



ASX Announcement
10 March 2020

Interim Financial report for the half-year ended 31 December 2019

Yandal Resources Ltd (ASX: YRL) encloses its interim financial report for the half year ended 31 December 2019.

The release of this document to the market has been authorised by the Board.

For further information please contact:

Bianca Taveira

Company Secretary

+61 8 9389 9021

yandal@yandalresources.com.au

About Yandal Resources Limited

Yandal Resources listed on the ASX in December 2018 and has a portfolio of advanced gold exploration projects in the highly prospective Yandal and Norseman-Wiluna Greenstone Belts of Western Australia.

Yandal Resources' Board has a track record of successful discovery, mine development and production.



Registered Address

Yandal Resources Limited
ACN 108 753 608 ABN 86 108 753 608

A 159 Stirling Highway
Nedlands WA 6009
P PO Box 1104
Nedlands WA 6909

Board Members

Lorry Hughes	Managing Director/CEO
Katina Law	Chair
Kelly Ross	Non-Executive Director
Bianca Taveira	Company Secretary

T	+61 8 9389 9021
E	yandal@yandalresources.com.au
W	www.yandalresources.com.au

Gold Projects

Ironstone Well (100% owned)	
Barwidgee (100% owned)	
Mt McClure (100% owned)	
Gordons (100% owned)	
Shares on Issue	66,847,975
Share Price	\$0.185
Market Cap	\$12M
ASX Code	YRL



ABN 86 108 753 608

**Interim Financial Report
for the half-year ended
31 December 2019**

Contents

Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	6
Independent Review Report	7
Directors' Declaration	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Interim Financial Statements	13

Corporate Directory

DIRECTORS

Katina Law
Non-Executive Chair

David Hughes (Lorry)
Managing Director

Kelly Ross
Non-Executive Director

COMPANY SECRETARY

Bianca Taveira

PRINCIPAL AND REGISTERED OFFICE

159 Stirling Highway
Nedlands WA 6009
Telephone: +61 8 9389 9021
Facsimile: +61 8 9386 9473
Email: yandal@yandalresources.com.au
Web: www.yandalresources.com.au

AUDITORS

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

SHARE REGISTRY

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

STOCK EXCHANGE LISTING

Australian Stock Exchange
Code: YRL

Directors' Report

The Directors of Yandal Resources Limited ("Yandal Resources") submit herewith the financial report for the half-year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

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

Katina Law
David Hughes (Lorry)
Kelly Ross

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

Operating Results

The operating loss of the Company for the six months amounted to \$178,347 (December 2018: Loss of \$521,285).

Review of Operations/Exploration Activity

The Company has a portfolio of advanced gold exploration projects in the highly prospective Yandal and Norseman-Wiluna Greenstone Belts of Western Australia (Figure 1). Numerous significant exploration results have been received from over 35,000m of reverse circulation ("RC"), Air-core ("AC") and auger drilling prior to and during the period which advanced several prospects including the flagship Flushing Meadows prospect.

At the Flushing Meadows prospect (Figure 2) sufficient drilling, quality assurance and quality control data was collected which culminated in the compilation of an initial Mineral Resource Estimate ("MRE"). A summary of the MRE was released on the ASX announcements platform on 24 September 2019 (Table 1).

Table 1 - September 2019 Mineral Resource Estimate Summary

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

** Refer to Yandal Resources' ASX announcement dated 25 September 2019 for full details.*

Further exploration to expand and improve the quality of the Resource within the Ironstone Well and Barwidgee projects was undertaken throughout the period with particular emphasis along strike from Flushing Meadows along the Barwidgee Shear Zone. Exploration to expand Resources and make new discoveries within the Barwidgee Shear Zone area is ongoing and will also include the historic Oblique, Quarter Moon and Flinders Park prospects in the near term (Figure 2).

In addition, early open pit mining development activities were initiated at Flushing Meadows including engineering studies, flora/fauna surveys, topographical surveys, groundwater assessment and geotechnical evaluation.

At the Mt McClure project (Figure 1) limited drilling occurred however three new mining lease applications were submitted to the Department of Mines Industry Regulation and Safety over the Success, Parmelia and Challenger historic open pits. The geological database contains significant mineralisation identified with historic drilling beneath all three pits and forward work programs are directed at compiling initial MRE's for each one.

Directors' Report

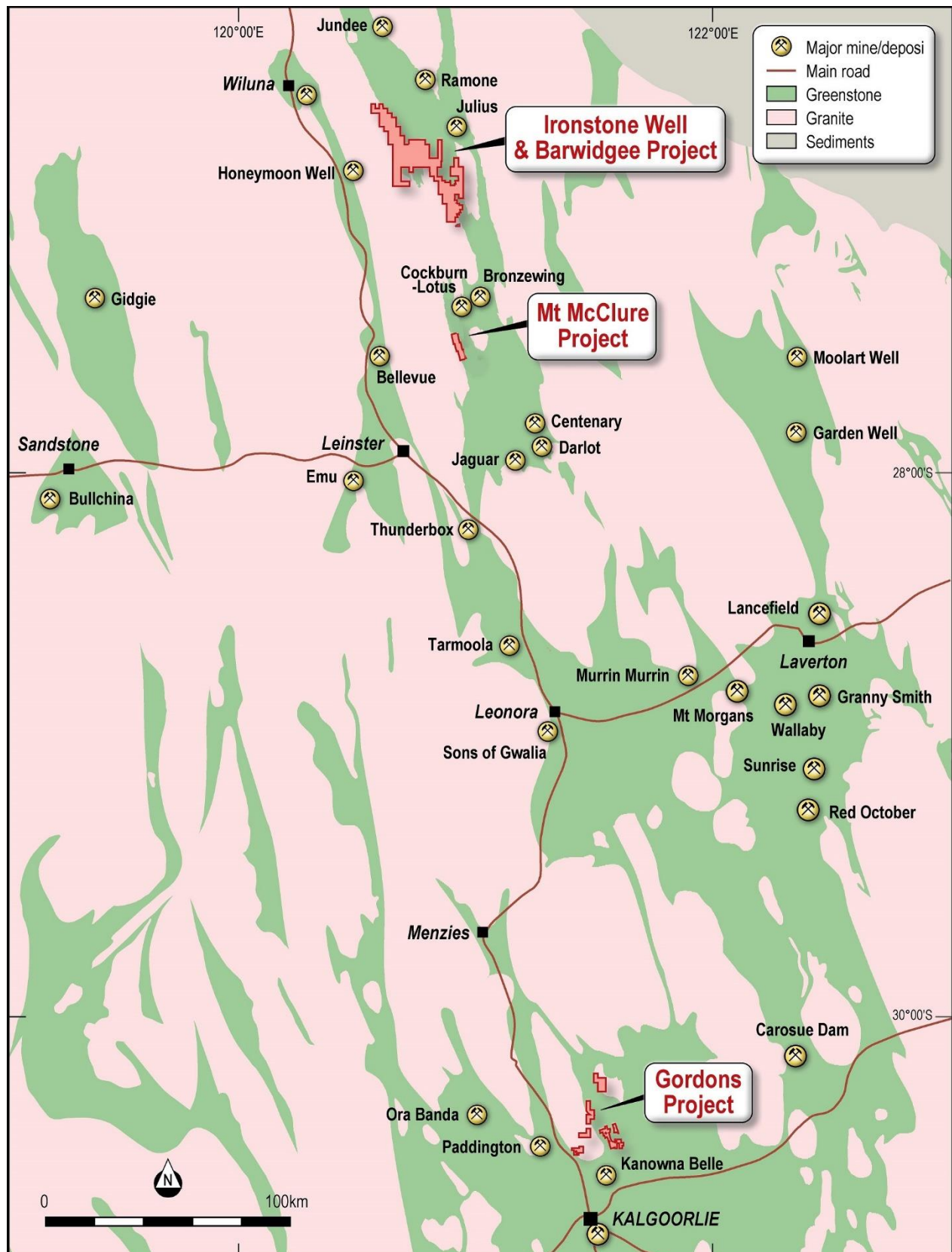


Figure 1 – Location of Yandal Resources' Ironstone Well, Barwidgee, Mt McClure and Gordons gold projects in Western Australia.

Directors' Report

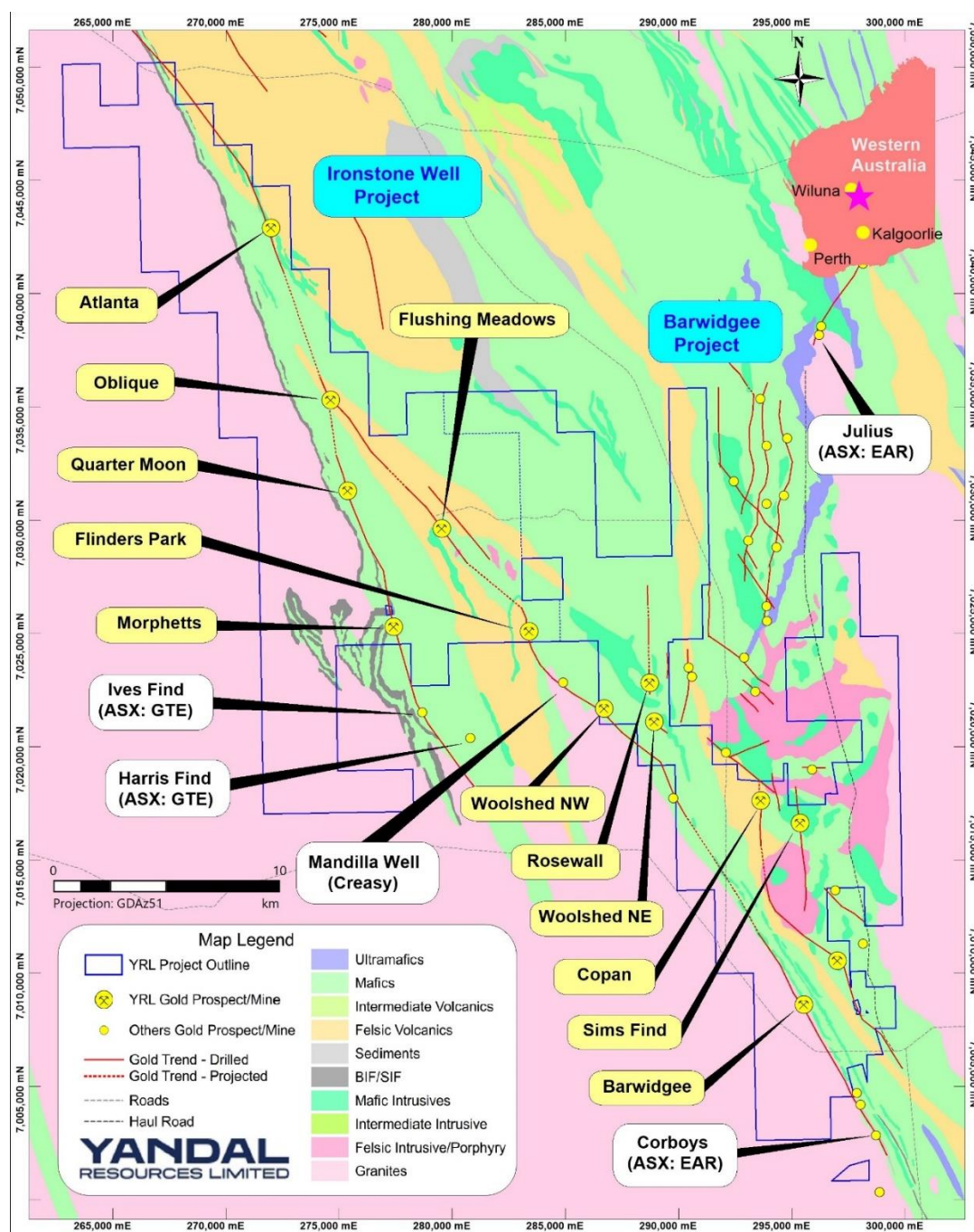


Figure 2 – Ironstone Well and Barwidgee gold project geological interpretation map including known prospects and structures.

At the Gordons gold project near Kalgoorlie (Figure 1) several significant RC and AC drilling results were returned from the Gordons Dam prospect. Gold mineralisation has been defined within shallow palaeochannel sands which sit above primary mineralisation within structurally controlled mafic and porphyry rocks.

Recent RC drilling highlights (Refer to Yandal Resources' ASX announcement dated 4 November 2019) included;

- 1m @ 15.96g/t Au within 7m @ 3.06g/t Au from 61m downhole;
- 5m @ 2.61g/t Au within 11m @ 1.40g/t Au from 49m downhole; and
- 1m @ 4.70g/t Au from 98m downhole and 2m @ 2.33g/t Au from 121m downhole.

Directors' Report

Gold mineralisation has been intersected in drilling within primary rocks extending over an area of >300m diameter and further drilling at depth and along strike is planned as a priority in 2020.

During the period, the Company successfully raised \$2.94 million before costs via a Non-Renounceable Rights Issue and Shortfall Placement to shareholders and sophisticated investors (Refer to Yandal Resources' ASX announcements dated 20 June, 23 July and 16 August 2019). The Rights Issue was pursuant to a Prospectus released on the ASX announcements platform on 20 June 2019.

Other than the matters above, there were no significant changes in the state of affairs of the Company during the period.

Competent Person Statement

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

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

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

Subsequent Events

In the opinion of the Directors of the Company, there are no other matters or circumstances that have arisen since 31 December 2019 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial periods.

Dividends Paid or Recommended

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

Auditor's Independence Declaration

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

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

On behalf of the Directors

Mr Lorry Hughes
Director

10 March 2020

Auditor's Independence Declaration



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

The Directors
Yandal Resources Ltd
159 Stirling Highway
Nedlands WA 6009

Dear Directors

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

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2019 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham R Swan FCA (Lead auditor)

Rothsay Auditing

Dated 10 March 2020



Liability limited by a scheme approved under Professional Standards Legislation

Independent Review Report



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

Independent Review Report to the Members of Yandal Resources Ltd

The financial report and directors' responsibility

The interim financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Yandal Resources Ltd for the half year ended 31 December 2019.

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

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the financial position as at 31 December 2019 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Yandal Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- giving a true and fair view of the financial position as at 31 December 2019 and of the performance for the half year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay Auditing

Graham R Swan FCA
Partner

Dated 10 March 2020



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Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes set out on pages 9 to 16 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its performance, as represented by the results of its operations and its cash flow, for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Mr Lorry Hughes
Director

Date: 10 March 2020

Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2019

	NOTE	Half-year ended 31 Dec 2019 \$	Half-year ended 31 Dec 2018 \$
Continuing Operations			
Interest income		37,969	5,292
Other income		-	24,641
Total Revenue from Continuing Operations		37,969	29,933
Employee and contractors expenses		(52,469)	(21,900)
Occupancy expenses		(12,712)	(12,572)
Administration expenses		(77,213)	(26,211)
Consultants expenses and professional costs		(49,583)	(47,823)
Travel expenses		(4,402)	(12,492)
Exploration expenses		(14,322)	(11,270)
Depreciation		(5,615)	-
Share based payments	5(b)	-	(418,950)
Loss from continuing operations before income tax		(178,347)	(521,285)
Income tax (expense)/benefit		-	-
Loss from continuing operations after income tax for the period		(178,347)	(521,285)
Other comprehensive income for the period			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period		-	-
Total comprehensive loss for the period attributable to owners of Yandal Resources Limited		(178,347)	(521,285)
Basic loss (cents per share)		(0.27) cents	(2.00) cents

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

Statement of Financial Position as at 31 December 2019

	NOTE	31 Dec 2019 \$	30 Jun 2019 \$
Current Assets			
Cash and cash equivalents	2	4,735,452	3,545,670
Trade and other receivables		84,451	65,589
Other assets		20,681	5,968
Total Current Assets		4,840,584	3,617,227
Non-Current Assets			
Capitalised exploration & evaluation expenditure costs	3	3,504,329	2,207,224
Property, plant and equipment		21,273	24,340
Total Non-Current Assets		3,525,602	2,231,564
Total Assets		8,366,186	5,848,791
Current Liabilities			
Trade and other payables		99,585	277,162
Total Current Liabilities		99,585	277,162
Total Liabilities		99,585	277,162
Net Assets		8,266,601	5,571,629
Equity			
Issued capital	4	8,567,958	5,694,639
Reserves	5(b)/ 5(c)	599,750	599,750
Accumulated losses		(901,107)	(722,760)
Total Equity		8,266,601	5,571,629

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

Statement of Changes in Equity for the half-year ended 31 December 2019

	Attributable to equity holders			
	Ordinary Shares \$	Option Issue Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2019	5,694,639	599,750	(722,760)	5,571,629
Comprehensive income for the half-year				
Loss for the half-year	-	-	(178,347)	(178,347)
Total comprehensive loss for the half-year	-	-	(178,347)	(178,347)
Transactions with owners in their capacity as owners:				
Issue of shares and options during the period	2,941,319	-	-	2,941,319
Share issue costs	(68,000)	-	-	(68,000)
Balance at 31 December 2019	8,567,958	599,750	(901,107)	8,266,601

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

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

Statement of Cash Flows for the half-year ended 31 December 2019

	Half-year ended 31 Dec 2019 \$	Half-year ended 31 Dec 2018 \$
Cash flows from operating activities		
Payments to suppliers and employees	(299,328)	(146,560)
Interest received	37,364	1,927
Net cash used in operating activities	(261,964)	(144,633)
Cash flows from investing activities		
Exploration and evaluation expenditure	(1,419,025)	(281,008)
Payments for acquisition of tenements	-	(60,000)
Payments for purchase of assets	(2,548)	-
Net cash used in investing activities	(1,421,573)	(341,008)
Cash flows from financing activities		
Proceeds from issues of ordinary shares	2,941,319	5,461,875
Share issue costs	(68,000)	(293,743)
Repayment of borrowings	-	(164,000)
Net cash provided by financing activities	2,873,319	5,004,132
Net increase/(decrease) in cash and cash equivalents	1,189,782	4,518,491
Cash and cash equivalents at the beginning of the half-year	3,545,670	52,064
Cash and cash equivalents at the end of the half-year	4,735,452	4,570,555

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

Notes to the Interim Financial Statements for the half-year ended 31 December 2019

1. Basis of Accounting and Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements. The interim financial statements were approved by the Board of Directors on 5 March 2020. The accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in its financial report for the year ended 30 June 2019.

It is also recommended that the half-year financial report be considered together with any public announcements made by Yandal Resources Limited during the half-year ended 31 December 2019 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

New accounting standards and interpretations

In the half-year ended 31 December 2019, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019.

As a result of this review, the Company has adopted AASB16 Leases from 1 July 2019.

AASB 16 replaces the existing guidance in AASB 117 Leases. For lessees, all leases other than short term leases and low value leases will be recognised on the balance sheet. The new standard is effective for annual reporting periods commencing on or after 1 January 2019. The standard will see all leases, held by a lessee, record obligations as a liability and a corresponding right of use asset, both current and non-current, for the term of the lease.

Due to the transition methods chosen by the Company in applying AASB 16, comparative information throughout the interim financial statements has not been restated to reflect the requirements of the new standards. Below is the Company's application of AASB 16 on its leases:

Lease	Impact on the Company's Financial Position or Performance
Office space	At 1 July 2019, lease term is on a month by month basis, therefore eligible for short term exemption, no impact.
Office equipment/photocopiers	At 1 July 2019, lease term is on a month by month basis, therefore eligible for short term exemption, no impact.

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

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2019. The impact on the financial statements is not expected to be material.

(a) Share Based Payments

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

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

Notes to the Interim Financial Statements for the half-year ended 31 December 2019

	31 Dec 2019 \$	30 Jun 2019 \$
2. Cash and Cash Equivalents		
Cash at bank	4,735,452	3,545,670
	4,735,452	3,545,670
3. Capitalised Exploration and Evaluation Expenditure		
Opening balance at beginning of period	2,207,224	436,743
Acquisition of tenements during the period	-	60,000
Acquisition of tenements by share based payments ¹	-	373,950
Exploration expenditure capitalised during the period	1,297,105	1,336,531
Exploration expenditure written off	-	-
Closing balance at end of period	3,504,329	2,207,224

¹ Refer to Note 5 (a) and (d)

4. Issued Capital

(a) Movements in share capital during the six months to 31 December 2019 were as follows:

	Issue Price	Fully Paid Ordinary Shares	\$
01/07/19 Opening balance		53,478,348	5,694,639
29/07/19 Rights issue	\$0.22	10,969,555	2,413,303
14/08/19 Rights issue	\$0.22	2,400,072	528,016
Share issue costs		-	(68,000)
31/12/19 Closing balance		66,847,975	8,567,958

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

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

Notes to the Interim Financial Statements for the half-year ended 31 December 2019

4. Issued Capital continued

(b) Options

As at 31 December 2019, the following unlisted options were on issue:

6,450,000¹ Unlisted options - Exercisable at 25 cents and expire on 31 December 2021

6,684,821 Unlisted options - Exercisable at 27 cents and expire on 30 June 2021

¹Of the unlisted options on issue, 5,950,000 options are escrowed for a period of 24 months from the date of listing.

Refer to Note 5 (b) and (c) for further details regarding the issue of the unlisted options.

5. Share Based Payments

(a) In September 2018, the Company issued 4,650,000 shares at \$0.075 each to vendors as consideration under the Tenement Sale Agreements.

(b) In October 2018, 4,500,000 Series A unlisted options were issued to Directors, associates and unrelated parties.

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

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

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

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

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

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

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

Notes to the Interim Financial Statements for the half-year ended 31 December 2019

5. Share Based Payments continued

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

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

- (d) In February 2019, the Company issued 120,000 shares at \$0.21 each to vendors as consideration for the acquisition of an exploration and prospecting licence.

6. Segment Information

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

7. Commitment and Contingent Liabilities

There are no known contingent liabilities at reporting date.

There are no significant changes to the Company's commitments since 30 June 2019.

8. Events Subsequent To Reporting Date

There are no matters or circumstances that have arisen since 31 December 2019 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial periods.