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ALT RESOURCES LIMITED

Alt Resources Limited

ABN:57 168 928 416

Audited Financial Statements

For the Year Ended 30 June 2020

Corporate Directory

Business Address

11-13 Baggs Street
JINDABYNE NSW 2627

Telephone: 1300 66 0001
+61 2 6456 2915

Email: info@altresources.com.au

Web: www.altresources.com.au

Registered Office Address

11-13 Baggs Street
JINDABYNE NSW 2627

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

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 – Executive Director 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 including Remuneration Report

The directors present their report on Alt Resources Limited for the Year ended 30 June 2020.

Directors

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

Names	Position	Appointed/Resigned
William Hugh Ellis	Non-Executive Director & Chairman	Appointed: 11 April 2014
Neva Collings	Non-Executive Director	Appointed: 11 April 2014
Andrew Sparke	Executive Director	Appointed: 1 September 2018
Grant Harding	Non-Executive Director	Appointed: 4 February 2020

Directors have been in office since the start of the Year to the date of this report unless otherwise stated. Detailed information on directors and senior management is located at page 6.

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.

Alt Resources Limited announced on 7 May 2020 that it had received an all cash off-market takeover offer bid from private equity firm Aurenne Group Holdings Pty Ltd.

This offer to shareholders consisted of:

- A\$0.0505 for every 1 Alt Resources (ARS) share held;
- Including ARS shares to be issued upon exercising of existing unlisted options;
- Including Alt Resources shares issued with shareholder approval received at General Meeting held 31 July 2020.

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

Operating results

The deficit of the Company after providing for income tax amounted to (\$2,151,719) (2019 (Restated): (\$1,925,436)).

Dividends

No dividends have been paid during the year and no recommendation for payment of dividends has been made.

Significant changes in state of affairs

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

- i) An additional \$5,718,817 after transaction costs has been raised in share capital during the year to fund operations.
- ii) Alt Resources Limited continued its purchase of the Bottle Creek tenements with the second \$500,000 instalment payment being made on 1 July 2019 and the third \$500,000 instalment paid on 29 June 2020. The Company has made \$1,650,000 in payments as at 30 June 2020. A final payment of \$4,500,000 is due to be paid on 29 November 2020.
- iii) The \$371,414 Landholders Duty in relation to the Bottle Creek acquisition imposed by the WA Office of State Revenue was paid on 25 April 2020.
- iv) The Company received a \$3,679,296 Convertible Note Loan from Aurenne Ularring Pty Ltd on 7 May 2020 in conjunction with its takeover offer for Alt resources Limited.

Future developments and results

The Company's shareholders received a cash offer to purchase all of their shares for 5.05 cents per share which was lodged on 15 June 2020.

The Company's future directions may undergo significant changes depending upon the success or otherwise of the takeover offer.

Therefore the Company has no active plans to continue raising working capital to continue its exploration program and develop mining operations.

Any significant information regarding the takeover offer has been released in the market and to shareholders through ASX.

Options

The Company granted 4,500,000 options to key management personnel (KMP) on 31 July 2019 as approved at the General Meeting held on 26 July 2019.

The Company granted 11,350,000 broker options to DJ Carmichaels Pty Ltd on 31 July 2019 as approved at the General Meeting held on 26 July 2019.

The Company granted 15,000,000 broker options to DJ Carmichaels Pty Ltd on 30 September 2019 as approved at the General Meeting held on 23 September 2019.

The Company granted 8,096,391 options to key management personnel (KMP) on 11 December 2019 as approved at the Annual General Meeting held on 29 November 2019.

The Company granted 1,000,000 options to Bruce Legendre as announced on 18 December 2019.

Significant events after the balance date

The Company announced the Mt Ida and Bottle Creek Projects Pre-feasibility Study on 10 July 2020 confirming the technical and financial viability of a 750ktpa mining and processing plant at Alt Resources Mt Ida Bottle Creek Project located in the Northern Goldfields of Western Australia.

This announcement also detailed the Company's Maiden Ore Reserve of 272,000oz gold @ 1.8g/t Au and 2.1Moz silver @ 15.8g/t Ag based on AUD \$2.200oz gold price and AUD \$22oz silver price.

The Board of Directors of Alt Resources Limited announced the release of the Target Statement on 17 July 2020 in response to the Takeover Offer Bidder's statement from Aurene Ularring Pty Ltd.

The takeover offer was declared unconditional on 20 August 2020. Aurene Ularring Pty Ltd announced on 27 August 2020 that it had received acceptances exceeding 90% of the company's total shares and will compulsorily acquire the remaining shares. Aurene Ularring Pty Ltd previously announced their intention to delist the Company and convert it to a private company as soon as practically possible.

Since the end of the year, the Directors have not become aware of any other matters or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent years, the financial effects of which have not been provided for in the 30 June 2020 financial statements.

Economic Sustainability Risk:

The nature of the exploration activity undertaken by the company is inherently risky. The risk relative to the ability to continue as a going concern is outlined in note: 1 (e) of the financial statements.

Environmental Sustainability Risk:

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory other than the environmental and planning laws of New South Wales and Western Australia.

The company is not aware of any significant risk arising from non-compliance.

Social Sustainability Risk:

Given the size and complexity of the company's business and the fact that the company is not involved in the design or production of any material, the concept of Social Sustainability is not yet a relevant risk to its operations.

Information on Directors

William Hugh Ellis	Non-Executive Director and Chairman
Qualifications	BCom
Experience and Expertise	Mr Ellis is a graduate of the University of Melbourne and has practiced as a public accountant in excess of 40 years having been a member of both the Institute of Chartered Accountants and the Institute of Public Accountants. Registration currently held include Registered Tax Agent and member of the Institute of Public Accountants.
Other current ASX Directorships	Nil
Former ASX Directorships in last three years	Nil
Special Responsibilities	Chairman of the Board Chairman of Audit and Risk Committee
Interest in Shares and Options at the date of this report	1,910,500 fully paid ordinary shares 444,400 Options

Neva Collings	Non-Executive Director
Qualifications	LLB, BEcon, LLM
Experience and Expertise	Ms Collings is a sole practitioner solicitor in NSW with expertise in environmental and planning law and international law. Ms Collings is principal Solicitor and owner of Orange Door Legal and former solicitor of the NSW Environmental Defenders Office. She is a former director of the Australian Institute of Aboriginal and Torres Strait Islander Studies in Canberra and former Director of the Forest Stewardship Council Australia. Presently Ms Collings is a Phd candidate at University of Sydney Faculty of Law and sits on the board of the NSW Aboriginal Housing Office. Neva is a member of the Australian Institute of Company Directors
Other current ASX Directorships	Nil
Former ASX Directorships in last three years	Nil
Special Responsibilities	Nil
Interest in Shares and Options at the date of this report	9,316,684 fully paid ordinary shares 1,444,400 Options

Andrew Sparke	Executive Director
Qualifications	BBus. (Marketing)
Experience and Expertise	Mr Sparke is the Managing Director of Olive Capital Pty Ltd with over 15 years' experience in IPO's, private placements, secondary market transactions and listed company compliance. Mr Sparke has advised numerous ASX listed companies on capital raising and corporate transactions. He is also a member of the Australian Institute of Company Directors.
Other current ASX Directorships	LWP Technologies Ltd
Former ASX Directorships in last three years	Torian Resources Limited
Special Responsibilities	Executive Director
Interest in Shares and Options at the date of this report	14,999,725 fully paid ordinary shares 5,596,391 Options

Grant Harding	Non-Executive Director
Qualifications	B.App.Sc (Mineral Science), FAusIMM, MAICD
Experience and Expertise	Mr. Harding has over 30 years' experience with demonstrated successes in project development, operations management, and mineral processing design. He has been responsible for feasibility studies for gold operations, overseeing the process plant design and metallurgy on a number of projects and acting as the project and commissioning manager for others.
Other current ASX Directorships	Nil
Former ASX Directorships in last three years	Nil
Special Responsibilities	Member of the Audit & Risk Committee
Interest in Shares and Options at the date of this report	691,667 fully paid ordinary shares Nil Options

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Meetings of Directors

During the financial year, 14 meetings of directors plus two Audit & Risk committee meetings and one Nomination and Remuneration Committee meeting were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit & Risk Committee		Nomination and Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number eligible to attend		
Bill Ellis	14	14	2	2	1	1
Andrew Sparke	14	14	-	-	-	-
Neva Collings	14	13	1	1	1	1
Grant Harding	8	8	1	1	1	1

Information on Other Key Management Personnel

Phillip James Anderson	Chief Executive Officer
Appointment	1 st June 2014
Experience and Expertise	Mr Anderson is a Senior Chief Executive with significant experience in Operational, Logistics and Supply Chain management in business environments on a global scale with multiple employees. He has held roles of Chief Executive Officer at SMP USA and Australia, Managing Director of Aloha and Sunseeker International. Mr Anderson is a co-founder of Alt Resources Limited and has acted as CEO of the Company since inception through listing on the ASX.
Interest in Shares and Options at the date of this report	28,850,000 fully paid ordinary shares 9,500,700 Options

Timothy John Symons	Chief Financial Officer
Appointment	1 st July 2014
Qualifications	BFinAdmin, FIPA
Experience and Expertise	Mr Symons holds a Bachelor of Financial Administration degree from University of New England. He has worked in a variety of financial and management accounting roles for various companies such as Myer Department Stores, the University of New South Wales, BHP Stainless, BHP Limited at Port Kembla and the University of Wollongong. In 2002 Mr Symons joined a Public Accounting firm and became Registered Tax Agent specialising in business accounting. He currently holds membership as a Fellow of the Institute of Public Accountants.
Interest in Shares and Options at the date of this report	2,025,000 fully paid ordinary shares Nil Options

Information on Company Secretary

Elissa Hansen	Company Secretary
Appointment	20 th February 2019
Experience and Expertise	Ms Hansen is a chartered secretary with nearly 20 years' experience as a company secretary and corporate governance professional. She has worked with boards and management on a range of ASX and NSX listed companies including assisting a number of organisations through the IPO process. Elissa is experienced in the specific requirements of companies in industries including resources, information technology, industrials and biotechnology.

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 or has been an officer or auditor of Alt Resources Limited.

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

Remuneration Report

The Remuneration Report outlines the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The Remuneration Report is set out under the following main headings:

Principles used to determine the nature and amount of remuneration

Service agreements

Details of remuneration for the year ended 30 June 2020

- Cash Benefits
- Equity based compensation

Additional disclosure relating to key management personnel.

Principles used to determine the nature and amount of remuneration

The Board of Alt Resources Limited acts as the Remuneration Committee (as per the Corporate Governance Statement) to allow the Company to maintain its ability to attract and retain the best executives and Directors to run and manage the entity, as well as create alignment between Directors, executives and shareholders. The remuneration policy is not based on the Company's income, as the Company does not generate income or earnings from its exploration activities.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel comprise the Chairman and Directors of the Company, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO).

The Company has performed well in 2019-20 maintaining its low-cost administration and cost-efficient discovery.

A continuing objective of the Board has been to minimise the number of Board members and senior executives it employs to maintain the total remuneration of such executives at a level that is commensurate with the size of the Company and the cash resources of the Company.

The Company's employee share scheme which was approved by shareholders in 2015 was replaced in the 2019/20 financial year with shareholder approval granted at the General Meeting held on 31 July 2020. Remuneration policy for Directors and senior executives is reviewed annually by the Board and includes a mix, as determined by the Board and depending on the nature of employment agreements, of fixed remuneration, superannuation, fringe benefits, short term incentives, long term incentives including securities, subject to any necessary shareholder or regulatory approvals.

Reviews consider the entity's performance, Executive and Non-Executive Director performance and comparable information from industry, including other listed companies in the resources sector. Criteria for executive and director appraisal include:

- a) maintaining high standards of workplace health and safety, environmental compliance and community liaison
- b) leading the development of strategy, and communicating this to stakeholders
- c) maintaining and adding to capital resources necessary to execute the company's strategy, with minimal dilution and costs to shareholders
- d) technical advancement in the exploration potential of the project areas
- e) acquisition of new assets to improve shareholder value
- f) managing operations and expenditure to efficient levels and within budgets,
- g) preserving financial and business integrity and managing risk under difficult industry conditions
- h) recruiting, managing and training personnel to ensure access to high levels of skill in the industry
- i) managing investor relations and Company communication
- j) ability to multi-skill and cover as much of the company's skill needs from in-house resources

The Company's policy in respect of senior executives is to remunerate them on the basis of their job function, taking into account their qualifications and experience. The level of remuneration has been determined by the Board taking into account the position and responsibilities for which each Board member and senior executive is charged.

Developing and retaining exploration personnel expertise, therefore enabling the best possible examination and enhancement of the Company's exploration portfolio is considered to be a primary objective and this is required to be done whilst operating to high standards of governance, including workplace safety.

The Board is aware of the need to maintain competitive remuneration to reward performance, which benefits shareholder and advances the Company. To this end the Company will maintain short term and long-term incentive programs to motivate and reward those people who create shareholder value and make the greatest contribution to the Company.

Service Agreements

Directors

Directors are subject to retirement by rotation in accordance with the Company's Constitution. The Directors' individual appointment may continue for further terms if re-elected at future Annual General Meetings.

Non-executive Director, Neva Collings' current service agreement was renewed on 23 November 2018 and is current until 22 November 2022.

Executive Director, Andrew Sparke's current service agreement was renewed on 1 September 2019 and is current until at least 31 August 2020.

Non-Executive Director and Chairman, William Ellis' current service agreement was renewed on 1 November 2019 with remuneration subject to review on 1 July of each year.

The Company does not have any retirement benefit obligations to the above upon their cessation as Directors.

Other Key Management Personnel

Chief Executive Officer, James Anderson's Executive services Agreement was reviewed on 15 January 2020 and is current until 14 January 2022.

Chief Financial Officer, Tim Symons' current service agreement was entered into on 15th August 2018 and remains current with remuneration subject to review on an annual basis.

Details of Remuneration for the Year Ended 30 June 2020

The remuneration for each Director of the entity and other Key Management Personnel during the year was as follows:

Cash Benefits

Benefits to Directors consisted mainly of cash benefits in the period. A maximum Directors Pool (excluding salaries of Executive Directors) of \$200,000 was available in 2019-20 and represents the maximum aggregate payments to Directors, in their capacities as Directors that can be paid in any one year without requiring additional shareholder approval.

The actual Directors pool utilised in the 12-month period was \$150,624 in total.

Equity Based Compensation

From time to time, the Board will recommend the issue of shares and options to key management, directors, employees and in some cases contractors to the Company as an additional incentive for them to continue to generate shareholder wealth and to align their interests with those of shareholders of the Company. The Option price is set at a premium above market at the time of grant.

As part of the ongoing efforts to preserve cash whilst retaining the services of Directors the Board has elected to issue shares and options to key management personnel. The Board elected to issue \$269,500 in shares to KMPs or their nominees on 31 July 2019 as approved by the General Meeting held on 26 July 2019. The board elected to issue \$15,000 in shares to the CFO on 23 August 2019 as part of the CFO's service agreement. The Board elected to issue \$275,024 in shares to KMPs or their nominees on 11 December 2019 as approved by the Annual General Meeting held on 29 November 2019. The Board also elected to issue \$13,846 in options to KMPs or their nominees on 11 December 2019 as approved by the Annual General Meeting held on 29 November 2019.

2019/20	Primary		Post-Employment	Equity		Total
	Salary, Fees, Commissions	Short Term Incentive	Superannuation Contributions	Shares	Options	
	\$	\$	\$	\$	\$	\$
Executive Directors						
Andrew Sparke	100,000	-	3,800	177,524	8,846	290,188
Non-Executive Directors						
William Hugh Ellis	120,246	-	6,967	94,500	-	221,713
Neva Collings	47,320	-	5,780	123,000	-	176,100
Grant Harding ¹	25,675	-	1,643	-	-	27,318
Other KMPs						
Phillip James Anderson	246,449	36,792	21,577	209,500	5,000	519,318
Timothy John Symons	105,000	-	9,975	15,000	-	129,975
	644,690	36,792	49,742	619,542	13,846	1,364,612

¹ Grant Harding was appointed to the Board of Directors on 4 February 2020

2018/19	Primary		Post-Employment	Equity		Total
	Salary, Fees, Commissions	Short Term Incentive	Superannuation Contributions	Shares	OPTIONS	
	\$	\$	\$	\$	\$	\$
Executive Directors						
Andrew Sparke	62,500	-	3,404	85,000	-	150,904
Non-Executive Directors						
William Hugh Ellis	100,000	-	9,500	-	-	109,500
Neva Collings	40,000	-	1,821	-	-	41,821
Other KMPs						
Phillip James Anderson	175,501	50,746	17,431	119,758	2,166	365,601
Timothy John Symons	105,000	-	9,975	5,000	-	119,975
	540,784	50,746	47,619	209,758	2,166	851,073

Additional Disclosure Relating to Key Management Personnel

Shareholdings

Number of shares held by Key Management Personnel:

	Balance at beginning of year	Shares Issued	On exercise of options	Other changes during the year	Balance at end of year
As at 30 June 2020					
Executive Directors					
Andrew Sparke ¹	3,103,333	9,396,392	-	-	12,499,725
Non-Executive Directors					
William Hugh Ellis ²	1,910,500	-	-	-	1,910,500
Neva Collings	2,249,017	4,900,000	-	-	7,149,017
Grant Harding	-	-	-	-	-
Other KMPs					
Phillip James Anderson	4,200,000	8,584,090	-	(1,784,090)	11,000,000
Timothy John Symons ³	925,000	600,000	-	-	1,525,000
	12,387,850	23,480,482	-	(1,784,090)	34,084,242

¹ 270,000 shares are held by Sparkle as Pty Ltd and 12,229,725 shares are held by Turkey Investments Pty Ltd.

² 890,500 shares are held by William Ellis and 1,020,000 shares are held by his spouse Shaaron Ellis.

³ 712,500 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 end of year
As at 30 June 2019					
Executive Directors					
Andrew Sparke ¹	181,046	2,833,333	-	88,954	3,103,333
Non-Executive Directors					
William Hugh Ellis ²	1,910,500	-	-	-	1,910,500
Neva Collings	2,082,350	166,667	-	-	2,249,017
Other KMPs					
Phillip James Anderson	6,161,044	2,927,133	-	(4,888,177)	4,200,000
Timothy John Symons ³	825,000	100,000	-	-	925,000
	11,159,940	6,027,133	-	(4,799,223)	12,387,850

¹ 270,000 shares are held by Sparkle as Pty Ltd and 2,833,333 shares are held by Turkey Investments Pty Ltd.

² 890,500 shares are held by William Ellis and 1,020,000 shares are held by his spouse Shaaron Ellis.

³ 112,500 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.

Options

Number of Options issued to Key Management Personnel - 2020	8,096,392 options
Number of Options issued to Key Management Personnel - 2019	1,723,000 options

Executives

Mr James Anderson	Chief Executive Officer
Mr Andrew Sparke	Executive Director
Mr Tim Symons	Chief Financial Officer
Ms Elissa Hansen	Company Secretary

This Directors' Report is signed on behalf of the Board in accordance with a resolution of the Directors of Alt Resources Limited.



WH Ellis
Chairman

Securities Issued during the Period

Placement

On 31 July 2019 the Company issued 12,557,500 fully paid ordinary shares to raise \$251,150 (before issue costs) to complete Tranche 2 of the June 2019 Capital Raising having received approval at the general meeting held on 26th July 2019.

A further 2,799,948 fully paid ordinary shares were issued by the Company on 31 July 19 from its available placement capacity under Rule 7.1

19,230,770 fully paid ordinary shares were issued on 5 August 2019 raising \$500,000 (before issue costs) as Tranche 1 of a Capital Raising using the Company's available placement capacity under ASX Listing Rule 7.1A.

85,000,000 fully paid ordinary shares were issued on 9 August 2019 raising \$2,125,000 (before issue costs) to complete Tranche 1 of the Capital Raising using the Company's available placement capacity under ASX Listing Rule 7.1 and Rule 7.1A as ratified at the General Meeting held on 23 September 2019.

A further 70,000,000 fully paid ordinary shares were issued on 26 September 2019 raising \$1,750,000 (before issue costs) as part of Tranche 2 of the August 2019 Capital Raising having received approval at the General Meeting held on 23 September 2019.

A further 3,000,000 fully paid ordinary shares were issued on 27 September 2019 raising \$75,000 (before issue costs) as part of Tranche 2 of the August 2019 Capital Raising having received approval at the General Meeting held on 23 September 2019.

A further 2,000,000 fully paid ordinary shares were issued on 30 September 2019 raising \$50,000 (before issue costs) as part of Tranche 2 of the August 2019 Capital Raising having received approval at the General Meeting held on 23 September 2019.

The Company issued 681,818 fully paid ordinary shares on 24 June 2020 raising \$23,864 (before issue costs) as a result of the exercising of 681,818 unlisted options held by a shareholder.

The Company issued a total of 259,938,357 fully paid ordinary shares during the 2019/20 Financial Year.

Use of Funds

The funds raised under the Placement were used as follows:

- To continue RC and diamond drilling programs at the Bottle Creek Gold Project;
- To undertake JORC 2012 resource modelling and metallurgical studies;
- To complete Pre-Feasibility studies;
- To pay a further two \$500,000 instalments towards the acquisition of the Bottle Creek mine project;
- To provide general working capital for the Company's current operations;

Alt Resources Limited

ABN: 57168928416

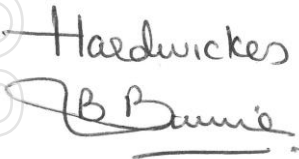
**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001
to the Directors of Alt Resources Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hardwickes

Chartered Accountants



Bhaumik Bumia CA
Partner

Dated: 28 August 2020

Canberra



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

		2020	2019 (Restated)
	Note	\$	\$
Income	3	100,486	79,517
Depreciation and amortisation expense	4	(4,909)	(14,725)
Employee benefits expense	4	(904,903)	(743,653)
Exploration expenditure	4	(206,907)	(348,055)
Finance costs	4	(43,031)	(30,256)
Other expenses		(1,092,455)	(868,264)
(Loss) before income tax		(2,151,719)	(1,925,436)
Tax expense	5	-	-
Net (loss) for the year		(2,151,719)	(1,925,436)
Other comprehensive income		-	-
Total comprehensive income for the year		(2,151,719)	(1,925,436)

Alt Resources Limited

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Consolidated Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 (Restated) \$	2019 (Actual) \$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	6	2,453,299	1,372,496	1,372,496
Trade and other receivables	7	135,637	78,966	78,966
Prepayments		13,439	14,206	14,206
TOTAL CURRENT ASSETS		2,602,375	1,465,668	1,465,668
NON-CURRENT ASSETS				
Investment in joint ventures and capitalised tenement costs	19	19,891,193	16,696,488	10,927,513
Financial assets	8	81,000	91,000	91,000
Intangible assets	28	1,551,850	1,551,850	1,551,850
Capital work in progress		166,000	247,981	247,981
Property, plant and equipment	9	470,827	189,914	189,914
TOTAL NON-CURRENT ASSETS		22,160,870	18,777,233	13,008,258
TOTAL ASSETS		24,763,245	20,242,901	14,473,926
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	10	242,063	1,348,894	1,348,894
Employee benefits	12	60,832	97,538	97,538
Financial liabilities	11	3,679,296	611,760	611,760
TOTAL CURRENT LIABILITIES		3,982,191	2,058,192	2,058,192
NON-CURRENT LIABILITIES				
Trade and other payables	10	4,500,000	5,500,000	5,500,000
Employee benefits	12	53,752	50,471	50,471
Financial liabilities	11	-	1,180	1,180
TOTAL NON-CURRENT LIABILITIES		4,553,752	5,551,651	5,551,651
TOTAL LIABILITIES		8,535,943	7,609,843	7,609,843
NET ASSETS		16,227,302	12,633,058	6,864,083
EQUITY				
Issued capital	13	23,447,615	17,728,798	17,728,798
Accumulated losses	14	(7,257,723)	(5,106,004)	(10,874,979)
Share based payments reserve	13(d)	37,410	10,264	10,264
TOTAL EQUITY		16,227,302	12,633,058	6,864,083

Alt Resources Limited

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Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

2020

		Ordinary Shares	Accumulated Losses	Share-based Payments Reserve	Total
Note		\$	\$	\$	\$
	Balance as at 1 July 2019	17,728,798	(10,874,979)	10,264	6,864,083
	Effect of change in accounting policy		5,768,975		5,768,975
	Restated Balance as at 1 July 2019	17,728,798	(5,106,004)	10,264	12,633,058
	Deficit attributable to members of the entity	-	(2,151,719)		(2,151,719)
	Shares issued during the year	6,209,936	-		6,209,936
	Transaction cost on share issued	(491,119)	-		(491,119)
	Share-based Payments Reserve	-	-	27,146	27,146
	Balance as at 30 June 2019	23,447,615	(7,257,723)	37,410	16,227,302

2019

		Ordinary Shares	Accumulated losses	Share-based Payments Reserve	Total
Note		\$	\$	\$	\$
	Balance as at 1 July 2018	12,901,678	(7,056,501)	-	5,845,177
	Effect of change in accounting policy		3,875,933	-	3,875,933
	Restated Balance as at 1 July 2018	12,901,678	(3,180,568)	-	9,721,110
	(Deficit) attributable to members of the entity	-	(1,925,436)	-	(1,925,436)
	Shares issued during the year	5,211,460	-	-	5,211,460
	Transaction cost on share issued	(384,340)	-	-	384,340
	Share based payments reserve	-	-	10,264	10,264
	Balance as at 30 June 2019	17,728,798	(5,106,004)	10,264	12,633,058

Alt Resources Limited

ABN: 57 168 928 416

Consolidated Statement of Cash Flows

For the year ended 30 June 2020

		2020	2019 (Restated)
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from activities		98,530	78,796
GST refunds received from ATO		446,587	372,905
Payments to suppliers and employees		(3,715,036)	(2,532,440)
Interest received		1,956	721
Interest paid		(43,031)	(30,256)
Net cash (used in) operating activities	22	(3,210,994)	(2,110,274)
Payments for financial assets		10,000	(25,000)
Purchase of equity-accounted investments		(4,401,611)	(2,830,661)
Capitalised exploration costs written off		206,907	355,122
Proceeds from sale of assets		-	288,614
Purchase of plant and equipment	9(a)	(390,652)	(3,466)
Payments for capital work in progress		81,981	(247,981)
Net cash (used in) investing activities		(4,493,375)	(2,463,372)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		3,679,296	600,000
Repayment of borrowings		(612,941)	(189,945)
Proceeds from issue of shares	13	6,209,936	5,221,460
Transaction cost on share issue	13	(491,119)	(384,340)
Net cash provided by financing activities		8,785,172	5,237,175
Net increase in cash and cash equivalents held		1,080,803	663,530
Cash and cash equivalents at beginning of year		1,372,496	708,966
Cash and cash equivalents at end of financial year	6	2,453,299	1,372,496

Notes to the Financial Statements

For the year ended 30 June 2020

1 Summary of Significant Accounting Policies

The consolidated financial statements of the Group as at and for the year ended 30 June 2020 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 28 August 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 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 30 June 2020 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 year ended 30 June 2020

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 30 June 2020

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.

(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 30 June 2020 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 year ended 30 June 2020

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 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

Notes to the Financial Statements

For the year ended 30 June 2020

1 Summary of Significant Accounting Policies continued

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 \$2,151,719 for the year ended 30 June 2020 (30 June 2020 restated loss: \$1,925,436) funded by raising share capital.

i) The ability of Group to continue as a going concern is dependent on:
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.

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

Notes to the Financial Statements

For the year ended 30 June 2020

1 Summary of Significant Accounting Policies continued

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 12th 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.

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

Notes to the Financial Statements

For the year ended 30 June 2020

1 Summary of Significant Accounting Policies continued

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.

(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

Notes to the Financial Statements

For the year ended 30 June 2020

1 Summary of Significant Accounting Policies continued

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:

Fixed asset class	Depreciation rate
Motor Vehicles	22.5%
Computer Equipment and Software	25%-66.67%
Buildings	28.57%
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

Notes to the Financial Statements

For the year ended 30 June 2020

1 Summary of Significant Accounting Policies continued

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.

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 assets 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

Notes to the Financial Statements

For the year ended 30 June 2020

1 Summary of Significant Accounting Policies continued

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 assets 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 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.

Notes to the Financial Statements

For the year ended 30 June 2020

1 Summary of Significant Accounting Policies continued

(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 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

Notes to the Financial Statements

For the year ended 30 June 2020

1 Summary of Significant Accounting Policies continued

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 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 year ended 30 June 2020, the Board of Directors of Alt Resources Limited resolved to issue fully paid shares with issue prices of 1.9, 2.0, 2.1, 2.5 and 3.5 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.

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Notes to the Financial Statements

For the year ended 30 June 2020

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 30 June 2020 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.

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

	Actuals \$	Effect of Change in Accounting Policy \$	Restated \$
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)
(Loss) before income tax	(3,818,478)	1,893,042	(1,925,436)
Tax expense	-	-	-
Net (loss) for the year	(3,818,478)	1,893,042	(1,925,436)
Other comprehensive income	-	-	-
Total comprehensive income for the period	(3,818,478)	1,893,042	(1,925,436)

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Notes to the Financial Statements

For the year ended 30 June 2020

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 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	1,372,496	-	1,372,496
Trade and other receivables	78,966	-	78,966
Prepayments	14,206	-	14,206
TOTAL CURRENT ASSETS	1,465,668	-	1,465,668
NON-CURRENT ASSETS			
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
TOTAL NON-CURRENT ASSETS	13,008,258	5,768,975	18,777,233
TOTAL ASSETS	14,473,926	5,768,975	20,242,901
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	1,348,894	-	1,348,894
Employee benefits	97,538	-	97,538
Financial liabilities	611,760	-	611,760
TOTAL CURRENT LIABILITIES	2,058,192	-	2,058,192
NON-CURRENT LIABILITIES			
Trade and other payables	5,500,000	-	5,500,000
Employee benefits	50,471	-	50,471
Financial liabilities	1,180	-	1,180
TOTAL NON-CURRENT LIABILITIES	5,551,651	-	5,551,651
TOTAL LIABILITIES	7,609,843	-	7,609,843
NET ASSETS	6,864,083	5,768,975	12,633,058
EQUITY			
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
TOTAL EQUITY	6,864,083	5,768,975	12,633,058

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Notes to the Financial Statements

For the year ended 30 June 2020

3 Revenue and Other Income

	2020	2019
	\$	\$
Other Income		
Interest received	1,956	721
Profit on Sale of Assets	-	54,277
Fuel Tax Credits received	36,030	24,001
Federal Government Cash Flow Stimulus Package received	62,500	-
Other Income	-	518
	100,486	79,517

4 Loss for the Year

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

	2020	2019
	\$	(Restated) \$
Finance cost	43,031	30,256
Directors fees, salaries, wages, incentives and other employment expenses	866,773	703,124
Superannuation contributions	38,130	40,529
Depreciation expenses	9 4,909	14,725
Rent paid	46,451	36,776
Exploration expenditure	206,907	348,055

Notes to the Financial Statements

For the year ended 30 June 2020

5 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

Income tax is payable on the surplus of 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:

	2020 \$	2019 (restated) \$
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2019: 27.5%)	(591,723)	(529,495)
Add:		
Tax effect of:		
- non-deductible expense	43,670	67,650
- change in tax rate	192,557	130,665
- prior period adjustment	1,586,468	1,065,882
	1,230,972	734,702
Less:		
Tax effect of:		
- Other deductible expenses	(54,292)	(50,507)
- Other deductible expenses capital raising	(71,982)	(72,471)
- Non-accessible income – cash flow stimulus package	(17,188)	
Tax losses not brought to account	(1,087,510)	(611,724)
Income tax expense	-	-

(b) Deferred Tax Asset not brought to accounts

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

	2020 \$	2019 (Restated) \$
- Assessable temporary difference	(2,037,867)	(1,399,799)
- Tax losses - operating in nature	3,963,438	2,706,448
	1,925,571	1,306,649

The benefits of the 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 2020 figures have been adjusted to the tax rate of 25% (2019 25%).

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Notes to the Financial Statements

For the year ended 30 June 2020

6 Cash and cash equivalents

	2020	2019
	\$	\$
Cash on hand	10	10
Cash at bank	2,453,289	1,032,486
Revolving Line of Credit	-	340,000
	<u>2,453,299</u>	<u>1,372,496</u>

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:

	2020	2019
	\$	\$
Cash and cash equivalents	2,453,299	1,372,496
Balance as per statement of cash flows	<u>2,453,299</u>	<u>1,372,496</u>

7 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
GST receivable	120,437	67,564
Sundry receivables	15,200	11,402
Total current trade and other receivables	<u>135,637</u>	<u>78,966</u>

8 Other financial assets

	2020	2019
	\$	\$
Government Department Rehabilitation Bonds	81,000	91,000
	<u>81,000</u>	<u>91,000</u>

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Notes to the Financial Statements

For the year ended 30 June 2020

9 Property, plant and equipment

Computer equipment

At cost

Accumulated depreciation

Total computer equipment

2020 2019

\$ \$

29,694 30,503

(26,673) (25,279)

3,021 5,224

Motor Vehicles

At cost

Accumulated depreciation

Total motor vehicles

2020 2019
\$ \$

228,761 143,034

(78,756) (56,800)

150,005 86,234

Leasehold Improvements

At cost

Accumulated depreciation

Total leasehold improvements

2020 2019
\$ \$

8,574 19,401

(4,605) (6,241)

3,969 13,160

Buildings

At cost

Accumulated depreciation

Total buildings

2020 2019
\$ \$

115,759 -

(16,255) -

99,504 -

Plant & equipment

At cost

Accumulated depreciation

Total plant & equipment

2020 2019
\$ \$

378,552 187,744

(171,933) (117,696)

206,619 70,048

Office equipment

At cost

Accumulated depreciation

Total office equipment

2020 2019
\$ \$

6,476 7,185

(5,780) (5,963)

696 1,222

Computer Software

At cost

Accumulated depreciation

Total computer software

2020 2019
\$ \$

39,680 39,680

(32,667) (25,654)

7,013 14,026

Total property, plant and equipment

470,827 189,914

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Notes to the Financial Statements

For the year ended 30 June 2020

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

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

	Freehold Property \$	Computer Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Plant & Equipment \$	Office Equipment \$	Total \$
Corporate Assets							
Year ended 30 June 2020							
Balance at the beginning of year	-	1,410	8,706	5,052	2,645	1,222	19,035
Re-classifications	-	66	-	-	107	-	173
Additions	-	569	-	-	-	-	569
Disposals	-	(4)	(3,345)	-	-	(23)	(3,372)
Depreciation expense	-	(1,102)	(1,419)	(1,083)	(925)	(503)	(5,032)
Balance at the end of the year	-	939	3,942	3,969	1,827	696	11,373

	Computer Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Buildings \$	Plant & Equipment \$	Computer Software \$	Total \$
Exploration Assets							
Year ended 30 June 2020							
Balance at the beginning of year	3,814	77,528	8,108	-	67,403	14,026	170,879
Re-classifications	(66)	-	(8,108)	18,842	(10,841)	-	(173)
Additions	1,615	92,728	-	87,432	208,308	-	390,083
Disposals	-	-	-	-	-)	-	-
Depreciation expense	(3,281)	(24,193)	-	(6,770)	(60,078)	(7,013)	(101,335)
Balance at the end of the year	2,082	146,063	-	99,504	204,792	7,013	459,454

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Notes to the Financial Statements

For the year ended 30 June 2020

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

	Freehold Property \$	Computer Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Plant & Equipment \$	Office Equipment \$	Total \$
Corporate Assets							
Year ended 30 June 2019							
Balance at the beginning of year	199,990	3,677	11,233	6,437	28,202	2,265	251,804
Re-classifications	-	(651)	-	-	(17,365)	-	(18,016)
Additions	-	1,000	-	-	-	-	1,000
Disposals	(199,990)	-	-	-	(5,754)	-	(205,744)
Depreciation expense	-	(2,616)	(2,527)	(1,385)	(2,438)	(1,043)	(10,009)
Balance at the end of the year	-	1,410	8,706	5,052	2,645	1,222	19,035

	Plant & Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Plant & Equipment \$	Computer Software \$	Total \$
Exploration Assets						
Year ended 30 June 2019						
Balance at the beginning of year	10,465	116,288	23,372	76,933	28,052	255,110
Re-classifications	651	-	-	17,365	-	18,016
Additions	-	-	-	2,466	-	2,466
Disposals	-	(15,190)	(12,178)	(1,460)	-	(28,828)
Depreciation expense	(7,302)	(23,570)	(3,086)	(27,901)	(14,026)	(75,885)
Balance at the end of the year	3,814	77,528	8,108	67,403	14,026	170,879

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Notes to the Financial Statements

For the year ended 30 June 2020

10 Trade and Other Payables

	2020 \$	2019 \$
Current Liabilities:		
Trade payables	197,291	723,816
Accrued expenses	12,000	10,000
Provision for government duties	-	374,897
Superannuation payable	17,722	25,976
Amounts held from salary and wages	15,050	56,694
Sundry creditors – subscriptions for share issue in progress	-	157,511
Total current trade and other payables	242,063	1,348,894
	2020 \$	2019 \$
Non-current Liabilities:		
Provision for Bottle Creek Acquisition	4,500,000	5,500,000
Total non-current trade and other payables	4,500,000	5,500,000

11 Financial Liabilities

	2020 \$	2019 \$
Current Liabilities:		
Loan from Turkey Investments Pty Ltd for RLOC	-	500,000
Short term convertible note loan	3,679,296	100,000
Other commercial loans	-	11,760
Total current financial liabilities	3,629,296	611,760
	2020 \$	2019 \$
Non-current Liabilities:		
Other commercial loans	-	1,180
Total non-current financial liabilities	-	1,180

12 Employee Benefits

	2020 \$	2019 \$
Current Liabilities:		
Annual leave provision	60,832	97,538
	60,832	97,538
Non-current Liabilities:		
Long service leave provision	53,752	50,471
	53,752	50,471

Notes to the Financial Statements

For the year ended 30 June 2020

13 Issued Capital

	2020 \$	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	-
112,854,310 (2019: 65,362,512) Ordinary shares of \$0.02 each	2,257,086	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	2,375,392	2,375,393
1,500,000 (2019: 0) Ordinary shares of \$0.034 each	51,000	-
681,818 (2019: 0) Ordinary shares of \$0.035 each upon exercise of options	23,864	-
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	(1,947,892)	(1,456,773)
Total	23,447,615	17,728,798

(a) Ordinary shares

	2020 No.	2019 No.
At the beginning of the reporting period	348,162,590	172,271,613
Shares issued during the year		
Ordinary shares of \$0.0176 each	3,409,090	-
Ordinary shares of \$0.019 each	1,500,000	-
Ordinary shares of \$0.02 each	47,491,798	65,362,512
Ordinary shares of \$0.021 each	13,096,392	-
Ordinary shares of \$0.022 each	-	3,500,000
Ordinary shares of \$0.023 each	2,000,000	-
Ordinary shares of \$0.025 each	171,028,489	3,900,000
Ordinary shares of \$0.026 each	19,230,770	-
Ordinary shares of \$0.03 each	-	79,179,747
Ordinary shares of \$0.034 each	1,500,000	-
Ordinary shares of \$0.035 each	681,818	-
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	608,100,947	348,162,590

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For the year ended 30 June 2020

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of Alt Resources Limited. 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.

Alt Resources Limited does not have authorised capital or par value in respect of its shares.

13(b) Performance shares

Alt Resources Limited issued 12,000,000 performance shares on 19th 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 Group's Statement of Financial Position.

During the 2019/20 year 12,000,000 performance shares have been cancelled

13(c) Options - unvested

Alt Resources Limited issued 15,850,000 options on 31 July 2019, 15,000,000 options on 30 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.

All options are not included in the issued capital reported in the Group's Statement of Financial Position. The total number of options issued by Alt Resources Limited as at 30 June 2020 is 96,895,265 (as at 30 June 2019 56,948,874).

During the 2019/20 financial year 20,973,680 options expired and 681,818 were exercised, leaving 75,239,767 exercisable options as at 30 June 2020.

13(d) Share-based Payments Reserve

The Share-based Payments Reserve was increased during the year from 1 July 2019 to 30 June 2020 by the Company issuing 10,000,000 options on 29 July 19 and 9,096,391 options on 11 December 19. The total value of the share payments reserve as at 30 June 2020 is \$37,410 (as at 30 June 19: \$10,264).

14 Accumulated Losses

	2020 \$	2019 (Restated) \$
Accumulated losses		
Opening balance	(5,106,004)	(3,180,568)
Loss for the year	(2,151,719)	(1,925,436)
	<u>(7,257,723)</u>	<u>(5,106,004)</u>

Notes to the Financial Statements

For the year ended 30 June 2020

15 Financial Risk Management

The Group'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:

	Note	2020 \$	2019 \$
Financial assets			
Held at amortised cost			
- Cash and cash equivalents	6	2,453,299	1,372,496
- Trade and other receivables (excluding GST receivable)	7	15,200	11,402
- Financial assets	8	81,000	91,000
Total financial assets		<u>2,549,499</u>	<u>1,474,898</u>
Financial Liabilities			
Financial liabilities at fair value			
- Trade and other payables (excluding GST payable)	10	4,742,063	6,848,894
- Financial liabilities	11	3,679,296	612,940
Total financial liabilities		<u>8,421,359</u>	<u>7,461,834</u>

Financial risk management policies

The Board of Directors monitors the Group'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 Group 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 Group 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 year ended 30 June 2020

(a) Liquidity risk

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

- preparing forward-looking cash flow analyses 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 Group's policy is to ensure no more than 30% of borrowings should mature in any 12-month period.

The following table 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 Group 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.

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Notes to the Financial Statements

For the year ended 30 June 2020

15 Financial Risk Management continued

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Current trade and other payables (excluding estimated annual leave and GST)	(242,063)	(1,348,894)	-	-	-	-	(242,063)	(1,348,894)
Non-current trade and other payables	-	-	(4,500,000)	(5,500,000)	-	-	(4,500,000)	(5,500,000)
Current financial liabilities	(3,679,296)	(611,760)	-	-	-	-	(3,679,296)	(611,760)
Non-Current financial liabilities	-	-	-	(1,180)	-	-	-	(1,180)
Total expected outflows	(3,921,359)	(1,960,654)	(4,500,000)	(5,501,180)	-	-	(8,421,359)	(7,461,834)
Financial assets – cash flows realisable								
Cash and cash equivalents	2,453,299	1,372,496	-	-	-	-	2,453,299	1,372,496
Trade and other receivables (excluding GST)	15,200	11,402	-	-	-	-	15,200	11,402
Other financial assets	-	-	81,000	91,000	-	-	81,000	91,000
Total anticipated inflows	2,468,499	1,383,898	81,000	91,000	-	-	2,549,499	1,474,898
Net (outflow)/inflow on financial instruments	(1,452,860)	(576,756)	(4,419,000)	(5,410,180)	-	-	(5,871,860)	(5,986,936)

Notes to the Financial Statements

For the year ended 30 June 2019

15 Financial Risk Management continued

(b) 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 Group.

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 CFO in accordance with approved board policy.

The following table details the Group'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 Group 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 Group.

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

		Past due but not impaired (days overdue)					
	Gross amount \$	Past due and impaired \$	< 30 \$	31-60 \$	61-90 \$	> 90 \$	Within initial trade terms \$
2020							
Trade and other receivables (Excluding GST receivable)	15,200	-	-	-	-	-	15,200
Total	15,200	-	-	-	-	-	15,200
2019							
Trade and other receivables (Excluding GST receivable)	11,402	-	-	-	-	-	11,402
Total	11,402	-	-	-	-	-	11,402

The Group 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.

(c) Market risk

(i) Interest rate risk

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

Notes to the Financial Statements

For the year ended 30 June 2019

15 Financial Risk Management continued**Sensitivity analysis - Interest rate risk****Interest rate risk sensitivity analysis**

The following table illustrates sensitivities to the Group's exposures to changes in interest rates, exchange rates and commodity and equity prices. 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.

	2020 \$	2019 \$
Change in profit		
- Increase in interest rate by 1%	\$24,533	\$13,725
- Decrease in interest rate by 1%	\$(24,533)	\$(13,725)
Change in equity		
- Increase in interest rate by 1%	\$24,533	\$13,725
- Decrease in interest rate by 1%	\$(24,533)	\$(13,725)

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 planned returns and ensure the Group can fund its operations and continue as a going concern.

The Group'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 Group'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 year ended 30 June 2020 and 30 June 2019 are as follows:

		2020 \$	2019 \$
Trade and other payables (excluding GST payable)	Note 10	4,742,063	6,848,894
Less Cash and cash equivalents	6	(2,453,299)	(1,372,496)
Net (asset)/debt		2,288,764	5,476,398
Equity	13	23,447,615	17,728,798
Total capital		25,736,379	23,205,196
Gearing ratio		8.89%	23.60%

Notes to the Financial Statements

For the year ended 30 June 2019

17 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of the Group during the year are as follows:

		2020	2019
	Note	\$	\$
Short-term employee benefits – Earnings, Consulting and Directors fees		644,690	540,784
Short-term employee benefits – Incentives and milestones		-	50,746
Short-term employee benefits – Commissions		36,792	-
Post-employment benefits – Superannuation contributions		49,742	47,619
Share-based payments – Earnings and commissions	25	192,542	25,000
Share-based payments – Incentives and milestones	25	427,000	184,758
Option-based payments – Earnings and commissions		8,846	-
Option-based payments – Incentives and milestones		5,000	2,166
		1,364,612	851,073

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.

Further information in relation to KMP remuneration can be found in the directors' report.

Alt Resources Limited

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Notes to the Financial Statements

For the year ended 30 June 2020

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 end of year
30 June 2020					
Executive Directors					
Andrew Sparke ¹	3,103,333	9,396,392	-	-	12,499,725
Non-executive Directors					
William Hugh Ellis ²	1,910,500	-	-	-	1,910,500
Neva Collings	2,249,017	4,900,000	-	-	7,149,017
Grant Harding	-	-	-	-	-
Other KMPs					
Phillip James Anderson	4,200,000	8,584,090	-	(1,784,090)	11,000,000
Timothy John Symons ³	925,000	600,000	-	-	1,525,000
	<u>12,387,850</u>	<u>23,480,482</u>	<u>-</u>	<u>(1,784,090)</u>	<u>34,084,242</u>

¹ 270,000 shares are held by Sparkle As Pty Ltd and 12,229,725 shares are held by Turkey Investments Pty Ltd.

² 890,500 shares are held by William Ellis and 1,020,000 shares are held by his spouse Shaaron Ellis.

³ 712,500 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 end of year
30 June 2019					
Executive Directors					
Andrew Sparke ²	181,046	2,833,333	-	88,954	3,103,333
Non-executive Directors					
William Hugh Ellis ¹	1,910,500	-	-	-	1,910,500
Neva Collings	2,082,350	166,667	-	-	2,249,017
Other KMPs					
Phillip James Anderson	6,161,044	2,927,133	-	(4,888,177)	4,200,000
Timothy John Symons ³	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>

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

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

³ 112,500 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.

Alt Resources Limited

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Notes to the Financial Statements

For the year ended 30 June 2020

18 Remuneration of Auditors

	2020 \$	2019 \$
Remuneration of the auditor of the Group, Hardwicks Chartered Accountants, for:		
- auditing or reviewing the financial reports	26,750	19,000
	<u>26,750</u>	<u>19,000</u>

19 Joint Arrangements and Capitalised Tenement costs

Reconciliation of carrying amount of interest in joint ventures and capitalised exploration costs to summarised financial information for joint ventures accounted for using the equity method:

	2020 \$	2019 (Restated) \$
Investment in WA Tenements – Development		
Opening balance	-	-
WA tenements feasibility study	637,675	-
Carrying amount	<u>637,675</u>	<u>-</u>
Investment in WA Tenements - Exploration		
Opening balance	-	-
Investment in tenements at cost	44,048	-
Carrying amount	<u>44,048</u>	<u>-</u>
Investment in NSW Tenements		
Opening balance	2,054,058	2,015,101
Investment in tenements at cost	41,727	38,957
Write off capitalised exploration costs	(147,409)	-
Carrying amount	<u>1,948,376</u>	<u>2,054,058</u>
Joint Venture with GFM Exploration Pty Ltd		
Opening balance	4,251,494	4,234,799
Investment in Joint Venture at cost	14,205	16,695
Write off capitalised exploration costs	(59,497)	-
Carrying amount	<u>4,206,202</u>	<u>4,251,494</u>
Bottle Creek WA Acquisition cost of option to purchase		
Opening balance	9,132,646	1,663,497
Investment in tenements at cost	571,224	7,469,149
Carrying amount	<u>9,703,870</u>	<u>9,132,646</u>

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Notes to the Financial Statements

For the year ended 30 June 2020

19 Joint Arrangements and Capitalised Tenement costs - continued

	2020 \$	2019 (Restated) \$
MGK Resources Pty Ltd Investment in Tenements at Mount Ida South and Quinn Hills		
Opening balance	1,227,168	467,335
Investment in tenements at cost	2,023,585	759,833
Carrying amount	3,250,753	1,227,168
MGK Resources Pty Ltd Joint Venture with Maincoast Pty Ltd		
Opening balance	15,031	819
Investment in tenements at cost	53,712	14,212
Carrying amount	68,743	15,031
MGK Resources Pty Ltd Joint Venture with Gazard Investments Pty Ltd		
Opening balance	16,091	2,696
Investment in tenements at cost	15,435	13,395
Carrying amount	31,526	16,091
Joint Venture with Mount Roberts Mining Pty Ltd		
Opening balance	-	336,703
Investment in Joint Venture and Tenements at cost	-	18,419
Write off capitalised exploration costs	-	(355,122)
Carrying amount	-	-
Total carrying amount of capitalised investment and tenement costs	19,891,193	16,696,488

Notes to the Financial Statements

For the year ended 30 June 2020

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
			2020 %	2020 %	2020	2020 \$
Joint Venture between Alt Resources and GFM Exploration Pty Ltd	Joint Venture	New South Wales	70%	30%	Equity Method	4,206,202
Joint Venture between MGK Resources Pty Ltd and Maincoast Pty Ltd	Joint Venture	Western Australia	80%	20%	Equity Method	68,743
Joint Venture between MGK Resources Pty Ltd and Gazard Investments Pty Ltd	Joint Venture	Western Australia	80%	20%	Equity Method	31,526

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 obligations of the parties are several and neither joint nor joint and several in acquiring their 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 year ended 30 June 2020

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.

	2020		2019	
	Net Carrying Value	Net Fair value	Net Carrying Value	Net Fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	2,453,299	2,453,299	1,372,496	1,372,496
Trade and other receivables (excluding GST receivable)	15,200	15,200	11,402	11,402
Other financial assets	81,000	81,000	91,000	91,000
Total financial assets	2,549,499	2,549,499	1,474,898	1,474,898
Financial liabilities				
Trade and other payables (excluding GST payable)	4,742,063	4,742,063	6,848,894	6,848,894
Current financial liabilities	3,679,296	3,679,296	611,760	611,760
Non-current financial liabilities	-	-	1,180	1,180
Total financial liabilities	8,421,359	8,421,359	7,461,834	7,461,834

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 year ended 30 June 2020

21 Related Parties

The Group'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 Disclosures.

(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:

		2020	2019
		\$	\$
Orange Door Legal	Consulting Fees & Legal costs	22,618	11,250
2020 Accountancy Solutions Pty Ltd	Accounting fees	26,400	69,000
2020 Accountancy Solutions Pty Ltd	Corporate affairs	-	1,800
Supershift IQ Pty Ltd	Accounting fees	-	9,091
Olive Capital Pty Ltd	Consulting fees	60,000	26,667
Grant Harding & Associates	Consulting fees	8,384	-
		117,402	117,808

Notes to the Financial Statements

For the year ended 30 June 2020

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:

	2020	2019
	\$	(Restated)
	\$	\$
(Loss) for the year	(2,151,719)	(1,925,436)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- issue of options ¹	27,146	10,264
- depreciation	106,367	85,896
- loss / (profit) on disposal of property, plant & equipment	3,372	(54,042)
Changes in assets and liabilities,		
- (increase)/decrease in trade and other receivables	(56,671)	119,618
- (increase)/decrease in prepayments	768	19,123
- increase/(decrease) in trade and other payables	(1,106,831)	(385,864)
- increase/(decrease) in employee benefits	33,426	20,168
Cash flow from operations	(3,210,994)	(2,110,274)

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

Notes to the Financial Statements

For the year ended 30 June 2020

23 NSW Government Grants

The Group has not received a New Horizons NSW Government grant during the year to 30 June 2020.

24 Research and Development Tax Incentives

The Group has not received a Research and Development Tax Incentive during the year to 30 June 2020.

25 Share-based Payments

During the year 1 July 2019 to 30 June 2020 the following number of shares were granted to key management personnel (KMP), employees, consultants and suppliers as share-based payments.

	2020 \$	2020 Shares	2019 \$	2019 Shares
KMPs	619,524	28,105,482	214,758	6,027,133
Other Employees	-	-	20,000	400,000
Consultants	79,837	3,193,489	53,100	1,770,000
Other Suppliers	638,560	31,419,250	796,227	24,457,556
Loan Interest paid	41,000	1,950,000	10,000	400,000
Total	1,378,921	64,668,221	1,094,085	33,054,689

The weighted average fair value of those equity instruments determined by management was \$0.0213 (2019 \$0.0331).

Included under expenses in the statement of profit and loss is \$1,122,397 (2019: \$748,085) which relates to equity settled share-based payment transactions.

Included under transaction cost on the share issue in the statement of Changes in Equity is \$186,524 (2019 \$150,000) which relates to equity settled share-based payment transactions.

Included under Property Plant & Equipment in the statement of Financial position is \$45,455 (2019 \$0) which relates to equity settled share-based payment transactions.

Included under Trade Receivables (GST receivable) in the statement of Financial position is \$4,545 (2019 \$0) which relates to equity settled share-based payment transactions.

Included under Investment in Joint Ventures and Capitalised Tenement Costs in the statement of Financial position is \$20,000 (2019 \$0) which relates to equity settled share-based payment transactions.

Included under Capital work in Progress in the statement of Financial position is \$0 (2019 \$196,000) which relates to equity settled share-based payment transactions.

Included under Share-based Payments Reserve in the statement of Changes in Equity is \$27,146 (2019 \$10,264) which relates to unlisted option-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 Held by the Group	Interest	Proportion of Non-controlling Interests	
		2020 %	2019 %	2020 %	2019 %
MGK Resources Pty Ltd	Jindabyne, NSW	100	100	-	-

Alt Resources Limited

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Notes to the Financial Statements

For the year ended 30 June 2020

27 Parent Information

Alt Resources Limited Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 (Restated) \$	2019 (Actual) \$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	6	2,453,299	1,372,496	1,372,496
Trade and other receivables	7	135,637	78,966	78,966
Prepayments		13,439	14,206	14,206
TOTAL CURRENT ASSETS		2,602,375	1,465,668	1,465,668
NON-CURRENT ASSETS				
Investment in joint ventures and capitalised tenement costs	19, 28	18,290,171	17,188,198	12,501,391
Financial assets	8	3,233,354	1,150,622	1,150,622
Capital work in Progress		166,000	247,981	247,981
Property, plant and equipment	9	470,827	189,914	189,914
TOTAL NON-CURRENT ASSETS		22,160,352	18,776,715	14,089,908
TOTAL ASSETS		24,762,727	20,242,383	15,555,576
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	10	242,063	1,348,894	1,348,894
Employee benefits	12	60,832	97,538	97,538
Financial liabilities	11	3,679,296	611,760	611,760
TOTAL CURRENT LIABILITIES		2,058,192	2,058,192	2,058,192
NON-CURRENT LIABILITIES				
Trade and other payables	10	4,500,000	5,500,000	5,500,000
Employee benefits	12	53,752	50,471	50,471
Financial liabilities	11	-	1,180	1,180
TOTAL NON-CURRENT LIABILITIES		4,553,752	5,551,651	5,551,651
TOTAL LIABILITIES		8,535,943	7,609,843	7,609,843
NET ASSETS		16,226,784	12,632,540	7,945,733
EQUITY				
Issued capital	13	23,447,615	17,728,798	17,728,798
Accumulated losses	14	(7,258,241)	(5,106,522)	(9,793,329)
Share-based payments reserve	13(d)	37,410	10,264	10,264
TOTAL EQUITY		16,226,784	12,632,540	7,945,733

Alt Resources Limited

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Notes to the Financial Statements

For the year ended 30 June 2020

Alt Resources Limited Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2019

		2020	2019 (Restated)
	Note	\$	\$
Revenue	3	100,486	78,999
Depreciation and amortisation expense	4, 9(a)	(4,909)	(14,725)
Employee benefits expense	4	(904,903)	(743,653)
Exploration expenditure		(206,907)	(348,055)
Finance costs	4	(43,031)	(30,256)
Other expenses		(1,092,455)	(868,264)
(Loss) before income tax		(2,151,719)	(1,925,954)
Tax expense	5	-	-
Net (loss) for the year		(2,151,719)	(1,925,954)
Other comprehensive income		-	-
Total comprehensive income for the year		(2,151,719)	(1,925,954)

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>

Notes to the Financial Statements

For the year ended 30 June 2020

29 Events Occurring After the Reporting Date

The financial report was authorised for issue on 28 August 2020 by the board of directors.

The Company announced the Mt Ida and Bottle Creek Projects Pre-feasibility Study on 10 July 2020 confirming the technical and financial viability of a 750ktpa mining and processing plant at Alt Resources Mt Ida Bottle Creek Project located in the Northern Goldfields of Western Australia.

This announcement also detailed the Company's Maiden Ore Reserve of 272,000oz gold @ 1.8g/t Au and 2.1Moz silver @ 15.8g/t Ag based on AUD \$2.200oz gold price and AUD \$22oz silver price.

The Board of Directors of Alt Resources Limited announced the release of the Target Statement on 17 July 2020 in response to the Takeover offer Bidder's statement from Aurene Ularring Pty Ltd.

The takeover offer was declared unconditional on 20 August 2020. Aurene Ularring Pty Ltd announced on 27 August 2020 that it had received acceptances exceeding 90% of the company's total shares and will compulsorily acquire the remaining shares. Aurene Ularring Pty Ltd previously announced their intention to delist the Company and convert it to a private company as soon as practically possible.

Since the end of the year, the Directors have not become aware of any other matters or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent years, the financial effects of which have not been provided for in the 30 June 2020 financial statements.

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

Notes to the Financial Statements

For the year ended 30 June 2020

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; 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, E29/1014 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.

Directors' Declaration

The directors of the Group declare that:

1. the financial statements and notes for the year ended 30 June 2020 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 Group;
2. In the directors' opinion, there are reasonable grounds to believe that the Group 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 28th August 2020

Alt Resources Limited

30 June 2020

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Alt Resources Limited (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

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

- (a) We judge that the matter described in Note 1(e) "Going concern basis of accounting" to the financial statements is a key audit matter. There is a significant uncertainty whether the entity will be able to continue as a going concern, and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded amounts or the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern. We have arrived at this position based on our assessment of:
 - the continued support of shareholders through the capital raising program;
 - from our review of the future cash flows and budgets prepared by management to predict the timing of cash outflows and the possible requirement for future capital injections; and
 - managements demonstrated ability to operate within set budgets

Alt Resources Limited**30 June 2020**

- (b) We judge that the matter described in Note 18 - Joint arrangements and Capitalised Tenements costs is a key audit matter.
We have audited the expenditure and determined that its treatment is in accordance with the significant accounting policies described under "Note 1(d) - Interest in joint arrangement" and "Note 1(s) - Exploration and development expenditure".

Responsibilities of Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

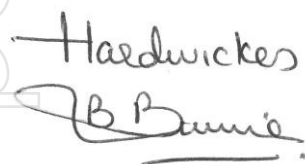
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Hardwickes
Chartered Accountants



Bhaumik Bumia CA
Partner

Dated: 28 August 2020

Canberra