

**YANDAL RESOURCES LIMITED  
ACN 108 753 608**

**PROSPECTUS**

**For the offer of a non-renounceable pro-rata rights issue to Eligible Shareholders of approximately 13,369,587 New Shares, on the basis of 1 New Share for every 4 Shares held at an issue price of 22 cents per New Share, to raise up to approximately \$2,941,309 before costs and approximately 6,684,793 New Options on the basis of 1 free attaching New Option for every 2 New Shares issued, with each New Option having an exercise price of 27 cents and an expiry date of 30 June 2021**

**IMPORTANT NOTICE**

This document is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. This Prospectus contains important information about the Offer. You should read the entire document including the Entitlement and Acceptance Form. If after reading this Prospectus you have any questions about the Offer or this Prospectus, you should speak to your professional adviser.

The New Shares and New Options offered by this Prospectus should be considered highly speculative.

## **IMPORTANT NOTICE**

This Prospectus is dated 20 June 2019 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Certain terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Glossary. In this Prospectus, the words "we", "our" and "us" refer to the Company. The words "you" or "your" refer to Shareholders.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application for quotation of the New Shares will be made to ASX within 7 days after the date of this Prospectus.

We are an ASX listed company whose securities are granted official quotation by ASX. In preparing this Prospectus regard has been had to the fact that we are a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult.

No person is authorised to give any information or to make any representations in connection with this Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Directors or by us.

### **Restrictions on distribution**

The Offer is made in Australia and New Zealand only. This Prospectus does not constitute an Offer in any overseas jurisdiction where it would be unlawful to make the Offer. You must ensure compliance with all laws of any country relevant to your Application. We will take the return of a duly completed Entitlement and Acceptance Form as a representation by you that there has been no breach of any laws and that you are an Eligible Shareholder.

The Corporations Act prohibits any person passing on to another person an application form unless it is accompanied by or included in a hard copy, or the complete and unaltered electronic version of this Prospectus. Please contact us if you wish to obtain a hard copy of this Prospectus free of charge.

A copy of this Prospectus can be downloaded from our website at [www.yandalresources.com.au](http://www.yandalresources.com.au). If you access the electronic version of this Prospectus you should ensure that you download and read the entire Prospectus. The electronic version of this Prospectus is only available to Australian residents.

## **CORPORATE DIRECTORY**

### **DIRECTORS**

Ms Katina Law (Non-Executive Chair)  
Mr David (Lorry) Hughes (Managing Director)  
Ms Kelly Ross (Non-Executive Director)

### **COMPANY SECRETARY**

Mrs Bianca Taveira

### **BUSINESS OFFICE**

159 Stirling Highway  
Nedlands Western Australia 6009

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Website: [www.yandalresources.com.au](http://www.yandalresources.com.au)

### **SOLICITORS**

Fairweather Corporate Lawyers  
595 Stirling Highway  
Cottesloe, Western Australia, 6011

### **LEAD MANAGER**

Panthea Capital Pty Ltd  
Level 7, 92 Pitt Street  
Sydney, New South Wales, 2000

Email: [info@pantheacapital.com.au](mailto:info@pantheacapital.com.au)  
Website: [www.pantheacapital.com.au](http://www.pantheacapital.com.au)

### **SHARE REGISTRY \***

Boardroom Pty Limited  
Level 12  
225 George Street  
Sydney, New South Wales, 2000

Telephone: 1300 737 760 (within Australia)  
Facsimile: +61 2 9279 0664

\* The name of the Share Registry is included for information purposes only. It has not been involved in the preparation of any part of this Prospectus and has not consented to being named in the Prospectus.

## TIMETABLE

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Prospectus lodged with ASIC and ASX	20 June 2019
"Ex" date (date from which Shares trade on ASX without the entitlement to participate in the Offer)	25 June 2019
Record Date (to determine eligibility of Shareholders to participate in the Offer)	26 June 2019
Anticipated despatch of Prospectus and Entitlement and Acceptance Forms to Eligible Shareholders	1 July 2019
Closing Date	22 July 2019
Issue date	29 July 2019
New Shares commence normal trading on ASX	30 July 2019

Please note that these dates are subject to change. We reserve the right, subject to the Corporations Act and the Listing Rules to amend the timetable at any time, and in particular, to extend the Closing Date or to withdraw the Offer without prior notice.

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## 1. INVESTMENT OVERVIEW

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Question	Response	Where to find more information
What is the Offer?	<p>We are offering to issue New Shares and New Options to Eligible Shareholders by a non-renounceable rights issue.</p> <p>Under the Rights Issue, Eligible Shareholders may subscribe for 1 New Share for every 4 Shares held on the Record Date. Each Eligible Shareholder will also be entitled to 1 free New Option for every 2 New Shares subscribed for under the Prospectus. Application will be made for quotation of the New Shares. No application will be made for quotation of the New Options.</p>	Section 2.1
What is the Issue Price for the New Shares?	The Issue Price is 22 cents per New Share.	Section 2.1
What are the terms of the New Options?	The New Options have an exercise price of 27 cents and an expiry date of 30 June 2021. The full terms of the New Options are set out in Section 6.2.	Section 6.2
Who is an Eligible Shareholder?	<p>The Offer is made to Eligible Shareholders only.</p> <p>An Eligible Shareholder is a Shareholder with a registered address in Australia or New Zealand at the Record Date.</p>	Section 5.1
How many New Securities will be issued?	The maximum number of securities that may be issued under the Offer is 13,369,587 New Shares and 6,684,793 New Options.	Section 2.1
What is the amount that will be raised under the Offer?	<p>At the date of this Prospectus the maximum amount that may be raised under the Offer is \$2,941,309.</p> <p>The actual amount of funds that will be raised under the Offer is not known as it depends upon Eligible Shareholders take-up of the Offer and the placing of subsequent Shortfall.</p>	Section 2.1

Question	Response	Where to find more information						
What is the purpose of the Offer?	<p>The Company raised \$5,000,000 (before costs) under its IPO Prospectus and listed on ASX on 14 December 2018. The Company has undertaken systematic exploration on its Projects since listing. The Company intends to use its cash on hand (\$3,590,000 at 10 June 2019) pro-rata to the Project expenditure, corporate administration costs and general working capital amounts as set out in its 2 year use of funds table in section 3.3 of its IPO Prospectus.</p> <p>The purpose of the Offer is to raise funds to primarily be used to accelerate exploration upon the Company's Projects.</p> <p>A budget of how we intend to use the funds raised at Full Subscription is set out in Section 2.2. As with any budget, new circumstances may change the way we apply the funds.</p>	Section 2.2						
What is the effect of the Offer?	<p>The effect of the Offer is to:</p> <ul style="list-style-type: none"> <li>• Increase the number of Shares and Options on issue.</li> <li>• Increase our cash reserves by approximately \$2,941,309 (at Full Subscription and before the costs of the Offer).</li> </ul>	Section 2.3						
What is Minimum Subscription?	The Minimum Subscription is \$1.	Section 5.1						
What are the risks of a further investment in the Company?	<p>The Rights Issue should be considered highly speculative. Before deciding to subscribe under the Offer, you should consider the risk factors set out in this Prospectus and all other relevant material including our public announcements and reports. Some of the specific risks relevant to an investment in the Company are:</p> <table border="0" data-bbox="408 1373 1217 2058"> <thead> <tr> <th data-bbox="408 1373 544 1404">Risk Area</th> <th data-bbox="659 1373 738 1404">Risks</th> </tr> </thead> <tbody> <tr> <td data-bbox="408 1444 616 1507">Exploration and development</td> <td data-bbox="659 1426 1217 1892"> <p>Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company.</p> <p>The Company is an early stage exploration company with no JORC Code Resources delineated on its Projects. There can be no assurance that exploration on the Projects will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.</p> </td> </tr> <tr> <td data-bbox="408 1928 560 1991">Tenure and access</td> <td data-bbox="659 1928 1217 2058"> <p>The Company has a large portfolio of tenements in Western Australia. Interests in tenements in Western Australia are governed by legislation and are evidenced</p> </td> </tr> </tbody> </table>	Risk Area	Risks	Exploration and development	<p>Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company.</p> <p>The Company is an early stage exploration company with no JORC Code Resources delineated on its Projects. There can be no assurance that exploration on the Projects will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.</p>	Tenure and access	<p>The Company has a large portfolio of tenements in Western Australia. Interests in tenements in Western Australia are governed by legislation and are evidenced</p>	Section 4
Risk Area	Risks							
Exploration and development	<p>Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company.</p> <p>The Company is an early stage exploration company with no JORC Code Resources delineated on its Projects. There can be no assurance that exploration on the Projects will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.</p>							
Tenure and access	<p>The Company has a large portfolio of tenements in Western Australia. Interests in tenements in Western Australia are governed by legislation and are evidenced</p>							

Question	Response	Where to find more information
	<p>by the granting of leases and licences by the State. The Company is subject to the Mining Act and the Company has an obligation to meet conditions that apply to the granted tenements including the payment of rent and prescribed annual expenditure commitments.</p> <p>The granted tenements are subject to annual review and periodic renewal. While it is the Company's intention to satisfy the conditions that apply to the tenements, there can be no guarantees made that, in the future, the tenements that are subject to renewal will be renewed or that minimum expenditure and other conditions that apply to the tenements will be satisfied.</p> <p>There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both Native Title and land owners/occupiers are generally required before the Company can access land for exploration of mining activities. Further, activities can be restricted by the Aboriginal heritage sites that may be present. Inability to access, or delays experienced in accessing the land, may adversely impact on the Company's activities.</p>	
	<p>Gold Price</p> <p>The Company Projects are primarily prospective for gold. Gold and other commodity prices can fluctuate significantly and the gold price is exposed to numerous factors beyond the control of the Company. A significant decrease in the gold price is likely to adversely affect sentiment and market support towards a gold exploration company. If the Company achieves gold mining production, the Company's financial performance will be dependent in part on the gold price.</p>	
	<p>Future funding</p> <p>No assurance can be given that future investor funds as required will be made available on acceptable terms (if at all). If the Company is unable to obtain additional financing (whether equity or debt) as is needed, it may be required to reduce the scope of its operations and scale back its programs.</p>	

Question	Response	Where to find more information
	<p>Dependence on key personnel</p> <p>The Company's success depends in part on the core competencies of the Directors and management and the ability of the Company to retain these key executives. Loss of key personnel (such as the Managing Director) may have an adverse impact on the Company's performance.</p>	
<p>How do I accept my Entitlement under the Offer?</p>	<p>All Eligible Shareholders are entitled to subscribe for New Shares and New Options under the Offer. If you wish to make an Application in respect to your Entitlement, you must complete the Entitlement and Acceptance Form that accompanies this Prospectus.</p> <p>You may accept all or part of your Entitlement.</p> <p>If you do not wish to take up any of your Entitlement, you do not need to take any action and your Entitlement will lapse.</p>	<p>Section 5.2</p>
<p>What happens if Eligible Shareholders don't accept their Entitlement?</p>	<p>Any Entitlement not subscribed for by Eligible Shareholders will form the Shortfall.</p> <p>Eligible Shareholders who are not related parties and have subscribed for their full Entitlement may also apply for Shortfall.</p>	<p>Sections 3.2 and 5.4</p>
<p>Is the Offer underwritten?</p>	<p>No, the Offer is not underwritten.</p>	<p>Section 5.1</p>
<p>What are the Lead Manager arrangements?</p>	<p>Panthea Capital Pty Ltd is the Lead Manager. It has been appointed to seek to place any Shortfall on a best endeavours basis. The Lead Manager will be paid a fee of 4% plus GST on the value of any Shortfall that it places.</p>	<p>Section 3.1</p>
<p>How will Shortfall be allocated?</p>	<p>The Shortfall will be placed at the discretion of the Directors in consultation with the Lead Manager. Application for Shortfall by Eligible Shareholders who are not related parties and have subscribed for their full Entitlement does not guarantee any allocation.</p>	<p>Sections 3.2 and 5.4</p>
<p>What happens to Excluded Shareholders?</p>	<p>The Offer is not extended to Excluded Shareholders (any Shareholder whose registered address on the Record Date is not in Australia or New Zealand).</p>	<p>Section 5.2</p>
<p>What is the effect on control of the Offer?</p>	<p>The maximum dilution to shareholding that will be experienced by Eligible Shareholders that do not subscribe for their Entitlement is 20%.</p> <p>For the reasons set out in Section 3.3, the Company is of the view that the Rights Issue will not materially affect the control of the Company.</p>	<p>Section 3.3</p>

## **2. REASON FOR THE RIGHTS ISSUE AND EFFECT ON THE COMPANY**

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### **2.1 Background**

The Company is an exploration company with a large portfolio of tenements in Western Australia primarily prospective for gold. The Company's tenements form 4 projects. The Ironstone Well, Barwidgee and Mt McClure Projects are located in the Yandal Greenstone Belt in Western Australia. The Gordons Project is in the Kalgoorlie terrain of the Norseman to Wiluna Greenstone Belt in Western Australia.

The Company raised \$5,000,000 (before costs) under its IPO Prospectus and listed on ASX on 14 December 2018. Since listing on ASX, the Company has undertaken systematic exploration activities on its Projects. Drilling programs have been undertaken at a number of prospects including the Flushing Meadows and Flinders Park prospects in the Ironstone Well Project, the Rosewall prospect in the Barwidgee Project and the Gordons Dam prospect in the Gordons Project.

The Company is making this Offer in order to apply the funds to accelerate exploration upon the Company's Projects as set out in Section 2.2 below.

The Offer consists of a pro-rata non-renounceable rights issue of approximately 13,369,587 New Shares to Eligible Shareholders. The Offer is made on the basis of 1 New Share for every 4 Shares held by Eligible Shareholders on the Record Date at an issue price of 22 cents per New Share and 1 free New Option for every 2 New Shares subscribed for under the Prospectus. The Rights Issue will raise up to approximately \$2,941,309 before costs at Full Subscription.

Application will be made for quotation of the New Shares on ASX. No application will be made for quotation of the New Options.

### **2.2 Use of funds**

The Company has approximately \$3,590,000 cash on hand at 10 June 2019. The Company intends to use this cash on hand pro-rata to the Project expenditure, corporate administration costs and general working capital amounts as set out in its 2 year use of funds table in section 3.3 of its IPO Prospectus being \$2,333,500 upon Project expenditure, \$581,580 upon corporate administration costs and \$674,920 upon general working capital.

The funds raised from this Rights Issue are intended to primarily be used to accelerate exploration upon the Company's Projects as set out below.

A total of up to approximately \$2,941,309 at Full Subscription will be raised from this Rights Issue. Presented below is how the Company intends to use the proceeds of the Offer at Full Subscription.

<b>Funds Raised</b>	<b>Full Subscription (\$2,941,309)</b>
Funds raised under the Offer <sup>1</sup>	\$2,941,309

  

<b>Use of Funds</b>	<b>Amount</b>
Exploration drilling and mining studies at the Ironstone Well Project	\$1,000,000
Exploration drilling and mining studies at the Mt McClure Project	\$500,000
Exploration drilling at the Barwidgee Project	\$500,000
Geophysical surveys and exploration drilling at the Gordons Project	\$500,000
Working Capital <sup>2</sup>	\$392,153
Costs of the Offer <sup>3</sup>	\$49,156
<b>Total</b>	<b>\$2,941,309</b>

Notes:

1. This table assumes that none of the existing Optionholders exercise their Options before the Record Date and participate in the Offer.
2. General working capital includes operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance costs and travel costs.
3. The cash costs of the Offer are set out in Section 6.8.
4. In the event that moneys are raised beyond Minimum Subscription but less than Full Subscription (up to \$2,892,153 excluding the costs of the Offer), the Company intends to apply the funds firstly to the Project expenditure for the Ironstone Well, Mt McClure, Barwidgee and Gordons Projects (up to \$2,500,000 with such expenditure being pro-rata to the amounts to be spent at Full Subscription) and then the balance (up to \$392,153) to general working capital.
5. This table is a statement of our proposed application of the funds raised as at the date of this Prospectus. As with any budget, unexpected events and new circumstances have the potential to affect our decisions and we reserve the right to vary the way the funds are applied.

### **2.3 Effect on Shareholders' equity and cash reserves**

Assuming that all New Shares and New Options offered under the Rights Issue are issued, the principal effects of the Rights Issue on the Company will be to:

- (a) increase the total number of Shares and Options on issue (see Section 2.4); and
- (b) increase our cash reserves, before taking into account the costs of the Offer (see Section 2.5).

A pro forma statement of financial position that contains further information about the effect of the Rights Issue on the Company is provided in Section 2.5.

## 2.4 Effect on capital structure

The capital structure of the Company following the Offer assuming Full Subscription is shown in the following table.

<b>Shares</b>	<b>Full Subscription</b>
Existing Shares	53,478,348
New Shares issued under Rights Issue	13,369,587
<b>Total Shares on issue after completion of the Rights Issue</b>	<b>66,847,935</b>
<b>Options</b>	
Existing Options (exercise price 25 cents expiry date 31 December 2021)	6,450,000
New Options issued under Rights Issue (exercise price 27 cents expiry date 30 June 2021)	6,684,793
<b>Total Options on issue after completion of the Rights Issue</b>	<b>13,134,793</b>

## 2.5 Pro forma Statement of Financial Position

To illustrate the effect of the Rights Issue on the Company, a pro forma statement of financial position has been prepared based on the audited balance sheet as at 31 December 2018. The pro forma statement of financial position shows the effect of the Rights Issue as if it had been made on 31 December 2018 at Full Subscription based on the following assumptions:

- (a) The issue of 13,369,587 New Shares at an issue price of 22 cents each and the issue of 6,684,793 free attaching New Options to raise \$2,941,309.
- (b) Costs of the Offer of \$49,156.

	31 December 2018 Consolidated audited	31 December 2018 Proforma (Full Subscription)
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	4,570,555	7,462,708
Trade and other receivables	29,336	29,336
Other assets	23,392	23,392
<b>Total current assets</b>	<b>4,623,283</b>	<b>7,515,436</b>
<b>Non-current assets</b>		
Capitalised exploration and evaluation expenditure costs	1,180,162	1,180,162
<b>Total non-current assets</b>	<b>1,180,162</b>	<b>1,180,162</b>
<b>Total assets</b>	<b>5,803,445</b>	<b>8,695,598</b>
<b>Current liabilities</b>		
Trade and other payables	92,910	92,910
<b>Total current liabilities</b>	<b>92,910</b>	<b>92,910</b>
<b>Non-current liabilities</b>		
Borrowings	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>92,910</b>	<b>92,910</b>
<b>Net assets</b>	<b>5,710,535</b>	<b>8,602,688</b>
<b>Equity</b>		
Issued capital	5,684,715	8,576,868
Reserves	599,750	599,750
Accumulated losses	(573,930)	(573,930)
<b>Total equity</b>	<b>5,710,535</b>	<b>8,602,688</b>

### **3. LEAD MANAGER ARRANGEMENTS AND EFFECT ON CONTROL**

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#### **3.1 Lead Manager and Lead Manager Agreement**

The Lead Manager (Panthea Capital Pty Ltd) has been engaged to place any Shortfall on a best endeavours basis.

The Lead Manager will be paid a fee of 4% plus GST on the value of any Shortfall it places.

#### **3.2 Shortfall/Allocation Policy**

Any New Shares and New Options under the Rights Issue that are not subscribed for will form the Shortfall. Information on how to apply for Shortfall is set out in Section 5.4.

The Company will allocate any Shortfall at the discretion of the Directors in consultation with the Lead Manager. Eligible Shareholders who are not related parties and have subscribed for their full Entitlement may apply for Shortfall. Such an application does not guarantee any allocation.

#### **3.3 Potential effect on control**

The effect of the Rights Issue on the control of the Company, and the consequences of that effect, will depend upon a number of factors including the level of take up from Eligible Shareholders. The primary consequences will be as follows:

- (a) If all Eligible Shareholders as at the Record Date take up their full Entitlement, the Rights Issue will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company subject only to changes resulting from Excluded Shareholders being unable to participate in the Rights Issue.
- (b) In the more likely event that not all Eligible Shareholders subscribe for their full Entitlement (ie there is a Shortfall), Eligible Shareholders who do not subscribe for their full Entitlement under the Rights Issue and Excluded Shareholders unable to participate in the Rights Issue will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement. The extent of the dilution will depend on the degree to which Eligible Shareholders take up their Entitlement. The maximum dilution if you do not take up your Entitlement will approach 20% if nearly all Eligible Shareholders other than you take up their full Entitlement.
- (c) By reason of existing shareholdings in the Company and the structure of the Rights Issue:
  - (i) the largest Shareholder (Kesli Chemicals Pty Ltd) with a current voting power of 22.06% will not take up a level of Entitlement to increase its voting power and will not apply for Shortfall. Thereby, its current voting power will not increase; and
  - (ii) otherwise, no Shareholder can increase their voting power beyond 20% by taking up Entitlement. The Company will not issue any New Shares under the Shortfall so a party can increase their voting power beyond 20%.

By reason of the above, the Company is of the view that the Rights Issue will not materially affect the control of the Company. The Company has structured the Rights Issue with this in mind.

## **4. RISK FACTORS**

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### **4.1 Introduction**

An investment in the Shares the subject of this Prospectus is highly speculative as the Company is an exploration company seeking to explore and develop its Projects in Western Australia which are primarily prospective for gold. The Company has a large portfolio of tenements.

Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for Shares offered for subscription under this Prospectus. Some of these risks can be mitigated by the use of appropriate safeguards and actions, but some are outside the Company's control and cannot be mitigated. You should also consider consulting with your professional advisers before deciding whether or not to apply for Shares.

The following is a list of the material risks that may affect the financial position of the Company, the value of an investment in the Company, as well as the Company's operations. The list is set out under "Company and Industry Risks" and "General Investment Risks". The list is not an exhaustive list of risks.

### **4.2 Company and Industry Risks**

#### **Exploration and Development**

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:

- discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- access to adequate capital throughout the acquisition/discovery and project development phases;
- securing and maintaining title to mineral exploration projects;
- obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and
- accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

The Company is an early stage exploration company with no JORC Code Resources delineated on its Projects. There can be no assurance that exploration on the Projects will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and other factors beyond the control of the Company.

## **Tenure and access**

The Company has a large portfolio of tenements in Western Australia. Interests in tenements in Western Australia are governed by legislation and are evidenced by the granting of leases and licences by the State. The Company is subject to the Mining Act and the Company has an obligation to meet conditions that apply to the granted tenements including the payment of rent and prescribed annual expenditure commitments.

The granted tenements are subject to annual review and periodic renewal. While it is the Company's intention to satisfy the conditions that apply to the tenements, there can be no guarantees made that, in the future, the tenements that are subject to renewal will be renewed or that minimum expenditure and other conditions that apply to the tenements will be satisfied.

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both Native Title and land owners/occupiers are generally required before the Company can access land for exploration of mining activities. Further, activities can be restricted by the Aboriginal heritage sites that may be present. In the north of the Mt McClure Project there are a number of heritage sites that could restrict exploration activities.

Inability to access, or delays experienced in accessing the land, may adversely impact on the Company's activities.

## **Grant of tenement applications**

The Gordons Project (being 1 of the 4 Projects of the Company) at the date of this Prospectus is made up of 31 granted tenements and 7 tenement applications. The applications are 1 mining lease application and 6 prospecting licence applications. There can be no guarantee that the tenement applications will be granted, or if they are granted, that they will be granted in their entirety. If the tenement applications are not granted, the Company will not acquire an interest in these tenements and the Gordons Project will be limited to the granted tenements.

## **Gold Price and Exchange Rates**

The Company Projects are primarily prospective for gold. Gold and other commodity prices can fluctuate significantly and the gold price is exposed to numerous factors beyond the control of the Company such as world demand for gold and other metals, forward selling by producers, and production cost levels in major metal producing regions. Other factors include expectations regarding inflation, the financial impact of movements in interest rates, commodity price forward curves, global economic trends and domestic and international fiscal, monetary and regulatory policy settings.

A significant decrease in the gold price is likely to adversely affect sentiment and market support towards a gold exploration company.

If the Company achieves gold mining production, the Company's financial performance will be dependent in part on the gold price as well as the Australian dollar and US dollar exchange rate. International prices of gold and other commodities are generally denominated in US dollars. The income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

## **Future funding**

The funds raised by the Offer will be primarily used to accelerate exploration upon the Company's Projects as set out in Section 2.2.

The Company is an exploration company with Projects in Western Australia primarily prospective for gold. The Company will depend upon the availability of further investor funds. No assurance can be given that future investor funds as required will be made available on acceptable terms (if at all). If the Company is unable to obtain additional financing (whether equity or debt) as needed, it may be required to reduce the scope of its operations and scale back its expansion programs.

## **Dependence on key personnel**

The Company's success depends in part on the core competencies of the Directors and management and the ability of the Company to retain these key executives. Loss of key personnel (such as the Managing Director) may have an adverse impact on the Company's performance.

## **Resources and Reserve estimates**

Mineral Resource and Ore Reserve estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Mineral Resource and Ore Reserve estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate. The Company currently has no JORC Code Resources delineated on its Projects.

The actual quality and characteristics of ore deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, Ore Reserves are valued based on future costs and future prices and, consequently, the actual Mineral Resources and Ore Reserves may differ from those estimated, which may result in either a positive or negative effect on operations.

## **Native title**

The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is a significant uncertainty associated with native title in Australia and this may impact upon the Company's operations and future plans.

Native title can be extinguished by valid grants of land or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost their connection with the relevant land or waters. Native title is not necessarily extinguished by the grant of mining licences, although a valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining the consent of any relevant landowner) or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of infrastructure, development or mining operations.

### **Results of Studies**

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Projects or the results of other studies undertaken by the Company (eg the results of a feasibility study may materially differ to the results of a scoping study).

Even if a study confirms the economic viability of the Projects, there can be no guarantee that the Project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (eg operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

### **Acquisitions**

The Company may make acquisitions of, or investments in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisition of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

### **Environmental risk**

The Company's Projects are subject to State and Federal laws and regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws and regulations determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly, if the Company's activities result in mine development. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

## **Insurance**

The Company may maintain insurance within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, it is not always possible to cost-effectively insure against all risks associated with such activities. The Company may decide not to take out insurance against certain risks as a result of high premiums or for other reasons. Should liabilities arise on uninsured risks, the Company's business, financial condition and results of operations and the market price of the Shares may be materially adversely affected.

## **Legal Proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

## **Royalties**

The Company's Projects are subject to State royalties upon any production of gold. In the event that State royalties are increased in the future, the profitability and commercial viability of the Company's Projects may be negatively impacted.

Some of the Company's tenements are subject to a contractual royalty or royalties.

## **Climate Change Regulation**

Mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels. Increased regulation and government policy designed to mitigate climate change may adversely affect the Company's cost of operations and adversely impact the financial performance of the Company.

### **4.3 General Investment Risks**

#### **Securities investments and share market conditions**

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, securities markets (such as the ASX) may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of a company such as a resource and exploration company. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

#### **Liquidity risk**

There is no guarantee that the Shares will trade at a particular price or a particular volume after the Company's listing on the ASX. There is no guarantee that there will be an ongoing liquid market for Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

**Legislative**

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

**Economic risk**

Changes in both Australian and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

## 5. DETAILS OF THE OFFER

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### 5.1 The Offer

#### (a) Overview

All Eligible Shareholders are entitled to participate in the Rights Issue. You are an Eligible Shareholder if you are a Shareholder with an address in Australia or New Zealand on the Record Date. The Record Date is 5:00pm WST, 26 June 2019.

As an Eligible Shareholder you are entitled to subscribe for 1 New Share for every 4 Shares held on the Record Date at the Issue Price of 22 cents per New Share. You are also entitled to 1 free attaching New Option for every 2 New Shares subscribed for. When calculating your Entitlement, we will round fractions up to the nearest whole number.

We must receive your Entitlement and Acceptance Form by the Closing Date (being 5:00pm WST on 22 July 2019).

The Offer is non-renounceable. This means that you may not sell or transfer all or part of your Entitlement. The Offer will lapse if you do not accept your Entitlement by the Closing Date.

#### (b) Minimum Subscription

The Minimum Subscription is \$1.

The Company has sufficient working capital to meet its objectives as set out in its IPO Prospectus and by this Offer seeks to raise funds to primarily be used to accelerate exploration upon the Company's Projects.

No New Shares or New Options will be issued until the Minimum Subscription is reached. If the Minimum Subscription is not reached within 4 months after the date of this Prospectus, the Company will refund all application moneys without interest in accordance with the Corporations Act.

#### (c) Offer is not underwritten

The Offer is not underwritten.

#### (d) Lead Manager arrangements

The Lead Manager has been engaged to seek to place any Shortfall on a best endeavours basis. The Lead Manager arrangements are set out in Section 3.1.

#### (e) Rights attaching to New Shares and terms of New Options

A summary of the rights attaching to the New Shares and the terms of the New Options are set out in Sections 6.1 and 6.2.

## 5.2 How to accept the Rights Issue

### (a) Action required by Eligible Shareholders

Your Entitlement is shown on the Entitlement and Acceptance Form accompanying the Prospectus sent to you. To subscribe to the Rights Issue, you must complete this form in accordance with the instructions.

You may take up your Entitlement in whole or in part or allow all of your Entitlement to lapse.

You may pay by cheque or by BPAY.

If you pay by cheque, please make the cheque payable to "Yandal Resources Limited – Rights Issue Account" and cross it "Not Negotiable". Completed Entitlement and Acceptance Forms (and a cheque for the Application Money) must be mailed to the postal address or delivered by hand to the delivery address set out below.

Postal address: Yandal Resources Limited  
c/- Boardroom Pty Ltd  
GPO Box 3993  
Sydney NSW 2001

Delivery address: Yandal Resources Limited  
c/- Boardroom Pty Ltd  
Level 12  
225 George Street  
Sydney NSW 2000

If you pay by BPAY, please follow the procedure set out in the Entitlement and Acceptance Form. You do not have to send us a completed Entitlement and Acceptance Form if you pay by BPAY. It is your responsibility to ensure that we receive your payment by the Closing Date. We do not accept any responsibility for incorrectly completed BPAY payments.

We must receive your Entitlement and Acceptance Form by the Closing Date. If we receive your Entitlement and Acceptance Form after the Closing Date, we may, at our discretion, accept or reject your Application. If we reject your Application, you will receive a refund in full of any payment of Application Money without interest.

If you complete and lodge an Entitlement and Acceptance Form, you will be deemed to have accepted the Offer to subscribe, on the terms set out in this Prospectus and in the Entitlement and Acceptance Form, for the number of New Shares and New Options specified in the Form.

We will hold your Application Money on trust until we issue the New Shares and New Options in accordance with the Corporations Act. We will retain any interest earned on the Application Money, whether or not the New Shares and New Options are issued to you.

If you are in any doubt as to how to complete or deal with your Entitlement and Acceptance Form, you should contact your professional adviser for assistance.

(b) **Shareholders outside Australia and New Zealand (Excluded Shareholders)**

The Offer is not made to Shareholders with a registered address which is outside Australia or New Zealand (Excluded Shareholders). The Company has formed the view that it is unreasonable to make an offer to Excluded Shareholders having regard to the number of Excluded Shareholders, the number and value of Shares the Excluded Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended, and New Securities will not be issued, to Shareholders with a registered address which is outside Australia or New Zealand. Further, no nominee or party will be appointed to sell any entitlement of Excluded Shareholders.

(c) **New Zealand offer restrictions**

The New Shares and New Options are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

(d) **Taxation**

There may be taxation implications in relation to the Rights Issue and subscribing for New Shares and New Options. These taxation implications vary depending on your individual circumstances. You should seek and rely on your own taxation advice regarding an investment in the Company. Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility with respect to the taxation consequences connected with the Rights Issue or the New Shares and New Options.

### 5.3 Issue and quotation

(a) **Issue of New Shares and New Options**

The New Shares and New Options under the Rights Issue will be issued as soon as practicable after the Closing Date. We will issue the New Shares and New Options on the basis of your Entitlement.

Pending the issue of New Shares and New Options or payment of refunds under this Prospectus, we will hold all Application Money on trust for you in a separate bank account. We will, however, be entitled to retain all interest that accrues on any Application Money we hold.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

(b) **Quotation of New Shares by ASX**

We intend to apply to ASX for quotation of the New Shares within 7 days of the date of this Prospectus. If the ASX accepts our application, quotation of the New Shares will commence after the issue of the New Shares.

If any New Shares are not granted quotation on ASX within 3 months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, we will not issue those New Shares and associated New Options and the Application Money in respect of those New Shares will be refunded to you without interest within the time prescribed by the Corporations Act.

No application will be made for quotation of the New Options.

(c) **Holding Statements**

We participate in the security transfer system known as CHESS. CHESS is operated by ASX Settlement Pty Ltd (ACN 008 504 532) (a wholly owned subsidiary of ASX) in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESS you will not receive a share certificate. You will receive a holding statement setting out the number of New Shares and New Options issued to you under this Prospectus. If you are broker sponsored, ASX Settlement will send you a CHESS statement.

**5.4 Shortfall**

Any New Shares and New Options under the Rights Issue that are not subscribed for will form the Shortfall. The Offer to issue Shortfall is a separate offer under the Prospectus.

Eligible Shareholders who are not related parties and who have subscribed for their full Entitlement may apply for any Shortfall by completing the relevant Shortfall section in the Entitlement and Acceptance Form and sending it to the Company's share registry with payment by cheque or BPAY on the same terms as in Section 5.2.

The Shortfall will be allocated at the discretion of the Directors in consultation with the Lead Manager.

Application for Shortfall by Eligible Shareholders with moneys does not guarantee any allotment of any Shortfall. All application moneys in relation to which Shortfall are not allocated will be returned without interest.

The Company will not issue Shortfall so that any party's voting power in the Company will exceed 20%.

Any Shortfall will be issued within 3 months of the Closing Date. Any issue of Shortfall will be at the same price as the offer under the Rights Issue.

Directors cannot be issued Shortfall without prior Shareholder approval.

## **6. ADDITIONAL INFORMATION**

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### **6.1 Rights attaching to New Shares**

The rights attaching to ownership of Shares in the Company (including the New Shares) are:

- (a) set out in the Company's Constitution; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

A summary of the more significant rights attaching to Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of our Shareholders.

#### **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. The person who holds a share which is not fully paid shall be entitled to a fraction of a vote equal to that proportion of a vote that the amount paid on the relevant share bears to the total issue price of the share. Voting may be in person or by proxy, attorney or representative.

#### **Dividends**

Subject to the rights of holders of shares issued with any special rights (at present there are none), the profits of the Company which the Board may from time to time determine to distribute by way of dividend are divisible to each share of a class on which the Board resolves to pay a dividend in proportion to the amount for the time being paid on a share bears to the total issue price of the share. All Shares currently on issue and the shares to be issued under this Prospectus are fully paid Shares.

#### **Future Issues of Securities**

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

#### **Transfer of Shares**

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

#### **Meetings and Notices**

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

## **Election of Directors**

There must be a minimum of 3 Directors. At every annual general meeting one third of the Directors (rounded to the nearest whole number) must retire from office. If the Company has less than 3 Directors, one Director must retire from office together with any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting. These retirement rules do not apply to certain appointments including the managing director.

## **Indemnities**

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

## **Winding Up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the shareholders:

- divide the assets of the Company among the members in kind;
- for that purpose fix the value of assets and decide how the division is to be carried out as between the members and different class of members; and
- vest assets of the Company in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate.

## **Shareholder Liability**

As the Shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

## **Alteration to the Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## **Listing Rules**

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

## **6.2 Terms of New Options**

The terms of the issue of the New Options are:

- (a) Each Option entitles the holder to one Share.
- (b) The exercise price of the Options is 27 cents each.
- (c) The Options may be exercised at any time prior to 5:00pm Western Standard Time on 30 June 2021 ("Expiry Date").
- (d) The Options are freely tradeable. No application will be made for the Options to be quoted.
- (e) The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the secretary of the Company to be received prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- (f) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.
- (g) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (h) If on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company, then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that bonus issue if the Options had been exercised before the record date for the bonus issue.
- (i) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the issued capital of the Company, all rights of the Option holder are to be changed in a manner consistent with the Listing Rules.

### **6.3 Transaction specific prospectus and continuous disclosure obligations**

We are a disclosing entity under the Corporations Act and therefore are subject to regular reporting and disclosure obligations. Under those obligations, we are required to comply with all applicable continuous disclosure and reporting requirements in the Corporations Act and the Listing Rules. In particular, we must comply with the requirement to disclose to ASX any information held by us which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

As this Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act, it is only required to contain information in relation to the effect of the Offer on the Company and the rights and liabilities attaching to the securities offered. This Prospectus is not required to provide information regarding our assets and liabilities, financial position and performance, profits and losses or prospects.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request:
  - (i) the annual financial report most recently lodged by the Company with ASIC;
  - (ii) any half-year financial report lodged with ASIC after lodgement of the annual financial report and before lodgement of this Prospectus with ASIC; and
  - (iii) any continuous disclosure notices given by the Company after the lodgement of the annual financial report and before the lodgement of this Prospectus with ASIC.

The Company officially listed on ASX on 14 December 2018. We lodged our latest annual report (being the annual report for the year ended 30 June 2018) with ASX on 12 December 2018. Since then, we have made the following announcements to ASX, shown in the table below.

<b>Date</b>	<b>Description of Announcement</b>
12/12/2018	Employee Incentive Plan
12/12/2018	Securities Trading Policy
12/12/2018	Statement of Confirmations
14/12/2018	Initial Director's Interest Notice – Hughes
14/12/2018	Initial Director's Interest Notice – Law
14/12/2018	Initial Director's Interest Notice – Ross
14/12/2018	Becoming a substantial holder – Kesli
14/12/2018	Becoming a substantial holder from NST
14/12/2018	Becoming a substantial holder – Au Xingao
14/12/2018	Becoming a substantial holder – Hall
14/12/2018	Becoming a substantial holder – Legendre
20/12/2018	Yandal Exploration Update

<b>Date</b>	<b>Description of Announcement</b>
08/01/2019	Gordons Exploration Update
15/01/2019	Investor Presentation January 2019
31/01/2019	Yandal Quarterly Activities Report – December 2018
31/01/2019	Yandal Quarterly Cashflow Report – December 2018
04/02/2019	Drilling Commenced – Yandal Gold Projects
14/02/2019	Appendix 3B
14/02/2019	Change of Director's Interest Notice
18/02/2019	Drilling Update – Yandal Gold Projects
20/02/2019	Appendix 3B
07/03/2019	Exploration Update
11/03/2019	Half Yearly Report and Accounts
21/03/2019	Encouraging Drill Results – Yandal Gold Projects
01/04/2019	Exploration Update – Yandal Gold Projects
08/04/2019	April Investor Update
29/04/2019	Yandal Quarterly Cashflow Report – March 2019
29/04/2019	Yandal Quarterly Activities Report – March 2019
06/05/2019	Air-core Drilling Results at Gordons Gold Project
07/05/2019	Change of Director's Interest Notice
20/05/2019	Exploration Update – Yandal Gold Projects
11/06/2019	Release of Securities from Escrow
13/06/2019	Exploration Update – Flushing Meadows Gold Prospect
18/06/2019	June 2019 Investor Presentation – Early Success
19/06/2019	Trading Halt

#### **6.4 Market price of Shares**

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market price of the Company's quoted Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales and the last sale on the day prior to lodgement of this Prospectus with ASIC were:

	Price	Date
Highest	23.5 cents	2 April 2019
Lowest	19 cents	1 and 3 May 2019
Latest	22 cents	19 June 2019

## 6.5 Board

The Board consists of:

- Ms Katina Law (Non-Executive Chair)
- Mr Lorry Hughes (Managing Director)
- Ms Kelly Ross (Non-Executive Director)

Mr Lorry Hughes is managing director and therefore not an independent director.

Ms Katina Law and Ms Kelly Ross are independent directors.

## 6.6 Directors' Interests

### (a) Interests of Directors

Other than as disclosed in this Prospectus, no Director or proposed Director holds, or has held at any time during the last two years, any interest in:

- the formation or promotion of the Company; or
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- the Offer;

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person to a Director or proposed Director to induce him or her to become, or to qualify as, a Director or for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.

### (b) Interests in Securities as at the date of this Prospectus

As at the date of this Prospectus, the Directors (and their respective associates) have relevant interests in the Shares and Options of the Company at set out in the table below. Interests include those held directly and indirectly.

Each Director who is an Eligible Shareholder will be entitled to participate in the Rights Issue. The table below does not include the New Shares and New Options that the Directors may subscribe for under the Offer.

<b>Director</b>	<b>Number of Shares</b>	<b>Number of Options</b>
Katina Law	500,000	1,000,000 <sup>1</sup>
Lorry Hughes	2,633,336	1,950,000 <sup>1</sup>
Kelly Ross	125,000	500,000 <sup>1</sup>

Notes:

1. The Options are Series A Options and have an exercise price of 25 cents and an expiry date of 31 December 2021.

(c) **Remuneration of Directors**

Ms Katina Law is paid a Director's fee of \$40,000 per annum plus statutory superannuation as non-executive Chair. In the 2 years prior to the date of this Prospectus, Ms Law has received cash remuneration totalling \$21,692 plus statutory superannuation.

Mr Lorry Hughes as managing director is paid cash remuneration of \$200,000 per annum plus statutory superannuation. In the 2 years prior to the date of this Prospectus, Mr Hughes has received cash remuneration totalling approximately \$282,564 plus statutory superannuation.

Mrs Kelly Ross is paid a Director's fee of \$30,000 per annum plus statutory superannuation. In the 2 years prior to the date of this Prospectus, Mrs Ross has received cash remuneration totalling \$19,269 plus statutory superannuation.

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

## 6.7 Interests of Experts and Advisers

Other than as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Other than as disclosed in this Prospectus, no amounts of any kind (whether in cash, securities or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of

those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Fairweather Corporate Lawyers has acted as lawyers to the Company in relation to the Offer. We estimate that we will pay approximately \$25,000 (plus GST) for these services. In the past two years, Fairweather Corporate Lawyers has been paid fees (excluding GST) of approximately \$115,500 by the Company.

Panthea Capital Pty Ltd is the Lead Manager to the Offer. We will pay a 4% fee (plus GST) on the amount of any Shortfall that is placed by the Lead Manager. In the past two years, Panthea Capital Pty Ltd has been paid fees of approximately \$77,000 by the Company for lead manager services associated with the listing of the Company on ASX.

## 6.8 Costs of the Offer

The cash costs connected to the Rights Issue payable by the Company are estimated at approximately \$49,156 exclusive of GST at Full Subscription. These expenses are expected to be applied to the items set out in the table below.

Item of Expenditure	Full Subscription
Legal fees	\$25,000
Printing, share registry, miscellaneous	\$10,000
ASIC lodgement fee	\$3,206
ASX fee for New Shares	\$10,950
<b>Total</b>	<b>\$49,156</b>

Note:

1. The expenses above do not include a fee of 4% plus GST to the Lead Manager in respect of the placement of any Shortfall by the Lead Manager (see Section 3.1).

## 6.9 Consents

The following parties has given their written consent to be named in this Prospectus and for the inclusion of statements made by that party (as described below in the form and context in which they are included), and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

FW Legal Pty Ltd trading as Fairweather Corporate Lawyers has consented to Fairweather Corporate Lawyers being named as the Solicitors to the Offer.

Panthea Capital Pty Ltd has consented to being named as the Lead Manager to the Offer and the inclusion in the Prospectus of all statements referring to it.

Rothsay Auditing Chartered Accountants has consented to the reference in this Prospectus to the audited financial information of the Company.

The parties referred to above in this Section:

- do not make, or purport to make any statement in this Prospectus, or on which a statement made in this Prospectus is based other than as specified in this Section;

- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in the Prospectus with the consent of that party as specified in this Section; and
- has not caused or authorised the issue of this Prospectus.

## 7. DIRECTORS' AUTHORISATION AND CONSENT

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This Prospectus is authorised by the Company and lodged with the ASIC pursuant to section 718 of the Corporations Act.

Each Director has consented to lodgement of this Prospectus with ASIC in accordance with the terms of section 720 of the Corporations Act and has not withdrawn that consent.

Dated: 20 June 2019



Signed for and on behalf of Yandal Resources Limited  
By Mr Lorry Hughes  
Managing Director

## 8. GLOSSARY

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Where the following terms are used in this Prospectus they have the following meanings:

<b>Applicant</b>	A person who submits and Entitlement and Acceptance Form.
<b>Application</b>	An application for New Shares and New Options under the Rights Issue.
<b>Application Money</b>	The Issue Price multiplied by the total number of New Shares applied for by an Applicant under an Entitlement and Acceptance Form.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) and the Australian Securities Exchange it operates
<b>Board</b>	The Board of Directors.
<b>Closing Date</b>	The time and date at which the Offer expires, being 5.00pm WST, 22 July 2019, subject to the Company varying this date in accordance with the Listing Rules.
<b>Company or Yandal Resources</b>	Yandal Resources Limited (ACN 108 753 608).
<b>Constitution</b>	The constitution of the Company.
<b>Corporations Act</b>	The Corporations Act 2001 (Cth).
<b>Director</b>	A director of the Company for the time being.
<b>Eligible Shareholders</b>	Shareholders with a registered address in Australia or New Zealand at the Record Date.
<b>Entitlement</b>	The entitlement to subscribe for New Shares and New Options under the Rights Issue.
<b>Entitlement and Acceptance Form</b>	The entitlement and acceptance form attached to or accompanying this Prospectus, personalised for each Eligible Shareholder, which allows each Eligible Shareholder to accept the Offer.
<b>Excluded Shareholders</b>	Shareholders with a registered address outside Australia or New Zealand at the Record Date.
<b>Full Subscription</b>	The maximum amount to be raised under the Offer being \$2,941,309.
<b>JORC Code</b>	2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' prepared by the Joint Ore Reserves Committee of Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

<b>IPO Prospectus</b>	The replacement prospectus issued by the Company and dated 22 November 2018.
<b>Issue Price</b>	22 cents per New Share, being the price payable to subscribe for each New Share.
<b>Lead Manager</b>	Panthea Capital Pty Ltd (ACN 620 836 722).
<b>Listing Rules</b>	The listing rules of ASX.
<b>Minimum Subscription</b>	The minimum amount to be raised under the Offer being \$1.
<b>New Options</b>	The Options offered under the Rights Issue.
<b>New Securities</b>	The New Shares and New Options.
<b>New Shares</b>	The Shares offered under the Rights Issue.
<b>Offer</b>	The offer to Eligible Shareholders of New Shares and New Options under the Rights Issue.
<b>Option</b>	An option to acquire a Share.
<b>Project</b>	A project of the Company.
<b>Prospectus</b>	This Prospectus dated 20 June 2019.
<b>Record Date</b>	The time and date for determining a Shareholder's entitlement to participate in the Rights Issue, being 5:00pm WST, 26 June 2019.
<b>Rights Issue</b>	The pro-rata non-renounceable offer to Eligible Shareholders of 1 New Share for every 4 Shares held by Eligible Shareholders on the Record Date with 1 free New Option for every 2 New Shares subscribed for.
<b>Share</b>	A fully paid ordinary share in the issued capital of the Company.
<b>Shareholder</b>	Registered holder of Shares.
<b>Shortfall</b>	New Shares and New Options not subscribed for under the Offer before the Closing Date.
<b>WST</b>	Western Standard Time.
<b>\$</b>	means Australian dollars unless otherwise stated.