



ABN 25 110 150 005

APPENDIX 4E

**UNAUDITED PRELIMINARY FINAL
REPORT**

YEAR ENDING 30 JUNE 2021

RESULTS FOR ANNOUNCEMENT TO MARKET

Consolidated	30 June 2021 \$'000	30 June 2020 \$'000	Movement \$'000	Movement %
Revenue from continuing activities	93,834	73,243	20,591	28.11%
Contingent consideration income (a)	10,250	-	10,250	100.00%
Profit/(loss) from continuing operations (b)	23,979	(12,422)	36,401	n/a
Profit/(loss) from discontinued operations (c)	64,274	(67,918)	132,192	n/a
Net profit/(loss) attributable to members	88,253	(80,340)	168,593	n/a

- (a) Contingent consideration income represents the \$10.00 million Mt Gordon copper payment receivable, plus the agreed fee of \$0.25 million.
- (b) Profit from continuing operations includes redundancy and restructuring costs of \$0.50 million incurred at the Company's 50% owned Renison Tin Operation (**Renison**), and \$0.60 million of corporate redundancies following the sale of its copper asset portfolio (**Copper Assets**) to Cyprium Metals Limited (**Cyprium**).
- (c) Profit from discontinued operations includes \$60.00 million consideration (**Consideration Amount**) received from the sale of the Company's Copper Assets to Cyprium. The Consideration Amount includes \$24.00 million cash, four (4) convertible notes with a face value of \$9.00 million each, for an aggregate of \$36.00 million (refer to (i)) and 40.60 million options to acquire Cyprium shares (refer to (h)).

NET TANGIBLE ASSETS PER SHARE

Consolidated	30 June 2021	30 June 2020
Net tangible assets per share:	\$0.15	\$0.06

DIVIDEND INFORMATION

No dividends are proposed, and no dividends were declared or paid during the current or prior period.

RESULTS OF OPERATION

Renison Tin Operation (50% MLX)

	30 June 2021 \$'000	30 June 2020 \$'000	Movement \$'000	Movement %
Revenue from continuing activities (c)	93,834	73,243	20,591	28.11%
Cost of sales (d)	(75,145)	(70,330)	(4,815)	6.85%
Gross profit	18,689	2,913	15,776	541.47%

- (d) Revenue is derived from the Company's 50% interest in Renison. Increased tin sales and tin prices delivered a 28.11% increase in revenue for the year.
- (e) Cost of sales increased by \$4.82 million for the year due to the following:
- Royalty expense increased by \$2.56 million to \$3.96 million (2020: \$1.40 million);
 - Plant and equipment depreciation increased by \$0.55 million to \$3.78 million (2020: \$3.23 million); and
 - Employee costs increased by \$1.19 million to \$14.22 million (2020: \$13.03 million). The cost increase includes redundancy and restructuring costs of \$0.50 million and the increase in onsite personnel.

Unaudited Preliminary Financial Report – For the year ended 30 June 2021

Production performance summary for the Renison Tin Operation (50% MLX)

Physicals	Unit	30 Jun 2021	30 Jun 2020	Movement	Movement %
UG ore mined	t	405,379	424,453	(19,074)	(4.49%)
UG grade mined	% Sn	1.30%	1.18%	0.12%	10.17%
Ore processed*	t	326,750	344,591	(17,841)	(5.18%)
Head grade*	% Sn	1.59%	1.42%	0.17%	11.97%
Recovery	%	76.48%	73.56%	2.92%	3.97%
Tin produced	t	3,974	3,591	383	10.67%
Tin sold	t	3,658	3,412	246	7.21%

CONSOLIDATED FINANCIAL POSITION

Consolidated	30 June 2021 \$'000	30 June 2020 \$'000	Movement \$'000	Movement %
Cash and cash equivalents:	13,472	14,095	(623)	(4.42%)
Trade and other receivables (e)	23,788	6,153	17,635	286.61%
Assets and liabilities classified as held for sale (f)	4,605	-	4,605	n/a
Financial assets at fair value through profit or loss (g)	5,393	-	5,393	n/a
Loan receivable (h)	38,301	-	38,301	n/a
Provisions (i)	15,987	55,077	(39,090)	(70.97%)
Interest bearing liabilities (j)	20,048	35,576	(15,528)	(43.65%)
Net assets	139,700	51,791	87,909	169.74%

- (f) Trade and other receivables include tin receivables of \$9.15 million and \$11.00 million for the Mt Gordon copper payment.
- (g) On 25 May 2021, the Company announced the sale and spin out of its Nickel asset portfolio (**Nickel Assets**), including the Wingellina and the Claude Hills Projects, to NICO Resources Limited. At 30 June 2021, the Company reclassified the assets and liabilities comprising its Nickel Assets as held for sale on the basis that:
- The Nickel Assets are available for immediate sale in their present condition; and
 - it is highly probable that their carrying value will be recovered primarily through sale rather than through continuing use.
- (h) Financial assets at fair value through profit or loss represents the fair value attributed to 40.60 million options to acquire shares in Cyprum, received as part consideration for the sale of the Copper Assets. The Company uses the Black Scholes valuation model to determine the fair value of the options, with fair value movements recognised through profit or loss.
- (i) The loan receivable represents the fair value attributed to four (4) convertible notes with a face value of \$9.00 million each, for an aggregate of \$36.00 million. The convertible notes are subject to a 4% annual coupon to be capitalised and paid annually, payable in cash unless the Company elects to receive the interest in fully paid ordinary Cyprum shares. The Company estimates the fair value of the right to receive the \$36.00 million cash using discounted cash flow techniques and market interest rates. The Company also adds the fair value of the conversion option, which is estimated using the Black Scholes valuation model. Fair value movements in the conversion option are recognised through profit or loss.
- (j) The Groups rehabilitation liabilities have decreased following the disposal of the Copper Assets.
- (k) On 14 April 2021, the Company repaid \$15.50 million, representing 50% of the outstanding principal amount of its unsecured \$31.00 million finance facility with Asia Cheer Trading Limited (**ACT**). As at 30 June 2021, the ACT Loan of \$15.50 million remains outstanding plus the interest accrued.

CHANGE IN CONTROL

Sale of Copper Assets

On 31 March 2021, the Company announced the sale of its Copper Asset portfolio to Cyprium had completed resulting in a loss of control in Paterson Copper Pty Ltd, which holds the Copper Assets through its two 100%-owned subsidiaries Nifty Copper Pty Ltd and Maroochydore Copper Pty Ltd (**Disposal Group**).

All assets, liabilities, income, and expenses of the Disposal Group are included in the Statement of Comprehensive Income until 31 March 2021, being the date control ceased. At 31 March 2021, the Company recognised a gain on sale of its Copper Assets of \$64.30 million.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Receipt of Mt Gordon Copper Payment

On 8 July 2021, the Company received \$11.00 million as settlement of the conditional copper price payment pursuant to the Mt Gordon Sale Agreement, and subsequent binding variation agreement, with Capricorn Copper Holdings Pty Ltd (**CCH**) and its parent entity, EMR Capital Investment (No. 6B) Pte Ltd.

The payment from CCH includes the first and second instalments of \$5.00 million each, the agreed extension fee of \$0.250, and interest due of \$0.75 million, being a total payment of \$11.00 million.

ACT Finance Facility

On 13 July 2021, the Company repaid a further \$7.75 million, comprising 50% of the outstanding principal amount of \$15.50 million on its finance facility with ACT.

On 27 July 2021, the Company announced it had agreed to extend the facility termination date from 31 July 2021 to 31 January 2022, all other terms and conditions remaining unchanged.

There have been no further changes to the facility since that date.

AUDIT

This preliminary financial report is based on accounts which are in the process of being audited. No disputes or qualifications are likely to occur.

Consolidated Statement of Comprehensive Income for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
Continuing operations		
Revenue	93,834	73,243
Cost of sales	(75,145)	(70,330)
Gross profit	18,689	2,913
Contingent consideration income	10,250	-
Interest income	1,886	448
Other income	59	-
General and administrative expenses	(5,775)	(6,383)
Commodity and foreign exchange (loss)/gain	(1,866)	673
Finance costs	(2,999)	(1,494)
Fair value change in financial assets	3,991	(83)
Share-based reversal/(payments)	344	(137)
Change in rehabilitation provision estimate	-	(8,360)
Profit before tax	23,979	(12,422)
Income tax expense	-	-
Profit/(loss) for the period from continuing operations	23,979	(12,422)
Discontinued operations		
Profit/(loss) for the period from discontinued operations	64,274	(67,918)
Profit/(loss) attributable to:		
Members of the parent	88,253	(80,340)
Total comprehensive income/(loss) attributable to:		
Members of the parent	88,253	(80,340)
Earnings and diluted earnings/(loss) per share attributable to the ordinary equity holders of the parent (cents per share)		
from continuing operations	2.64	(1.46)
from discontinued operations	7.08	(7.99)
Total	9.73	(9.45)

Consolidated Statement of Financial Position as at 30 June 2021

	2021 \$'000	2020 \$'000
Current assets		
Cash and cash equivalents	13,472	14,095
Trade and other receivables	23,788	6,153
Inventories	20,526	20,328
Prepayments	568	885
Assets classified as held for sale	4,648	-
Financial assets at fair value through profit or loss	2,332	-
Derivative financial instruments	-	1,532
Total current assets	65,334	42,993
Non-current assets		
Other receivables	3,457	9,978
Convertible note receivable	38,301	-
Financial assets at fair value through profit or loss	3,091	50
Property, plant, and equipment	36,847	43,315
Mine properties and development costs	37,071	39,633
Exploration and evaluation	352	13,993
Total non-current assets	119,119	106,969
Total assets	184,454	149,962
Current liabilities		
Trade and other payables	8,675	7,518
Liabilities directly associated with assets classified as held for sale	43	-
Provisions	3,531	3,680
Interest bearing liabilities	17,364	33,108
Total current liabilities	29,613	44,306
Non-current liabilities		
Provisions	12,456	51,397
Interest bearing liabilities	2,684	2,468
Total non-current liabilities	15,140	53,865
Total liabilities	44,753	98,171
Net assets	139,700	51,791
Equity		
Issued capital	332,406	332,406
Accumulated losses	(220,543)	(308,796)
Share based payments reserve	27,837	28,181
Total equity	139,700	51,791

Consolidated Statement of Cash Flows for the Year Ended 30 June 2021

	2021 \$'000	2020 \$'000
Cash flows from operating activities		
Receipts from customers	86,165	147,468
Payments to suppliers and employees	(73,875)	(167,549)
Interest received	82	441
Other receipts	133	230
Interest paid	(3,023)	(1,633)
Net cash flows from/(used in) operating activities	9,482	(21,043)
Cash flows from investing activities		
Payments for property, plant, and equipment	(12,618)	(10,405)
Payments for mine properties and development	(8,500)	(18,230)
Payments for exploration and evaluation	(1,549)	(3,919)
Payments for other financial assets	(30)	-
Proceeds from sale of financial assets	78	155
Proceeds from disposal of subsidiary	24,000	-
Proceeds from sale of property plant and equipment	2,018	319
Proceeds from performance bond facility	6,520	795
Net cash flows from/(used in) investing activities	9,919	(31,285)
Cash flows from financing activities		
Repayment of borrowings	(47,985)	(4,814)
Payment of lease and hire purchase liabilities	(3,039)	(5,369)
Payments for share issue costs	-	(2,330)
Payments for dividends	-	(58)
Proceeds from borrowings	31,000	34,899
Proceeds from share issue	-	32,731
Net cash flows (used in)/from financing activities	(20,024)	55,059
Net (decrease)/increase in cash and cash equivalents	(623)	2,731
Cash at the beginning of the year	14,095	11,364
Cash and cash equivalents at the end of the year	13,472	14,095

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2021

	Issued capital	Accumulated losses	Share based payments reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000
At 1 July 2019	302,005	(228,456)	28,044	101,593
Loss for the period	-	(80,340)	-	(80,340)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the period	-	(80,340)	-	(80,340)
Transactions with owners in their capacity as owners				
Issue of share capital	32,731	-	-	32,731
Share issue costs	(2,330)	-	-	(2,330)
Share-based payments	-	-	137	137
At 30 June 2020	332,406	(308,796)	28,181	51,791
At 1 July 2020	332,406	(308,796)	28,181	51,791
Profit for the period	-	88,253	-	88,253
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive profit for the period	-	88,253	-	88,253
Transactions with owners in their capacity as owners				
Share-based payments	-	-	(344)	(344)
At 30 June 2021	332,406	(220,543)	27,837	139,700

NOTE 1. BASIS OF PREPARATION

The financial information included in this document for the year ended 30 June 2021 is unaudited. The financial information does not constitute the Consolidated Entity's full financial statements for the year ended 30 June 2021, which will be approved by the Board, reported on by the Auditors and lodged with the ASX. The Consolidated Entity's full financial statements will be prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board (the **AASB**).

The financial information in this document for the year ended 30 June 2021 has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 30 June 2020 financial statements contained within the 2020 Annual Report of the Consolidated Entity. As required and unless stated otherwise, comparative financial information for the Consolidated Entity has been presented for the 2020 financial year. Comparative figures have been prepared on the same basis as the current year figures.

The amounts contained in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated (where rounding is applicable) under the option available to the Consolidated Entity under ASIC Corporations (Rounding in Financial Report) Instrument 2016/191.

The Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current year.

NOTE 2. SEGMENT NOTE

The Consolidated Entity has only one material segment, which is the Renison Tin Operation (50% MLX). This segment mines, treats, and markets tin concentrate.

NOTE 3. EARNINGS PER SHARE

	2021	2020
For basic and diluted earnings/(loss) per share:		
Profit/(loss) attributable to continuing operations (\$'000)	23,979	(12,422)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted earnings/(loss) per share	907,266,067	849,817,790
Basic and diluted earnings/(loss) per share (cents)		
from continuing operations	2.64	(1.46)
from discontinued operations	7.08	(7.99)
Total	9.73	(9.45)

NOTE 4. INTEREST IN JOINT OPERATIONS

Renison Tin Project

Subsidiary Bluestone Mines Tasmania Pty Ltd has a 50% interest and participating share in the Renison Tin Project, which is operated and managed by Bluestone Mines Tasmania Joint Venture Pty Ltd. The Consolidated Entity is entitled to 50% of the production. The Renison Tin Project is located in Tasmania.