,589)	(5,724,935)
Total equity	**4,156,637**	**3,840,923**
Financial performance		
Net loss for the year	(648,864)	(50,212)
Other comprehensive income	(1,369,400)	1,804,510
Total comprehensive loss	**(2,018,264)**	**1,754,298**

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 Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date.

b) there are reasonable grounds to believe that the Group 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 2019.

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

Mark Jones
Date: 23 September 2019

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 Oakajee Corporation Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year 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 Group 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 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.

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Key Audit Matter	How our audit addressed the key audit matter
Acquisition of Paynes Find Project Note 9 of the financial report	
During the year, the Group completed the acquisition of a combination of exploration, prospecting and mining licences and selective mineral rights within the Paynes Find Project. The consideration for this acquisition comprised cash and the issue of shares to the vendors. We considered this acquisition to be a key audit matter as it was material and required judgement in relation to measurement of the consideration paid.	Our audit procedures included but were not limited to the following: - We read the acquisition agreements to understand their key terms and conditions; - We agreed the fair value of the consideration paid to supporting information; - We determined that the asset acquisition was correctly recorded in accordance with the Group's accounting policies; and - We assessed the adequacy of the Group's disclosures in the financial report with respect to the acquisition.
Accounting for equity investments Note 10 of the financial report	
The Group holds equity interests in listed companies. During the year, the Group was required to consider its accounting policy in relation to this asset in light of new accounting standard AASB 9 *Financial Instruments*. We considered this to be a key audit matter due to this item representing a significant asset to the Group and the judgements required by management in ensuring the Group complied with AASB 9.	Our audit procedures included but were not limited to the following: - We considered management's election in relation to accounting for this asset and ensured that this was in accordance with AASB 9; - We considered the valuation methodology applied to this asset with reference to readily available market data and considered impairment indicators; - We reperformed the calculations in relation to acquisitions and disposals throughout the year; - We verified that the Group had ownership of the listed investments at balance date; and - We assessed the adequacy of the Group's disclosures in the financial report relating to its equity investments.

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 Group's annual financial report for the year ended 30 June 2019, 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 Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or 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 Group'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 Group'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 Group 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 within the directors' report for the year ended 30 June 2019.

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

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
23 September 2019

SHAREHOLDER INFORMATION AT 12 SEPTEMBER 2019

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:

Holder	No. Shares	%
SUCCESS CONCEPT INVESTMENT LTD	9,513,447	10.4
MALCORA PTY LTD <C & C CENIVIVA A/C>	8,476,339	9.27
DOG MEAT PTY LTD <DM A/C>	6,400,000	7.00
STEPHEN FREDERICK SCHMEDJE + MRS CORNELIA PETRA SCHMEDJE	5,523,886	6.04
ASIAN STAR INVESTMENTS LTD	4,766,667	5.21

The names of the substantial optionholders:

Holder	No. Shares	%
MR STEPHEN FREDERICK SCHMEDJE + MRS CORNELIA PETRA SCHMEDJE	2,500,000	10.00
MALCORA PTY LTD <C & C CENIVIVA A/C>	2,000,000	8.00
SANTA FE MINERALS LIMITED	1,286,250	5.15
JEFFREY JONES PTY LTD	1,250,000	5.00
MR JEFFREY MAXWELL JONES + MRS NARI FAY JONES <TZM SUPERANNUATION FUND A/C>	1,250,000	5.00

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

There are 496 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 193 holders of listed options (OKJO). Options for ordinary shares do not carry any voting rights.

3. Distribution schedule of the number of ordinary shareholders:

Size of Holding	No. of Holders	Shares Held
1 - 1,000	12	2,480
1,001 - 5,000	25	84,396
5,001 - 10,000	82	766,353
10,001 – 100,000	280	11,250,304
100,001 and over	97	79,342,497
Total	**496**	**91,446,030**

SHAREHOLDER INFORMATION
AT 12 SEPTEMBER 2019

4. Distribution schedule of the number of optionholders:

Size of Holding	No. of Holders	Listed Options Held
1 - 1,000	0	0
1,001 - 5,000	1	5,000
5,001 - 10,000	1	10,000
10,001 – 100,000	143	5,455,000
100,001 and over	48	19,530,000
Total	**193**	**25,000,000**

5. Marketable Parcel

   There are 54 shareholders with less than a marketable parcel.

6. 20 largest holders of each class of quoted equity security

   The 20 largest shareholders of ordinary shares:

	Shareholder	No. Shares	%
1	SUCCESS CONCEPT INVESTMENT LTD	9,513,447	**10.40**
2	MALCORA PTY LTD <C & C CENIVIVA A/C>	8,476,339	**9.27**
3	DOG MEAT PTY LTD <DM A/C>	6,400,000	**7.00**
4	STEPHEN FREDERICK SCHMEDJE + MRS CORNELIA PETRA SCHMEDJE	5,523,886	**6.04**
5	ASIAN STAR INVESTMENTS LTD	4,766,667	**5.21**
6	MR GARRY WILLIAM THOMAS + MRS NANCY-LEE THOMAS <THOMAS FAMILY SUPER A/C>	4,500,000	**4.92**
7	PARABOLICA CAPITAL PTY LTD	3,129,099	**3.42**
8	FALFARO INVESTMENTS LIMITED	3,000,000	**3.28**
9	SIMDILEX PTY LTD <NSD A/C>	1,600,000	**1.75**
10	MR BJORN HERLUF JONSHAGEN + MS BEVERLEY VICKERS <B & B'S SUPER FUND A/C>	1,500,000	**1.64**
11	MRS NANCY-LEE THOMAS <THOMAS FAMILY A/C>	1,500,000	**1.64**
12	MR JEFFREY MAXWELL JONES + MRS NARI FAY JONES <TZM SUPERANNUATION FUND A/C>	1,355,561	**1.48**
13	SANTA FE MINERALS LIMITED	1,286,250	**1.41**
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,260,000	**1.38**
15	JEFFREY JONES PTY LTD	1,250,000	**1.37**
16	MR KIM MELDRUM	1,000,834	**1.09**
17	MR MARK LIPPI + MRS KELLY LIPPI	1,000,000	**1.09**
18	MR CESARE MICHAEL CENIVIVA <MARTINO FAMILY A/C>	873,334	**0.96**
19	CARDINALS INVESTMENTS PTY LTD	871,676	**0.95**
20	VASSAGO PTY LTD <ASTON A/C>	863,334	**0.94**
	Total	**59,670,427**	**65.25**

SHAREHOLDER INFORMATION
AT 12 SEPTEMBER 2019

The 20 largest optionholders of listed options (OKJO):

	Optionholder	No. Options	%
1	MR STEPHEN FREDERICK SCHMEDJE + MRS CORNELIA PETRA SCHMEDJE	2,500,000	**10.00**
2	MALCORA PTY LTD <C & C CENIVIVA A/C>	2,000,000	**8.00**
3	SANTA FE MINERALS LIMITED	1,286,250	**5.15**
4	JEFFREY JONES PTY LTD	1,250,000	**5.00**
5	MR JEFFREY MAXWELL JONES + MRS NARI FAY JONES <TZM SUPERANNUATION FUND A/C>	1,250,000	**5.00**
6	MR KIM MELDRUM	767,500	**3.07**
7	MR THOMAS MILENTIS	625,000	**2.50**
8	ZERO NOMINEES PTY LTD	625,000	**2.50**
9	MR SIMON DAVID WHITEHEAD + MRS MICHELLE MARIE WHITEHEAD <SIMI GETAWAY SUPERFUND A/C>	625,000	**2.50**
10	MRS JENNIFER MAY BASSETT + MR STUART WENDELL BASSETT <NABIACP/L S&JBASSETT S/F A/C>	625,000	**2.50**
11	MR MICHAEL ALLAN DUNSMORE + MRS MARION LOUISE DUNSMORE <DUNSMORE SUPER FUND A/C>	560,000	**2.24**
12	MR KEITH ERNEST ATKINSON + MRS JEANNE ATKINSON <ATKINSON SUPER FUND A/C>	500,000	**2.00**
13	MR MARK LIPPI + MRS KELLY LIPPI	500,000	**2.00**
14	MR GREGORY STEPHEN JOHNSON + MRS NOELENE JOAN JOHNSON <JOHNSON FAMILY S/F A/C>	400,000	**1.60**
15	MR CRAIG DOUGLAS WHITEHEAD	400,000	**1.60**
16	MRS MELANIE HUMPHRIES	340,000	**1.36**
17	MR KEAN-SENG CHAI	250,000	**1.00**
18	MR HAYDEN RAY CHARLES	250,000	**1.00**
19	RACCOLTO INVESTMENTS PTY LTD <MAPLELEAF SUPER FUND A/C>	250,000	**1.00**
20	MR FABIAN TRENT HYLAND	250,000	**1.00**
	Total	**15,253,750**	**61.02**

SHAREHOLDER INFORMATION
AT 12 SEPTEMBER 2019

C. INTERESTS IN MINING TENEMENTS AS AT THE DATE OF THIS REPORT

Western Australian Tenements - Payne's Find Gold Project

The Company and relevant parties below have formed an unincorporated joint venture for the purpose of exploration and development of the relevant part of the Paynes Find Gold Project. The Company will be manager and have control over all operations pertaining to the Paynes Find Gold Project.

The Company is the beneficial holder of the below tenements relating to the following:

- an 80% interest in the non-lithium mineral rights in respect of E59/2055 and E59/2092
- an 80% interest in E59/2312, M59/549 and P59/2075, P59/2083, P59/2085

The transfer of legal title to the tenements is yet to be completed.

Tenement	Lease Manager & Operator	Registered Holder	Location	Status
E59/2055	Oakajee Corporation Ltd[1]	Sayona Lithium Pty Ltd (100%)	WA	Granted
E59/2092	Oakajee Corporation Ltd[1]	Sayona Lithium Pty Ltd (80%) Bruce Robert Legendre (20%)	WA	Granted
E59/2312	Oakajee Corporation Ltd[2]	Bruce Robert Legendre	WA	Granted
M59/549	Oakajee Corporation Ltd[2]	Bruce Robert Legendre	WA	Granted
P59/2075	Oakajee Corporation Ltd[2]	Bruce Robert Legendre	WA	Granted
P59/2083	Oakajee Corporation Ltd[2]	Bruce Robert Legendre	WA	Granted
P59/2085	Oakajee Corporation Ltd[2]	Bruce Robert Legendre	WA	Granted

The following Exploration Licence Application was lodged on 3 September 2019.

Tenement	Lease Manager & Operator	Registered Holder	Location	Status
E59/2391	Oakajee Corporation Ltd	Oakajee Corporation Ltd (100%)	WA	Application

Northern Territory Tenements - Birrindudu Nickel Project

Tenement	Lease Manager & Operator	Registered Holder	Location	Status
EL32051	Oakajee Corporation Ltd	Oakajee Exploration Pty Ltd	NT	Granted
EL32052	Oakajee Corporation Ltd	Oakajee Exploration Pty Ltd	NT	Granted

Oakajee Exploration Pty Ltd is a wholly owned subsidiary of Oakajee Corporation Limited.

SHAREHOLDER INFORMATION
AT 12 SEPTEMBER 2019

D. 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.