JACKA RESOURCES LIMITED

ABN: 79 140 110 130

And Controlled Entities

CONSOLIDATED ANNUAL REPORT

For the Year Ended
30 June 2017

CONTENTS

DIRECTORS

Max Cozijn	Chairman
James Robinson	Non-Executive Director
Neil Fearis	Non-Executive Director

SECRETARY
Stephen Brockhurst

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AUDITORS
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Dear Shareholder,

During the 2017 financial year the Company continued to reduce its operating costs and rationalise its portfolio of oil and gas interests. This has seen the cessation of our direct interest in the Aje Field project in Nigeria, the liquidation of our interest in the Bargou permit in Tunisia, and the ongoing negotiation of an amicable withdrawal from the Tanzania PSA which expired on 19 March 2017.

Jacka retains a 2.94% interest in the AIM listed company MX Oil Plc which acquired our interests in the Aje Field project during the year. In addition, we retain an option to acquire a 5% participating interest in the Odewayne Block, Somaliland where operations have recently recommenced with completion of a Government sponsored 2D seismic program of 1,000 kms full fold data on the Odewayne Block.

The Company continues to review opportunities to develop other projects which can attract suitable funding support within the existing corporate structure, to enable Jacka to build a sustainable future.

I would also like to take the opportunity to thank the Board, executives, shareholders and consultants for their continuing contribution in seeking to further the development of the Company's resources.

Yours sincerely,

Max Cozijn
Chairman
28 September 2017

Your Directors submit the financial report of Jacka Resources Limited (the Consolidated Entity or Jacka Resources) for the year ended 30 June 2017.

DIRECTORS

The names of Directors who held office during or since the end of the year:

Max Cozijn BCom CPA MAICD – Chairman

Mr Cozijn has a Bachelor of Commerce Degree from the University of Western Australia having graduated in 1972 and is a member of CPA Australia and the Australian Institute of Company Directors. He has over 30 years' of experience in the administration of listed mining and industrial companies, as well as various private operating companies. Mr Cozijn has experience as a Founding Director, Finance Director, Company Secretary and been instrumental in managing a number of ASX IPO listings and capital raisings.

During the last three years Mr Cozijn has been a Director of:
Carbon Energy Limited (from September 1992 to April 2015)
Energia Minerals Limited (from May 1997 to June 2016)
Oilex Limited (from September 1997 to current)

Special Responsibilities:
Member of Audit and Risk, Remuneration and Nomination Committees

James Robinson BEc – Non-Executive Director

Mr Robinson has gained extensive capital markets and advisory experience in over 15 years with some of Western Australia's leading corporate advisory, funds management and stockbroking firms. He has served in either board or managerial positions of companies operating in North America, South America, Africa, Eastern Europe, Asia and Australia. As a founding shareholder and director of Condor Energy Services Limited, Mr Robinson was instrumental in the successful launch of Australia's first home-grown fracture stimulation company. He currently serves as a General Partner of ESVCLP Fund, Alchemy Venture Capital and as a founding shareholder and director of the Stone Axe Pastoral Company. Along with his various personal interests, he is also Managing Director of the Cicero Group of companies. Mr Robinson is a member of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Western Australia.

During the last three years Mr Robinson has been a Director of:
Wangle Technologies Limited (Formerly VTX Holdings Limited) (from January 2013 to February 2016 and from January 2017 to current)

Special Responsibilities:
Member of Audit and Risk, Remuneration and Nomination Committees

Neil Fearis LL.B (Hons) FAICD F FIN– Non-Executive Director

Mr Fearis is a leading corporate and commercial lawyer in Western Australia specialising in mergers and acquisitions, capital raisings and corporate reconstructions, with a particular focus on the mining and resources sector. He has been in practice for 39 years and worked as a commercial lawyer in London, Sydney and Perth. Mr Fearis has been a director and/or chairman of a number of ASX and TSX-listed companies, primarily though not exclusively in the resources sector.

During the last three years Mr Fearis has been a Director of:
Golden Cross Resources Limited (October 2015 to current)
Ausgold Limited (April 2016 to current)
Tiger Resources Limited (from May 2011 to 31 December 2015)
Samson Oil & Gas Limited (from 5 November 2015 to 3 February 2016)

Special Responsibilities:
Chairman of Audit and Risk, Remuneration and Nomination Committees

COMPANY SECRETARY

Stephen Brockhurst BCom

Mr Brockhurst has over 15 years' experience in the finance and corporate advisory industry and has been responsible for the preparation of the due diligence process and prospectuses for a number of initial public offers. Mr Brockhurst's experience includes corporate and capital structuring, corporate advisory and Company secretarial services, capital raising, ASX and ASIC compliance requirements.

RESULTS

The loss after tax for the year ended 30 June 2017 was $1,273,929 (2016: loss $7,446,787) mainly arising on the disposal of controlled entities. Jacka Tunisia Bargou Pty Ltd was placed into liquidation as of 6 July 2016. As this subsidiary is currently in liquidation, the Consolidated Entity will not expect to be required to fund the Tunisia cash calls outstanding ($732,085).

REVIEW OF OPERATIONS

Overview

Key operational highlights during the reporting year included:

- Investment of 2.94% in AIM-listed MX Oil Plc (MXO) worth $477,091 at balance date
- Ruhuhu (Tanzania) negotiating amicable withdrawal-PSA expired 19 March 2017
- Cash and listed securities on hand at 30 June 2017 of $907,548

Aje Field, Nigeria

Jacka Resources' funding for the project has been via an agreement with AIM-listed MX Oil Plc (AIM:MXO). Under the terms of this agreement ownership of Jacka Resources' wholly owned subsidiary, Jacka Resources Nigeria Holdings Limited, whose subsidiary P.R.Oil and Gas Nigeria Ltd held the Aje interest was transferred to MXO in August 2016 following commencement of commercial production. Jacka Resources' shareholding in MXO is currently 2.94%, which was valued at $477,091 as at 30 June 2017.

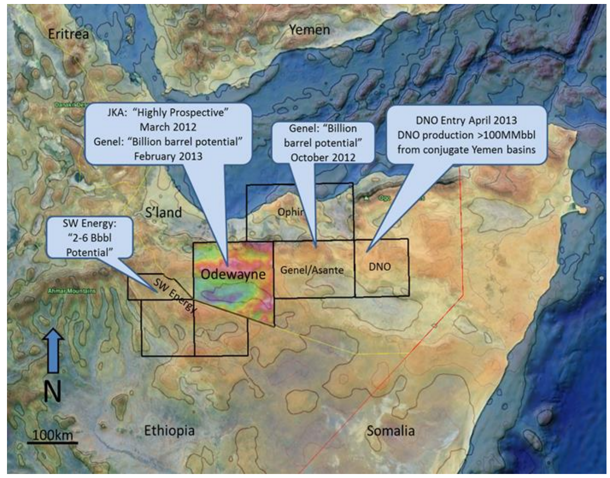
Bargou Permit, Tunisia

The 4,616 km^2 Bargou Permit is located in the Gulf of Hammamet, offshore Tunisia. This investment was formerly held through Jacka Resources' wholly-owned subsidiary, Jacka Tunisia Bargou Pty Ltd ("JTB"). In light of the project's ongoing funding requirements and the Company's current funding constraints, the Company resolved to discontinue its interest in this project. As announced to ASX on 6 July 2016, as JTB is a single purpose entity with no access to external funding, JTB was placed into voluntary liquidation, which is being finalised.

Ruhuhu Licence, Tanzania (JKA 100% participating interest)

The Ruhuhu licence is located in southwest Tanzania and covers an area of 10,343 km^2. A previously wholly-owned subsidiary of Jacka Resources, Jacka Resources (Tanzania) Limited (JRT) is the Operator and holds 100% of the petroleum exploration rights to the entire Ruhuhu Basin and a portion of the Lake Nyasa Rift Basin, which is part of the East African rift system. The continuing lack of industry interest for early stage exploration projects has adversely impacted Jacka Resources' farmout efforts, which were a key component of the stated exploration strategy. The Company has consequently ceased operations and continues to focus on minimising financial exposure. The initial 4 year term of the PSA expired on 19 March 2017 and JRT is in discussions with the Tanzanian government to negotiate an amicable withdrawal from the project. (Refer Note 1 and 13). The Company sold its interest in JRT prior to balance date for a nominal consideration and JRT no longer forms part of the Consolidated Entity.

Odewayne Block, Somaliland (5% buy in right)



Jacka Resources retains an option to acquire a 5% participating interest in the Odewayne Block. That option can be exercised on the earlier of (1) the proposing of a second well under the Production Sharing Contract (PSC), or (2) the parties entering into the Fifth Period of the PSC.

The Odewayne PSC is currently in its Third Period. However, operations in Somaliland continue to be delayed by security concerns. Operator Genel Energy is working with the Ministry of Energy and Minerals in Somaliland where operations have recently recommenced with a Government sponsored 2D seismic program of 1,000 kms full fold data on the Odewayne Block was completed.

Changes in Licence Interests:

Country	Block / Licence	Interest held at 30 June 2016	Interest acquired / (disposed of) during year	Interest held at 30 June 2017
Tanzania (1)	Ruhuhu (onshore)	100%	(100%)	NIL
Tunisia (2)	Bargou (offshore)	15%	(15%)	NIL
Nigeria (3)	OML 113, Aje Field (offshore)	5.0006%*	n/a	NIL

* Net revenue interest
(1) Shares in licence holding company soldLicence expired 19 March 2017
(2) Licence-holding company placed into voluntary liquidation with interest taken up by remaining JV participants
(3) Interest transferred to MXO pursuant to MXO funding arrangements

Joint venture participants (as at 30 June 2017)**:** none.

Persons compiling information about Hydrocarbons

Pursuant to the requirements of the ASX Listing Rules 5.11, 5.11.1, 5.12 and 5.13, the technical information provided in this report has been compiled by Mr Ken Charsinsky, an advisor to Jacka Resources Limited Board. Mr Charsinsky (M.Sc. Geology) has over 40 years of experience in the exploration for, and appraisal and development of, petroleum resources and has sufficient relevant experience to qualify as a Qualified Petroleum Reserves and Resources Evaluator (QPPRE) under ASX Listing Rules. Mr Charsinsky consents to the inclusion in this report of the matters based on his information in the form and context in which they appear. Mr Charsinsky is a long-standing member of the AAPG.

Corporate

Jacka Resources continues to rationalise its portfolio of licence interests in light of the current downturn in the oil and gas sector and associated lack of funding to progress exploration and development activity in the sector.

Following the transaction with MXO announced on 14 July 2015, Jacka Resources was issued 43,380,325 shares in MXO. Jacka Resources' shareholding currently represents a 2.94% interest in MXO, and the market value of the holding as at 30 June 2017 was $477,091.

The Board continues to review investment opportunities to reinvigorate the activity profile of the Company and attract funding support.

Issued capital 30 June 2017:

Ordinary shares:	460,859,758
Unlisted options with various exercise prices & expiry dates:	89,500,000

Cash and listed securities on hand 30 June 2017: $907,547, consisting of cash of $398,097 and listed securities of $509,450 (comprising MXO pf $477,091 and other investments of $32,359)

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the year were oil and gas exploration in the Bargou Block in Tunisia, the Odewayne Block in Somaliland, and the Ruhuhu Block in Tanzania, with phase 1 development of the Aje Project in OML113 Nigeria.

REMUNERATION REPORT

Details of Key Management Personnel

Non-Executive Directors:
Max Cozijn (Chairman)
James Robinson
Neil Fearis

Consultant:
Ken Charsinsky

Shareholdings of Key Management Personnel

Key Management Personnel	Opening Balance	On Market Purchases	Off Market Transfer	Options Exercised	Closing Balance
2017					
Max Cozijn	1,000,000	-	3,000,000	-	4,000,000
James Robinson	1,500,000	-	-	-	1,500,000
Neil Fearis	3,000,000	-	3,000,000	-	6,000,000
Ken Charsinsky	-	-	-	-	-
TOTAL	**5,500,000**	**-**	**6,000,000**	**-**	**11,500,000**
2016					
Max Cozijn	1,000,000	-	-	-	1,000,000
James Robinson	1,500,000	-	-	-	1,500,000
Neil Fearis	2,000,000	1,000,000	-	-	3,000,000
Ken Charsinsky	-	-	-	-	-
Andrew Gastevich	-	-	-	-	-
TOTAL	**4,500,000**	**1,000,000**	**-**	**-**	**5,500,000**

Option Holdings of Key Management Personnel

Key Management Personnel	Opening Balance	Options Granted	Options Exercised	Options Expired	Closing Balance	Vested During the Year	Vested and Exercisable
2017							
Max Cozijn	-	8,000,000	-	-	8,000,000	8,000,000	8,000,000
James Robinson	-	8,000,000	-	-	8,000,000	8,000,000	8,000,000
Neil Fearis	-	8,000,000	-	-	8,000,000	8,000,000	8,000,000
Ken Charsinsky	-	-	-	-	-	-	-
TOTAL	**-**	**24,000,000**	**-**	**-**	**24,000,000**	**24,000,000**	**24,000,000**
2016							
Max Cozijn	-	-	-	-	-	-	-
James Robinson	-	-	-	-	-	-	-
Neil Fearis	-	-	-	-	-	-	-
Ken Charsinsky	-	-	-	-	-	-	-
Andrew Gastevich	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**

In determining competitive remuneration rates, the Board reviews benchmarks on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Where appropriate, independent advice is obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Performance Based Remuneration

The Board recognises that Jacka Resources operates in a global environment. To prosper in this environment, it must attract, motivate and retain key executive staff. The principles supporting the remuneration policy are that:

- Reward reflects the competitive global market in which the Consolidated Entity operates.
- Individual reward is based on performance across a range of indicators that apply to delivering results across the Consolidated Entity.
- Rewards to executives are linked to creating value for shareholders.
- Executives are rewarded for both financial and non-financial performance.
- Remuneration arrangements are equitable and facilitate the deployment of senior management across the Consolidated Entity.

A total of 24,000,000 unlisted options exercisable at $0.02 each expiring 30 November 2019 were granted to Directors on 30 November 2016.

Market Comparisons

Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. Where appropriate, the Board seeks external advice to ensure reasonableness in remuneration scale and structure, and to compare the Consolidated Entity's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the Company to reward key employees when they deliver consistently high performance.

Board Remuneration

Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The Board determines actual payments to Directors and reviews their remuneration annually, based on benchmarks with regard to market practice, relativities, and the duties and accountabilities of Directors. A review of Directors' remuneration is conducted annually to benchmark overall remuneration, including retirement benefits. Mr Cozijn is paid an additional fee at the rate of $1,500 per day worked for consultancy services over and above his current Non-Executive Chairman's fees of $70,000 per annum inclusive of super. The following table of benefits and payment details, in respect of the financial year, the components of remuneration for each member of the key management personnel of the Consolidated Entity and to the extent different, the Directors receiving the highest remuneration.

Service Agreements

Remuneration and other terms of employment for the executives are, where appropriate, formalised in service agreements specifying the components of remuneration, benefits and notice periods. Termination benefits are within the limits set by the Corporations Act 2001 such that they do not require shareholder approval.

On 1 December 2015 the Company modified the employment terms for Ken Charsinsky (E&P Advisor to th Board) to provide a remuneration of $8,000 per month inclusive of superannuation at reduced hours This agreement ceased on 30 September 2016, whereafter Mr Charsinsky's services are be retained as required on a day rate of $2,000.

Key Management Personnel	Short Term Benefits	Long Term Benefits	Share Based Payments	Total	% Share Based Payments Remuneration
	Salaries, Fees and Leave $	Superannuation $	$	$	%
2017					
Max Cozijn	101,990	9,689	9,680	121,359	8%
James Robinson	50,000	-	9,680	59,680	16%
Neil Fearis	50,000		9,680	59,680	16%
Ken Charsinsky	21,918	2,082	-	24,000	-%
TOTAL	**223,908**	**11,771**	**29,040**	**264,719**	**11%**
2016					
Max Cozijn	134,989	12,824	-	147,813	-%
James Robinson	50,000	-	-	50,000	-%
Neil Fearis	50,000	-	-	50,000	-%
Ken Charsinsky	202,198	19,208	-	221,406	-%
Andrew Gastevich	136,084	12,928	-	149,012	-%
TOTAL	**573,271**	**44,960**	**-**	**618,231**	**-%**

Share Based Payments

A summary of the movements of all options granted is as follows:

Details	Number	2017 Weighted Average Exercise Price $	Number	2016 Weighted Average Exercise Price $
Options outstanding at beginning of year	69,450,000	0.03	72,309,379	0.13
Granted	24,000,000	0.02	65,500,000	0.02
Exercised	-	-	(36,875)	0.13
Expired	(3,950,000)	0.20	(68,322,504)	0.13
Options outstanding at end of year	**89,500,000**	**0.02**	**69,450,000**	**0.03**

A summary of all share based payment arrangements in existence is below:

Grant Date	Options	Exercise Price	Expiry Date	Fair Value at Grant Date	Vesting Period	Grant Date Share Price Volatility	Risk Free Interest Rate
30-Nov-16	24,000,000	$0.02	30-Nov-19	$29,040	30-Nov-16	100%	1.50%
	24,000,000			**$29,040**			

Voting and comments made at the Company's 2016 Annual General Meeting (AGM)

The resolution approving the 2016 Remuneration Report was passed unanimously on a show of hands at the 2016 AGM. Proxy votes received in respect of the resolution were disclosed to the ASX in accordance with section 251AA of the Corporations Act.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant change in the nature of the Consolidated Entity's activities occurred during the year.

EVENTS SUBSEQUENT TO YEAR END

Expiration of Ruhuhu Basin Parent Company Guarantee (PCG)

Under the parent company guarantee disclosed in Note 13, the Company's obligations as guarantor with respect to unspent commitments under the PSA survive only if within six months of termination of the PSA TPDC or the Government of Tanzania has notified the Company in writing of its loss and its intention to demand payment under the guarantee. This six month period expired on 19 September 2017 and no such notice or demand had been received by the Company prior to that date.

ENVIRONMENTAL ISSUES

The Consolidated Entity is subject to significant regulation in respect of its exploration activities and the Consolidated Entity is aware of its environmental obligations and ensures that it complies with all regulations when carrying out any exploration work. The Consolidated Entity is not aware of any environmental breaches during the year under review.

The Directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development of the Company's projects,andas none of those projects are located in Australia, the Directors have determined that the NGER Act will have no effect on the Consolidated Entity. The Directors will reassess this position as and when the need arises.

DIVIDENDS PAD OR RECOMMENDED

No dividends were paid during the year and no recommendation is made as to dividends.

INDEMNIFYING OFFICERS

The Company currently has directors' and officers' liability insurance in place.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Entity or to intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of those proceedings. The Consolidated Entity was not a party to any such proceedings during the year.

MEETINGS OF DIRECTORS

Director	Board		Audit Committee	Nomination Committee	Remuneration Committee
	Number Eligible to Attend	Number Attended			
2017					
Max Cozijn	13	13	2	-	-
James Robinson	13	13	2	-	-
Neil Fearis	13	13	2	-	-

NON-AUDIT SERVICES

During the year ended 30 June 2017, the Company paid $6,200 (2016: $6,780) to Bentleys (WA) Pty Ltd for non-audit services, being taxation consulting services. The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. No other fees were paid or payable to the auditors for non-audit services performed during the year

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2017 has been received and is included within the financial statements.

Signed in accordance with a resolution of directors.

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Max Cozijn
Chairman
28 September 2017

Bentleys
THINKING AHEAD

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Jacka Resources Limited for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS	**DOUG BELL CA**
Chartered Accountants	**Director**

Dated at Perth this 28th day of September 2017

KRESTON

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Accountants
Auditors
Advisors

	Note	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Interest revenue		**110**	9,169
Accounting and audit fees		**(91,908)**	(179,816)
Compliance fees		**(226,000)**	(94,664)
Consultancy fees		**(9,766)**	(141,346)
Depreciation		**-**	(2,431)
Directors' remuneration		**(240,718)**	(234,425)
Exploration and evaluation expenditure impairment		**-**	(3,065,098)
Financial asset impairment	6	**(212,493)**	(3,388,442)
Foreign exchange gain/(loss)		**6,645**	205,151
Interest expense		**-**	(490)
Legal fees		**(26,864)**	(22,451)
Marketing expenses		**-**	(6,013)
Occupancy expenses		**-**	(42,251)
Profit/(loss) on sale of investments		**-**	(852)
Loss on disposal of subsidiary	7	**(430,604)**	-
Travel expenses		**(920)**	(22,124)
Other expenses		**(41,412)**	(460,704)
Profit/(loss) before income tax benefit		**(1,273,930)**	(7,446,787)
Income tax benefit	2	**-**	-
Profit/(loss)for the year		**(1,273,930)**	(7,446,787)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net unrealised (gain)/loss on available for sale financial assets		**5,941**	(11,156)
Derecognition of foreign currency translation reserve on disposal of foreign operation	11c	**447,604**	-
Total comprehensive income/(loss) for the year		**(820,385)**	(7,457,943)
Basic loss per share (cents)	3	**(0.28)**	(1.62)

The accompanying notes form part of these financial statements.

	Note	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	**398,097**	966,144
Trade and other receivables	5	**5,791**	3,342
Investments in listed securities	6	**509,450**	716,003
		913,338	1,685,489
Assets classified as held for sale	7	**-**	28,678,602
Total Current Assets		**913,338**	30,364,091
Non-Current Assets			
Exploration and development expenditure	8	**-**	-
Total Non-Current Assets		**-**	-
Total Assets		**913,338**	30,364,091
LIABILITIES			
Current Liabilities			
Trade and other payables*	9	**938,147**	918,953
		938,147	918,953
Liabilities directly associated with assets classified as held for sale	7	**-**	28,678,602
Total Current Liabilities		**938,147**	29,597,555
Total Liabilities		**938,147**	29,597,555
Net (Deficiency) / Assets		**(24,809)**	766,536
EQUITY			
Issued capital	10	**48,247,687**	48,247,687
Reserves	11	**636,121**	153,536
Accumulated losses		**(48,908,617)**	(47,634,687)
Total Equity		**(24,809)**	766,536

* Jacka Tunisia Bargou Pty Ltd was placed into liquidation as of 6 July 2016. As this subsidiary is currently in liquidation, the Consolidated Entity will not expect to be required to fund the Tunisia cash calls outstanding ($732,085) resulting in a total equity position of $707,276.

The accompanying notes form part of these financial statements.

Consolidated Entity	Issued Capital	Option Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	$	$	$	$	$	$
Balance at 1 July 2016	**48,247,687**	**614,905**	**(13,765)**	**(447,604)**	**(47,634,687)**	**766,536**
Grant of options	-	29,040	-	-	-	29,040
Loss for the year	-	-	-	-	(1,273,930)	-
Other comprehensive income	-	-	5,941	447,604	-	-
Total comprehensive income for the year	-	-	5,941	447,604	(1,273,930)	(820,385)
Balance at 30 June 2017	**48,247,687**	**643,945**	**(7,824)**	**-**	**(48,908,617)**	**(24,809)**
Balance at 1 July 2015	**48,242,893**	**614,905**	**(2,609)**	**(447,604)**	**(40,187,900)**	**8,219,685**
Securities issued during the year	4,794	-	-	-	-	4,794
Loss for the year	-	-	-	-	(7,446,787)	(7,446,787)
Other comprehensive income	-	-	(11,156)	-	-	(11,156)
Total comprehensive income for the year	-	-	(11,156)	-	(7,446,787)	(7,457,943)
Balance at 30 June 2016	**48,247,687**	**614,905**	**(13,765)**	**(447,604)**	**(47,634,687)**	**766,536**

The accompanying notes form part of these financial statements.

	Note	Consolidated 30 June 2017 $ Inflows/ (Outflows)	Consolidated 30 June 2016 $ Inflows/ (Outflows)
Cash flows from operating activities			
Payments to suppliers and employees		**(551,640)**	(1,206,867)
Interest received		**110**	9,169
Interest paid		**-**	(490)
Interest paid on Aje cash calls reimbursed by MXO		**-**	(385,700)
Payment for exploration and evaluation expenditure		**-**	(599,634)
Proceeds from borrowings		**-**	20,950,354
Payment for development expenditure		**(764,385)**	(19,731,157)
Net cash used in operating activities	4(a)	**(1,315,915)**	(964,325)
Cash flows from financing activities			
Proceeds from MXO cash call	7	**764,385**	-
Proceeds from issue of securities		**-**	4,794
Net cash provided by financing activities		**764,385**	4,794
Net decrease in cash held		**(551,530)**	(959,531)
Cash at beginning of the financial year		**966,144**	1,925,675
Foreign currency effect on Cash and cash equivalents		**(16,517)**	-
Cash and cash equivalents at end of the financial year	4	**398,097**	966,144

The accompanying notes form part of these financial statements.

1. *Statement of Significant Accounting Policies*

This financial report includes the consolidated financial statements and notes of Jacka Resources Limited and controlled entities ('Consolidated Entity'). Jacka Resources Limited is a company limited by shares, incorporated and domiciled in Australia.

Reporting Basis and Conventions

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated. The financial report is presented in Australian dollars. The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of this report are as follows:

Going Concern

The annual financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Consolidated Entity incurred a loss from ordinary activities of $1,273,929 for the year ended 30 June 2017 (2016: loss $7,446,787). The net working capital deficit position of the Consolidated Entity at 30 June 2017 was $24,809 (30 June 2016: $766,536 working capital). Included in current liabilities are cash calls of $732,085 owed by Jacka Tunisia Bargou Pty Ltd, a subsidiary which is currently in liquidation. As such, the Consolidated Entity does not expect to fund this balance. Excluding these cash calls the working capital balance is $707,276.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon managing cashflow in line with available funds, and raising capital from equity markets. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern.

As disclosed in notes 13 and 19 the Company has provided a guarantee to the Tanzanian Petroleum Development Corporation in respect of Jacka Resources (Tanzania) Limited's (JRT) obligations under the PSA. However, the enforceability of that guarantee is in doubt. The Company's obligations as guarantor with respect to unspent commitments under the PSA survive only if within six months of termination of the PSA TPDC or the Government of Tanzania has notified the Company in writing of its loss and its intention to demand payment under the guarantee. This six month period expired on 19 September 2017 and no such notice or demand had been received by the Company prior to that date.

1. Statement of Significant Accounting Policies (continued)

The directors have prepared a cash flow forecast, which indicates that the Consolidated Entity will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Consolidated Entity's history of raising capital to date, the directors are confident of the Consolidated Entity's ability to raise additional funds as and when they are required.

Should the Consolidated Entity be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Consolidated Entity be unable to continue as a going concern and meet its debts as and when they fall due.

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Jacka Resources Limited at the end of the reporting period. A controlled entity is any entity over which Jacka Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered. Where controlled entities have entered or left the Consolidated Entity during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 20 to the financial statements. In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Consolidated Entity have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity. Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

b. Impairment of Assets

At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1. *Statement of Significant Accounting Policies (Continued)*

c. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

d. Comparative Figures

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

e. Application of new and revised Accounting Standards

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretation did not have any significant impact on the financial performance or position of the Consolidated Entity during the financial year. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

f. Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical judgement and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Entity.

Key Estimates

Key Estimate - Impairment

The Consolidated Entity assesses impairment at each reporting date by evaluation of conditions and events specific to the Consolidated Entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. A non-cash impairment loss of Nil (2016: $3,065,098) has been recognised in respect of deferred exploration expenditure at reporting date.

Key Estimate – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Consolidated Entity as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

1. *Statement of Significant Accounting Policies (Continued)*

Key Estimate – Asset Retirement obligations

The Consolidated Entity estimates the future removal costs of offshore oil and gas platforms, production facilities, wells and pipelines at different stages of the development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating cost, future removal technologies in determining the removal cost, and liability specific discount rates to determine the present value of these cash flows.

Key Estimate – Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Key Judgements
Exploration and Evaluation Expenditure

The Consolidated Entity capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $Nil (2016: $Nil).

g. Application of new and revised Accounting Standards

New and revised AASB's affecting amounts reported and/or disclosures in the financial statements

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. *Statement of Significant Accounting Policies (Continued)*

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements. In addition, standards on consolidation, joint arrangements, associates and disclosures were adopted. The impact of the application of these standards is not material.

Key Judgements
Exploration and Evaluation Expenditure

The Consolidated Entity capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $Nil (2016: $Nil).

New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

– **AASB 9 : Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).**

The Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.
The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Based on preliminary analysis the directors anticipate that the adoption of AASB 9 is unlikely to have a material impact on the Group's financial instruments.

1. *Statement of Significant Accounting Policies (Continued)*

– AASB 15 : Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018)

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108 : Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue. Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

– AASB 16 : Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117 : Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

1. Statement of Significant Accounting Policies (Continued)

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116 : Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.
Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

The Annual Report was authorised for issue on 27 September 2017 by the Board of Directors.

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
2. *Income tax*		
(a) Income tax expense		
Current tax	**-**	-
Deferred tax	**-**	-
	-	
Deferred income tax expenses included in income tax expense comprises:		
(Increase) in deferred tax assets	**1,024,917**	1,592,362
Increase in deferred tax liabilities	**(1,024,917)**	(1,592,362)
	-	-

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $

2. *Income tax (continued)*

(b) Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on operating profit / (loss) at 27.5% (2016: 30%)	**(350,331)**	(2,234,036)
Add / (less) tax effect of:		
Other assessable income	**-**	-
Non-assessable income	**-**	-
Non-deductible expenses	**58,436**	4,424
Other deductible expenses	**-**	-
Share issue cost deduction	**(84,518)**	(177,722)
Overseas tenement expenses	**29,517**	919,529
Deferred tax assets not brought to account	**346,897**	1,487,805
Income tax attributable to operating loss	**-**	-
The applicable weighted average effective tax rates as follows:	Nil%	Nil%

(c) Deferred tax assets

Tax losses	**2,549,886**	2,445,244
Provisions and accruals	**27,913**	-
Share issue cost	**52,776**	149,776
Unrealised foreign exchange loss	**2,274**	-
Other	**-**	10,700
	2,632,848	2,605,721
Set-off of deferred tax liabilities	**-**	(1,024,917)
Net deferred tax assets	**2.632.848**	1,580,804
Less: deferred tax assets not brought to account	**(2,632,848)**	(1,580,804)
	-	-

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
2. *Income tax (continued)*		
(d) Deferred tax liabilities		
Unrealised foreign exchange gains	-	7,962
Exploration expenditure	-	1,016,956
Other	-	-
	-	1,024,917
Set-off of deferred tax assets	-	(1,024,917)
	-	-
(e) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	**9,272,312**	8,150,814
Potential tax benefit @27.5% (2016: 30%)	**2,781,694**	16,395,483

Accounting policy: income tax

The income tax expense/(revenue) for the year comprises current income tax expense/(income) and deferred tax expense/(income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense/(income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

2. Income tax (continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
3. *Loss per share*		
Profit/(Loss) from continuing operations for the year	**(1,273,930)**	(7,446,787)
	No. of Shares 2017	**No. of Shares 2016**
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**460,825,005**	460,825,005

Options have not been included in the calculation of diluted earnings per share as they are not dilutive.

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $

4. *Cash and cash equivalents*

Cash at bank	**398,097**	966,144

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(a) Reconciliation of profit/(loss) for the year to net cash flows used in operating activities:

Profit/(loss)for the year	**(1,273,930)**	**(7,446,787)**
Depreciation	**-**	**2,431**
(Gain)/Loss on disposal of investments	**430,604**	**1,852**
Net forex gain	**9,506**	**-**
Provision for exploration expenditure impairment	**-**	**3,065,098**
Financial asset impairment	**212,494**	**3,388,442**
Shares acquired as consideration of loan	**-**	**(4,070,170)**
Share based payments	**29,040**	-
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	**(2,449)**	**869,494**
(Increase)/Decrease in assets classified as held for sale	**28,678,602**	**(20,116,857)**
(Increase)/Decrease liabilities associated with assets classified as held for sale	**(28,678,602)**	**24,077,386**
(Increase)/Decrease in exploration and evaluation expenditure excluding impairment	**-**	**(1,044,472)**
Increase/(Decrease) in trade payables	**(721,180)**	**325,313**
Increase/(Decrease) in provisions	**-**	**(16,055)**
Net cash flows (used in) operating activities	**(1,315,915)**	**(964,325)**

Accounting policy: cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
5. *Trade and other receivables*		
Prepayments	**357**	719
GST receivable	**5,434**	5,645
Receivables – other corporations	**-**	(3,022)
	5,791	3,342
6. *Investments in listed securities*		
Balance at beginning of year	**716,003**	45,431
Acquisition of shares	**-**	4,070,170
Revaluation of shares	**5,941**	(11,156)
Financial asset impairment	**(212,493)**	(3,388,442)
Balance at end of year	**509,450**	716,003

7. *Assets classified as held for sale*

On 21 July 2015, as consideration for the disposal of its interest in the Aje Field, offshore Nigeria, Jacka was issued US$3 million (AU$3,997,124) worth of shares in MX Oil PLC ("MXO"), which at the time represented a 11.47% interest in MXO. Due to further issues of capital, Jacka's MXO shareholding now represents a 2.94% interest in MXO. Jacka has not disposed of any of that interest.As at 30 June 2017 that interest had amarket value of $477,091.

Assets classified as held for sale		
Development expenditure	**-**	27,763,460
Asset retirement obligation	**-**	915,142
	-	28,678,602
Liabilities directly associated with assets classified as held for sale		
Financial liabilities[1]	**-**	(27,763,460)
Asset retirement rehabilitation	**-**	(915,142)
	-	(28,678,602)
Net assets classified as held for sale	**-**	-

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
7. *Assets classified as held for sale (continued)*		
[1]Included in this amount are the following loans:		
Loan from MX Oil Plc owing by P.R. Oil & Gas Nigeria Limited, a wholly owned subsidiary of Jacka Resources Limited	**-**	10,994,686
Loan from MX Oil Plc owing by Jacka Resources Nigeria Holdings Limited, a wholly owned subsidiary of Jacka Resources Limited	**-**	16,678,774
	-	27,763,460
Reconciliation of movements during the year:		
Assets classified as held for sale		
Balance at beginning of year	**28,678,602**	8,561,745
Movement in development expenditure	**764,385**	23,802,931
Movement in trade and other receivables	**(28,527,845)**	(3,729,528)
Movement in asset retirement obligation	**(915,142)**	43,454
	-	28,678,602
Liabilities directly associated with assets classified as held for sale		
Balance at beginning of year	**(28,678,602)**	(4,601,216)
Movement in trade and other payables	**(764,385)**	3,729,528
Movement in financial liabilities	**28,527,845**	(27,763,460)
Movement in asset retirement rehabilitation	**915,142**	(43,454)
	-	(28,678,602)
Net assets classified as held for sale	**-**	-

7. *Assets classified as held for sale (continued)*

Loss on Disposal of subsidiary

As a result of the finalisation of the disposal to MXO, the following loss was recognised as a result of the transfer of shares:

	2017	2016
Loss on disposal	**$**	**$**
Total disposal consideration	**1**	**-**
Carrying amount of net liabilities in subsidiary sold	**16,999**	**-**
Less: Foreign currency translation reserve taken to profit/(loss) on disposal	**(447,604)**	**-**
Loss on disposal before income tax	**(430,604)**	**-**
Income tax expense	**-**	**-**
Loss on disposal after income tax	**(430,604)**	**-**

Accounting policy: assets classified as held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. When the Consolidated Entity is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Consolidated Entity will retain a non-controlling interest in its former subsidiary after the sale.

When the Consolidated Entity is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment of the portion of the investment that will be disposed is classified as held for sale when the above criteria described above are met, and the Consolidated Entity discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not be classified as held for sale continues to be accounted for using the equity method. The Consolidated Entity discontinues the use of the equity method at the time of disposal when the disposal results in the Consolidated Entity losing significant influence over the associate or joint venture.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and the fair value less costs to sell.

7. *Assets classified as held for sale (continued)*

Accounting policy: asset retirement obligation

Where a legal or constructive obligation has been incurred, provision is made for the net present value of the estimated cost of decommissioning at the end of the producing lives of assets. When this provision gives access to future economic benefits, an asset is recognised and then subsequently depreciated in line with the life of the underlying producing asset, otherwise the costs are charged to the income statement. The unwinding of the discount on the provision is included in the income statement within finance costs. Any changes to estimated costs or discount rates are dealt with prospectively.

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
8. *Exploration and development expenditure*		
Balance at beginning of year	-	2,020,626
Exploration and development expenditure incurred	-	1,044,472
Impairment of exploration and development expenditure	-	(3,065,098)
Balance at end of year	-	-

Accounting policy: exploration expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

8. *Exploration and development expenditure(continued)*

Accounting policy: development expenditure

Development expenditure incurred by or on behalf of the Consolidated Entity is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a commercial well and the related infrastructure, including the cost of materials, direct labour and an appropriate proportion of production overheads. When further development expenditure is incurred in respect of a commercial well asset after the commencement of production, such expenditure is carried forward as part of the asset base when it is probable that additional future economic benefits associated with the expenditure will flow to the Consolidated Entity. Otherwise such expenditure is recognised as a cost of production.

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
9. *Trade and other payables*		
Directors' fees payable	**13,750**	13,750
Cash call – Jacka Tunisia Bargou Pty Ltd[1]	**732,085**	744,730
Other corporations	**90,812**	114,805
Accruals	**101,500**	45,668
	938,147	918,953

[1]Jacka Tunisia Bargou Pty Ltd (JTB) was placed into liquidation as of 6 July 2016. Accordingly the Consolidated Entity does not expect to fund the Tunisia cash calls outstanding ($732,085).

Accounting policy: trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Consolidated Entity. Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
10. *Issued capital*		
(a) Issued and paid up capital:		
Ordinary shares fully paid of no par value	**48,247,687**	48,247,687
	48,247,687	48,247,687

	Consolidated 30 June 2017 Number	Consolidated 30 June 2017 $	Consolidated 30 June 2016 Number	Consolidated 30 June 2016 $
Movement in ordinary shares on issue:				
Balance at beginning of year	460,859,758	48,247,687	460,822,883	48,242,893
Conversion of options at $0.13 per share on 9 June 2016	-	-	36,875	4,794
Transaction costs relating to share issues	-	-	-	-
Balance at end of year	**460,859,758**	**48,247,687**	**460,859,758**	**48,247,687**

(b) Share options:

Grant Date	Details	Exercise Price	Expiry Date	Balance at 30-Jun-16	Granted During Year	Expired During Year	Balance at 30-Jun-17
03-May-12	Unlisted Director options	$0.20	03-May-17	1,250,000	-	(1,250,000)	-
14-Nov-13	Options	$0.20	11-Sep-16	2,700,000	-	(2,700,000)	-
08-Dec-15	Unlisted placement options	$0.02	08-Jun-18	65,500,000	-	-	65,500,000
30-Nov-16	Unlisted Director options	$0.02	30-Nov-19	-	24,000,000	-	24,000,000
				69,450,000	**24,000,000**	**(3,950,000)**	**89,500,000**

10. *Issued capital (continued)*

(c) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Consolidated Entity, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Consolidated Entity.

(d) Capital management

Management controls the capital of the Consolidated Entity in order to maintain a good working capital ratio, provide the shareholders with adequate returns and ensure that the Consolidated Entity can fund its operations and continue as a going concern. The Consolidated Entity's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements. The Consolidated Entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders. The Consolidated Entity's capital includes ordinary share capital and financial liabilities, supported by financial assets. The Consolidated Entity's working capital deficit as at 30 June 2017, being current assets less current liabilities, is $24,809 (2016: $766,536 working capital). However a s Jacka Tunisia Bargou Pty Ltd is in liquidation the Consolidated Entity does not expect to fund the outstanding Tunisia Cash calls and therefore has an expected working capital position of $557,926 There are no externally imposed capital requirements.

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
The working capital for the financial year is as follows:		
Cash and cash equivalents	**398,097**	966,144
Trade and other receivables	**5,791**	3,342
Listed Securities available for sale	**509,450**	716,003
Assets classified as held for sale	**-**	28,678,602
	913,338	30,364,091
Less:		
Trade and other payables and provisions	**(938,147)**	(918,953)
Liabilities directly associated with assets classified as held for sale	**-**	(28,678,602)
Working capital	**(24,809)**	766,536

10. *Issued capital (continued)*

Due to the nature of the Consolidated Entity's activities, being oil and gas exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings and divestment of assets, be that via sale or farmout. Accordingly, the objective of the Consolidated Entity's capital risk management is to balance the current working capital position against the requirements of the Consolidated Entity to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

11. *Reserves*

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
(a) Option		
Balance at beginning of year	**614,905**	614,905
Grant of options	**29,040**	-
Balance at end of year	**643,945**	614,905
(b) Asset revaluation		
Balance at beginning of year	**(13,766)**	(2,609)
Other comprehensive income	**5,942**	(11,156)
Balance at end of year	**(7,824)**	(13,765)
(c) Foreign currency translation		
Balance at beginning of year	**447,604**	(447,604)
Transferred to profit or loss from the disposal of Jacka Resources Nigeria Holdings Limited	**(447,604)**	-
Balance at end of year	**-**	(447,604)
Total reserves	**636,121**	153,536

12. *Commitments*

Expenditure Commitments:
There are currently no office rental, compliance or financial advisory contracts in place.

Exploration Commitments:
There are no exploration commitments as at 30 June 2017.

13. *Contingent liabilities*

In the Tanzanian Ruhuhu block, the Company's former subsidiary Jacka Resources (Tanzania) Limited (JRT) (disposed for a nominal consideration during the year and hence not part of consolidated group), was part way through its exploration work program. Under the terms of the Production Sharing Agreement (PSA) the US$4m minimum work program was required to be completed by 19 March 2017 (the initial 4 year term of the PSA, which has now expired). JRT also agreed to drill a well with an anticipated US$10m minimum expenditure on an identified target that may emerge from the exploration work program. However, no such target has been identified. JRT is in discussions with the Tanzanian government to negotiate anyoutstanding commitments and has ceased in-country activity. JRT has spent a total of US$1,709,525 on the Tanzanian Ruhuhu block to date and is confident that it will not be required to pay unspent commitments. The Company has provided a guarantee to the Tanzanian Petroleum Development Corporation in respect of JRT's obligations under the PSA. However, the enforceability of that guarantee is in doubt. The Company's obligations as guarantor with respect to unspent commitments under the PSA survive only if within six months of termination of the PSA TPDC or the Government of Tanzania has notified the Company in writing of its loss and its intention to demand payment under the guarantee. This six month period expired on 19 September 2017 and no such notice or demand had been received by the Company prior to that date.

There are no other contingent liabilities as at the date of this report.

	Consolidated 30 June 2017 $	**Consolidated 30 June 2016 $**
14. Auditors' remuneration		
Amounts, received or due and receivable by auditors for:		
- an audit or review services	**32,412**	37,280
- other services/tax	**6,200**	6,780
	38,612	44,060

15. *Key management personnel disclosures*

(a) Compensation of key management personnel

(i) Compensation policy

The remuneration policy of Jacka Resources Limited as it applies to key management personnel is disclosed in the Remuneration Report contained in the Directors' Report. Remuneration to the Consolidated Entity's key management personnel can be in the form of cash, options and share rights. Refer to the Remuneration Report contained in the Directors' Report for further details.

15. *Key management personnel disclosures(continued)*

(ii) Compensation of key management personnel

Compensation of directors and key management personnel is set out as per table below:

Key Management Personnel	Short Term Benefits	Long Term Benefits	Share Based Payments	Total	% Share Based Payments Remuneration
	Salaries, Fees and Leave $	Superannuation $	$	$	%
2017					
Max Cozijn	101,990	9,689	9,680	121,359	8%
James Robinson	50,000	-	9,680	59,680	16%
Neil Fearis	50,000		9,680	59,680	16%
Ken Charsinsky	21,918	2,082	-	24,000	-%
TOTAL	**223,908**	**11,771**	**29,040**	**264,719**	**11%**
2016					
Max Cozijn	134,989	12,824	-	147,813	-%
James Robinson	50,000	-	-	50,000	-%
Neil Fearis	50,000	-	-	50,000	-%
Ken Charsinsky	202,198	19,208	-	221,406	-%
Andrew Gastevich	136,084	12,928	-	149,012	-%
TOTAL	**573,271**	**44,960**	**-**	**618,231**	**-%**

(b) Loans with key management personnel

There were no loans to key management personnel or their related entities during the period ended 30 June 2017 (2016: $Nil).

16. *Related party transactions*

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 15, and the Remuneration Report in the Directors Report.

16. *Related party transactions (continued)*

(b) Other transactions

There were no other transactions with key management personnel during the period other than the following:

Mining Corporate Pty Ltd, a company of which the Company Secretary, Stephen Brockhurst, is a director, provided a registered office, administrative, bookkeeping, accounting, corporate compliance and company secretarial services to the Consolidated Entity during the period. These services totalled $99,964 (2016: $103,191).

The Company sold its interest in Jacka Resources (Tanzania)Limited (JRT) prior to balance date for a nominal consideration to an entity related to Neil Fearis and accordingly JRT no longer forms part of the Consolidated Entity (Refer Note 20)

17. *Financial reporting by segments*

During the financial year, the Consolidated Entity operated in two operating segments being Australia and Africa.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Consolidated Entity.

Inter-segment transactions
Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities
Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

17. *Financial reporting by segments (continued)*

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- administration and other operating expenses not directly related to a specific segment.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

	Australian Exploration $	African Exploration $	Total $
30 June 2017			
Segment revenue	-	-	-
Segment results	-	261	**261**
Amounts not included in segment results but reviewed by Board:			
Interest revenue			110
Accounting and audit fees			(91,908)
Compliance fees			(226,000)
Consultancy fees			(9,766)
Directors' remuneration			(236,310)
Financial assets impairment			(212,232)
Foreign exchange gain/(loss)			6,385
Legal fees			(26,864)
Profit/(loss) on sale of investments			(430,604)
Travel expenses			(920)
Other expenses			(45,821)
Profit before income tax			**(1,273,930)**
Segment assets	-	-	-
Unallocated assets:			
Cash and cash equivalents			398,097
Trade and other receivables			5,791
Investments in listed securities			509,450
Total assets			**913,338**

17. *Financial reporting by segments (continued)*

	Australian Exploration $	African Exploration $	Total $
Segment liabilities	-	741,779	**741,779**
Unallocated liabilities:			
Trade and other payables			**196,368**
Total liabilities			**938,147**
30 June 2016			
Segment revenue	-	-	-
Segment results	-	(3,065,098)	**(3,065,098)**
Amounts not included in segment results but reviewed by Board:			
Interest revenue			9,169
Accounting and audit fees			(179,816)
Compliance fees			(94,664)
Consultancy fees			(141,346)
Depreciation			(2,431)
Directors' remuneration			(234,425)
Financial asset impairment			(3,388,442)
Foreign exchange (gain)/loss			205,151
Interest expense			(490)
Legal fees			(22,451)
Loss on sale of investments			(6,013)
Marketing expenses			(42,251)
Occupancy expenses			(852)
Travel expenses			(22,124)
Other expenses			(460,704)
Loss before income tax			**(7,446,787)**
Segment assets	-	28,678,602	28,678,602
Unallocated assets:			
Cash and cash equivalents			966,144
Trade and other receivables			3,342
Investments in listed securities			716,003
Total assets			**30,364,091**

17. *Financial reporting by segments (continued)*

	Australian Exploration $	African Exploration $	Total $
Segment liabilities	-	29,433,026	29,433,026
Unallocated liabilities:			
Trade and other payables			164,529
Total liabilities			**29,597,555**

18. *Financial risk management*

Overview

The Consolidated Entity has exposure to the following risks from their use of financial instruments:

a) credit risk
b) liquidity risk
c) market risk

This note presents information about the Consolidated Entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Consolidated Entity through regular reviews of the risks.

(a) Credit risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Consolidated Entity's receivables from customers and investment securities. Cash is held with the ANZ Bank which holds an AA credit rating.

Trade and other receivables

As the Consolidated Entity is not in the production phase, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

Exposure to credit risk

The carrying amount of the Consolidated Entity's financial assets represents the maximum credit exposure. The Consolidated Entity's maximum exposure to credit risk at the reporting date was:

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
18. *Financial risk management (continued)*		
Financial assets		
Cash	**398,097**	966,144
Receivables	**5,791**	3,342
Other financial assets	**509,450**	716,003
	913,338	1,685,489

Funding

As is inherent in every oil field development, project delays, partner funding issues and cost overruns could potentially increase the investment required in the Aje field development program. It is possible that the cost of the project may increase should any joint venture partner be unable to fulfil its financial obligations under the Joint Operating Agreement. MX Oil PLC, under its funding arrangements for Jacka Resources' portion of the ongoing Aje field development program, will need to address these costs. Under these conditions, the Company does not recognise any ongoing liability.

(b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation. The Consolidated Entity manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. Typically the Consolidated Entity ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

18. *Financial risk management (continued)*

Interest rate risk: sensitivity analysis

The sensitivity analyses below have been determined based on those assets and liabilities with an exposure to interest rate risk at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates. At reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the Consolidated Entity's:

- Net loss would decrease by $Nil (2016: $550) or increase by $ Nil (2016: $550).
- Other equity reserves would increase by $Nil (2016: $550) or decrease by $Nil (2016: $550).

The following table details the Consolidated Entity's exposure to interest rate risk as at the reporting date:

Financial Instrument		Fixed Interest Rate Maturing In:				Total	Weighted Average
	Floating Interest Rate $	<1 Year $	1-5 Years $	>5 Years $	Non-Interest Bearing $	$	Effective Interest Rate %
2017							
Financial Assets							
Cash	69	-	-	-	398,028	**398,097**	0.40%
Receivables	-	-	-	-	14,049	**14,049**	N/A
Other financial assets	-	-	-	-	509,450	**509,450**	N/A
Total financial assets	69	-	-	-	921,528	**921,596**	
Financial Liabilities							
Trade payables and accruals	-	-	-	-	938,147	**938,147**	N/A
Total financial liabilities	-	-	-	-	938,147	**938,147**	

18. *Financial risk management (continued)*

Financial Instrument		Fixed Interest Rate Maturing In:				Total	Weighted Average
	Floating Interest Rate $	<1 Year $	1-5 Years $	>5 Years $	Non-Interest Bearing $	$	Effective Interest Rate %
2016							
Financial Assets							
Cash	54,959	-	-	-	911,185	**966,144**	0.3%
Receivables	-	-	-	-	3,342	**3,342**	N/A
Other financial assets	-	-	-	-	716,003	**716,003**	N/A
Total financial assets	**54,959**	**-**	**-**	**-**	**1,630,530**	**1,685,489**	
Financial Liabilities							
Trade payables and accruals	-	-	-	-	(918,953)	**(918,953)**	N/A
Financial liabilities directly associated with assets classified as held for sale[1]	-	-	-	-	(28,678,602)	**(28,678,602)**	N/A
Total financial liabilities	**-**	**-**	**-**	**-**	**(29,579,555)**	**(29,597,555)**	

[1] As disclosed in Note 7, the liabilities classified as assets held for sale have been extinguished for the Consolidated Entity during the year as a result of the transfer of owner ship of Jacka Resources Nigeria Holdings Limited BVI and PR Oil and Gas Nigeria Limited that has taken place on 10 August 2016.

Accounting policy: financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Consolidated Entity commits itself to either purchase or sell the asset (ie: trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

18. *Financial risk management (continued)*

Classification and subsequent measurement
Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and (iv) less any reduction for impairment. The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

i. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

ii. *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

iii. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Any gains or losses recognised on fair value adjustments to available-for-sale financial assets are taken to the asset revaluation reserve in equity.

iv. *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

18. *Financial risk management (continued)*

v. *Fair value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Fair value of financial instruments

The fair value of financial instruments measured on a recurring basis are disclosed at Note 6. The Consolidated Entity's other financial instruments consist of trade receivables and trade and other payables. These financial instruments are measured at amortised cost and their carrying amounts approximate their fair value.

Accounting policy: fair value of assets and liabilities

The Consolidated entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Consolidated Entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie: unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie: the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie: the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs). For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

18. *Financial risk management (continued)*

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques
In the absence of an active market for an identical asset or liability, the Consolidated Entity selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Consolidated Entity selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Consolidated Entity are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Consolidated Entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy
AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

18. *Financial risk management (continued)*

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Consolidated Entity would change the categorisation within the fair value hierarchy only in the following circumstances:
(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Consolidated Entity recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

19. *Events subsequent to year end*

Expiration of Ruhuhu Basin Parent Company Guarantee (PCG)

Under the parent company guarantee disclosed in Note 13, the Company's obligations as guarantor with respect to unspent commitments under the PSA survive only if within six months of termination of the PSA TPDC or the Government of Tanzania has notified the Company in writing of its loss and its intention to demand payment under the guarantee. This six month period expired on 19 September 2017 and no such notice or demand had been received by the Company prior to that date.

20. *Interests in controlled entities*

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiary in accordance with the accounting policy:

Name	Country of incorporation	Class of share	Equity holding	
			30 June 2017	30 June 2016
Exmouth Energy Pty Ltd[1]	Australia	Ordinary	Nil%	100%
Jacka Tunisia Bargou Pty Ltd[2]	Australia	Ordinary	100%	100%
Jacka Resources Nigeria Holdings Limited BVI[3]	British Virgin Islands	Ordinary	Nil%	100%
PR Oil and Gas Nigeria Limited[3]	Nigeria	Ordinary	Nil%	100%
Jacka Resources Africa Limited BVI	British Virgin Islands	Ordinary	100%	100%
Jacka Resources Somaliland Limited BVI	British Virgin Islands	Ordinary	100%	100%
Jacka Resources (Tanzania) Limited BVI[4]	British Virgin Islands	Ordinary	Nil%	100%

[1]De-registered
[2]In liquidation as of 6 July 2016
[3]Disposed of to MX Oil Plc on 10 August 2016

21. *Parent entity disclosures*

	Company 30 June 2017 $	Company 30 June 2016 $
(a) Financial position		
ASSETS		
Current Assets		
Cash and cash equivalents	**398,094**	966,140
Trade and other receivables	**5,791**	716,003
Investments in listed securities	**509,450**	3,343
Total Current Assets	**913,335**	1,685,486
Non-Current Assets		
Other financial assets	**-**	-
Total Non-Current Assets	**-**	-
Total Assets	**913,335**	1,685,486

	Company 30 June 2017 $	Company 30 June 2016 $
21. *Parent entity disclosures (continued)*		
LIABILITIES		
Current Liabilities		
Trade and other payables	**196,368**	147,223
Total Current Liabilities	**196,368**	147,223
Total Liabilities	**196,368**	147,223
Net Assets	**716,967**	1,538,263
EQUITY		
Issued capital	**48,247,687**	48,247,687
Reserves	**636,121**	601,140
Accumulated losses	**(48,166,841)**	(47,310,564)
Total Equity	**716,967**	1,538,263

(b) Financial performance		
Loss for the year	**(856,277)**	(754,291)
Other comprehensive income	**5,941**	(11,156)
Total comprehensive income	**(850,336)**	(765,447)

(c) Other financial assets and receivables

Loans are provided by the Company to its controlled entities for their respective activities. The recoverability of receivables and investments in subsidiaries is dependent upon the successful commercial application of these projects or the sale to third parties. Amounts receivable from controlled entities are non-interest bearing and have no fixed terms of repayment.

(d) Guarantees entered into by the parent entity in relation to its subsidiaries

As disclosed in Note 13, the Company has provided a guarantee to the Tanzanian Petroleum Development Corporation in respect of its former subsidiary’s obligations under the PSA(Refer Note 19)

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 15 to 52, are in accordance with the *Corporations Act 2001* and:
    a. comply with Accounting Standards;
    b. are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 1 to the financial statements; and
    c. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company and the Consolidated Entity;

The Chief Executive Officer and Chief Financial Officer have each declared that:

a. the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
b. the financial statements and notes for the financial year comply with the Accounting Standards; and
c. the financial statements and notes for the financial year give a true and fair view;

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Max Cozijn
Chairman

28 September 2017

Independent Auditor's Report

To the Members of Jacka Resources Limited

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Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Jacka Resources Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Accountants
Auditors
Advisors

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of $1,273,930 during the year ended 30 June 2017. As stated in Note 1, this event, along with other matters as set forth in Note 1, indicates that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Contingent liability (Refer Note 13) The Consolidated Entity is in the process of negotiating its withdrawal from Production Sharing Agreement ("PSA") with the Tanzanian Government, which expired on 19 March 2017. The key matter under negotiation is the unspent minimum expenditure work program under the PSA.	Our procedures included, amongst others: - Obtaining correspondence between the Consolidated Entity and the Tanzanian Government; - Considering the contractual terms of the agreements; - Reviewing legal advice addressing the position of the Consolidated Entity in accordance with the requirements of *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*; and - Assessing the adequacy of the disclosures included in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Jacka Resources Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Bentleys	
BENTLEYS	**DOUG BELL CA**
Chartered Accountants	**Director**

Dated at Perth this 28th day of September 2017

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 27 September 2017.

1. Shareholder information

a. Number of Shareholders

Ordinary Shares
As at 27 September 2017, there were 2,050 shareholders holding a total of 460,859,758 fully paid ordinary shares.

Performance Shares
As at 27 September 2017, there are no performance shares.

b. Holdings as at 27 September 2017

Number of Securities Held	Fully Paid Ordinary Shares Number of Holders
1 – 1,000	60
1,001 – 5,000	140
5,001 – 10,000	219
10,001 – 100,000	1,054
> 100,001	577
Total number of holders	**2,050**
Number of holders of less than a marketable parcel	1,356
Percentage of the 20 largest holders	29.826%
Total on issue	460,859,758

c. The following securities are restricted as at 27 September 2017:
There are currently no restricted securities.

d. The voting rights attached to the ordinary shares are as follows:
Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Holders of Securities as at 27 September 2017

Fully Paid Ordinary Shares	Number of Shares	%
MR MARTIN ROWNEY	22,043,942	4.783
LUNA ROSSA NO 2 PTY LTD <D'ANTONIO FAMILY A/C>	12,000,000	2.604
CITICORP NOMINEES PTY LTD	11,772,449	2.554
MR JOHN HAAST & MRS MAECHELL GAI HAAST <HAAST FAMILY SUPER A/C>	10,000,000	2.170
MR FLOYD BARRY AQUINO	7,934,020	1.722
MR JAMES MICHAEL SCOTT	7,000,000	1.519

BARCLAY WELLS LTD <NOMINEE A/C>	6,759,154	1.467
SPECTRAL INVESTMENTS PTY LTD	6,229,624	1.352
PENDOMER INVESTMENTS PTY LTD	6,000,000	1.302
OLDFIELD KNOTT ARCHITECTS PTY LTD <OLDFILED KNOTT S/F A/C>	5,900,000	1.280
SHARE INVESTING NOMINEES PTY LTD	5,591,461	1.213
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAIL CLIENT DRP>	5,555,747	1.206
MR ZIYIN FANG	5,000,000	1.085
MR MICHAEL DAVID COTTERILL	5,000,000	1.085
HUIC NOMS PTY LTD	4,100,000	0.890
MR GEORGE KEITH REID	4,000,000	0.868
MR JASWINDER TAKHAR	3,880,000	0.842
DIPLOMAT HOLDINGS PTY LTD <SUPERMAX RD S/F>	3,000,000	0.651
MR JOHN FRIGO	2,888,789	0.627
MR DAVID EDWARD TRIMBOLI	2,800,000	0.608
TOTAL	**137,455,186**	**29.826**

f. Unquoted equity securities greater than 20% as at 27 September 2017 is as follows:

	Number of options held	% held of Options in an unquoted class
Options exercisable at $0.02 at 08/06/2018		
JIM NOMINEES LIMITED	65,500,000	100.00

	Number of options held	% held of Options in an unquoted class
Options exercisable at $0.02 at 30/11/2019		
PENDOMER INVESTMENTS PTY LTD <LAW SETTLEMENTS FUND A/C>	8,000,000	33.333
DIPLOMAT HOLDINGS PTY LTD <SUPERMAX RF A/C>	8,000,000	33.333
SABRELINE PTY LTD<JPR INVESTMENT A/C>	8,000,000	33.333
TOTAL	**24,000,000**	**100.000**

2. The name of the company secretary is Stephen Brockhurst.

3. The address of the principal registered office in Australia is:
   Level 11, 216 St Georges Terrace Perth WA 6000

4. Registers of securities are held at the following address:
   Advanced Share Registry Services, 110 Stirling Highway, Nedlands WA 6009

5. Stock Exchange Listing
   Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the ASX Limited