



# **Alt Resources Limited**

ABN: 57 168 928 416

## **Financial Statements**

For the Half-year ended 31 December 2019

## Alt Resources Limited

ABN: 57 168 928 416

## Corporate Directory

### Business Address

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Email: [info@altresources.com.au](mailto:info@altresources.com.au)

Web: [www.altresources.com.au](http://www.altresources.com.au)

### Registered Office Address

11-13 Baggs Street  
JINDABYNE NSW 2627

### Local Business Office

Lvl 2, 33 Ord Street  
WEST PERTH WA 6005

### Australian Business Number:

57 168 928 416

### Share Registry

Boardroom Limited  
Grosvenor Place  
Level 12, 225 George Street  
SYDNEY NSW 2000

Telephone: 1300 737 760  
+61 2 9290 9600

Web: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

### Stock Exchange

Australian Securities Exchange Limited  
Home Branch Perth  
Level 40, Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

### ASX CODE – ARS

### Auditor

Hardwicks  
6 Phipps Close  
DEAKIN ACT 2600

### Directors

William H Ellis – Non-Executive Chairman  
Neva Collings – Non Executive Director  
Andrew Sparke – Corporate Finance  
Grant Harding – Non-Executive Director

### Company Secretary

Elissa Hansen

### Chief Executive Officer

James Anderson

### Chief Financial Officer

Tim Symons

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## **Directors' Report**

### **For the half-year ended 31 December 2019**

The directors present their report on Alt Resources Limited for the period from 1 July 2019 to 31 December 2019.

#### **1. General information**

##### **Directors**

The names of the directors in office at any time during, or since the end of, the half year are:

Mr. William Hugh Ellis, Non-Executive Director & Chairman  
Ms. Neva Collings, Non-Executive Director  
Mr. Andrew Sparke, Executive Director  
Mr. Grant Harding, Non-Executive Director (appointed: 4 February 2020)

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

##### **Principal activities**

The principal activity of the Company during the financial year was to continue exploration activity in Western Australia.

Alt Resources Limited has discontinued its agreements with Mount Roberts Mining Pty Ltd to concentrate its efforts in the Bottle Creek and Mount Ida areas. The Company continued the purchase of the Bottle Creek mining tenements.

No other significant changes in the nature of the Company's activity occurred during the financial year.

#### **2. Operating results and review of operations for the period**

##### **Operating results**

The loss of the Company after providing for income tax amounted to \$1,515,959 (31 December 2018 - restated: loss: \$774,051).

##### **Review of operations**

A review of the operations of the Company during the half-year and the results of those operations show a loss of \$1,515,959 incurred in becoming operational and negotiating arrangements to generate revenue in future periods.

#### **3. Other items**

##### **Significant changes in state of affairs**

The following significant changes in the state of affairs of the Company occurred during the financial half-year:

An additional \$5,296,797 after transaction costs has been raised in share capital during the half-year to fund operations.

#### **4. Future developments and results**

The Company plans to continue to raise working capital to continue its exploration programme.

## Alt Resources Limited

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### 5. Environmental matters

Alt Resources Limited is committed to minimising the environmental impacts of its exploration and operations with an appropriate focus placed on compliance with environmental regulations.

The Company is not aware of an environmental breaches during the period ended 31 December 2019.

### 6. Company secretary

The following person held the position of Company secretary at the end of the financial half year:

Ms Elissa Hansen

### 7. Indemnification and insurance of officers and auditors

No indemnities have been given during or since the end of the financial year, for any person who is an auditor of Alt Resources Limited.

The company maintains a policy of insurance to cover the risk related to directors' and officers' liability.

### 8. Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half-year ended 31 December 2019 has been received and can be found on page 3 of the financial report.

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



William Hugh Ellis  
Director/Chairman

Dated 10<sup>th</sup> March 2020



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Hardwickes  
ABN 35 973 938 183

Hardwickes Partners Pty Ltd  
ABN 21 008 401 536

Liability limited by a scheme  
approved under Professional  
Standards Legislation

## Alt Resources Limited

ABN: 57 168 928 416

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2019, there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

Hardwickes

Chartered Accountants

Bhaumik Bumia CA  
Partner

10 March 2020

Canberra



## Alt Resources Limited

ABN: 57 168 928 416

### Financial Statements

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

		Half year ended 31 December 2019	Half year ended 31 December 2018 (Restated)
	Note	\$	\$
Income	3	15,707	18,752
Depreciation and amortisation expense	9(a)	(2,525)	(8,257)
Employee benefits expense	4	(650,780)	(385,817)
Exploration expenditure	4	(198,325)	(1,898)
Finance costs	4	(32,307)	(18,295)
Other expenses		(647,729)	(378,536)
<b>(Loss) before income tax</b>		<b>(1,515,959)</b>	<b>(774,051)</b>
Tax expense	5	-	-
<b>Net (loss) for the year</b>		<b>(1,515,959)</b>	<b>(774,051)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>(1,515,959)</b>	<b>(774,051)</b>

## Alt Resources Limited

ABN: 57 168 928 416

### Consolidated Statement of Financial Position As At 31 December 2019

	Note	As at 31 December 2019 \$	As at 30 June 2019 (Restated) \$	As at 30 June 2019 (Actual) \$
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	6	1,598,536	1,372,496	1,372,496
Trade and other receivables	7	123,044	78,966	78,966
Prepayments		39,832	14,206	14,206
<b>TOTAL CURRENT ASSETS</b>		<b>1,761,412</b>	<b>1,465,668</b>	<b>1,465,668</b>
<b>NON-CURRENT ASSETS</b>				
Investment in joint ventures and capitalised tenement costs	19	18,147,019	16,696,488	10,927,513
Financial assets	8	91,000	91,000	91,000
Intangible assets	28	1,551,850	1,551,850	1,551,850
Capital Works in Progress		347,518	247,981	247,981
Property, plant and equipment	9	373,893	189,914	189,914
<b>TOTAL NON-CURRENT ASSETS</b>		<b>20,511,280</b>	<b>18,777,233</b>	<b>13,008,258</b>
<b>TOTAL ASSETS</b>		<b>22,272,692</b>	<b>20,242,901</b>	<b>14,473,926</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables	10	571,950	1,348,894	1,348,894
Employee benefits	12	77,809	97,538	97,538
Financial liabilities	11	128,966	611,760	611,760
<b>TOTAL CURRENT LIABILITIES</b>		<b>778,725</b>	<b>2,058,192</b>	<b>2,058,192</b>
<b>NON-CURRENT LIABILITIES</b>				
Trade and other payables	10	5,000,000	5,500,000	5,500,000
Employee benefits	12	51,745	50,471	50,471
Financial liabilities	11	1,180	1,180	1,180
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,052,925</b>	<b>5,551,651</b>	<b>5,551,651</b>
<b>TOTAL LIABILITIES</b>		<b>5,831,650</b>	<b>7,609,843</b>	<b>7,609,843</b>
<b>NET ASSETS</b>		<b>16,441,042</b>	<b>12,633,058</b>	<b>6,864,083</b>
<b>EQUITY</b>				
Issued capital	13	23,025,595	17,728,798	17,728,798
Accumulated losses	14	(6,621,963)	(5,106,004)	(10,874,979)
Share based payments reserve	13(d)	37,410	10,264	10,264
<b>TOTAL EQUITY</b>		<b>16,441,042</b>	<b>12,633,058</b>	<b>6,864,083</b>



## Alt Resources Limited

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### Consolidated Statement of Changes in Equity

For the half year ended 31 December 2019

#### Half-year ended 31 December 2019

	Note	Ordinary Shares \$	Accumulated losses \$	Share based payments reserve \$	Total \$
<b>Balance at 1 July 2019</b>		<b>17,728,798</b>	<b>(10,874,979)</b>	<b>10,264</b>	<b>6,864,083</b>
Effect of change in accounting policy	2	-	5,768,975	-	5,768,975
<b>Restated Balance as at 1 July 2019</b>		<b>17,728,798</b>	<b>(5,106,004)</b>	<b>10,264</b>	<b>12,633,058</b>
(Deficit) attributable to members of the entity	14	-	(1,515,959)	-	(1,515,959)
Shares issued during the year	13	5,787,387	-	-	5,787,387
Transaction cost on share issued	13	(490,590)	-	-	(490,590)
Share based payments reserve	13(d)	-	-	27,146	27,146
<b>Balance at 31 December 2019</b>		<b>23,025,595</b>	<b>(6,621,963)</b>	<b>37,410</b>	<b>16,441,042</b>

#### Half-year ended 31 December 2018

	Note	Ordinary Shares \$	Accumulated losses \$	Share based payments reserve \$	Total \$
<b>Balance at 1 July 2018</b>		<b>12,901,678</b>	<b>(7,056,501)</b>	<b>-</b>	<b>5,845,177</b>
Effect of change in accounting policy	2	-	3,875,934	-	3,875,934
<b>Restated Balance as at 1 July 2018</b>		<b>12,901,678</b>	<b>(3,180,567)</b>	<b>-</b>	<b>9,721,111</b>
(Deficit) attributable to members of the entity	14(a)	-	(774,051)	-	(774,051)
Shares issued during the year	13(a)	3,079,470	-	-	3,079,740
Transaction cost on share issued	13(a)	(198,707)	-	-	(168,707)
Share based payments reserve		-	-	-	-
<b>Balance at 31 December 2018</b>		<b>15,782,441</b>	<b>(3,954,618)</b>	<b>-</b>	<b>11,827,823</b>

## Alt Resources Limited

ABN: 57 168 928 416

### Consolidated Statement of Cash Flows For the half year ended 31 December 2019

	Half-year ended 31 December 2019	Half-year ended 31 December 2018 (Restated)
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from activities	14,351	18,378
GST refunds received from ATO	245,537	180,437
Payments to suppliers and employees	(2,538,890)	(1,401,285)
Interest received	1,356	374
Interest paid	(32,307)	(18,295)
Net cash (used in) operating activities	22 <u>(2,309,953)</u>	<u>(1,220,391)</u>
Payments for financial assets	-	(25,000)
Purchase of equity-accounted investments	(2,148,856)	(1,692,768)
Capitalised exploration costs written off	198,325	-
Proceeds from sale of assets	-	18,182
Purchase of plant and equipment	9(a) (227,942)	(1,832))
Payments for capital work in progress	(99,537)	(196,000)
Net cash (used in) investing activities	<u>(2,278,009)</u>	<u>(1,897,418)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	-	46,307
Repayment of borrowings	(482,795)	-
Proceeds from issue of shares	13 5,787,387	3,079,470
Transaction cost on share issue	13 (490,590)	(198,706)
Net cash provided by financing activities	<u>4,814,002</u>	<u>2,927,071</u>
Net increase in cash and cash equivalents held	226,040	(190,738)
Cash and cash equivalents at beginning of year	1,372,496	708,965
Cash and cash equivalents at end of financial year	6(a) <u>1,598,536</u>	<u>518,227</u>

## **Notes to the Financial Statements**

### **For the half-year ended 31 December 2019**

#### **1 Summary of Significant Accounting Policies**

The consolidated financial statements of the Group as at and for the half year ended 31<sup>st</sup> December 2019 comprise Alt Resources Limited and its subsidiary (together referred to as the "Consolidated Entity" or "Group"). The Consolidated Entity is comprised of for-profit Companies limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Alt Resources Limited is Australian dollars.

The financial statements were authorised for issue on 10<sup>th</sup> March 2020 by the directors of the Company and Group.

##### **(a) Change in Accounting Policy**

###### **(i) Revenue from Contracts with Customers - Adoption of AASB 15**

The Group has adopted AASB 15 *Revenue from Contracts with Customers* for the first time in the current half-year with a date of initial application of 1 July 2019.

The key changes to the Group's accounting policies and the impact on these financial statements from applying AASB 15 are described below.

The Group has applied AASB 15 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118 and related interpretations. All adjustments on the adoption of AASB 15 have been taken to retained earnings at 1 July 2019.

The entity is at the exploration stage and has not started generating any income, hence there is no impact of this standard on these financial statements.

###### **(ii) Leases - Adoption of AASB 16**

The Group has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the half-year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

The Group has elected to use the exception to lease accounting for short-term leases and leases of low-value assets, and the lease expense relating to these leases are recognized in the statement of profit or loss on a straight-line basis.

###### **(iii) Capitalisation of exploration costs**

The carrying amount of exploration and evaluation expenditure as at 31 December 2019 is supported by the following:

- The costs are carried forward in accordance with the Company's accounting policies which comply with AASB 6 *Exploration and Evaluation of Mineral Resources*

AASB 6 States:

For each *area of interest*, expenditures incurred in the exploration for and evaluation of mineral resources shall be:

- (a) expensed as incurred; or
- (b) partially or fully capitalised and recognised as an exploration and evaluation asset if the requirements of paragraph Aus7.2 are satisfied.

## **Notes to the Financial Statements**

### **For the half-year ended 31 December 2019**

#### **1 Summary of Significant Accounting Policies continued**

The Group recognises an exploration and evaluation asset if the following conditions are satisfied:

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

Each separate area of interest is reviewed at the balance date.

Costs capitalised on areas of interest have also been reviewed for impairment factors, such as resources prices, ability to meet expenditure going forward, potential resource downgrades.

The Company has ownership, or title, to the areas of interest it has capitalised expenditure on, has reasonable expectations that its activities are ongoing and there has been no additional impairment of the tenements on or subsequent to 31 December 2019

The Company intends to meet all commitments associated with the tenements.

The Group's Financial reports have been restated to include the carrying amount of exploration and evaluation expenditure in the Consolidated Statement of Financial Position. Note 2 details restated Financial Statements for the year ended 30 June 2019 and half year ended 31 December 2018.

#### **(b) Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit consolidated entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### **(c) Basis of Consolidation Subsidiaries**

The consolidated financial statements comprise of the assets and liabilities of Alt Resources Limited and its subsidiary, MGK Resources Pty Ltd at 31<sup>st</sup> December 2019 and the results of the subsidiary for the period then ended. A subsidiary is any entity controlled by Alt Resources Limited.

## **Notes to the Financial Statements**

**For the half-year ended 31 December 2019**

### **1 Summary of Significant Accounting Policies continued**

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Goodwill upon consolidation has been created by the consolidation of Alt Resources Limited and MGK Resources Pty Ltd. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquisition. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

#### **Business Combinations**

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

#### **(d) Interests in Joint Arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest in net assets are classified as a joint venture and accounted for using the equity method.

Investments in joint ventures are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted

## **Notes to the Financial Statements**

**For the half-year ended 31 December 2019**

### **1 Summary of Significant Accounting Policies continued**

thereafter for the post-acquisition change in the Group's share of net assets of the joint ventures. In addition, the Group's share of the profit or loss of the joint ventures is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the joint ventures. Any discount on acquisition, whereby the Group's share of the net fair value of the joint ventures exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

When the Group's share of losses in joint ventures equals or exceeds its interest in the joint ventures, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the joint ventures. When the joint ventures subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

#### **(e) Going concern**

This report has been prepared on going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The Group has incurred a loss of \$1,515,959 for the half year ended 31 December 2019 (31 December 2018 restated loss: \$774,051) funded by raising share capital.

- The ability of Group to continue as a going concern is dependent on:
- i) the completion of the capital raising program;
  - ii) the ability to meet projected revenue levels; and
  - iii) the retention of overheads at budgeted levels.

The directors have reviewed the Group's financial position and cash flow forecasts for the next twelve months, which shows that the Group will be able to meet its debts as and when they fall due and payable and are, therefore, of the opinion that the use of the going concern basis of accounting is appropriate. This is based on the belief that the Group will complete its capital raising program, it will meet projected revenue from its mining activity, and that the Group will be able to retain overheads at budgeted levels.

Should the Group not achieve the matters set above, there is uncertainty whether the Group will continue as a going concern and therefore whether it will realise its asset and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments to assets and liabilities that may be necessary if the Group is unable to continue as going concern.

#### **(f) Income Tax**

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are 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.

## **Notes to the Financial Statements**

**For the half-year ended 31 December 2019**

### **1 Summary of Significant Accounting Policies continued**

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability 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 and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

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) a legally enforceable right of set-off exists; and (b) 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.

#### **Tax Consolidation**

Alt Resources Limited and its wholly-owned subsidiary have formed an income tax consolidated group under the tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the "stand-alone taxpayer" approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiary are immediately transferred to the parent entity. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 12<sup>th</sup> January 2018.

#### **(g) Revenue and other income**

##### **Interest revenue**

Interest is recognised using the effective interest method.

#### **(h) Comparative Figures**

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

## **Notes to the Financial Statements**

**For the half-year ended 31 December 2019**

### **1 Summary of Significant Accounting Policies continued**

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

#### **(i) Fair Value of Assets and Liabilities**

The Group 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 Group 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.

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.

#### **(j) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.



## **Notes to the Financial Statements**

**For the half-year ended 31 December 2019**

### **1 Summary of Significant Accounting Policies continued**

#### **(k) Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1 (n) for further discussion on the determination of impairment losses.

#### **(l) Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (n) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

#### **Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Motor Vehicles	22.5%
Computer Equipment and Software	25%-66.67%

## Notes to the Financial Statements

For the half-year ended 31 December 2019

### 1 Summary of Significant Accounting Policies continued

Leasehold Improvements	10%-22.22%
Plant & Equipment	13.33%-66.67%
Office Equipment	40%-66.67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

#### (m) Financial instruments

##### Initial recognition and measurement

Financial instruments are recognised initially on the date that the Entity becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

##### Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

## **Notes to the Financial Statements**

**For the half-year ended 31 December 2019**

### **1 Summary of Significant Accounting Policies continued**

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

#### **Fair value through other comprehensive income**

##### **Equity instruments**

The Group has no investments in listed and unlisted entities over which they do not have significant influence nor control.

##### **Financial assets through profit or loss**

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

The Group does not hold any assets that fall into this category.

##### **Impairment of financial assets**

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or

the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### **Trade receivables**

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

##### **Other financial assets measured at amortised cost**

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12

## Notes to the Financial Statements

For the half-year ended 31 December 2019

### 1 Summary of Significant Accounting Policies continued

months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

#### (n) Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed half yearly for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

#### (o) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

#### (p) Employee benefits

##### (i) Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

##### (ii) Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity

## **Notes to the Financial Statements**

**For the half-year ended 31 December 2019**

### **1 Summary of Significant Accounting Policies continued**

dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

#### **(q) Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### **(r) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### **(s) Exploration and development expenditure**

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered 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 or loss 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 capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project 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 local laws and regulations and clauses of the 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 for 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

## **Notes to the Financial Statements**

**For the half-year ended 31 December 2019**

### **1 Summary of Significant Accounting Policies continued**

will be completed within one year of abandoning the site.

#### **(t) Critical accounting estimates and judgments**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge 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 Company.

##### **Key estimates**

##### **Impairment – general**

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

##### **Key judgements**

##### **(i) Issuing of Shares**

During the Half Year ended 31 December 2019, the Board of Directors of Alt Resources Limited resolved to issue fully paid shares with issue prices of 1.9, 2.0, 2.1 and 2.5 cents per share. See Note 13 for details of shares issued.

##### **(ii) Exploration and evaluation expenditure**

The Group capitalizes expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that 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. See Note 18 for details of capitalized exploration costs.

## Notes to the Financial Statements

### For the Half-year ended 31 December 2019

#### 2 Restatement of Previous Year Financial Statements

The group has changed its Accounting Policy in relation to the carrying amount of exploration and evaluation expenditure as at 31 December 2019 as detailed in Note 1(a).

This change has resulted in the restatement of the Group's Financial Statements for the year ended 30 June 2019 and half year ended 31 December 2018.

- a) Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the Year ended 30 June 2019

	<b>Actuals</b>	<b>Effect of Change in Accounting Policy</b>	<b>Restated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Income	79,517	-	79,517
Depreciation and amortisation expense	(14,725)	-	(14,725)
Employee benefits expense	(743,653)	-	(743,653)
Exploration expenditure	(2,241,097)	1,893,042	(348,055)
Finance costs	(30,256)	-	(30,256)
Other expenses	(868,264)	-	(868,264)
<b>(Loss) before income tax</b>	<b>(3,818,478)</b>	<b>1,893,042</b>	<b>(1,925,436)</b>
Tax expense	-	-	-
<b>Net (loss) for the year</b>	<b>(3,818,478)</b>	<b>1,893,042</b>	<b>(1,925,436)</b>
Other comprehensive income	-	-	-
<b>Total comprehensive income for the period</b>	<b>(3,818,478)</b>	<b>1,893,042</b>	<b>(1,925,436)</b>

## Notes to the Financial Statements

For the Half-year ended 31 December 2019

### 2 Restatement of Previous Year Financial Statements - continued

b) Consolidated Statement of Statement of Financial Position  
For the Year ended 30 June 2019

	Actuals \$	Effect of Change in Accounting Policy \$	Restated \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1,372,496	-	1,372,496
Trade and other receivables	78,966	-	78,966
Prepayments	14,206	-	14,206
<b>TOTAL CURRENT ASSETS</b>	<b>1,465,668</b>	<b>-</b>	<b>1,465,668</b>
<b>NON-CURRENT ASSETS</b>			
Investment in joint ventures and capitalised tenement costs	10,927,513	5,768,975	16,696,488
Financial assets	91,000	-	91,000
Intangible assets	1,551,850	-	1,551,850
Capital Works in Progress	247,981	-	247,981
Property, plant and equipment	189,914	-	189,914
<b>TOTAL NON-CURRENT ASSETS</b>	<b>13,008,258</b>	<b>5,768,975</b>	<b>18,777,233</b>
<b>TOTAL ASSETS</b>	<b>14,473,926</b>	<b>5,768,975</b>	<b>20,242,901</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	1,348,894	-	1,348,894
Employee benefits	97,538	-	97,538
Financial liabilities	611,760	-	611,760
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,058,192</b>	<b>-</b>	<b>2,058,192</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	5,500,000	-	5,500,000
Employee benefits	50,471	-	50,471
Financial liabilities	1,180	-	1,180
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5,551,651</b>	<b>-</b>	<b>5,551,651</b>
<b>TOTAL LIABILITIES</b>	<b>7,609,843</b>	<b>-</b>	<b>7,609,843</b>
<b>NET ASSETS</b>	<b>6,864,083</b>	<b>5,768,975</b>	<b>12,633,058</b>
<b>EQUITY</b>			
Issued capital	17,728,798	-	17,728,798
Accumulated losses	(10,874,979)	5,768,975	(5,106,004)
Share based payments reserve	10,264	-	10,264
<b>TOTAL EQUITY</b>	<b>6,864,083</b>	<b>5,768,975</b>	<b>12,633,058</b>



## Notes to the Financial Statements

For the Half-year ended 31 December 2019

### 2 Restatement of Previous Year Financial Statements - continued

- c) Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the Half Year ended 31 December 2018

	Actuals	Effect of Change in Accounting Policy	Restated
	\$	\$	\$
Income	18,752	-	18,752
Depreciation and amortisation expense	(8,257)	-	(8,257)
Employee benefits expense	(385,817)	-	(385,817)
Exploration expenditure	(1,162,707)	1,160,809	(1,898)
Finance costs	(18,295)	-	(18,295)
Other expenses	(378,536)	-	(378,536)
<b>(Loss) before income tax</b>	<b>(1,934,860)</b>	<b>1,160,809</b>	<b>(774,051)</b>
Tax expense	-	-	-
<b>Net (loss) for the year</b>	<b>(1,934,860)</b>	<b>1,160,809</b>	<b>(774,051)</b>
Other comprehensive income	-	-	-
<b>Total comprehensive income for the period</b>	<b>(1,934,860)</b>	<b>1,160,809</b>	<b>(774,051)</b>

## Notes to the Financial Statements

For the Half-year ended 31 December 2019

### 2 Restatement of Previous Year Financial Statements - continued

d) Consolidated Statement of Statement of Financial Position  
For the Half Year ended 31 December 2018

	Actuals \$	Effect of Change in Accounting Policy \$	Restated \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	518,227	-	518,227
Trade and other receivables	175,521	-	175,521
Prepayments	48,798	-	48,798
<b>TOTAL CURRENT ASSETS</b>	<b>742,546</b>	<b>-</b>	<b>742,546</b>
<b>NON-CURRENT ASSETS</b>			
Investment in joint ventures and capitalised tenement costs	5,376,974	5,036,743	10,413,717
Financial assets	91,000	-	91,000
Intangible assets	1,551,850	-	1,551,850
Capital Works in Progress	196,000	-	196,000
Property, plant and equipment	449,853	-	449,853
<b>TOTAL NON-CURRENT ASSETS</b>	<b>7,665,677</b>	<b>5,036,743</b>	<b>12,702,420</b>
<b>TOTAL ASSETS</b>	<b>8,408,223</b>	<b>5,036,743</b>	<b>13,444,966</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	1,240,640	-	1,240,640
Employee benefits	82,852	-	82,852
Financial liabilities	247,512	-	247,512
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,571,004</b>	<b>-</b>	<b>1,571,004</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	-	-	-
Employee benefits	44,459	-	44,459
Financial liabilities	1,680	-	1,680
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>46,139</b>	<b>-</b>	<b>46,139</b>
<b>TOTAL LIABILITIES</b>	<b>1,617,143</b>	<b>-</b>	<b>1,617,143</b>
<b>NET ASSETS</b>	<b>6,791,080</b>	<b>5,036,743</b>	<b>11,827,823</b>
<b>EQUITY</b>			
Issued capital	15,782,441	-	15,782,441
Accumulated losses	(8,991,361)	5,036,743	(3,954,618)
<b>TOTAL EQUITY</b>	<b>6,791,080</b>	<b>5,036,743</b>	<b>11,827,823</b>

## Notes to the Financial Statements

### For the Half-year ended 31 December 2019

#### 3 Revenue and Other Income

	Half year ended 31 December 2019 \$	Half year ended 31 December 2018 \$
<b>Other Income</b>		
Interest received	1,356	375
Profit on Sale of Assets	-	2,993
Fuel Tax Credits received	14,351	14,867
Miscellaneous Income	-	518
<b>Total Other Income</b>	<b>15,707</b>	<b>18,753</b>

#### 4 Loss for the Half-year

Profit / Loss before income tax from continuing operations includes the following specific expenses:

	Half year ended 31 December 2019 \$	Half year ended 31 December 2018 \$
Interest paid	32,307	18,295
Employee benefit expenses	650,780	385,817
Depreciation expenses	9(a) 2,525	8,257
Superannuation contributions	19,375	16,651
Rent paid	24,796	19,266
Exploration expenditure	198,325	1,898

## Notes to the Financial Statements

### For the Half-year ended 31 December 2019

#### 5 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

Income tax is payable on that proportion of the income less expenses. The aggregate amount of income tax attributable to the financial year differs from the amount prima facie payable on the operating profit. The difference is reconciled as follows:

	Half year ended 31 December 2019 \$	Half year ended 31 December 2018 \$
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2018: 27.5%) as likely timing of recovery is 2021/22 tax year	(416,889)	(532,087)
Add:		
Tax effect of:		
- non-deductible expense	48,160	51,088
- change in tax rate	168,805	221,880
- prior period adjustment	1,586,468	-
	<b>1,386,544</b>	<b>(259,119)</b>
Less:		
Tax effect of:		
- Other deductible expenses	(61,550)	(60,019)
- Other deductible expenses capital raising	(35,947)	(36,595)
Tax losses not brought to account	(1,289,047)	355,733
Income tax expense	<b>-</b>	<b>-</b>

(b) Deferred Tax Asset not brought to accounts

The amounts of deductible temporary difference and unused tax losses for which no deferred tax assets have been brought to account:

	Half year ended 31 December 2019 \$	Half year ended 31 December 2018 \$
- deductible temporary difference	30,137	25,595
- tax losses - operating in nature <sup>1</sup>	1,688,046	2,218,797
	<b>1,718,183</b>	<b>2,244,392</b>

<sup>1</sup> As at 31 December 2019: \$6,752,182 @ 25% (as at 31 December 2018: \$8,875,186 @ 25%)

The benefits of above temporary differences and unused tax losses will be realised when the conditions for deductibility set out in Note 1(f) occur. These amounts have no expiry date. The half yearly figures to 31 December 19 have been adjusted to the tax rate of 25% (31 December 2018 25%).

## Notes to the Financial Statements

### For the Half-year ended 31 December 2019

#### 6 Cash and cash equivalents

	Half year ended 31 December 2019 \$	Year ended 30 June 2019 \$
Cash on hand	10	10
Cash at bank	1,598,526	1,372,486
	<u>1,598,536</u>	<u>1,372,496</u>

#### 6(a) Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	Half year ended 31 December 2019 \$	Half year ended 31 December 2018 \$
Cash and cash equivalents	1,598,536	518,227
<b>Balance as per statement of cash flows</b>	<u>1,598,536</u>	<u>518,227</u>

#### 7 Trade and other receivables

	Half year ended 31 December 2019 \$	Year ended 30 June 2019 \$
CURRENT		
Trade and Other Receivables	-	-
GST receivable	98,603	67,564
Sundry receivables	24,441	11,402
<b>Total current trade and other receivables</b>	<u>123,044</u>	<u>78,966</u>

#### 8 Other financial assets

	Half year ended 31 December 2019 \$	Year ended 30 June 2019 \$
Government Department Rehabilitation Bonds	91,000	91,000
	<u>91,000</u>	<u>91,000</u>

No repayment terms have been determined for the above loan. No interest has been charged.

**Notes to the Financial Statements**  
For the Half-year ended 31 December 2019

**9 Property, plant and equipment**

	Half Year ended 31 December 2019	Year ended 30 June 2019
	\$	\$
<b>Computer equipment</b>		
At cost	32,118	30,503
Accumulated depreciation	(27,291)	(25,279)
Total computer equipment & software	<u>4,827</u>	<u>5,224</u>
<b>Motor Vehicles</b>		
At cost	181,489	143,034
Accumulated depreciation	(62,712)	(56,800)
Total motor vehicles	<u>118,777</u>	<u>86,234</u>
<b>Leasehold Improvements</b>		
At cost	19,401	19,401
Accumulated depreciation	(7,594)	(6,241)
Total leasehold improvements	<u>11,807</u>	<u>13,160</u>
<b>Plant &amp; equipment</b>		
At cost	368,616	187,744
Accumulated depreciation	(141,624)	(117,696)
Total plant & equipment	<u>226,992</u>	<u>70,048</u>
<b>Office equipment</b>		
At cost	7,185	7,185
Accumulated depreciation	(6,214)	(5,963)
Total plant & equipment	<u>971</u>	<u>1,222</u>
<b>Computer Software</b>		
At cost	39,680	39,680
Accumulated depreciation	(29,161)	(25,654)
Total computer software	<u>10,519</u>	<u>14,026</u>
<b>Total property, plant and equipment</b>	<u><u>373,893</u></u>	<u><u>189,914</u></u>

## Alt Resources Limited

ABN: 57 168 928 416

### Notes to the Financial Statements

For the Half-year ended 31 December 2019

#### 9(a) Movements in carrying amounts of plant and equipment

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Computer Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Plant & Equipment \$	Office Equipment \$	Total \$
<b>Corporate Assets</b>						
<b>Half-year ended 31 December 2019</b>						
Balance at the beginning of year	1,410	8,706	5,052	2,645	1,222	19,035
Additions	-	-	-	-	-	-
Disposals	-	(3,345)	-	-	-	(3,345)
Depreciation expense	(470)	(846)	(542)	(416)	(251)	(2,525)
<b>Balance at the end of the period</b>	<b>940</b>	<b>4,515</b>	<b>4,510</b>	<b>2,229</b>	<b>971</b>	<b>13,165</b>
<b>Exploration Assets</b>						
<b>Half-year ended 31 December 2019</b>						
Balance at the beginning of year	3,814	77,528	8,108	67,403	14,026	170,879
Additions	1,615	45,455	-	180,872	-	227,942
Disposals	-	-	-	-	-	-
Depreciation expense	(1,542)	(8,721)	(811)	(23,512)	(3,507)	(38,093)
<b>Balance at the end of the period</b>	<b>3,887</b>	<b>114,262</b>	<b>7,297</b>	<b>224,763</b>	<b>10,519</b>	<b>360,728</b>

## Alt Resources Limited

ABN: 57 168 928 416

### Notes to the Financial Statements

For the Half-year ended 31 December 2019

	Freehold Property \$	Computer Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Plant & Equipment \$	Office Equipment \$	Total \$
<b>Corporate Assets</b>							
<b>Half-year ended 31 December 2018</b>							
Balance at the beginning of year	199,990	3,677	11,233	6,438	28,202	2,265	251,805
Additions	-	1,000	-	-	-	-	1,000
Disposals	-	-	-	-	-	-	-
Depreciation expense	-	(1,437)	(1,264)	(693)	(4,342)	(521)	(8,257)
Balance at the end of the year	199,990	3,240	9,969	5,745	23,860	1,744	244,548

	Computer Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Plant & Equipment \$	Computer Software \$	Total \$
<b>Exploration Assets</b>						
<b>Half-year ended 31 December 2018</b>						
Balance at the beginning of year	10,465	116,288	23,372	76,933	28,052	255,110
Additions	-	-	-	832	-	832
Disposals	-	(15,189)	-	-	-	(15,189)
Depreciation expense	(3,488)	(12,316)	(1,675)	(10,956)	(7,013)	(35,448)
Balance at the end of the half-year	6,977	88,783	21,697	66,809	21,039	205,305



**Notes to the Financial Statements**  
For the Half-year ended 31 December 2019

**10 Trade and Other Payables**

	As at 31 December 2019 \$	As at 30 June 2019 \$
<b>Current Liabilities</b>		
Trade payables	142,920	723,816
Audit Fee accrual	8,500	10,000
Provision for Government Duties	374,897	374,897
Superannuation payable	22,326	25,976
Amounts held from salary and wages	23,307	56,694
Sundry Creditors – Subscriptions for share issue in progress	-	157,511
Total Current Trade and Other Payables	<u>571,950</u>	<u>1,348,894</u>
<b>Non-current Liabilities</b>		
Provision for Bottle Creek Purchase	5,000,000	5,500,000
Total Non-current Trade and Other Payables	<u>5,000,000</u>	<u>5,500,000</u>

**11 Financial Liabilities**

	As at 31 December 2019 \$	As at 30 June 2019 \$
<b>Current Liabilities:</b>		
Loan from Turkey Investments Pty Ltd for RLOC	-	500,000
Short term convertible note loan	100,000	100,000
Other commercial loans	28,966	11,760
Total Current Financial Liabilities	<u>128,966</u>	<u>611,760</u>
<b>Non-current Liabilities:</b>		
Other commercial loans	1,180	1,180
Total Non-current Financial Liabilities	<u>1,180</u>	<u>1,180</u>

**12 Employee Benefits**

	As at 31 December 2019 \$	As at 30 June 2019 \$
<b>Current liabilities</b>		
Annual leave provision	77,809	97,538
<b>Non-current liabilities</b>		
Long service leave provision	51,745	50,471

**Notes to the Financial Statements**  
**For the Half-year ended 31 December 2019**

**13 Issued Capital**

	As at 31 December 2019 \$	As at 30 June 2019 \$
3,409,090 (2019: 0) Ordinary shares of \$0.0176 each	60,000	-
1,500,000 (2019:0) Ordinary shares of \$0.019 each	28,500	-
92,920,060 (2019: 65,362,512) Ordinary shares of \$0.02 each	1,858,401	1,307,250
13,096,392 (2019: 0) Ordinary shares of \$0.021 each	275,024	-
3,500,000 (2019: 3,500,000) Ordinary shares of \$0.022 each	77,000	77,000
2,000,000 (2019: 0) Ordinary shares of \$0.023 each	46,000	-
174,928,489 (2019: 3,900,000) Ordinary shares of \$0.025 each	4,373,213	97,500
19,230,770 (2019: 0) Ordinary shares of \$0.026 each	500,000	-
79,179,747 (2019: 79,179,747) Ordinary shares of \$0.03 each	2,375,393	2,375,393
1,500,000 (2019: 0) Ordinary shares of \$0.034 each	51,000	-
1,250,000 (2019: 1,250,000) Ordinary shares of \$0.04 each	50,000	50,000
69,276,907 (2019: 69,276,907) Ordinary shares of \$0.05 each	3,463,845	3,463,845
1,452,000 (2019: 1,452,000) Ordinary shares of \$0.052 each	75,504	75,504
53,421,041 (2019: 53,421,041) Ordinary shares of \$0.057 each	3,044,999	3,044,999
12,500,000 (2019: 12,500,000) Ordinary shares of \$0.06 each	750,000	750,000
19,574,000 (2019: 19,574,000) Ordinary shares of \$0.08 each	1,565,920	1,565,920
12,294,500 (2019: 12,294,500) Ordinary shares of \$0.10 each	1,229,450	1,229,450
133,333 (2019: 133,333) Ordinary shares of \$0.15 each	20,000	20,000
3,375,000 (2018: 3,375,000) Ordinary shares of \$0.16 each	540,000	540,000
22,943,500 (2019: 22,943,500) Ordinary shares of \$0.20 each	4,588,700	4,588,700
50 (2019: 50) Ordinary shares of \$.20 each	10	10
Transaction cost on share issued	<b>(1,947,364)</b>	<b>(1,456,773)</b>
<b>Total</b>	<b>23,025,595</b>	<b>17,728,798</b>

**Notes to the Financial Statements**  
**For the Half-year ended 31 December 2019**

**13 Ordinary shares**

	<b>As at 31 December 2019 No.</b>	<b>As at 30 June 2019 No.</b>
At the beginning of the reporting period	<b>348,162,590</b>	172,271,613
<b>Shares issued during the half year</b>		
Ordinary shares of \$0.0176 each	<b>3,409,090</b>	-
Ordinary shares of \$0.019 each	<b>1,500,000</b>	-
Ordinary shares of \$0.02 each	<b>27,557,548</b>	65,362,512
Ordinary shares of \$0.021 each	<b>13,096,392</b>	-
Ordinary shares of \$0.022 each	-	3,500,000
Ordinary shares of \$0.023 each	<b>2,000,000</b>	-
Ordinary shares of \$0.025 each	<b>171,028,489</b>	3,900,000
Ordinary shares of \$0.026 each	<b>19,230,770</b>	-
Ordinary shares of \$0.03 each	-	79,179,747
Ordinary shares of \$0.034 each	<b>1,500,000</b>	-
Ordinary shares of \$0.05 each	-	500,000
Ordinary shares of \$0.052 each	-	1,452,000
Ordinary shares of \$0.057 each	-	21,996,718
At the end of the reporting period	<b><u>587,484,879</u></b>	<u>348,162,590</u>

**Notes to the Financial Statements**  
For the Half-year ended 31 December 2019

**13(a) Issued Capital**

	As at 31 December 2019	As at 31 December 2018
	\$	\$
3,409,090 (2019: 0) Ordinary shares of \$0.0176 each	60,000	-
1,500,000 (2019:0) Ordinary shares of \$0.019 each	28,500	-
92,920,060 (2019: 65,362,512) Ordinary shares of \$0.02 each	1,858,401	-
13,096,392 (2019: 0) Ordinary shares of \$0.021 each	275,024	-
3,500,000 (2019: 3,500,000) Ordinary shares of \$0.022 each	77,000	-
2,000,000 (2019: 0) Ordinary shares of \$0.023 each	46,000	-
174,928,489 (2019: 3,900,000) Ordinary shares of \$0.025 each	4,373,213	-
19,230,770 (2019: 0) Ordinary shares of \$0.026 each	500,000	-
79,179,747 (2019: 79,179,747) Ordinary shares of \$0.03 each	2,375,393	1,717,892
1,500,000 (2019: 0) Ordinary shares of \$0.034 each	51,000	-
1,250,000 (2019: 1,250,000) Ordinary shares of \$0.04 each	50,000	50,000
69,276,907 (2019: 69,276,907) Ordinary shares of \$0.05 each	3,463,845	3,463,846
1,452,000 (2019: 1,452,000) Ordinary shares of \$0.052 each	75,504	-
53,421,041 (2019: 53,421,041) Ordinary shares of \$0.057 each	3,044,999	3,127,763
12,500,000 (2019: 12,500,000) Ordinary shares of \$0.06 each	750,000	750,000
19,574,000 (2019: 19,574,000) Ordinary shares of \$0.08 each	1,565,920	1,565,920
12,294,500 (2019: 12,294,500) Ordinary shares of \$0.10 each	1,229,450	1,229,450
133,333 (2019: 133,333) Ordinary shares of \$0.15 each	20,000	20,000
3,375,000 (2018: 3,375,000) Ordinary shares of \$0.16 each	540,000	540,000
22,943,500 (2019: 22,943,500) Ordinary shares of \$0.20 each	4,588,700	4,588,700
50 (2019: 50) Ordinary shares of \$.20 each	10	10
Transaction cost on share issued	<b>(1,947,364)</b>	<b>(1,271,140)</b>
<b>Total</b>	<b>23,025,595</b>	<b>15,782,441</b>

## Notes to the Financial Statements

### For the Half-year ended 31 December 2019

#### 13(a) Ordinary shares

	As at 31 December 2019 No.	As at 31 December 2018 No.
At the beginning of the reporting period	348,169,590	172,271,613
<b>Shares issued during the half-year</b>		
Ordinary shares of \$0.0176 each	3,409,090	-
Ordinary shares of \$0.019 each	1,500,000	-
Ordinary shares of \$0.02 each	27,557,548	-
Ordinary shares of \$0.021 each	13,096,392	-
Ordinary shares of \$0.023 each	2,000,000	-
Ordinary shares of \$0.025 each	171,028,489	-
Ordinary shares of \$0.026 each	19,230,770	-
Ordinary shares of \$0.03 each	-	57,263,080
Ordinary shares of \$0.034 each	1,500,000	-
Ordinary shares of \$0.05 each	-	500,000
Ordinary shares of \$0.052 each	-	1,452,000
Ordinary shares of \$0.057 each	-	21,996,718
At the end of the reporting period	<u>587,484,879</u>	<u>253,483,411</u>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

#### 13(b) Performance shares

The Company issued 12,000,000 performance shares on 19<sup>th</sup> December 2017. These shares have no voting rights and no capital rights but will convert to fully paid ordinary shares if the two performance targets included in the purchase agreement for the acquisition of 70% of the Joint Venture with GFM Exploration Pty Ltd are met. These performance shares are not included in the issued capital reported in the Company's Statement of Financial Position.

#### 13(c) Options

The Company issued 15,850,000 options on 31<sup>st</sup> July 2019, 15,000,000 options on 30<sup>th</sup> September 2019 and 9,096,391 options on 11 December 2019. These options have no voting rights and no capital rights but will convert to fully paid ordinary shares in the future at the owners' discretion.

16,473,680 unlisted options with an exercise price of 10 cents expired on 30<sup>th</sup> December 2019.

These options are not included in the issued capital reported in the Company's Statement of Financial Position. The total number of options issued by the company as at 31<sup>st</sup> December 2019 is 80,421,585 (as at 30 June 2019: 56,948,874).

## Notes to the Financial Statements

For the Half-year ended 31 December 2019

### 13(d) Share-based Payments Reserve

The Share-based Payments Reserve was increased during the half year from 1 July 19 to 31 December 19 by the Company issuing 10,000,000 options on 29<sup>th</sup> July 19 and 9,096,391 options on 11<sup>th</sup> December 19. The total value of the share payments reserve as at 31<sup>st</sup> December 19 is \$37,410 (as at 30 June 19: \$10,264).

### 14 Accumulated Losses

	As at 31 December 2019 \$	As at 30 June 2019 (Restated) \$
<b>Accumulated losses</b>		
Opening balance	(5,106,004)	(3,180,568)
Loss for the half-year	(1,317,634)	(1,925,436)
Closing balance	<u>(6,423,638)</u>	<u>(5,106,004)</u>

	As at 31 December 2019 \$	As at 31 December 2018 (Restated) \$
<b>Accumulated losses</b>		
Opening balance	(5,106,004)	(3,180,568)
Loss for the half-year	(1,317,634)	(774,051)
Closing balance	<u>(6,423,638)</u>	<u>(3,954,619)</u>

## Notes to the Financial Statements

For the Half-year ended 31 December 2019

### 15 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans receivable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

		As at 31 December 2019 \$	As at 30 June 2019 \$
<b>Financial Assets</b>			
Held at amortised cost			
- Cash and cash equivalents	6	1,598,536	1,372,496
- Trade and other receivables (excluding GST receivable)	7	24,441	11,402
- Other Financial assets	8	91,000	91,000
<b>Total financial assets</b>		<b>1,713,977</b>	<b>1,474,898</b>
<b>Financial Liabilities</b>			
Financial liabilities at fair value			
- Trade and other payables (excluding GST payable)	10	5,571,950	6,848,894
- Financial Liabilities	11	130,146	612,940
<b>Total financial liabilities</b>		<b>5,702,096</b>	<b>7,461,834</b>

#### Financial risk management policies

The Board of Directors monitors the Company's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk.

Mitigation strategies for specific risks faced are described below:

#### Specific financial risk exposures and management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

## **Notes to the Financial Statements**

**For the Half-year ended 31 December 2019**

**(a) Liquidity risk**

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile, managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Company's policy is to ensure no more than 30% of borrowings should mature in any 12-month period.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider there is any material risk the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year-end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the company has no control over the timing of any potential settlement of the liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.



## Notes to the Financial Statements

For the Half-year ended 31 December 2019

### 15 Financial Risk Management continued

*Financial liability and financial asset maturity analysis*

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	Half-year ended	Year ended	Half-year ended	Year ended	Half-year ended	Year ended	Half-year ended	Year ended
	31 December 2019	30 June 2019	31 December 2019	30 June 2019	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Current trade and other payables (excluding estimated annual leave and GST)	(571,950)	(1,348,894)	-	-	-	-	(571,950)	(1,348,894)
Non-current trade and other payables	-	-	(5,000,000)	(5,500,000)	-	-	(5,000,000)	(5,500,000)
Current financial liabilities	(128,966)	(611,760)	-	-	-	-	(128,966)	(611,760)
Non-current financial liabilities	-	-	(1,180)	(1,180)	-	-	(1,180)	(1,180)
<b>Total expected outflows</b>	<b>(700,916)</b>	<b>(1,960,654)</b>	<b>(5,001,180)</b>	<b>(5,501,180)</b>	<b>-</b>	<b>-</b>	<b>(5,702,096)</b>	<b>(7,461,834)</b>
<b>Financial assets – cash flows realisable</b>								
Cash and cash equivalents	1,598,536	1,372,496	-	-	-	-	1,598,536	1,372,496
Trade and other receivables (excluding GST)	24,441	11,402	-	-	-	-	24,441	11,402
Other financial assets	-	-	91,000	91,000	-	-	91,000	91,000
<b>Total anticipated inflows</b>	<b>1,622,977</b>	<b>1,383,898</b>	<b>91,000</b>	<b>91,000</b>	<b>-</b>	<b>-</b>	<b>1,713,977</b>	<b>1,474,898</b>
<b>Net (outflow)/inflow on financial instruments</b>	<b>922,061</b>	<b>(576,756)</b>	<b>(4,910,180)</b>	<b>5,410,180</b>	<b>-</b>	<b>-</b>	<b>(3,988,119)</b>	<b>(5,986,936)</b>

**Notes to the Financial Statements**  
**For the Half-year ended 31 December 2019**

**15 Financial Risk Management continued**

**(b) Market risk**

*(i) Interest rate risk*

The financial instruments that primarily expose the Company to interest rate risk are borrowings and cash and cash equivalents.

**(c) Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 7.

Credit risk related to balances with banks and other financial institutions is managed by the FOC in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

The following table details the Company's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			< 30 \$	31-60 \$	61-90 \$	> 90 \$	
<b>For the Half-year ended 31 December 2019</b>							
Trade and other receivables (Excluding GST receivable)	24,441	-	-	-	-	-	24,441
Total	24,441	-	-	-	-	-	24,441
<b>For the Year ended 30 June 2019</b>							
Trade and other receivables (Excluding GST receivable)	11,402	-	-	-	-	-	11,402
Total	11,402	-	-	-	-	-	11,402

## Notes to the Financial Statements

### For the Half-year ended 31 December 2019

#### 15 Financial Risk Management continued

The Company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

#### Sensitivity analysis - Interest rate risk

The following table illustrates sensitivities to the company's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Half-year ended 31 December 2019 \$	Year ended 30 June 2019 \$
Change in profit		
- Increase in interest rate by 1%	15,985	13,725
- Decrease in interest rate by 1%	(15,985)	(13,725)
Change in equity		
- Increase in interest rate by 1%	15,985	13,725
- Decrease in interest rate by 1%	(15,985)	(13,725)

## Notes to the Financial Statements

For the Half-year ended 31 December 2019

### 16 Capital Management

The directors control the capital of Alt Resources Limited in order to maintain a debt to equity ratio, provide the shareholders with adequate returns and ensure the company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities supported by financial assets.

The directors effectively manage Alt Resources Limited's capital by assessing the Company's financial risks and adjusting the capital structure in response to changes in these risks. The responses include the management of debt levels, distributions to shareholders and share issues.

The gearing ratio for the half-year ended 31 December 2019 and year ended 30 June 2019 are as follows:

		<b>As at 31 December 2019</b>	<b>As at 30 June 2019</b>
		<b>\$</b>	<b>\$</b>
Trade and other payables (excluding GST payable)	10	<b>5,571,950</b>	6,848,894
Less Cash and cash equivalents	6	<b>(1,598,536)</b>	(1,372,496)
Net (asset)/debt		<b>3,973,414</b>	5,476,398
Equity	13	<b>23,025,595</b>	17,728,798
Total capital		<b>26,999,009</b>	23,205,196
Gearing ratio		<b>14.72%</b>	23.60%

**Notes to the Financial Statements**  
**For the Half-year ended 31 December 2019**

**17 Key Management Personnel Disclosures**

The totals of remuneration paid to the key management personnel of Alt Resources Limited during the half year are as follows:

	<b>As at 31 December 2019</b>	<b>As at 31 December 2018</b>
Note	\$	\$
Short-term employee benefits – Earnings and Directors fees	288,247	199,742
Short-term employee benefits – Incentives	-	65,000
Post-employment benefits – Superannuation contributions	23,857	18,920
Share-based payments - Earnings	24 192,542	-
Share-based payments - Incentives	24 406,000	75,504
Option-based payments - Incentives	5,000	-
Option-based payments - Earnings	8,846	-
	<u>24 924,492</u>	<u>359,165</u>

**Short-term employee benefits**

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMPs.

**Post-employment benefits**

These amounts are the current-year's estimated cost of providing for the company's superannuation commitments made during the year and post-employment life insurance benefits.

**Other long-term benefits**

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

**Share-based payments**

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

**Option-based payments**

These amounts represent the expense related to the payment of commissions and incentives to KMPs with options as valued by the fair value of the Black & Scholes valuation of options method.

## Notes to the Financial Statements

For the Half-year ended 31 December 2019

### Key management personnel shareholdings

The number of ordinary shares in Alt Resources Limited held by each key management person of Alt Resources Limited during the financial year is as follows:

	Balance at beginning of year	Shares Issued	On exercise of options	Other changes during the year	Balance at 31 December 2019
<b>As at 31 December 2019</b>					
<b>Executive Directors</b>					
Andrew Sparke <sup>2</sup>	3,103,333	9,396,392	-	-	12,499,725
<b>Non-executive Directors</b>					
William Hugh Ellis <sup>1</sup>	1,910,500	4,500,000	-	-	6,410,500
Neva Collings	2,249,017	4,900,000	-	-	7,149,017
<b>Other KMPs</b>					
Phillip James Anderson	4,200,000	8,584,090	-	(850,000)	11,934,090
Timothy John Symons <sup>3</sup>	925,000	600,000	-	-	1,525,000
	<u>12,387,850</u>	<u>27,980,482</u>	<u>-</u>	<u>(850,000)</u>	<u>39,518,332</u>

<sup>1</sup> 890,500 shares are held by William Ellis, 1,020,000 shares are held by his spouse Shaaron Ellis and 4,500,000 shares are held by C & N Hawthorne Pty Ltd.

<sup>2</sup> 270,000 shares are held by Sparkle As Pty Ltd and 12,229,725 shares are held by Turkey Investments Pty Ltd.

<sup>3</sup> 712,500 shares are held by Timothy Symons, 12,500 shares are held by his spouse Kathleen Symons and 800,000 shares are held by Super Wilgarning Pty Ltd.

	Balance at beginning of year	Shares Issued	On exercise of options	Other changes during the year	Balance at 30 June 2019
<b>30 June 2019</b>					
<b>Executive Directors</b>					
William Hugh Ellis <sup>1</sup>	1,910,500	-	-	-	1,910,500
Andrew Sparke <sup>2</sup>	181,046	2,833,333	-	88,954	3,103,333
<b>Non-executive Directors</b>					
Neva Collings	2,082,350	166,667	-	-	2,249,017
<b>Other KMPs</b>					
Phillip James Anderson	6,161,044	2,927,133	-	(4,888,177)	4,200,000
Timothy John Symons <sup>3</sup>	825,000	100,000	-	-	925,000
	<u>11,159,940</u>	<u>6,027,133</u>	<u>-</u>	<u>(4,799,223)</u>	<u>12,387,850</u>

<sup>1</sup> 890,500 shares are held by William Ellis and 1,020,000 shares are held by his spouse Shaaron Ellis.

<sup>2</sup> 270,000 shares are held by Sparkle As Pty Ltd and 2,833,333 shares are held by Turkey Investments Pty Ltd.

<sup>3</sup> 112,500 shares are held by Timothy Symons, 12,500 shares are held by his spouse Kathleen Symons and 800,000 shares are held by Super Wilgarning Pty Ltd.

For details of other transactions with key management personnel, refer to Note 21: Related Parties.

**Notes to the Financial Statements**  
**For the Half-year ended 31 December 2019**

For details of other transactions with key management personnel, refer to Note 20: Related Parties.

**18 Remuneration of Auditors**

	Half-year ended 31 December 2019 \$	Half-year ended 31 December 2018 \$
Remuneration of the auditor of the Company, Hardwickes Chartered Accountants, for:		
- auditing or reviewing the financial report	<u>8,500</u>	<u>8,500</u>

**19 Capitalised Tenement Costs and Joint Arrangements**

**Capitalised Tenement Costs**

Reconciliation of carrying amount of interest in tenements to summarised financial information for tenements accounted for using the equity method:

	Half-year ended 31 December 2019 \$	Year ended 30 June 2019 (Restated) \$
<b>Investment in WA Tenements</b>		
Opening balance	-	-
Investment in tenements at cost	<u>23,300</u>	-
Carrying amount	<u>23,300</u>	-
<b>Investment in NSW Tenements</b>		
Opening balance	2,054,058	2,015,101
Exploration costs written off	4,382	38,957
Write off capitalised exploration costs	<u>(138,828)</u>	-
Carrying amount	<u>1,919,612</u>	<u>2,054,058</u>
<b>Bottle Creek WA Acquisition cost of option to purchase</b>		
Opening balance	<u>9,132,646</u>	1,663,497
Investment in tenements at cost	<u>295,343</u>	7,469,149
Carrying amount	<u>9,427,989</u>	<u>9,132,646</u>
<b>MGK Resources Pty Ltd Investment in Tenements at Mount Ida South and Quinn Hills</b>		
Opening balance	<u>1,227,168</u>	467,335
Investment in tenements at cost	<u>1,286,773</u>	759,833
Carrying amount	<u>2,513,941</u>	<u>1,227,168</u>

## Notes to the Financial Statements

For the Half-year ended 31 December 2019

### Joint Ventures

Reconciliation of carrying amount of interest in joint venture to summarised financial information for joint ventures accounted for using the equity method:

	Half-year ended 31 December 2019 \$	Year ended 30 June 2019 (Restated) \$
<b>Joint Venture with GFM Exploration Pty Ltd</b>		
Opening balance	4,251,494	4,234,798
Investment in Joint Venture at cost	1,878	16,696
Write off capitalised exploration costs	<u>(59,497)</u>	<u>-</u>
Carrying amount	<u>4,193,875</u>	<u>4,251,494</u>
<b>MGK Resources Pty Ltd Joint Venture with Maincoast Pty Ltd</b>		
Opening balance	15,031	819
Investment in tenements at cost	<u>28,504</u>	<u>14,212</u>
Carrying amount	<u>43,535</u>	<u>15,031</u>
<b>MGK Resources Pty Ltd Joint Venture with Gazard Investments Pty Ltd</b>		
Opening balance	16,091	2,696
Investment in tenements at cost	<u>8,676</u>	<u>13,395</u>
Carrying amount	<u>24,767</u>	<u>16,091</u>
<b>Joint Venture with Mount Roberts Mining Pty Ltd</b>		
Opening balance	-	336,703
Investment in Joint Venture at cost	-	18,419
Write off capitalised exploration costs	<u>-</u>	<u>(355,122)</u>
Carrying amount	<u>-</u>	<u>-</u>
<b>Total carrying amount of capitalised investment and tenement costs</b>	<u>18,147,019</u>	<u>16,696,488</u>



## Notes to the Financial Statements

For the Half-year ended 31 December 2019

### Risks associated with the interests in joint ventures

The recoverability of the carrying amount of the exploration development expenditure is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Name	Classification	Place of Business	Participating Share	Free carried Interest of Joint Venturers	Measurement Method	Carrying Amount
			31 December 2019 %	31 December 2019 %	31 December 2019	\$
Joint Venture between Alt Resources and GFM Exploration Pty Ltd	Joint Venture	New South Wales	70%	30%	Equity Method	4,1936,875
Joint Venture between MGK Resources Pty Ltd and Maincoast Pty Ltd	Joint Venture	Western Australia	80%	20%	Equity Method	43,535
Joint Venture between MGK Resources Pty Ltd and Gazard Investments Pty Ltd	Joint Venture	Western Australia	80%	20%	Equity Method	24,767

Alt Resources Limited holds a 70% interest in an unincorporated Joint Venture, a strategic joint arrangement structured between the Company and GFM Exploration Pty Ltd (GFM). The principal place of business of the Joint Venture is New South Wales and the primary purpose of the joint venture is the discovery, location and delineation of Gold and all activities as are necessary or expedient for the purpose of exploring the Joint Venture Area and includes conducting a feasibility studies and all activities to produce the same and all activities as are necessarily or desirable in order to implement and give to facilitate exploration, mining and sale of Gold on behalf of the joint operators.

Alt Resources Limited purchased MGK Resources Pty Limited and therefore control of MGK Resources' tenements in the Mount Ida South and Quinn Hills regions of Western Australia. Eight of these tenements are jointly owned by MGK Resources and Maincoast Pty Ltd or Gazard Investments Pty Ltd. MGK Resources owns 80% of these tenements in a joint venture with each of these companies.

The Joint Ventures are not created as partnerships. The rights, interests, liabilities and obligations of the parties respectively under the Joint Venture are individual and separate and will not be joint or collective and each party is responsible for its own obligations and will be liable only for its own proportionate share of any property and assets of the Joint Venture. The rights and obligation of the parties is several and neither joint nor joint and several. However, in acquiring its interest in the tenements,

Alt Resources Limited has entered into an agreement with GFM Exploration Pty Ltd to meet all of the exploration costs of the tenements including those which would otherwise be an obligation of GFM Exploration Pty Ltd. Alt Resources Limited has decided to discontinue the joint venture with Mount Roberts Mining Pty Ltd and has transferred the ownership of the joint venture's tenements back to Mount Roberts Mining Pty Ltd.

## Notes to the Financial Statements

### For the Half-year ended 31 December 2019

#### 20 Fair Value Measurement

##### Net Fair Values

##### *Fair value estimation*

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

	As at 31 December 2019		As at 30 June 2019	
	Net Carrying Value \$	Net Fair value \$	Net Carrying Value \$	Net Fair value \$
<b>Financial assets</b>				
Cash and cash equivalents	1,598,536	1,598,536	1,372,496	1,372,496
Trade and other receivables (excluding GST receivable)	24,441	24,441	11,402	11,402
Loan Receivables	91,000	91,000	91,000	91,000
<b>Total financial assets</b>	<b>1,713,977</b>	<b>1,713,977</b>	<b>1,474,898</b>	<b>1,474,898</b>
<b>Financial liabilities</b>				
Trade and other payables (excluding GST payable)	5,571,950	5,571,950	6,848,894	6,848,894
Current Financial Liabilities	128,966	128,966	611,760	611,760
Non-current Financial Liabilities	1,180	1,180	1,180	1,180
<b>Total financial liabilities</b>	<b>5,702,096</b>	<b>5,702,096</b>	<b>7,461,834</b>	<b>7,461,834</b>

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave and income received in advance which are not considered to be financial instruments.

(ii) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at reporting date for similar types of loans and advances. Differences between fair values and carrying values largely represent movements in the effective interest rate determined on initial recognition and current market rates.

**Notes to the Financial Statements**  
**For the Half-year ended 31 December 2019**

**21 Related Parties**

The Company's main related parties are as follows:

**(a) Key management personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 17: Key Management Personnel Compensation.

**(b) Other related parties**

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

**(c) Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

		<b>Half-year to 31 December 2019</b>	<b>Half-year to 31 December 2018</b>
		<b>\$</b>	<b>\$</b>
Orange Door Legal	Legal fees	<b>7,372</b>	6,250
Olive Capital	Financial services fees	<b>80,000</b>	20,000
2020 Accountancy Solutions	Accounting fees	<b>6,600</b>	69,000
Supershift IQ	Accounting fees	-	9,091
		<b>93,972</b>	<b>104,341</b>

## Notes to the Financial Statements

For the Half-year ended 31 December 2019

### 22 Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	Half-year to 31 December 2019 \$	Half-year to 31 December 2018 (Restated) \$
Profit / (Loss) for the period	(1,515,959)	(774,051)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- issue of options <sup>1</sup>	27,146	-
- depreciation	40,618	43,706
- loss / (profit) on disposal of property, plant & equipment	3,345	(2,993)
Changes in assets and liabilities,		
- (increase)/decrease in trade and other receivables	(44,079)	23,063
- (increase)/decrease in prepayments	(25,625)	(15,468)
- increase/(decrease) in trade and other payables	(776,944)	(494,117)
- increase/(decrease) in employee benefits	(18,456)	(531)
Cash flow from operations	<u>(2,309,953)</u>	<u>(1,220,391)</u>

<sup>1</sup> Options issued as payments are valued by the fair value of the Black & Scholes valuation of options method.

### 23 NSW Government Grants

The Group has not received a New Horizons NSW Government grant during the half year to 31 December 2019.

### 24 Research and Development Tax Incentives

The Group has not received a Research and Development Tax Incentive during the half year to 31 December 2019.

## Notes to the Financial Statements

For the Half-year ended 31 December 2019

### 25 Share-based Payments

During the half-year 1 July 2019 to 31 December 2019 the following number of shares were granted to key management personnel or their nominees (KMPs), employees, consultants and suppliers as share-based payments.

	Half-year to 31 December 2019 \$	Half-year to 31 December 2019 Shares	Half-year to 31 December 2018 \$	Half-year to 31 December 2018 Shares
KMPs	619,524	28,105,482	97,018	1,927,133
Other Employees	-	-	25,000	500,000
Consultants	79,837	3,193,489	20,100	670,000
Other Suppliers	239,875	11,485,000	377,227	8,924,223
Loan Interest paid	41,000	1,950,000	-	-
<b>Total</b>	<b>980,236</b>	<b>42,833,971</b>	519,345	12,021,356

The weighted average fair value of those equity instruments, determined by management was \$0.0219 (Half-year to 31 December 18 \$0.0432).

Included under expenses in the statement of profit and loss is \$744,875 which relates to equity settled share-based payment transactions (Half-year to 31 December 2018: \$492,345).

Included under transaction cost on the share issue in the statement of Changes in Equity is \$215,361 (Half-year to 31 December 18 \$57,000) which relates to equity settled share-based payment transactions.

### 26 Subsidiaries

The Consolidated Financial Statements include the financial statements of the Parent Entity, Alt Resources Limited and the subsidiary listed in the following table.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non-controlling Interests	
		At 31 December 19	At 30 June 19	At 31 December 19	At 30 June 19
		%	%	%	%
MGK Resources Pty Ltd	Jindabyne, NSW	100	100	-	-

## Notes to the Financial Statements

### For the Half-year ended 31 December 2019

#### 27 Parent Information

		Half-year ended 31 December 2019	Year ended 30 June 2019 (Restated)	Year ended 30 June 2019 (Actual)
	Note	\$	\$	\$
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	6	1,598,536	1,372,496	1,372,496
Trade and other receivables	7	123,044	78,966	78,966
Prepayments		39,832	14,206	14,206
<b>TOTAL CURRENT ASSETS</b>		<b>1,761,412</b>	<b>1,465,668</b>	<b>1,465,668</b>
<b>NON-CURRENT ASSETS</b>				
Investment in joint ventures and capitalised tenement costs	19, 28	17,513,101	17,188,198	12,501,391
Financial assets	8	2,474,575	1,150,622	1,150,622
Capital Works in Progress		347,518	247,981	247,981
Property, plant and equipment	9	373,893	189,914	189,914
<b>TOTAL NON-CURRENT ASSETS</b>		<b>20,709,087</b>	<b>18,776,715</b>	<b>14,089,908</b>
<b>TOTAL ASSETS</b>		<b>22,470,499</b>	<b>20,242,383</b>	<b>15,555,576</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables	10	571,950	1,348,894	1,348,894
Employee benefits	12	77,809	97,538	97,538
Financial liabilities	11	128,966	611,760	611,760
<b>TOTAL CURRENT LIABILITIES</b>		<b>778,725</b>	<b>2,058,192</b>	<b>2,058,192</b>
<b>NON-CURRENT LIABILITIES</b>				
Trade and other payables	10	5,000,000	5,500,000	5,500,000
Employee benefits	12	51,745	50,471	50,471
Financial liabilities	11	1,180	1,180	1,180
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,052,925</b>	<b>5,551,651</b>	<b>5,551,651</b>
<b>TOTAL LIABILITIES</b>		<b>5,831,650</b>	<b>7,609,843</b>	<b>7,609,843</b>
<b>NET ASSETS</b>		<b>16,638,849</b>	<b>12,632,540</b>	<b>7,945,733</b>
<b>EQUITY</b>				
Issued capital	13	23,025,595	17,728,798	17,728,798
Accumulated losses	14	(6,424,156)	(5,106,522)	(9,793,329)
Share-based payments reserve	13(d)	37,410	10,264	10,264
<b>TOTAL EQUITY</b>		<b>16,638,849</b>	<b>12,632,540</b>	<b>7,945,733</b>

## Notes to the Financial Statements

### For the Half-year ended 31 December 2019

		Half-year ended 31 December 2019	Year ended 30 June 2019 (Restated)
	Note	\$	\$
Revenue	3	15,707	78,999
Depreciation and amortisation expense	4, 9(a)	(2,525)	(14,725)
Employee benefits expense	4	(650,780)	(743,653)
Exploration expenditure		(198,325)	(348,055)
Finance costs	4	(32,307)	(30,256)
Other expenses		(647,729)	(868,264)
<b>Loss before income tax</b>		<b>(1,515,959)</b>	<b>(1,925,954)</b>
Tax expense	5	-	-
<b>Net loss for the year</b>		<b>(1,515,959)</b>	<b>(1,925,954)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(1,515,959)</b>	<b>(1,925,954)</b>

#### 28 Intangible Asset

The consolidated reports for the group include an intangible asset – Goodwill on consolidation. This is the combination of the acquisition cost of MGK Resources Pty Ltd and the issued capital of MGK Resources Pty Ltd.

Acquisition cost of MGK Resources Pty Ltd	1,750,000
Less: Issued Capital of MGK Resources Pty Ltd	(198,150)
Goodwill on Consolidation	<u>1,551,850</u>

#### 29 Events Occurring After the Reporting Date

The financial report was authorised for issue on 10<sup>th</sup> March 2020 by the board of directors.

Mr Grant Harding was appointed to the Board as a Non-executive Director on 4<sup>th</sup> February 2020.

The Group announced an updated JORC resource estimate for the Mt Ida and Bottle Creek Gold Projects on 10<sup>th</sup> February 2020. This updated resource estimate has increased the resource and reserve estimate to 519,000 oz Au and 3.78M oz of Ag. The updated resource estimate has significantly improved the resource in the JORC Code categories with the Bottle Creek resource now being classified in the Measured, Indicated and Inferred categories.

The Company is currently undertaking pit optimisation and a preliminary feasibility study of the Bottle Creek ore bodies which will move the resource into the ore reserve category under the JORC Code significantly enhancing shareholder value and the Company assets.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## **Notes to the Financial Statements**

**For the Half-year ended 31 December 2019**

### **30 Group Details**

The registered office of Alt Resources Limited and MGK Resources Pty Ltd is:

11-13 Baggs Street  
Jindabyne NSW 2627

The principal place of business of Alt Resources Limited and MGK Resources Pty Ltd is:

11-13 Baggs Street  
Jindabyne NSW 2627

The local place of business of Alt Resources Limited and MGK Resources Pty Ltd is:

Level 2 33 Ord Street  
West Perth WA 6005

### **31 Joint Venture Details**

#### **a) Joint Venture with GFM Exploration Pty Ltd**

Alt Resources holds 70% of the Joint Venture with GFM Exploration Pty Ltd holding the other 30%. Therefore the Company has beneficial and legal entitlement to 70% of the following tenements:

EL7825 Paupong NSW; EL8266 Paupong NSW; EL8382 Paupong NSW; EL8416 Myalla NSW.

The Group's address details provided at Note 30 above are the same for GFM Exploration Pty Ltd.

#### **b) Joint Venture with Mount Roberts Mining Pty Ltd**

Alt Resources decided to discontinue the Joint Venture with Mount Roberts Mining Pty Ltd and has transferred the ownership of tenements M36/279 and M36/341 back to Mount Roberts Mining Pty Ltd.

#### **c) Joint Venture with Maincoast Pty Ltd**

Alt Resources owns 100% of MGK Resources Pty Ltd. MGK Resources Pty Ltd holds 80% of the Joint Venture with Maincoast Pty Ltd holding the other 20%. Therefore the Company has beneficial and legal entitlement to 80% of the following tenements:

E29/0901 Mt Ida South WA, E29/0921 Mt Ida South WA, E29/997 Quinn Hills WA, E291014 Mt Ida South WA.

#### **d) Joint Venture with Gazard Investments Pty Ltd**

MGK Resources Pty Ltd also holds 80% of the Joint Venture with Gazard Investment Pty Ltd holding the other 20%. Therefore the Company has beneficial and legal entitlement to 80% of the following tenements:

E29/969 Mt Ida South WA, E29/970 Mt Ida South WA, E29/971 Mt Ida South WA, E29/973 Mt Ida South WA.



## **Notes to the Financial Statements**

### **For the Half-year ended 31 December 2019**

#### **Directors Declaration**

The directors of the Company declare that:

1. the financial statements and notes for the half year ended 31 December 2019 are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position and performance of the Company;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Director

William Hugh Ellis

Dated 10<sup>th</sup> March 2020

## Independent Audit Report to the members of Alt Resources Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Alt Resources Limited, which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors' determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

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

## Alt Resources Limited

ABN: 57 168 928 416

# Independent Auditor's Review Report to the members of Alt Resources Limited

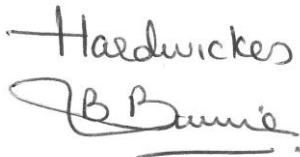
### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Alt Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Alt Resources Limited is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Hardwickes  
Chartered Accountants



Bhaumik Bumia CA  
Partner

Canberra

10 March 2020