



**RESOURCES LIMITED**

ACN 064 121 133

**Half-Year Financial Report**

**31 December 2017**

## CORPORATE DIRECTORY

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### DIRECTORS

Justin Mannolini  
*Non-Executive Chairman*

Lindsay Dudfield  
*Managing Director*

Patricia Farr  
*Executive Director & Joint Company Secretary*

### REGISTERED OFFICE

Level 2, 9 Havelock Street  
WEST PERTH WA 6005

### POSTAL ADDRESS

PO Box 1033  
WEST PERTH WA 6872

### AUDITORS

BDO Audit (WA) Pty Ltd  
38 Station Street  
SUBIACO WA 6008

### STOCK EXCHANGE LISTING

Australian Securities Exchange Limited  
ASX Code: **JRL**  
The home exchange is Perth

### CONTACT DETAILS

Website: [www.jindalee.net](http://www.jindalee.net)

Email: [enquiry@jindalee.net](mailto:enquiry@jindalee.net)

Telephone: + 61 8 9321 7550

Facsimile: + 61 8 9321 7950

### COMPANY SECRETARY

Ross Gregory Ledger

### BANKERS

National Australia Bank Limited  
100 St Georges Terrace  
PERTH WA 6000

### SHARE REGISTRY

Advanced Share Registry Pty Ltd  
Unit 2, 110 Stirling Highway  
NEDLANDS WA 6009  
Telephone: + 61 8 9389 8033

## **THE DIRECTORS' REPORT**

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Your Directors present the financial report for the Consolidated Entity consisting of Jindalee Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

### **DIRECTORS**

The names of persons who were directors of Jindalee Resources Limited during the whole of the half-year and up to the date of this report are:

Justin Mannolini *B.Com/LL (Hons), LLM (Law), GAICD.*  
Lindsay Dudfield *B.Sc.*  
Patricia Farr *GradCertProfAcc. GradDipACG, GAICD, AGIA/ACIS.*

### **OPERATIONS AND FINANCIAL REVIEW**

The principal activity of the Consolidated Entity ("Group") is mineral exploration. The Group wholly owns tenements in Western Australia prospective for gold, base metals, diamonds and uranium, Tasmania for magnesite and holds interests in iron ore and gold through joint ventures where the Group's interests are free carried to completion of a Bankable Feasibility Study. The Group also has indirect interests in uranium, gold and base metals through investee companies.

In line with the Group's business strategy, management divested several non-core tenements in the Pilbara region of Western Australia to Hardrock Resources for a cash payment of \$100,000. The Group also evaluated numerous advanced projects in both Australia and overseas, with a view to securing an opportunity capable of growing the Group and creating wealth for shareholders. The acquisition of a transforming project continues to be the Group's primary focus.

The Consolidated Entity incurred an operating loss after income tax for the half-year ended 31 December 2017 of \$652,097 (half-year ended 31 December 2016: operating loss after income tax of \$450,841). The Directors believe the Group is in a strong financial position to continue its exploration endeavours.

### **EVENTS OCCURRING AFTER REPORTING PERIOD**

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial periods.

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12 of this half-year report.

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



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LINDSAY DUDFIELD  
Managing Director  
PERTH  
28 February 2018


## DIRECTORS' DECLARATION

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In the opinion of the Directors of Jindalee Resources Limited:

- a) the consolidated financial statements, and notes set out on pages 4 to 11, are in accordance with the *Corporations Act 2001*, including:
  - i) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
  - ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

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

  
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LINDSAY DUDGEFIELD  
Managing Director

PERTH  
28 February 2018

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

### For the half-year ended 31 December 2017

	Notes	31 December 2017 \$	31 December 2016 \$
Revenue from continuing operations		36,957	54,651
Other income	3	109,136	6,306
Employee benefits expenses		(119,631)	(84,131)
Depreciation expense		(8,404)	(2,364)
Exploration expenditure		(145,219)	(220,724)
Tenancy and operating		(56,139)	(43,937)
Impairment of exploration and evaluation assets	5	(19,095)	(60,938)
Other administration expenses		(80,916)	(57,051)
Share-based payments	6	(330,546)	-
Corporate regulatory expenses		(38,240)	(42,653)
<b>Loss before income tax</b>		<b>(652,097)</b>	<b>(450,841)</b>
Income tax benefit		-	-
<b>Loss for the half-year after tax</b>		<b>(652,097)</b>	<b>(450,841)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss:</i>			
<b>Other comprehensive income for the period</b>		<b>(53,000)</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(705,097)</b>	<b>(450,841)</b>
<b>Loss per share attributable to the members of Jindalee Resources Ltd:</b>			
Basic loss per share (cents per share)	4	(1.87)	(1.29)
Diluted loss per share (cents per share)		(1.87)	(1.29)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

As at 31 December 2017

	Notes	31 December 2017 \$	30 June 2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,943,040	3,282,998
Trade and other receivables		49,530	67,589
<b>TOTAL CURRENT ASSETS</b>		<u>2,992,570</u>	<u>3,335,587</u>
<b>NON CURRENT ASSETS</b>			
Available for sale financial assets		1,932,841	1,985,841
Other receivables		57,021	138,413
Property, plant and equipment		38,077	36,299
Exploration and evaluation assets	5	225,196	134,707
<b>TOTAL NON CURRENT ASSETS</b>		<u>2,253,135</u>	<u>2,295,260</u>
<b>TOTAL ASSETS</b>		<u>5,245,705</u>	<u>5,645,847</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		21,566	45,998
Dividend payable		73,485	73,485
Provision for annual leave		7,578	8,737
<b>TOTAL LIABILITIES</b>		<u>102,629</u>	<u>128,220</u>
<b>NET ASSETS</b>		<u>5,143,076</u>	<u>5,517,627</u>
<b>EQUITY</b>			
Contributed equity		7,227,254	7,227,254
Accumulated losses		(4,461,589)	(3,809,492)
Reserves		2,377,411	2,099,865
<b>TOTAL EQUITY</b>		<u>5,143,076</u>	<u>5,517,627</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

For the half-year ended 31 December 2017

	31 December 2017 \$	31 December 2016 \$
<b>Cash flows from operating activities</b>		
Payments in the course of operations	(433,136)	(443,441)
Interest received	41,174	56,655
<b>Net cash outflow from operating activities</b>	<b>(391,962)</b>	<b>(386,786)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(10,182)	(22)
Proceeds from sale of tenements	90,377	-
Payments for exploration and evaluation	(109,584)	-
Refund of bond	81,393	-
<b>Net cash inflow/(outflow) from investing activities</b>	<b>52,004</b>	<b>(22)</b>
<b>Cash flows from financing activities</b>		
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents held</b>	<b>(339,958)</b>	<b>(386,808)</b>
Cash and cash equivalents at the beginning of reporting period	3,282,998	4,171,556
<b>Cash and cash equivalents at the end of reporting period</b>	<b>2,943,040</b>	<b>3,784,748</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2017

	Contributed equity	Share-based payment reserve	Available for sale investments revaluation reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
At 1 July 2017	7,227,254	1,969,774	130,091	(3,809,492)	5,517,627
<i>Total comprehensive income for the half-year:</i>					
Loss for the half-year	-	-	-	(652,097)	(652,097)
<i>Other comprehensive income:</i>					
Revaluation of investments	-	-	(53,000)	-	(53,000)
Total comprehensive income/(loss) for the half-year	-	-	(53,000)	(652,097)	(705,097)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	330,546	-	-	330,546
<b>At 31 December 2017</b>	<b>7,227,254</b>	<b>2,300,320</b>	<b>77,091</b>	<b>(4,461,589)</b>	<b>5,143,076</b>
At 1 July 2016	7,227,254	1,969,774	2,700	(3,424,196)	5,775,532
<i>Total comprehensive income for the half-year:</i>					
Loss for the half-year	-	-	-	(450,841)	(450,841)
<i>Other comprehensive income:</i>					
Total comprehensive income/(loss) for the half-year	-	-	-	(450,841)	(450,841)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	-	-	-	-
<b>At 31 December 2016</b>	<b>7,227,254</b>	<b>1,969,774</b>	<b>2,700</b>	<b>(3,875,037)</b>	<b>5,324,691</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



## Notes to the Consolidated Financial Statements

### 1. Significant Accounting policies

#### **Basis of preparation of the half-year financial report**

This interim general purpose financial report for the half-year reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-yearly financial report does not include all the notes of the type normally included in the annual financial statements and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as full financial statements. Accordingly, this half-year financial report is to be read in conjunction with the annual financial statements for the year ended 30 June 2017 and any public announcements made by Jindalee Resources Limited during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The half-year financial report has been prepared on an historical cost basis, except where stated. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

#### **New or revised Standards and Interpretations that are first effective in the current reporting period**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. None of the new and revised standards and interpretations adopted during the period had a material impact nor did they result in any changes to the Group's presentation of, or disclosure in, its half-year financial report.

#### **New Accounting Standards for application in future periods**

There are no new and revised Standards and amendments thereof and Interpretations effective for future reporting periods issued during the current report period that are relevant to the Group.

## Notes to the Consolidated Financial Statements

**2. Segment Information**

Management has determined that the Group has one reportable segment, being mineral exploration in Australia. As the Group is focused on mineral exploration, the Board periodically monitors the Group based on actual versus budgeted exploration expenditure incurred on the Group as a whole. This internal reporting framework is most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration programmes and activities, while also taking into consideration the results of exploration work that has been performed to date. The reportable segment is represented by the primary statements forming this financial report.

**3. Other Income**

	<b>31 December 2017</b>	<b>31 December 2016</b>
	\$	\$
Sale of tenements	90,377	-
Other	18,759	6,306
	<u>109,136</u>	<u>6,306</u>

**4. Loss Per Share**

	<b>31 December 2017</b>	<b>31 December 2016</b>
	\$	\$
Loss used in calculation of earnings per share	<u>(652,097)</u>	<u>(450,841)</u>
Basic loss per share (cents per share)	(1.87)	(1.29)
Diluted loss per share (cents per share)	(1.87)	(1.29)
Weighted average number of ordinary shares used as the denominator in calculating loss per share	<u>34,894,775</u>	<u>34,894,775</u>

**5. Exploration and Evaluation Assets**

	<b>31 December 2017</b>	<b>30 June 2017</b>
	\$	\$
Exploration and evaluation assets	<u>225,196</u>	<u>134,707</u>
Balance at the beginning of the half-year	134,707	
Exploration expenditure incurred	109,584	
Impairment of exploration and evaluation assets	<u>(19,095)</u>	
Balance at the end of the year	<u>225,196</u>	

During the half-year ended 31 December 2017, a total of \$19,095 (31 December 2016: \$60,938) has been taken as an impairment of the Group's exploration and evaluation assets and has been recognised as an 'impairment of exploration and evaluation assets' expense in the statement of profit or loss and other comprehensive income.

The ultimate recoupment of costs carried forward is dependent on the successful development and commercial exploitation or sale of the areas of interest.

## Notes to the Consolidated Financial Statements

### 6. Share-based Payment Transactions

Pursuant to the Company's Employee Share Option Plan, on 22 August 2017 the Board resolved to issue 400,000 unlisted options to employees of the Company. The unlisted options are exercisable at \$0.40 and expire on 30 June 2022.

Shareholders approved the issue of the following options to Directors and an Executive of the Company at the Company's Annual General Meeting held on 22 November 2017.

Director, Executive	Grant Date	Expiry Date	Exercise Price	Number Granted	Vesting Date
J Mannolini	22 November 2017	30 June 2022	\$0.40	500,000	22 November 2017
L Dudfield	22 November 2017	30 June 2022	\$0.40	1,000,000	22 November 2017
P Farr	22 November 2017	30 June 2022	\$0.40	500,000	22 November 2017
P Darvall	22 November 2017	30 June 2022	\$0.40	1,500,000	30 June 2018
P Darvall	22 November 2017	30 June 2022	\$0.50	1,500,000	30 June 2019
P Darvall	22 November 2017	30 June 2022	\$0.60	1,500,000	30 June 2020

#### Fair Value of Share Options and Assumptions

The fair value of services received in return for share options granted to Employees, Directors and an Executive is measured by reference to the fair value of options granted. The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology. This life of the options and early exercise option are built into the option model.

The assumptions used for the options valuation are as follows:

Grant Date	22 Aug 17	22 Nov 17	22 Nov 17	22 Nov 17	22 Nov 17
Exercise Price	\$0.40	\$0.40	\$0.50	\$0.60	\$0.40
Expected Life	4.8 yrs	4.6 yrs	4.6 yrs	4.6 yrs	4.6 yrs
Share Price at Time of Issue	\$0.18	\$0.25	\$0.25	\$0.25	\$0.25
Expected Volatility	65%	65%	65%	65%	65%
Dividend Yield	0%	0%	0%	0%	0%
Risk Free Interest Rate	2.20%	2.14%	2.14%	2.14%	2.14%
Option Value	\$0.065	\$0.106	\$0.093	\$0.082	\$0.106
Total value	\$26,076	\$57,892	\$22,101	\$12,546	\$211,929

As a result of the options issued, a share-based payment expense of \$330,546 has been recognised in the statement of profit or loss, reflecting the fair value of the options over the respective vesting periods.

### 7. Related Party Transactions

On 25 September 2017 the Company announced the appointment of Mr Pip Darvall as Chief Executive Officer, effective 10 October 2017.

The terms of Mr Darvall's appointment include a base salary of \$220,000, exclusive of statutory superannuation and a total of 4,500,000 unlisted options with various vesting, exercise and expiry dates (refer to Note 6 for further details). Mr Darvall's contract has no fixed term and in the event of termination without cause the Company is required to give Mr Darvall three months' notice.

## Notes to the Consolidated Financial Statements

### 8. Contingencies and Commitments

There has been no change in contingent liabilities, contingent assets or commitments since the last annual reporting date, 30 June 2017.

### 9. Fair Value Measurements of Financial Instruments

The carrying values of financial assets and liabilities of the Group approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and / or disclosure purposes.

#### *Fair value hierarchy*

The Group classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The table following analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined 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 (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).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>31 December 2017</b>				
Available-for-sale financial asset	1,932,841	-	-	1,932,841
<b>Total as at 31 December 2017</b>	<b>1,932,841</b>	<b>-</b>	<b>-</b>	<b>1,932,841</b>
<b>30 June 2017</b>				
Available-for-sale financial asset	1,985,841	-	-	1,985,841
<b>Total as at 30 June 2017</b>	<b>1,985,841</b>	<b>-</b>	<b>-</b>	<b>1,985,841</b>

Due to their short-term nature, the carrying amount of the current receivables and current payables is assumed to approximate their fair value.

### 10. Dividends

No dividends have been paid or provided for during the half-year (30 June 2017: nil).

### 11. Events Occurring After Reporting Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial periods.

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF JINDALEE RESOURCES LIMITED

As lead auditor for the review of Jindalee Resources Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Jindalee Resources Limited and the entities it controlled during the period.



Phillip Murdoch  
Director

BDO Audit (WA) Pty Ltd  
Perth, 28 February 2018

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Jindalee Resources Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Jindalee Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, 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 half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a 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 half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', written over a horizontal line.

Phillip Murdoch

Director

Perth, 28 February 2018