ASX ANNOUNCEMENT | 09 July 2021

2020 Financial Year Appendix 4 E

Altura Mining Limited (ASX: AJM) ("Altura" or the "Company") is pleased to provide the attached Appendix 4E for the 2020 Financial Year.

This Announcement is being issued retrospectively in order to meet Altura's corporate governance and ASX compliance requirements. The report was not previously issued as Altura was under control of Korda Mentha as Receivers and Managers, and/or Cor Cordis as Administrators. The report is issued with the benefit of hindsight but remains objective based on input from key Altura staff present during the reporting period. This announcement is in support of Altura's immediate primary focus of meeting its compliance requirements to be reinstated for quotation by the ASX.

This announcement has been authorised for release by the Board of Altura Mining Limited.

About Altura Mining Limited (ASX: AJM)

Altura is an exploration and resource development company, focussed on lithium and battery minerals. Altura is evaluating several development opportunities in Australia and the United States of America, that will support the surging demand for battery minerals critical in enabling the global transition to green energy. Altura's primary focus is to meet its compliance requirements to be reinstated for quotation by the ASX, and then deliver value for Shareholders.

For further information:

Alex Cheeseman, Chief Executive Officer, (E: info@alturaltd.com)

APPENDIX 4E: PRELIMINARY FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 2020

Results for announcement to the market

	Current period ending 30 June 2020 $'000	Previous period ending 30 June 2019 $'000	Percentage increase/(decrease) over previous corresponding period
Revenue from ordinary activities	106,336	39,399	270 %
Profit/(Loss) from ordinary activities after tax attributable to members	(89,544)	(26,566)	(337) %
Net profit/(loss) for the period attributable to members	(93,827)	(26,713)	(351) %

Dividends

No dividends have been declared of paid during or since the beginning of the current reporting period.

Net Tangible Assets

Net tangible asset per security	30 June 2020 $0.0218	30 June 2019 $0.0474

Change in Controlled Entities

In July 2019 the Company sold PT Asiadrill Bara Utama (ABU) for US$200,000. The sale of ABU was part of a larger sale of the Tabalong project which ultimately was unsuccessful as the purchaser was unable to raise sufficient finance.

There has been no other changes in control, either gained or loss during the current period.

Joint Ventures

The Consolidated Group did not have a holding in any associates or joint venture entities during the current period.

Un-audited Financial Statements

This report is based on account which are audited.

Other information required by Listing Rule 4.3.A

The consolidated entity was placed into external administration and receivership on the 26th October 2020. The consolidated entity's wholly owned subsidiary Altura Lithium Operations Pty Ltd, which owned the Altura Lithium Project, was sold to a third party to payout the consolidated entity's secured noteholders.

The consolidated entity was administered externally until the 5th March 2021 when it was returned to the Directors as a result of a deed of company arrangement (DOCA) being executed for the purpose of restructuring the Company. Funds were loaned to the consolidated entity for working capital and a creditors trust was established.

The information in this Appendix 4E and the attached financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary as a result of the external administration and receivership.

Additional Appendix 4E disclosures required pursuant to ASX Listing Rule 4.3A are contained within the Company's enclosed Consolidated Financial Statements for the year ended 30 June 2020. These Consolidated Financial Statements have been audited by PKF Perth.

Authorised for release by the Board of Altura Mining Limited.

Altura Mining Limited

ABN 39 093 391 774

ANNUAL FINANCIAL REPORT

30 JUNE 2020

CONTENTS

Corporate Directory

DIRECTORS

James Brown – Managing Director
Paul Mantell – Executive Director (resigned 8 April 2021)
Allan Buckler – Non-Executive Director
Dan O'Neill – Non-Executive Director
Beng Teik Kuan – Non-Executive Director
Xiaoyu Dai – Non-Executive Director (resigned 28 May 2021)

COMPANY SECRETARY

Damon Cox (resigned 16 April 2021)
John Lewis (appointed 16 April 2021)

REGISTERED OFFICE

During the reporting period and up to 4 March 2021
Level 2, 23 Barrack Street
Perth WA 6000

Telephone: +61 8 9488 5100
Facsimile: +61 8 9488 5199

Email: cosec@alturamining.com

Since 5 March 2021
Level 9, 863 Hay Street
Perth WA 6000

Email: info@alturaltd.com

Website: www.alturamining.com

AUDITORS

PKF Perth Audit
Level 5, 35 Havelock Street
Perth WA 6005

SHARE REGISTRY

Link Market Services Limited
Level 12, QV1 Building
250 St George's Terrace
Perth WA 6000

AUSTRALIAN SECURITIES EXCHANGE

Code: AJM, AJMOB

Your directors have pleasure in presenting the annual financial report of Altura Mining Limited ("Altura" or "the Company") and its controlled entities ("the Group") for the financial year ended 30 June 2020.

DIRECTORS

The names of the directors in office during the financial year and up to the date of this report are as follows:

Mr James Brown
Mr Paul Mantell (resigned 8 April 2021)
Mr Allan Buckler
Mr Dan O'Neill
Mr Beng Teik Kuan
Mr Xiaoyu Dai (appointed 10 September 2019, resigned 28 May 2021)

COMPANY SECRETARY

The name of the secretary in office during the financial year and up to the date of this report is as follows:

Mr Damon Cox (resigned 16 April 2021)
Mr John Lewis (appointed 16 April 2021)

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was the mining, processing and sale of lithium ore at the Altura Lithium Project in the Pilbara region of Western Australia. Substantial change has occurred to the Group's operations post year end. The event details are itemised in the subsequent event comments on page 7.

OPERATING AND FINANCIAL REVIEW

Overview

Altura Mining Limited ("AJM") is an ASX listed entity that was focused on mining operations and exploration at the Altura Lithium Project at Pilgangoora in Western Australia. Refer to subsequent events for information on the mining operations post 30 June 2020 on page 7. The operating and financial review is to be read in conjunction with the subsequent events note.

Review of Operations

<u>Mining and Production</u>

Following the declaration of commercial production in March 2019, the key focus of Altura over the past 12 months has been the delivery of stable levels of production and meeting its class leading cost structure.

In the first full financial year of commercial production, Altura produced 181,263 wet metric tonnes (wmt) of high-grade lithium concentrate, which is 82% of the Project's nameplate capacity.

This annual production outcome has been based on consistent quarterly production volumes ranging between 45,000 to 47,000 wmt, other than the March quarter which was impacted by adverse weather events associated with tropical cyclones.

During the year the total ore mined was 1.668 million wmt and the total waste mined was 5.865 million wmt. This equates to a strip ratio (waste:ore) of 3.5:1 which provides comparatively low mining costs for the Project.

The mining operations were expanded by the continuation of a one-in-three nightshift operation with the mining contractor NRW. This ensured that the movements in materials met the budgeted waste movement and ore feed requirements.

The consistent mining grades and processing volumes were underpinned by sound grade control of ore processed, which was managed with the support of a contracted site laboratory service provider.

Haulage was also enhanced during the reporting period by the introduction of triple road trains by logistics contractor Qube. This move will provided further operational efficiencies and cost savings to the operation.

In addition, the stable production levels have been complemented by planned and preventative maintenance on the crusher and the coarse and fines processing circuits. The Project's maintenance strategies are evolving through the experience of operating the processing plant and will continue to be modified to ensure consistency of production.

Although the Company was quietly pleased with the stability of production levels, the objective nonetheless is to achieve nameplate levels of production.

	Units	Sept Qtr 2019	Dec Qtr 2019	Mar Qtr 2020	June Qtr 2020	Total
Ore mined	wmt	476,903	429,890	325,423	435,823	1,668,039
Waste mined	wmt	1,484,978	1,493,295	1,357,732	1,528,968	5,864,973
Strip ratio	waste:ore	3.1	3.5	4.2	3.5	3.5
Total material mined	bcm	670,842	686,501	581,172	683,993	2,622,508
Ore mined grade Li20	%	1.18	1.27	1.27	1.21	1.23%
Ore processed	wmt	376,530	345,553	325,258	375,910	1,423,251
Lithium concentrate produced	wmt	45,484	47,181	42,282	46,316	181,263

There were no operational disruptions due to COVID-19. The Company promptly adopted the guidelines prescribed by the State and Commonwealth Governments, including transition to 2 weeks on 2 weeks off rosters with no direct handovers between personnel, increased cleaning regimes and implementation of social distancing protocols.

Sales and Marketing

Other than the period between mid-January and mid-March when many facilities in China were closed due to COVID-19, shipments of lithium concentrate generally matched the production output during the financial year.

During the reporting period a total of 148,053 dmt (157,594 wmt) was loaded aboard 12 separate vessels from the port of Port Hedland.

Project milestones were achieved through the reporting period, with a record single shipment of 24,500 wmt shipped to long-term off-take partner Ganfeng in January 2020, and a quarterly sales record of 60,950 wmt in the June 2020 quarter.

Altura's product grade averaged 5.9% Li2O across all shipments and continued to attract market share due to the favorable characteristics of the product and suitability for conversion into high-quality, low-impurity lithium chemicals.

During the year Altura increased the number of off-take counterparties with new agreements signed with established lithium hydroxide and lithium carbonate producers Shandong Ruifu, Guangdong Weihua Corporation (owner/operator of Zhiyuan Lithium), and Hunan Yongshan Lithium Co., Ltd, an emerging Lithium Chemicals producer owned by Ningbo Shanshan Co, Ltd.

In parallel, Altura terminated its off-take agreement with Shaanxi J&R Optimum Energy and reduced the tonnage allocated to Lionergy Limited.

Operating results

The Group's operating loss after providing for income tax and non-controlling interests for the year ended 30 June 2020 was \$93,827,087 (2019: loss \$26,712,731). The Group's operating loss after providing for income tax from continuing operations for the year ended 30 June 2020 was \$89,637,031 (2019: loss \$26,571,019). The loss in 2020 includes non-cash costs as follows:

- Amortised borrowing costs of \$26,424,824
- Depreciation and amortisation of \$12,936,948
- Writedown of inventory of \$12,215,815
- Impairment of assets held for sale of \$4,196,242

and includes further financial costs as follows:

- Interest on funding facility of \$34,206,592
- Net foreign exchange loss of \$3,690,510

Excluding the above items, the Group loss after tax was due to lower revenue which was predominately as a result of a lower spodumene concentrate sales price.

The Groups revenue for the year ended 30 June 2020 was \$106,336,352 (2019: \$39,399,282). The breakdown of revenue in 2020 was as follows:

- Revenue from sale of spodumene of \$105,538,206
- Revenue from Atlas royalties on Mt Webber of \$2,290,536
- Revenue from exploration services of \$507,610

Financial position

The Group cash and cash equivalents balance as at 30 June 2020 was \$2.3 million (2019: \$9.4 million). The Group's cash flow from operating activities was negative \$42.8 million (2019: \$13.6 million) predominantly due to payment of interest on the loan note facility of \$15.9 million and a deficit in operational cash flow of \$27.3 million. The Group's cash flow from investing activities was negative \$5.8 million (2019: negative \$ 90.3 million) predominantly due to payments for mine properties and property, plant and equipment of \$5.5 million. The Group's net cash flow from financing activities was \$41.5 million (2019: \$57.4 million) predominantly due to proceeds from various equity raising during the period totalling \$42.8million.

The net assets of the Group decreased by \$35.8 million from \$100.8 million to \$65.0 million due predominantly to the increase in borrowings balance which is described below.

The loan note facility balance, excluding borrowing costs that offset the balance in the financial report, as at 30 June 2020 was A\$235.3 million (US\$161.5million). This is an increase of A\$31.6 million (US\$18.6 million) from the 30 June 2019 balance of A\$203.7 million (US\$142.9 million) due to the capitalisation of the February 2020 interest payment of A\$16.2 million (US\$11.0 million) and an amendment fee of A\$11.7million (US\$7.7 million). The AUD equivalent of the US\$ loan note facility balance also increased by A\$3.7 million due to the weaker AUD:USD foreign exchange rate.

Please refer to Note 17 and Note 31 for further details.

Coal Assets

Tabalong Coal

The Tabalong Coal Project is a premium grade thermal coal deposit located in South Kalimantan, Indonesia. The project consists of five (5) Mining Licences (IUPs), with all five (5) IUPs granted for Operation Production. Altura holds 70% of three IUPs and 56% of the remaining two. The Company has previously stated its intention to divest its interests in Tabalong coal assets. It is pursuing a number of options for sale of the coal assets and information has been made available to a number of parties under confidentiality deed arrangements.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to the end of the financial year the following events occurred:

31 July 2020 - Formal request from the Group to its Senior Secured Loan Note Holders (LNH), to extend payment obligations to 31 October 2020 to allow re-structure process to complete.

5 August 2020 - Draft Waiver Letter issued to LNH, subsequently LNH instructed their legal counsel to provide a letter extension (1 week) to allow formal documentation to be completed.

10 August 2020 - The Group entered a trading halt and subsequent suspension from official quotation while refinancing activities were undertaken.

25 August 2020 - LNH provided waiver of all financial obligations and covenants until 31 October 2020 – with 2 milestones:

Milestone 1 - 10 September 2020 to present to the LNH some form of non-binding term sheet for an equity, debt, merger proposal; and

Milestone 2 - 10 October 2020 to present to the LNH a binding proposal to the LNH and be announced to the market.

26 August 2020 - A credible and well-known participant in the Australian equity market (Bookrunner) commenced a non-deal roadshow to gauge market interest.

10 September 2020 – A prominent Australian-based mining and processing company provided a non-binding indicative offer (NBIO) to Altura and presented to the LNH in accordance with the waiver agreement.

7 October 2020 - LNH were issued with a Term Sheet regarding the recapitalisation process. The Term Sheet was non-binding but allowed the Bookrunner to provide details to equity groups and allow a structure to be agreed with those groups.

9 October 2020 - LNH provided an extension of Milestone 2 from 10 October 2020 to 24 October 2020 due to one large equity group requiring more due diligence time. AJM paid $140,000 of the LNH legal fees for document drafting as part of the recapitalisation process.

14 October 2020 - LNH advised the Company to proceed with document drafting for the re-structure based on the key terms agreed in the Term Sheet – LNH stated that in essence of time the parties should proceed with formal documentation rather than trying to bind the Term Sheet, this followed a few days of negotiation on the Term Sheet.

21 October 2020 - An existing offtake partner committed to an A$66 million cornerstone investment for the proposed equity process, subject to transaction approval at their board meeting on 21 October 2020 – the deal would be announced on the same day, the equity process would launch on week of 26 October 2020. LNH requested Altura hold off on the Offtake partner's approval until formal documents completed (target 23 October 2020), this would defer approval until Offtake partner's next board meeting on 29 October 2020. Altura in good faith accepted the LNH request in anticipation of completion and execution of signing documents on the 23 October 2020.

22 October 2020 – The Bookrunner provided a detailed letter of support to the recap process, the Bookrunner also issued LNH with a process timeline and request for them to acknowledge support and terms of the agreements.

23 October 2020 – The Company's legal counsel provided LNH legal counsel with final drafts of all legal agreements for review and execution.

25 October 2020 – Altura becomes aware of a potential deal (from a credible media outlet) being struck by the LNH and other parties involved in the process – request sent to other parties for clarification and compliance to the existing Non-Disclosure Agreements in place between Altura and said parties;

25 October 2020 - Notice of Default issued to Altura by LNH (**midnight**) citing breach of Milestone 2, which came about by Altura in good faith agreeing to the LNH request on the 21 October 2020 of the announcement of the Offtake partner's deal and the request by the LNH on the 14 October 2020 to proceed with formal documentation on the recapitalisation.

26 October 2020 - Notice of Receivers and Administrators received, Altura had no time to challenge, KordaMentha (KM) appointed as Receivers and Managers.

26 October 2020 - Cor Cordis (CC) appointed as Administrators.

28 October 2020 PLS announce conditional agreement to acquire Altura Lithium Operations stating PLS had entered into an Implementation Deed with the senior secured loan noteholders of Altura

29 October 2020 - KM announce the LNH have entered into an implementation agreement with Pilbara Minerals (PLS).

1 December 2020 - PLS announce a share sale agreement to acquire the Group's wholly owned subsidiary Altura Lithium Operations Pty Ltd (ALO).

11 December 2020 - Creditors approve the ALO deed of company arrangement (DOCA) subject to completion of an equity raising by PLS.

20 January 2021 - PLS completes the acquisition of ALO as per the terms of the share sale agreement. ALO was sold for a total consideration of $270 million. As at the date of this report, Directors are unable to quantify the financial impact on operations as a result of the transaction. KM retire as Receivers and Managers.

5 March 2021 - ACN 647 358 987 Pty Ltd entered into a DOCA resulting in the CC deed of administration ceasing and administration for the Group reverting to its Directors. ACN 647 358 987 Pty Ltd has loaned funds to Altura and provided funds to the Altura Mining Limited Creditors Trust.

16 April 2021 - Altura announced the appointment of Alex Cheeseman as CEO of the company, the resignation of Paul Mantell as a director and the appointment of John Lewis as Company Secretary.

3 May 2021 Altura announced it had executed a Letter of Intent (LOI) to enter into an Earn-in Option Agreement (EOA) for 60% project equity in Lithium Corporation's ("Lithium Corp.") Fish Lake Valley (FLV) Project located in central-west Nevada, USA

Post the disposal of ALO and the balance of the Australian based assets, the Altura Group retains its interest in the Tabalong Project (whilst searching for a suitable party to divest the project) and investment in Lithium Corporation, Nevada USA. Funding provided from the Group's current Australian Directors has funded payment of the remaining liabilities and providing sufficient working capital to sustain its operations during the Group's re-quotation process on the ASX.

Material contracts with Key Management Personnel post June 2020

Alex Cheeseman, Chief Executive Officer - (appointed 16 April 2021) the agreement is of no fixed term and allows for payment of an annual cash salary, reviewed each year, and superannuation. Six months' notice of termination by either party is required, with a separation allowance equivalent to six month's gross salary to be paid if employment was terminated by the Company

Key Management Personnel Remuneration post June 2020

During the period after the financial year ending 30 June 2020 the following payments, we made to key management personnel in accordance with their service contracts. Remuneration excludes termination payments as the details require confirmation from KordaMentha/Cor Cordis and performance rights require completion of the re-listing process on the ASX.

Estimated remuneration of Key Management Personnel Remuneration

Executive Directors	310,185
Non-Executive Directors	83,700
Other key management personnel	180,832

No further events have occurred since 20 May 2021, which would require disclosure in the financial report.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Post the sale of ALO and the Group's Australian based assets referred to in the subsequent event matters the Company's objective is to create shareholder value through acquisition and development of lithium-based exploration tenements and other supplementary mining activities that deliver strong cash flows for the Group, and resultant regular dividends for shareholders.

Key Business Strategies

Altura's strategic focus comprises:

- Acquisition and exploration of a portfolio of tenements to identify a potential lithium resource, and to maximise the value of any other minerals on the tenements including gold.
- Partnering investment and project opportunities with Lithium Corporation
- Conducting its exploration operations sustainably across the environment, health and safety, people and community relations.
- Divestment of the Tabalong coal project.

Future Prospects and Material Business Risks

The Company's future financial performance and financial outcomes are dependent upon a range of risk factors typically encountered by lithium mining companies. These include:

- Identify and successfully explore tenements suitable for resource development.
- Cost and access to funds for working capital, refinancing or project expansion purposes.
- Movements in the Australian Dollar / US Dollar exchange rate can impact on revenue and debt.

DIVIDENDS

There were no dividends paid or declared during the year ended 30 June 2020 (2019: Nil).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Post the end of the financial year as discussed in the financial report and elsewhere in this Directors Report the Group has transitioned through significant change in its composition and business activities. With the Group's release from external management it's focus apart from exploring new investment opportunities is progressing through the requirements to be relisted on the ASX and return value to its shareholders.

OTHER MATTERS

Civmec Legal Action

On 17 July 2020, Altura was advised by Civmec Construction and Engineering Pty Ltd that it had lodged a writ and statement of claim in the Supreme Court of Western Australia against Altura Lithium Operations Pty Ltd (ALO) in relation to the process plant construction and installation work at the Altura Lithium Project. On 20 July 2020, Altura was served with this statement of claim.

Altura proceeded to defend these proceedings until the Group was placed under external management. ALO was acquired by Pilbara Minerals Limited (PLS) following a deed of company arrangement (DOCA) process. As a result of the DOCA process and acquisition by PLS, ALO is no longer a subsidiary of the Company. The Company was not a party to the proceedings. The proceedings were dismissed by a consent order on 4 February 2021.

ENVIRONMENTAL PERFORMANCE

The Group is committed to achieving a high standard of environmental performance and is subject to significant environmental regulation form both Commonwealth and State legislation in Australia to its mining, development and exploration activities. The Board of Directors is responsible for regular monitoring of environmental exposures and compliance with these environmental regulations. The Group complied with its environmental performance obligations during the year. Subsequent to the year end all rights and obligations were transferred with the assets of its Australian mining, development and exploration activities.

INFORMATION ON DIRECTORS

Mr James Brown (Managing Director)

Qualifications

Graduate Diploma in Mining from University of Ballarat

Experience

Mr Brown is a mining engineer with over 35 years' experience in the mining industry in Australia and Indonesia, including the last 12 years in the chief executive role at Altura. His mining development and operations experience includes the New Acland and Jeebropilly mines in South East Queensland, the Adaro and Multi Harapan Utama operations in Indonesia and Blair Athol in the Bowen Basin in Central Queensland.

Other current directorships in listed entities

Sayona Mining Limited

Former directorships in last 3 years

None

Special responsibilities

Chief Executive Officer

Interests in shares and options

31,788,301 ordinary shares in Altura Mining Limited
385,000 options over ordinary shares in Altura Mining Limited

INFORMATION ON DIRECTORS (continued)

Mr Paul Mantell (Executive Director) (resigned 8 April 2021)

Qualifications

Bachelor of Commerce from the University of Queensland and a Fellow of CPA Australia

Experience

Mr Mantell is an accountant with more than 35 years' corporate experience in the mining and associated industries. He has been involved in all aspects of accounting and finance, financial reporting, taxation and administration, including the responsibilities of an ASX listed entity. He has previously arranged finance for mining and infrastructure projects both in Australia and Indonesia and has set up corporate, administrative and financial systems to support new and expanding mining operations. He was appointed a director in May 2009.

Other current directorships in listed entities

None

Former directorships in last 3 years

None

Special responsibilities

None

Interests in shares and options

36,899,238 ordinary shares in Altura Mining Limited
385,000 options over ordinary shares in Altura Mining Limited

Mr Allan Buckler (Non-Executive Director)

Qualifications

Certificates in Mine Surveying and Mining, First Class Mine Managers Certificate and a Mine Surveyor Certificate issued by the Queensland Government's Department of Mines

Experience

Mr Buckler has over 45 years' experience in the mining industry and has taken lead roles in the establishment of several leading mining and port operations in both Australia and Indonesia. Mr Buckler was appointed a director in December 2008.

Other current directorships in listed entities

Sayona Mining Limited

Former directorships in last 3 years

None

Special responsibilities

Member of the Audit & Risk Committee
Member of the Remuneration & Nomination Committee

Interests in shares and options

459,738,505 ordinary shares in Altura Mining Limited
58,466,808 options over ordinary shares in Altura Mining Limited

Mr Dennis O'Neill (Independent Non-Executive Director)

Qualifications

Bachelor of Science in geology from the University of Western Australia

Experience

Mr O'Neill was appointed a director in December 2008. He has held positions with a number of Australian and multinational exploration companies and has managed exploration programs in a diverse range of environments and locations including Botswana, North America, South East Asia, North Africa and Australasia. During his 35 years' experience, he has held executive management positions with ASX listed companies and has worked on a range of commodities including diamonds, gold, base metals, coal, oil and gas.

Other current directorships in listed entities

Sayona Mining Limited

Former directorships in last 3 years

None

Special responsibilities

Chairman of the Remuneration & Nomination Committee
Member of the Audit & Risk Committee

Interests in shares

13,633,336 ordinary shares in Altura Mining Limited

Mr Beng Teik Kuan (Independent Non-Executive Director)

Qualifications
Bachelor of Engineering (University of Malaya)

Experience
Mr Kuan is an engineer with considerable experience in bulk handling and terminal operations, including responsibility for the development and management of the Pulau Laut Coal Terminal in South Kalimantan, Indonesia. He also has experience in Indonesia, Malaysia and Singapore with tin dredging operations, managing rubber, palm oil and cocoa processing factories, and managing palm oil bulk terminals. He was appointed a director in November 2007.

Other current directorships in listed entities
None

Former directorships in last 3 years
None

Special responsibilities
Chairman of the Audit & Risk Committee
Member of the Remuneration & Nomination Committee

Interests in shares and options
26,600,000 ordinary shares in Altura Mining Limited
1,000,000 options over ordinary shares in Altura Mining Limited

Mr Xiaoyu Dai (Non-Executive Director – Appointed 10 September 2019)

Qualifications
Master of Business Administration (Nanjing University, China)

Experience
Mr Xiaoyu Dai has 21 years' experience in chemicals industry, spanning various commodities, specialties and operations in China, Africa, Germany, Singapore, Japan and Korea. He held senior executive roles with extensive operational experience in both petro and fine chemicals leading companies, including previous roles as head of alpha olefins, fatty alcohol in Sasol China, Managing Director of Rockwood Lithium China, and senior consultant of Shanshan Inc. He is the Managing Director of Shanshan Forever Lithium Co., Ltd.

Other current directorships in listed entities
None

Former directorships in last 3 years
None

Special responsibilities
None

Interests in shares
Nil

COMPANY SECRETARY

Mr Damon Cox (resigned 16 April 2021) - Mr Cox is a Chartered Secretary, and a CPA. He has over 30 years' experience in various roles including corporate governance, compliance, treasury and strategic policy advice.

Mr John Lewis (appointed 16 April 2021) - Mr Lewis has a Bachelor of Business Degree and is a Chartered Accountant with more than 25 years post qualification experience. Mr Lewis has extensive corporate governance and company reorganisation experience. Since 2007, Mr Lewis has worked predominantly in the resource development and mining sector in Australia and overseas as a Company Director, CFO and Company Secretary.

REMUNERATION REPORT (Audited)

This report details the nature and amount of remuneration for directors and other key management personnel. It does not detail information on the remuneration of key management post this date.

Remuneration Policy and link to performance

The Company's policy is to remunerate fairly and in line with companies of similar size, operations and in the same industry. Individual remuneration decisions are made by the Remuneration & Nomination Committee taking into account the following factors:

- The responsibility of the role;
- Experience of the employee;
- Past performance and future expectations; and
- Industry conditions and trends.

In order to retain and attract key management personnel of sufficient calibre to facilitate the efficient and effective management of the Company's operations, the Remuneration & Nomination Committee may seek the advice of external advisors in connection with the structure of remuneration packages.

Remuneration packages may contain the following key elements:

a) Primary benefits - salary/fees, bonuses and non-monetary benefits including the provision of a motor vehicle;
b) Post-employment benefits - including superannuation and prescribed retirement benefits; and
c) Equity - performance rights granted under the Long-Term Incentive Plan as disclosed in Note 22 to the financial statements.

None of the Company's personnel remuneration packages are linked directly to the Company's profitability or other measure of performance. The Company maintains a Long-term Incentive Plan under which employees may be granted performance rights and share options which vest subject to service conditions being met. Directors may also be allocated performance rights and/or options as an incentive. During the 2020 year, no executive directors were issued with shares on the vesting of previously issued performance rights.

Performance-based remuneration

The Company currently has performance-based remuneration in place as disclosed in Note 23.

Group performance, shareholder wealth and director and executive remuneration

The Group has recorded the following earnings from continuing operations over the last five years:

	2020	2019	2018	2017	2016
Revenues and sundry income	107,023,428	39,571,130	1,675,168	1,600,959	1,485,611
EBITDA *	(16,047,598)	(3,967,691)	(13,279,929)	(6,417,320)	(11,290,052)
NPBT *	(89,615,963)	(26,283,568)	(13,120,803)	(6,448,799)	(30,839,474)
NPAT *	(89,637,031)	(26,571,019)	(12,712,487)	(5,914,752)	(31,618,016)
Dividends paid	-	-	-	-	-

* Definitions: EBITDA = Earnings before interest, tax, depreciation and amortisation
NPBT = Net profit before tax
NPAT = Net profit after tax & minority interest

REMUNERATION REPORT (Audited) (continued)

Key Management Personnel Remuneration Policy

The Remuneration & Nomination Committee reviews the remuneration packages of all directors and key management personnel on an annual basis. Remuneration packages are reviewed and determined with due regard to relevant market conditions and individual's experience and qualification and are benchmarked against comparable industry salaries.

Payment of bonuses and share based compensation benefits is discretionary.

Employment Contracts of Key Management Personnel

Contracts of employment are given to key management personnel at time of employment. Details are as follows:

James Brown, Managing Director - the agreement is of no fixed term and allows for payment of a monthly cash salary in US dollars, reviewed each year, plus allowances. Three months' notice of termination by either party is required, with a separation allowance equivalent to one year's salary and entitlements to be paid if employment is terminated by the Company.

Paul Mantell, Executive Director - the agreement is of no fixed term and allows for payment of an annual cash salary, reviewed each year, and superannuation. Provision of a motor vehicle or equivalent allowance and other non-cash benefits is included. Three months' notice of termination by either party is required, with a separation allowance equivalent to one year's gross salary to be paid if employment was terminated by the Company.

Rodney Wheatley, Chief Financial Officer - the agreement is of no fixed term and allows for payment of an annual cash salary, reviewed each year, and superannuation. Six months' notice of termination by either party is required, with a separation allowance equivalent to six month's gross salary to be paid if employment was terminated by the Company.

Damon Cox, Company Secretary - the agreement is of no fixed term and allows for payment of an annual cash salary, reviewed each year, and superannuation. Provision of a motor vehicle is included. Two months' notice of termination by either party is required, with a separation allowance equivalent to six month's gross salary to be paid if employment is terminated by the Company.

REMUNERATION REPORT (Audited) (continued)

Key Management Personnel Remuneration

	Short-term benefits				Post employment		Share based payments	Total	Performance rights as a percentage of total
Name	**Cash salary and fees $**	**Cash bonus $**	**Bonus shares $**	**Non-monetary benefits $**	**Super-annuation $**	**Termination payments $**	**Performance rights $**	**$**	**%**
2020									
Non-executive directors									
A Buckler	72,000	-	-	-	6,840	-	-	78,840	-
D O'Neill	84,000	-	-	-	7,980	-	-	91,980	-
B Kuan	84,000	-	-	-	7,980	-	-	91,980	-
X Dai i)	57,995	-	-	-	-	-	-	57,995	-
Sub total non-executive directors	297,995	-	-	-	22,800	-	-	320,795	
Executive directors									
J Brown	465,423	-	-	104,792	-	-	-	570,215	-
P Mantell	325,025	-	-	13,809	25,000	-	-	363,834	-
Other key management personnel									
R Wheatley ii)	223,929	-	-	-	20,786	-	29,955	274,670	10.9%
D Cox	150,000	-	-	20,687	14,250	-	-	184,937	-
N Young iii)	120,000	-	-	3,912	11,400	33,323	-	168,635	-
P Robinson iv)	48,333	-	-	-	6,393	82,847	-	137,573	-
Total for key management personnel compensation	1,332,710	-	-	143,200	77,829	116,170	29,955	1,699,864	
Total compensation	**1,630,705**	**-**	**-**	**143,200**	**100,629**	**116,170**	**29,955**	**2,020,659**	
2019									
Non-executive directors									
A Buckler	72,000	-	-	-	6,840	-	-	78,840	-
D O'Neill	84,000	-	-	-	7,980	-	-	91,980	-
B Kuan	84,000	-	-	-	7,980	-	-	91,980	-
Z Tong v)	57,399	-	-	-	-	-	-	57,399	-
Sub total non-executive directors	297,399	-	-	-	22,800	-	-	320,199	
Executive directors									
J Brown	436,278	-	-	98,334	-	-	265,000	799,612	33.1%
P Mantell	325,025	-	-	14,214	24,999	-	132,500	496,738	26.7%
Other key management personnel									
P Robinson iv)	267,771	-	124,850	-	22,924	-	39,750	455,295	8.7%
C Evans vi)	191,151	-	-	-	22,144	62,716	132,500	408,511	32.4%
N Young	180,000	-	-	3,848	17,100	-	26,500	227,448	11.7%
D Cox	150,000	-	-	20,371	14,250	-	26,500	211,121	12.6%
Total for key management personnel compensation	1,550,225	-	124,850	136,768	101,417	62,716	622,750	2,598,726	
Total compensation	**1,847,624**	**-**	**124,850**	**136,768**	**124,217**	**62,716**	**622,750**	**2,918,925**	

i) Mr Dai was appointed as a director in September 2019
ii) Mr Wheatley was appointed as Chief Financial Officer in September 2019
iii) Mr Young retired in February 2020
iv) Mr Robinson was appointed Chief Operating Officer in February 2019 and resigned in September 2019
v) Mr Tong resigned as a director in April 2019
vi) Mr Evans resigned in February 2019

Long service leave payments of $31,497 (2019: Nil) were made during the year

REMUNERATION REPORT (Audited) (continued)

Performance Rights

In 2014 the Company established a new Long-Term Incentive Plan (LTIP) to assist in the reward and retention of directors and employees. There were no performance rights on issue as at 30 June 2019.

A total of 8,500,000 performance rights were granted in May 2020 to key management personnel and other senior staff. For each recipient, the performance rights comprised three vesting conditions:

(1) A company-wide safety performance hurdle (20% of amount);
(2) Individual KPIs (40%); and
(3) Continuous employment service condition (40%).

The rights awarded were granted for no consideration. No amount is payable on the vesting of the rights. The rights will vest and automatically convert to ordinary shares in the Company following the satisfaction of the performance and service conditions.

The following performance rights were on issue to key management personnel as at 30 June 2020:

	Granted number	Vesting 31 Jan 2021
R Wheatley	1,000,000	1,000,000
	1,000,000	1,000,000

No shares were issued to directors and key management personnel on the vesting of performance rights during the year ended 30 June 2020.

MEETINGS OF DIRECTORS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year there were 18 Directors' meetings, 2 Audit & Risk Committee meetings and 3 Remuneration & Nomination Committee meetings held.

	Directors' Meetings		Audit & Risk Committee		Remuneration & Nomination Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
J Brown	18	18	-	-	-	-
P Mantell	18	18	-	-	-	-
A Buckler	18	14	2	1	3	1
D O'Neill	18	16	2	2	3	3
B Kuan	18	17	2	2	3	3
X Dai	17	10	-	-	-	-

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into Deeds of Indemnity with all of its directors in accordance with the Company's Constitution. During the financial year the Company paid a premium to insure the directors, officers and managers of the Company and its controlled entities. The insurance contract requires that the amount of the premium paid is kept confidential.

OPTIONS

Under the terms of the Placement and the Securities Purchase Plan undertaken in February/March 2019, a total of 148,798,009 listed options were issued with an exercise price of $0.20 cents per option and an expiry date of 28 February 2022. At the date of signing this report, there were 148,797,979 listed options outstanding.

In addition, there were 74,400,000 unlisted options over ordinary shares of Altura Mining Limited outstanding. These unlisted options were issued to LDA Capital on 1 May 2020 (following approval at a general meeting held on 30 April 2020) under the terms of an equity standby facility provided by LDA Capital. The options have an exercise price of $0.0586 cents per option and have an expiry date of 1 May 2023.

WARRANTS

Under the terms of the US$110 million debt facility announced on 28 July 2017, the lenders received a total of 72,644,513 warrants. These were approved on 22 November 2017 at the Company's annual general meeting and issued on 27 November 2017 at an exercise price of $0.1260 per warrant with an expiry date 4 August 2022. At the date of signing this report, there were 19,812,140 warrants outstanding.

NON-AUDIT SERVICES

The Company's changed auditor during the period, subject to shareholder approval at the upcoming Annual General meeting in November 2020, from PFK Brisbane Audit to PKF Perth with ASIC consenting to the change on 11 July 2020.

PKF Perth, did not provide any non-audit services to the Company during the year ended 30 June 2020.

Fees paid or payable to PKF Brisbane Audit, being the previous auditor the Group, during the year ending 30 June 2020 total $nil (2019: nil).

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 30 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 30- to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and reward.

ROUNDING OF AMOUNTS

The company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with the instrument.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2020 has been received and is included on page 19 of the annual report.

Signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors,

James Brown
Director
Brisbane, 25 May 2021

Advisory • Audit
Business Solutions

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ALTURA MINING LIMITED

In relation to our audit of the financial report of Altura Mining Limited for the year ended 30 June 2020, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

SIMON FERMANIS
PARTNER

25 MAY 2021
WEST PERTH,
WESTERN AUSTRALIA

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Consolidated Statement of Profit or Loss

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $'000	2019 $'000
Continuing operations			
Revenue	5(a)	106,336	39,399
Cost of sales	5(c)	(123,682)	(31,961)
Gross profit		(17,346)	7,438
Other income			
Sundry income	5(b)	687	172
Expenses			
Administration costs		(5,010)	(3,344)
Employee benefits expense	5(g)	(4,448)	(5,725)
Exploration expenditure written off		(218)	-
Other expenses	5(d)	(160)	(188)
Profit on sale of subsidiary	5(f)	1,202	-
Profit / (loss) before foreign exchange and finance costs		(25,293)	(1,647)
Net foreign exchange loss	5(e)	(3,691)	(6,466)
Profit / (loss) before finance costs		(28,984)	(8,113)
Finance costs			
Interest on funding facility		(34,207)	(10,566)
Amortisation of transaction costs	17	(26,425)	(7,605)
Profit / (loss) before income tax		(89,616)	(26,284)
Income tax (expense) / benefit	7(a)	(21)	(287)
Profit / (loss) after income tax from continuing operations		**(89,637)**	**(26,571)**
Discontinued operations			
Loss from discontinued operations after tax	3	(4,190)	(142)
Net profit / (loss) for the year		**(93,827)**	**(26,713)**
Profit / (loss) attributable to:			
Owners of Altura Mining Limited		(93,736)	(26,665)
Non-controlling interest		(91)	(48)
		(93,827)	**(26,713)**

(Loss) per share from continuing and discontinued operations attributable to the ordinary equity holders of the Company:			
Basic and diluted (loss) per share from continuing and discontinuing operations	6	(3.75)	(1.40)
Basic and diluted (loss) per share from continuing operations	6	(3.59)	(1.39)
Basic and diluted (loss) per share from discontinued operations	6	(0.17)	(0.01)

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying Notes.

Consolidated Statement of Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $'000	2019 $'000
Profit / (loss) for the year		(93,827)	(26,713)
Other comprehensive income / (loss) for the year			
Items that may be reclassified to profit and loss			
Changes in the fair value of financial assets	13	637	(2,732)
Exchange differences on translation of foreign controlled entities		(1,377)	(2,522)
Other comprehensive income / (loss) for the year, net of tax		(740)	(5,254)
Total comprehensive income / (loss) for the year		(94,567)	(31,967)
Total comprehensive income / (loss) attributable to:			
Members of the parent entity		(94,556)	(31,885)
Non-controlling interest		(11)	(82)
		(92,567)	(31,967)
Total comprehensive income / (loss) attributable to members of the parent entity arises from:			
Continuing operations		(90,158)	(31,229)
Discontinued operations		(4,398)	(656)
		(94,556)	(31,885)

The above Consolidated Statement of Other Comprehensive Income should be read in conjunction with the accompanying Notes.

Consolidated Balance Sheet

AS AT 30 JUNE 2020

	Note	2020 * $'000	2019 $'000
Current assets			
Cash and cash equivalents	8	2,298	9,494
Trade and other receivables	9	9,395	2,149
Held to maturity investments	11	26	78
Inventories	10	22,515	20,720
Current tax prepaid		66	73
Other current assets	12	5,739	1,155
Assets classified as held for sale	3c	6,370	9,903
Total current assets		46,409	43,572
Non-current assets			
Financial assets	13	1,923	1,286
Property, plant, equipment and mine properties	14	288,492	288,680
Exploration and evaluation	15	3,312	3,265
Right-of-use assets	21	1,757	-
Total non-current assets		295,484	293,231
Total assets		**341,893**	**336,803**
Current liabilities			
Trade and other payables	16	42,955	40,778
Borrowings	17	17,736	179,612
Short term provisions	18	1,901	1,669
Lease liabilities	21	524	-
Liabilities classified as held for sale	3c	2,363	1,905
Total current liabilities		65,479	223,964
Non-current liabilities			
Borrowings	17	191,693	-
Lease liabilities	21	1,300	-
Rehabilitation provision	20	18,435	11,994
Total non-current liabilities		211,428	11,994
Total liabilities		**276,907**	**235,958**
Net assets		**64,986**	**100,845**
Equity			
Contributed equity	22	290,860	233,955
Reserves	22	(2,359)	(3,320)
Accumulated losses		(223,741)	(130,005)
Capital and reserves attributable to owners of Altura Mining Limited		64,760	100,630
Non-controlling interest		226	215
Total equity		**64,986**	**100,845**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying Notes.

* The Consolidated Balance Sheet presented refers to account balances at 30 June 2020. With the appointment of the Administrators and Receivers exercising their management control over the Group these balances may have changed significantly post year end, The Directors Report and the Subsequent Events Note (note 31) highlight the events taken place post 30 June 2020.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2020

	Contributed equity	Accumulated losses	Option & performance rights reserve	Change in fair value - market valuation	Foreign currency translation reserve	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 30 June 2018	**192,893**	**(103,340)**	**1,602**	**3,488**	**(1,588)**	**298**	**93,353**
Total comprehensive income for the year	**-**	**(26,665)**	**-**	**(2,732)**	**(2,488)**	**(83)**	**(31,967)**
Transactions with owners in their capacity as owners:							
Issue of shares – employee bonus payment	125	-		-	-	-	125
Contributions of equity, net of transaction costs	38,118	-		-	-	-	38,118
Transfer from share based payment reserve to equity	2,819	-	(2,819)	-	-	-	-
Share based payments transactions	-	-	1,217	-	-	-	1,217
Sub-total	**41,062**	**(26,665)**	**(1,602)**	**(2,732)**	**(2,488)**	**(83)**	**7,492**
Balance as at 30 June 2019	**233,955**	**(130,005)**	**-**	**756**	**(4,076)**	**215**	**100,845**

	Contributed equity	Accumulated losses	Option & performance rights reserve	Change in fair value - market valuation	Foreign currency translation reserve	Non-controlling interests	Total
Balance as at 30 June 2019	**233,955**	**(130,005)**	**-**	**756**	**(4,076)**	**215**	**100,845**
Total comprehensive income for the year	**-**	**(93,736)**	**-**	**637**	**(1,478)**	**11**	**(94,566)**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs	56,905	-		-	-	-	56,905
Share based payments transactions	-	-	1,802	-	-	-	1,802
Sub-total	**56,905**	**(93,736)**	**1,802**	**637**	**(1,478)**	**11**	**(35,859)**
Balance as at 30 June 2020	**290,860**	**(223,741)**	**1,802**	**1,393**	**(5,554)**	**226**	**64,986**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Receipts from customers *		89,172	48,432
Payments to suppliers and employees		(116,524)	(34,953)
Sundry income		-	31
Interest received		3	74
Interest paid		(15,927)	-
Proceeds from jobkeeper		470	-
Net cash provided by / (used in) in operating activities	28(b)	(42,806)	13,584
Cash flows from investing activities			
Expenditure on exploration and evaluation activities		(619)	(1,198)
Purchase of property, plant, equipment and mine properties		(5,506)	(118,618)
Proceeds during commissioning of mine properties *		-	29,463
Proceeds from disposal of subsidiaries		260	-
Proceeds from held to maturity investments		52	-
Proceeds from sale of property, plant and equipment		2	44
Net cash (used in) / provided by investing activities		(5,811)	(90,309)
Cash flows from financing activities			
Proceeds from the issue of shares		42,755	38,548
Transaction costs on issue of shares		(60)	(569)
Proceeds from borrowings	27 / 28(c)	7,878	19,395
Repayment of borrowings	27 / 28(c)	(7,878)	-
Payment of lease liabilities		(504)	-
Transaction costs related to borrowing		(714)	-
Net cash provided by / (used in) financing activities		41,477	57,374
Net increase / (decrease) in cash and cash equivalents held		(7,140)	(19,351)
Cash and cash equivalents at the beginning of year	28(a)	9,513	28,779
Effect of exchange rate changes on cash holdings in foreign currencies		(65)	85
Cash and cash equivalents at the end of year	28(a)	2,308	9,513
Non-cash investing and financing activities			
Share based payments	23	(1,802)	(125)
Interest on loan facility capitalised		(16,202)	(2,141)
Transaction fees - borrowings		(11,661)	(625)

* Receipts from customers include sales of spodumene concentrate from the date of commercial production in March 2019. Shipments of spodumene concentrate prior to commercial production are recorded in proceeds during commissioning of mine properties.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.

This financial report includes the consolidated financial statements and notes of Altura Mining Limited (the Company) and controlled entities ('Consolidated Group' or 'Group'). Altura Mining Limited is a company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

The separate financial statements of the parent entity, Altura Mining Limited, have not been presented within this financial report as permitted by amendments made to the *Corporations Act 2001*.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements were authorised for issue on 25 May 2021 by the directors of the Company.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.*

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The following is a summary of the material accounting policies adopted by the Consolidated Group in the preparation of the financial report. The financial report has been prepared on an accruals basis. The accounting policies have been consistently applied, unless otherwise stated.

i) Going concern principle of accounting

As detailed in the subsequent events note the Group was placed into external administration and receivership on the 26th October 2020. The Group's wholly owned subsidiary Altura Lithium Operations Pty Ltd, which owned the Altura Lithium Project, was sold to a third party to payout the Group's secured noteholders.

The Group was administered externally until it was returned to the Directors on the 5th March 2021. During this period a deed of company arrangement (DOCA) was executed, funds were loaned to the Group for working capital and a creditors trust was established.

The Directors have decided to seek a relisting of the company on the ASX. To do so they will need to re-comply with a number of ASX requirements. The purpose of the relisting will be to raise sufficient capital to implement the Key Business Strategies detailed in the Directors Report.

Accordingly, the ability of the Company and Group to continue as a going concern is dependent on the relisting of the Company on the ASX and the raising of capital to pursue the Group's Key Business Strategies.

The Directors are confident of succeeding with the relisting and the raising of capital because of the assets now controlled by the Group including the Tabalong Project and the investment in Lithium Corporation based in the USA.

If the Directors are unable to relist and raise capital, they require the Company and Group may not be able to continue as a going concern. As such a material uncertainty exists in relation to the ability of the Company and Group to continue as going concerns and realise assets and extinguish liabilities in the normal course of business.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ii) New accounting standards for application in future periods

A number of new standards, amendments and interpretations to existing standards have been published by the Australian Accounting Standards Board (AASB) that are effective for future periods and which the Group will adopt when they become effective. None of these are expected to have a significant effect on the consolidated financial statements of the Group, except: From 1 July 2019, the group adopted AASB 16 Leases. Refer to Note 21. For further details.

AASB No.	Title	Application	Issue Date.
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contributions of Assets between an Investor and its Associate or Joint Venture	1 January 2022	December 2014
AASB 2018-6	Amendments to Australian Accounting Standards – Definition of a Business	1 January 2020	December 2018
AASB 2018-7	Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	December 2018
AASB 2019-1	Amendments to Australian Accounting Standards – References to the Conceptual Framework	1 January 2020	May 2019
AASB 2019-5	Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia	1 January 2020	November 2019
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 January 2022	March 2020
AASB 2020-3	Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2020 and Other Amendment	1 January 2022	June 2020
AASB 2020-4	Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions	1 June 2020	June 2020
AASB 1060	General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)	1 July 2021	March 2020

ii) Historical cost convention

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.

iii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas including a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(o).

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Carrying value of exploration and evaluation expenditure

The Group has capitalised exploration and evaluation expenditure of $3.312 million as at 30 June 2020 (2019: $3.265 million). This amount includes additions of $578,000 during the year for drilling and analysis, and employee remuneration costs for the lithium project. Exploration and evaluation expenditure is capitalised as an intangible asset until the Company has completed its assessment of the existence or otherwise of recoverable resources. The ultimate recovery of the carrying value of exploration expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interest in the tenements.

Until exploration and evaluation activities have reached a stage where the assessment is complete, including the forecasting of cash flows to assess the fair value of the expenditure, there is an uncertainty as to the carrying value of the expenditure.

The Directors are of the opinion that the exploration expenditure is recoverable for the amount stated in the financial report.

c) Principles of consolidation

i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Altura Mining Limited ('Company' or 'Parent Entity') as at 30 June 2020 and the results of the subsidiaries for the year then ended. Altura Mining Limited and its subsidiaries together are referred to in this financial report as the Group or Consolidated Entity.

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 over the entity.

A list of controlled entities is contained in Note 26 to the financial statements. All Australian controlled entities have a June financial year-end and all other controlled entities have a December financial year end.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Group.

Where controlled entities have entered or left the Group during the year, their operating results have been included from the date control was obtained or until the date control ceased.

Non-controlling interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the equity section of the Consolidated Balance Sheet and in the Consolidated Statement of Profit and Loss. Losses applicable to the non-controlling interest in a consolidated subsidiary are allocated against the controlling interest except to the extent that the non-controlling interest has a binding obligation and is able to make additional investment to cover the losses. If in future years the subsidiary reports profits, such profits are allocated to the controlling interest until the non-controlling interest's share of losses previously absorbed by the controlling interest have been recovered.

The acquisition method of accounting is used to account for business combinations by the Group.

ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Group's investments in associates includes goodwill identified on acquisition.

The Group's share of its associates post-acquisition profit or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction in the carrying amount of the investment.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the owners of Altura Mining Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

d) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred with the exception of stamp duty. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain on acquisition of subsidiaries.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Income tax

The charge for current income tax expense is based on the result for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates (and laws) that have been enacted, or substantially enacted by the end of the reporting period and are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences and unused tax losses can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Altura Mining Limited and some of its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the Group recognises its own current and deferred tax amounts, except for any deferred tax liabilities (or assets) resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each Group entity is then subsequently assumed by the parent entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2005. The tax consolidated group has entered a tax sharing agreement under which the wholly-owned entities fully compensate Altura Mining Limited for any current tax payable assumed and are compensated by Altura Mining Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Altura Mining Limited under the tax consolidated legislation.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements within the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Property, plant, equipment and mine properties

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

Property
Freehold land and buildings are measured on the cost basis.

The carrying amount of land and buildings is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Plant and equipment
Plant and equipment are measured on the cost basis. 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 charged to the income statement during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets.

Mine Properties
Mine properties consist of two categories being mine properties in production and mine development.

Mine development expenditure relates to costs incurred to access a mineral resource. It represents those costs incurred after the technical and commercial viability of extracting the mineral resource has been demonstrated and an identified mineral reserve is being prepared for production (but is not yet in production). Development expenditure is capitalised as either a tangible or intangible asset depending on the nature of the costs incurred. Capitalisation of development expenditure ceases once the mining property is capable of commercial production, at which point it is transferred into the relevant category of property, plant, equipment and mine properties depending on the nature of the asset and depreciated over the useful life of the asset. Development expenditure includes the direct costs of construction, pre-production costs, borrowing costs incurred during the construction phase, reclassified exploration and evaluation assets (acquisition costs) and subsequent development expenditure on the reclassified areas of interest. These costs are not amortised, the carrying value is assessed for impairment whenever the facts and circumstances suggest that the carrying amount of the asset may exceed the recoverable amount.

Mine properties in production includes all development expenditure incurred once a mine property is in commercial production and is immediately expensed to the Statement of Profit and Loss except where it is probable that future economic benefits will flow to the Group, in which case it is capitalised as mine properties in production. Amortisation is provided on a unit of production basis which results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising proven and probable mineral reserves). A regular review is undertaken to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of mine properties exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount and the impairment losses are recognised in profit or loss. These assets include all operating mine related assets that are not included under land, buildings and plant and equipment.

Depreciation
The depreciable amount of all property plant and equipment assets excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Assets classified as mine properties in production are depreciated using the units of production method for the life of the mine. Leased assets are depreciated over the asset's useful life or over the shorter of the assets useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Property, plant, equipment and mine properties (continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10% - 50%
Leased plant and equipment	25%
Mine properties	units of production

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

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 included in profit or loss.

h) Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each separately identifiable area of interest. These costs are only carried forward where the right of tenure for the area of interest is current and to the extent that they are expected to be recouped through the successful development and commercial exploitation of the area, or alternatively sale of the area, or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Exploration and evaluation expenditure assets acquired in a business combination are recognised at their fair value at the acquisition date.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, the exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining development.

Accumulated costs in relation to an abandoned area are written off in full against the result in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

i) Leases

The Group lease various offices and a warehouse. Rental contracts are typically made for fixed terms but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2019 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentive received from the lessor) were charged to the profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the assets useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments.

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessees would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.

j) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised immediately in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units, "CGUs"). For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs that are expected to benefit from the synergies of the combination.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

k) Financial assets

For the current period, the Group has elected to measure loss allowances on trade receivables using a life-time expected loss model. The Group has also used the practical expedient of a provisions matrix using a single loss rate approach to approximate the expected credit losses. These provisions are considered representative across all business and geographical segments of the Group based on historical credit loss experience.

The standard requires that for financial liabilities designated at fair value through profit or loss (FVTPL) any change in fair value arising as a consequence of a change in the company's own credit risk should be recognised in other comprehensive income rather than profit or loss.

Investment in shares in unlisted companies, which do not have a quoted market price and whose fair value cannot be reliably measured, are classified as available-for-sale and are measured at cost. Gains or losses are recognised in profit or loss when the investments are derecognised or impaired.

l) Impairment of financial assets

The Group assess at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

of the financial asset or group of financial assets that can be reliably estimated. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is reclassified from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in profit or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets and amortised over the life of the asset, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

n) Employee benefits

i) Wages and salaries, annual leave and sick leave

Liabilities for employee benefits for wages, salaries, annual leave and accumulating sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on wage and salary rates that the Group expects to pay as at reporting date including related on costs, such as superannuation, workers compensation, insurance and payroll tax and are included in trade and other payables. Non-accumulating, non-monetary benefits such as housing and cars are expensed by the Group as the benefits are used by the employee.

Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee salary and wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

ii) Long service leave

The Group's net obligation in respect of long term service benefits is the amount of future benefit that employees have earned in return for their service to the reporting date. The obligation is calculated using expected future increases in wages and salary rates including related on costs and expected settlement dates and is discounted using an appropriate discount rate.

The current liability for long service leave represents all unconditional obligations where employees have fulfilled the required criteria and also those where employees are entitled to a pro rata payment in certain circumstances and is included in the current provisions. The non-current provision for long service leave includes the remaining long service leave obligations.

iii) Superannuation

Contributions made by the Group to defined contribution superannuation funds are recognised as an expense in the period in which they are incurred.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

iv) Equity-settled compensation

The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

o) Significant accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report 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 Group. The resulting accounting estimates, will, by definition, seldom equal the related actual results. Management has identified the following significant accounting policies for which significant judgements, estimates and assumptions are made.

i) Significant accounting estimates and assumptions

Critical accounting estimates and judgements

Following is a summary of the key assumptions concerning the future, and other key sources of estimation and accounting judgements at reporting date that have not be disclosed elsewhere in these financial statements.

a. Determination of resources and reserves

The Company estimates its ore resources and reserves is based on information compiled by Competent Persons defined in the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (December 2012), which is prepared by the Joint Ore Reserves Committee ("JORC") of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, known as the JORC Code. Reserves determined in this way are used in the calculation of depreciation, amortisation and impairment charges, the assessment of mine lives and for forecasting the timing of the payment of rehabilitation costs.

The amount of reserves that may actually be mined in the future and the Company's estimate of reserves from time to time in the future may vary from current reserve estimates. The current Life of Mine (LOM) for the Altura Lithium Project is 26 years.

b. Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely in that area of interest, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If after expenditure is capitalised information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the Consolidated Statement of Profit and Loss in the period when the new information becomes available.

c. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there are indications that an asset may be impaired. If impairment indicators or triggers exist, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value in use. It is not always necessary to determine both an asset's fair value less costs to sell and its value in use. If either of these amounts exceeds the asset's carrying amount, the asset is not impaired, and it is not necessary to estimate the other amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Significant accounting estimates and judgements (continued)

asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

d. Rehabilitation

The calculation of the provisions for rehabilitation and the related mine development assets rely on estimates of the cost to rehabilitate an area which is currently disturbed based on legislative requirements and future costs. The costs are estimated on the basis of a mine closure plan. Cost estimates take into account expectations about future events including the mine lives, the time of rehabilitation expenditure, regulations, inflation and discount rates. When these expectations change in the future, the provision and where applicable, the mine development assets are recalculated in the period in which they change.

e. Derivatives

The fair value of financial instruments must be estimated for recognition and measurement purposes.

The fair value of financial instruments traded in active markets such as available-for-sale securities is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques that use observable market data at the reporting date where it is available.

f. Income taxes

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences and unused tax losses can be utilised.

g. Share-based payment transactions

From time to time the Company has issued options to directors and employees. The Company measures fair value of share-based payments using the Black-Scholes Pricing Model, using the assumptions detailed in Note 23. This formula takes into account the terms and conditions under which the instruments were granted.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Significant accounting estimates and judgements (continued)

h. Mines under construction

Expenditure is transferred from 'Exploration and evaluation assets' to 'Mine properties in development' which once the work completed to date supports the future development of the property and such development receives appropriate approvals.

After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised in 'Mine properties in development'. Development expenditure is net of proceeds from the sale of spodumene concentrate extracted during the development phase to the extent that it is considered integral to the development of the mine. Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalised, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognised in the statement of profit or loss and other comprehensive income. After production starts, all assets included in 'Mine properties in development' are then transferred to 'Mine properties in production' which is also a sub-category in 'Property, plant, equipment and mine properties'.

In March 2019, the Altura Lithium Project recorded in 'Mine properties in development' was deemed to have reached commercial production and transferred to 'Mine properties in production'. Judgement was involved in this determination.

i. Mines under construction

COVID-19 Pandemic – Judgement has been exercised in considering the impacts of the COVID-19 Pandemic has or may have on Group. This consideration extends to the nature of product sold, customers, supply chains, staffing and geographical regions in which the Group operates in. Other than addressed above or in specific notes, there does not appear either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as a reporting date or subsequently as a result of the COVID-19 Pandemic. The Board continues to actively monitor the situation.

p) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 resources will be required to settle the obligation and the amount has been reliably estimated.

i) Rehabilitation costs

Provision is made for the Group's estimated liability arising under specific legislative requirements and the conditions of its exploration permits and mining leases for future costs expected to be incurred in restoring mining areas of interest. The estimated liability is based on the restoration work required using existing technology as a result of activities to date. The liability includes the cost of reclamation of the site, including infrastructure removal and land fill costs. An asset is created as part of the mine development asset, to the extent that the development relates to future production activities, which is offset by a current and non-current provision for rehabilitation.

r) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

s) Revenue

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

The following is a summary of the revenue recognition for each revenue stream:

(a) Mining services revenue – revenue from mining services provided by the Group is recognised at a point in time upon delivery of the service to the customer, in accordance with the terms of the contract to provide services.

(b) Royalty revenue – revenue from royalties are recognised at a point in time when entitlement to a royalty is established in accordance with the terms of the agreement.

(c) Sales of product – revenue from the sale of product is recognised at a point in time, being when the Group delivers the product to the buyer. In accordance with the contract, delivery is deemed to occur when the product passes the ship's rail in the port of shipment. At this point, the performance obligation per the off-take agreement (contract) is satisfied relating to the delivery of product. A variable consideration of 5% of the total invoice is recognised as revenue to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant taxation authorities. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

u) Foreign operations

The financial performance and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at balance sheet date; and
- income and expenses are translated at monthly average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve as a separate component of equity. These differences are recognised in the income statement upon disposal of the foreign operation.

v) Foreign currency transactions and balances

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

w) Goodwill and intangibles

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised, it is tested for impairment at each reporting date or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

x) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

y) Comparative figures

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z) Inventories

Consumables stores
Inventories of consumable supplies and spare parts expected to be used in the supply of services are valued at cost.

Product and processing stock
Product and processing stock stockpiles are physically surveyed or estimated and valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling final product. Cost is determined by the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting materials into finished goods. Finished goods consists of spodumene product ready for transport or shipment.

aa) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

2. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables, loans, finance leases, financial asset at fair value through other comprehensive income, cash and short term deposits. These activities expose the Group to a variety of financial risks: market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group manages these risks in accordance with the Group's financial risk management policy. The Group uses different methods and assumptions to measure and manage different types of risks to which it is exposed at each balance date.

The Board reviews and approves policies for managing each of the Group's financial risk areas. The Group holds the following financial instruments:

	2020 $'000	2019 $'000
FINANCIAL ASSETS		
Cash and cash equivalents	2,298	9,494
Trade and other receivables	9,395	2,149
Held to maturity investments	26	78
Other financial assets	1,923	1,286
	13,642	13,007
FINANCIAL LIABILITIES		
Trade and other payables (note 16)	42,955	40,778
Borrowings	211,253	179,612
	254,208	220,390

a) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, securities prices and coal prices will affect the Group's income or the value of its holdings of financial investments.

i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily in respect to the US dollar. Revenue is denominated in US dollars and a strengthening of the Australian dollar against the US dollar has an adverse impact on earnings and cash flow settlement. In particular, sales of spodumene concentrate are received in US dollars. Liabilities for some loans are denominated in currencies other than the Australian dollar and a weakening of the Australian dollar against other currencies has an adverse impact on earnings and cash flow settlement. In particular, Altura Lithium's loan for construction and commissioning of the mine is in US dollars (US$161.5 million), and therefore repayment of the loan will be made in US dollars.

The Group's overseas subsidiaries have a US dollar functional currency. This exposes the Group to foreign exchange fluctuations upon conversion to AUD.

At 30 June 2020, the Group held funds in foreign currency amounting to US$585,000 (2019: US$3,934,000).

The Group does not currently enter into any hedging arrangements.

2. FINANCIAL RISK MANAGEMENT (continued)

Foreign currency risk sensitivity analysis

At 30 June 2020, the effect on profit and equity as a result of changes in the value of the Australian dollar to the US dollar that management considers to be reasonably possible, with all other variables remaining constant is as follows:

	2020 $'000	2019 $'000
Change in profit		
— Improvement in AUD to USD by 11%	674	1,317
— Decline in AUD to USD by 11%	(674)	(1,317)
Change in equity		
— Improvement in AUD to USD by 11%	674	1,317
— Decline in AUD to USD by 11%	(674)	(1,317)

ii) Price risk

The Group is exposed to equity securities price risk. The Group currently does not have any hedges in place against the movements in the spot price.

The Group's equity investments are publicly traded on the United States of America OTCBB and are not quoted on any market Index. The table below summarises the impact of increases/decreases in the value on the Group's equity investments as at balance date. The analysis is based on the assumption that the equity pricing had increased/decreased by 10% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

	2020 $'000	2019 $'000
Change in profit		
— Increase in equity value by 10%	-	-
— Decrease in equity value by 10%	-	-
Change in equity		
— Increase in equity value by 10%	192	129
— Decrease in equity value by 10%	(192)	(129)

iii) Interest rate risk

At balance date the Group's debt was held at a fixed rate. For further details on interest rate risk refer to Note 17.

Interest rate sensitivity analysis

At 30 June 2020, the effect on profit and equity as a result of changes in the interest rate that management considers to be reasonably possible, with all other variables remaining constant would be as follows:

	2020 $'000	2019 $'000
Change in profit		
— Increase in interest rate by 1%	(2,355)	(1,987)
— Decrease in interest rate by 1%	2,355	1,987
Change in equity		
— Increase in interest rate by 1%	(2,355)	(1,987)
— Decrease in interest rate by 1%	2,355	1,987

Term deposits have been treated as a floating rate due to the short-term nature of the deposits.

2. FINANCIAL RISK MANAGEMENT (continued)

b) Credit risk

Credit risk refers to the risk that a third party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk.

c) Liquidity risk

Liquidity risk includes the risk that the Group will not be able to meet its financial obligations as they fall due. The Group will be impacted in the following ways:

i) Will not have sufficient funds to settle transactions on the due date;
ii) Will be forced to sell financial assets at a value which is less than what they are worth; or
iii) May be unable to settle or recover a financial asset at all.

The Group manages liquidity risk by monitoring forecast cash flows.

d) Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations for the settlement period for all other financial instruments. As such the amounts may not reconcile to the balance sheet.

The Group

	Weighted average effective interest rate		Floating interest rate		Fixed interest rate maturing: Within 1 year		1 to 5 years		Over 5 years		Non-interest bearing		Total	
	2020 %	2019 %	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Financial assets:														
Cash & cash equivalents	0.25%	1%	2,298	9,494	-	-	-	-	-	-	-	-	2,298	9,494
Trade and other receivables			-	-	-	-	-	-	-	-	9,395	2,149	9,395	2,149
Financial assets			-	-	-	-	-	-	-	-	1,923	1,286	1,923	1,286
Term deposit	1%	1%	-	-	26	78	-	-	-	-	-	-	26	78
Total financial assets			2,298	9,494	26	78	-	-	-	-	11,318	3,435	13,642	13,007
Financial liabilities:														
Trade & other payables	-	-	-	-	-	-	-	-	-	-	42,955	40,778	42,955	40,778
Borrowings	15%	15%	-	-	-	-	211,253	179,612	-	-	-	-	211,253	179,612
Total financial liabilities			-	-	-	-	211,253	179,612	-	-	42,955	40,778	254,208	220,390

2. FINANCIAL RISK MANAGEMENT (continued)

	2020 $'000	2019 $'000
Trade and other payables are expected to be paid as follows:		
Less than 6 months (note 16)	42,455	36,523
More than 6 months (note 16)	500	4,255
	42,955	40,778

e) Fair value measurements

i) Fair value hierarchy

The Group uses various methods in estimating the fair value of financial instruments. AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in accordance with the following fair value measurement hierarchy:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2020 and 30 June 2019.

2020	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Assets				
Listed investments	1,923	-	-	1,923
Total assets	1,923	-	-	1,923
2019				
Assets				
Listed investments	1,286	-	-	1,286
Total assets	1,286	-	-	1,286

ii) Valuation techniques

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets and liabilities held by the Group is the closing price. These instruments are included in level 1.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- Other techniques, such as discounted cash flow analysis, are used to determine the fair value for the remaining financial instruments.

3. DISCONTINUED OPERATIONS

a) Description

During the reporting period the board has made several information packages available to various groups for the purpose of attracting offers for the sale of the Tabalong tenements in Kalimantan, Indonesia. The board considers that the presentation of the Tabalong Group as held for sale confirms its intent to dispose of these assets.

The Group obtained an independent expert valuation of the Tabalong Group which included a range of valuation cases. The Group adopted a middle range (preferred) valuation of US$2.75 million on a 100% equity basis. As a result, an impairment loss of $4,196,242 was recorded to write down the asset to its fair value less costs to sell.

The ability to progress and complete the sale of the Tabalong Group has been affected by COVID-19.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

b) Financial performance and cash flow information of discontinued operations

The financial performance and cash flow information presented are for the year ending 30 June 2020.

	2020 $'000	2019 $'000
Revenue	-	-
Impairment (loss)	(4,196)	-
Other income/ (expenses)	6	(142)
Loss before income tax	(4,190)	(142)
Income tax expense	-	-
Loss after income tax of discontinued operation	(4,190)	(142)
Loss from discontinued operations after income tax	(4,190)	(142)
Net cash Inflow/(outflow) from financing activities	(9)	2
Net increase/(decrease) in cash generated by the division	(9)	2

c) Carrying amounts of assets and liabilities classified as held for sale

The carrying amounts of assets and liabilities as at 30 June 2020 were:

Cash	10
Other receivables *	2,967
Property, plant and equipment	5
Exploration at cost	3,388
Total assets of disposal group held for sale	6,370
Other payables	627
Borrowings ^	1,736
Total liabilities of disposal group held for sale	2,363

^ These funds were advanced by the minority shareholder in the Tabalong coal project in accordance with the loan agreement. The facility has no defined repayment term.

* These unsecured amounts are due from a minority party in the Tabalong coal project. Their recoverability is dependent on the commercial exploitation of certain mining tenements in the project. The timing of which is currently unknown, and as such the amounts have not been discounted. No losses are expected on these amounts.

4. SEGMENT INFORMATION

The Group reports the following operating segments to the chief operating decision maker, being the Board of Directors of Altura Mining Limited, in assessing performance and determining the allocation of resources. Unless otherwise stated, all amounts reported to the Board are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

The lithium mining segment was previously under construction and since commercial production was achieved in March 2019, has derived its revenue from the sale of spodumene concentrate to customers. The exploration services segment provides a range of drilling services to its customers, predominately mining and exploration companies. The mineral exploration segment revenue comprises royalties received and interest earned on funds raised to carry out the exploration activities.

An internally determined service rate is set for all intersegment transactions. All such transactions are eliminated on consolidation of the Group's financial statements.

	Lithium mining $'000	Exploration services $'000	Mineral exploration $'000	Eliminations $'000	Total $'000
2020					
Revenue					
External sales	103,538	2,798	-	-	106,336
Other income	630	9	48	-	687
Other segments	-	-	4,000	(4,000)	-
Total segment revenue	104,168	2,807	4,048	(4,000)	107,023
Unallocated revenue					-
Total consolidated revenue					107,023
Segment result	(27,168)	584	(2,400)	-	(28,984)
Other segments					
Unallocated expenses net of unallocated revenue					-
Profit / (loss) before income tax and finance costs					(28,985)
Finance costs					(60,631)
Income tax revenue/(expense)					(21)
Profit / (loss) after income tax					(89,637)
Profit / (loss) from discontinued operations					(4,190)
Net profit / (loss) for the year					(93,827)
Assets and liabilities					
Segment assets	328,745	828	5,951	-	333,524
Unallocated assets					6,369
Total assets					341,893
Segment liabilities	251,901	780	21,863	-	274,544
Unallocated liabilities					2,363
Total liabilities					276,907
Other segment information					
Exploration expenditure	47	-	-	-	47
Depreciation and amortisation	12,734	47	156	-	12,937

4. SEGMENT INFORMATION (continued)

	Lithium mining $'000	Exploration services $'000	Mineral exploration $'000	Eliminations $'000	Total $'000
2019					
Revenue					
External sales	37,802	1,597	-	-	39,399
Other income	2	115	55	-	172
Other segments	-	1,333	-	(1,333)	-
Total segment revenue	37,804	3,045	55	(1,333)	39,571
Unallocated revenue					-
Total consolidated revenue					39,571
Segment result	6,290	(1,018)	(6,919)	-	(1,647)
Other segments					
Unallocated expenses net of unallocated revenue					-
Profit / (loss) before income tax and finance costs					(1,647)
Finance costs					(24,637)
Income tax revenue/(expense)					(287)
Profit / (loss) after income tax					(26,571)
Profit / (loss) from discontinued operations					(142)
Net profit / (loss) for the year					(26,713)
Assets and liabilities					
Segment assets	321,925	1,253	3,722	-	326,900
Unallocated assets					9,903
Total assets					336,803
Segment liabilities	232,331	1,002	719	-	234,052
Unallocated liabilities					1,906
Total liabilities					235,958
Other segment information					
Capital expenditure	66,535	76	10	-	66,621
Exploration expenditure	1,670	-	-	-	1,670
Depreciation and amortisation	3,883	128	190	-	4,201

4. SEGMENT INFORMATION (continued)

Geographical segments

The Group's geographical segments are determined based on the location of the Group's assets.

2020	**Australia $'000**	**Indonesia $'000**	**Other $'000**	**Eliminations $'000**	**Total $'000**
Revenue					
External sales	103,538	2,798	-	-	106,336
Other income	678	9	-	-	687
Other segments	4,000	-	-	(4,000)	-
Total segment revenue	108,216	2,807	-	(4,000)	107,023
Unallocated revenue					-
Total revenue					107,023
Segment assets	334,467	822	235	-	335,524
Unallocated assets					6,369
Total assets					341,893
Segment liabilities	273,537	783	224	-	274,544
Unallocated liabilities					2,363
Total liabilities					276,907
Exploration expenditure	(369)	416	-	-	47
Depreciation and amortisation	12,889	48	-	-	12,937

2019	**Australia $'000**	**Indonesia $'000**	**Other $'000**	**Eliminations $'000**	**Total $'000**
Revenue					
External sales	37,802	1,597	-	-	39,399
Other income	57	115	-	-	172
Other segments	-	1,333	-	(1,333)	-
Total segment revenue	37,859	3,045	-	(1,333)	39,571
Unallocated revenue					-
Total revenue					39,571
Segment assets	325,509	1,258	133	-	326,900
Unallocated assets					9,903
Total assets					336,803
Segment liabilities	232,862	1,002	188	-	234,052
Unallocated liabilities					1,906
Total liabilities					235,958
Capital expenditure	66,621	-	-	-	66,621
Exploration expenditure	1,527	143	-	-	1,670
Depreciation and amortisation	4,070	131	-	-	4,201

The Group has a number of customers to whom it provides spodumene product and exploration services. The mining group supplies two external customers in this segment who account for 40% (US$27.8 million) and 34% (US$23.6 million) of mining group's external revenue.

5. PROFIT / (LOSS) FROM ORDINARY ACTIVITIES

	2020 $'000	2019 $'000
(a) Revenue		
Revenue from sales of product	103,538	37,802
Revenue from exploration services	507	792
Revenue from royalties	2,291	805
Total revenue from ordinary activities	106,336	39,399
(b) Other income		
Interest received	3	55
Profit on sale of assets	2	115
Other income	682	2
Total other revenues from ordinary activities	687	172
(c) Cost of sales		
Mining and processing costs	102,239	29,849
Royalty expenses	9,257	6,103
Depreciation and amortisation	12,777	4,013
Product inventory movement ^	(1,189)	(8,850)
Mining services drilling costs	598	846
Total cost of sales	123,682	31,961

^ Inventory movement includes a $12,215,815 (2019: Nil) write down to net realisable value

	2020 $'000	2019 $'000
(d) Other expenses		
Depreciation of plant & equipment	160	188
Total other expenses from ordinary activities	160	188

(e) Net foreign exchange loss

The net foreign exchange loss is unrealised and relates to the revaluation of the US$ funding facility and other US$ denominated funds held by the Group.

(f) Profit on sale of subsidiary

In July 2019 the Company sold its wholly owned subsidiary PT Asiadrill Bara Utama (ABU) a cash amount of US$200,000 (A$296,000). ABU was dormant, therefore the sale has an immaterial impact on the Groups financial statements and is not disclosed as a discontinued operation.

	2020 $'000	2019 $'000
(g) Employee benefits expense		
Employee share scheme expense	201	1,217
Bonus paid by way of issue of shares to directors and staff	-	125
Salaries and on-costs expense	4,247	4,383
Total employee benefits expense	4,448	5,725

6. EARNINGS / (LOSS) PER SHARE

	2020 cents per share	2019 cents per share
(a) Basic earnings / (loss) per share		
From continuing operations, attributable to the ordinary equity holders of the Company	(3.59)	(1.39)
From discontinued operations	(0.17)	(0.01)
Total basic earnings per share attributable to the ordinary equity holders of the Company	(3.75)	(1.40)
(b) Diluted earnings / (loss) per share		
From continuing operations, attributable to the ordinary equity holders of the Company	(3,59)	(1.39)
From discontinued operations	(0.17)	(0.01)
Total basic earnings per share attributable to the ordinary equity holders of the Company	(3.75)	(1.40)

	2020 Number	2019 number
(c) Weighted average number of ordinary shares used as the denominator in calculating the basic and diluted earnings per share.	2,499,149,183	1,912,252,661

	2020 $'000	2019 $'000
(d) Earnings used in the calculation of basic earnings per share reconciles to net profit in the income statement as follows:		
Net profit / (loss)	(93,736)	(26,566)
Less - profit /(loss) from discontinued operations	(91)	(99)
Earnings / (loss) used in the calculation of basic EPS	(93,827)	(26,665)

7. INCOME TAX EXPENSE

	2020 $'000	2019 $'000
(a) The components of tax expense comprise:		
Current Tax		
Current year	-	-
Adjustments in respect of prior periods	21	287
Deferred Tax		
Current year deferred tax	-	-
Total income tax expense / (benefit) per income statement	21	287
(b) Income tax expense / (benefit) is attributable to:		
Profit / (loss) from continuing operations	21	287
Profit / (loss) from discontinued operations	-	-
	21	287
(c) The prima facie tax on profit / (loss) before income tax is reconciled to the income tax as follows:		
Profit / (loss) from continuing operations	(89,616)	(26,284)
Profit / (loss) from discontinued operations	(4,190)	(142)
Profit / (loss) before tax	(93,806)	(26,426)
Income tax calculated at the Australian rate of 30% (2019 - 30%)	(28,142)	(7,928)
Increase in income tax due to:		
Non-deductible expenses	3,916	1,327
Share compensation costs	60	403
Effect of current year tax losses not recognised	24,166	6,199
Under / (over) provision in prior year	21	286
Income tax expense / (benefit)	21	287

Deferred tax assets arising from tax losses are only recognised to the extent that there are equivalent deferred tax liabilities. The remaining tax losses have not been recognised as an asset because recovery of the losses is not regarded as probable:

	2020 $'000	2019 $'000
Tax losses not recognised - at 30% (2019 - 30%)	48,195	20,442

(d) Tax consolidation system

Legislation to allow groups, comprising a parent entity and its Australian resident wholly-owned entities, to elect to consolidate and be treated as a single entity for income tax purposes was substantively enacted on 21 October 2002.

Altura Mining Limited and certain of its wholly-owned Australian subsidiaries are eligible to consolidate for tax purposes and have elected to form an income tax group under the Tax Consolidation Regime effective 1 July 2005. The implementation of the tax consolidation group was formally recognised by the ATO on 22 July 2005 with start date for income tax consolidation 1 July 2005 and Altura Mining Limited as the head entity of the group.

Entities within the tax-consolidated group have entered into a tax-sharing agreement with the head entity. Under the terms of this agreement, Altura Mining Limited and each of the entities in the tax consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on standalone tax payer basis. Such amounts are reflected in amounts receivable from or payable to other entities in the tax consolidated group.

	2020 $'000	2019 $'000
8. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	2,298	9,494

9. TRADE AND OTHER RECEIVABLES

Current		
Trade and other receivables	9,591	3,195
Provision for doubtful debts	(196)	(1,046)
	9,395	2,149

Refer to note 1 for more information on the risk management policy of the Group and the credit quality of the Group's trade receivables. Management have considered the impact of COVID-19 on trade and other receivables and do not anticipate a significant deterioration of recoverability beyond the level of current provisioning.

	0-30 days $000	31-60 days $000	61-90 days $000	90+ days $000	Total $000
2020 Consolidated	1,583	3,746	344	3,722	9,395
2019 Consolidated	1,847	104	-	198	2,149

As at 30 June 2020, $7,812,000 (2019 $302,000) trade receivables were past due but not impaired.

	2020 $'000	2019 $'000
10. INVENTORIES		
Consumables stores – at cost	6,352	5,746
Product and processing stock – at lower of cost and net realisable value #	16,163	14,974
	22,515	20,720

Write-down of inventories to net realisable value amounted to $12,215,815 (2019: Nil). These were recognised as an expense during the year 30 June 2020 and included in costs of sales in the Statement of Profit or Loss.

11. HELD TO MATURITY INVESTMENTS

Term deposits	26	78
	26	78

The term deposits are held to their maturity of less than one year and carry a weighted average fixed interest rate of 0.65% (2019: 1.0%). Due to their short-term nature their carrying value is assumed to approximate their fair value. Information about the Group's exposure to credit risk is disclosed in Note 2.

	2020 $'000	2019 $'000
12. OTHER CURRENT ASSETS		
Financial assets (security deposits)	55	58
Prepayments	5,684	1,097
	5,739	1,155

13. FINANCIAL ASSETS

	2020 $'000	2019 $'000
Listed investments at fair value		
Carried forward from previous year	1,286	4,018
Changes in fair value	637	(2,732)
Total listed investments at fair value	1,923	1,286

In November 2012 the Group acquired a 14.7% interest in Lithium Corporation, Nevada USA by way of a non-brokered private placement. Lithium Corporation is quoted on the US OTCBB (Over The Counter Bulletin Board).

14. PROPERTY, PLANT, EQUIPMENT AND MINE PROPERTIES

	Property plant and equipment $'000	Mine properties in production $'000	Mine properties in development $'000	Total $'000
2020				
Gross carrying amount				
Balance at 30 June 2019	10,120	290,342	-	300,462
Additions	2,336	3,310	-	5,646
Increase/(decrease) in provision for rehabilitation #	-	6,441	-	6,441
Transfers	-	-	-	-
Exchange difference	27	-	-	27
Disposals	(4,812)	-	-	(4,812)
Balance at 30 June 2020	7,671	300,093	-	307,764
Accumulated depreciation				
Balance at 30 June 2019	7,876	3,906	-	11,782
Depreciation expense	552	11,815	-	12,367
Exchange difference	22	-	-	22
Disposals	(4,899)	-	-	(4,899)
Balance at 30 June 2020	3,551	15,721	-	19,272
Net book value as at 30 June 2020	4,120	284,372	-	288,492

An increase or decrease is created to mine development asset from any movement in provision for rehabilitation costs to the extent that the movement in provision relates to future production activities

14. PROPERTY, PLANT, EQUIPMENT AND MINE PROPERTIES (continued)

	Property plant and equipment $'000	Mine properties in production $'000	Mine properties in development $'000	Total $'000
2019				
Gross carrying amount				
Balance at 30 June 2018	9,472	-	221,562	231,034
Additions	455	6,293	55,804	62,552
Increase/(decrease) in provision for rehabilitation #	-	8,076	-	8,076
Transfers	1,393	275,973	(277,366)	-
Exchange difference	290	-	-	290
Disposals	(1,490)	-	-	(1,490)
Balance at 30 June 2019	10,120	290,342	-	300,462
Accumulated depreciation				
Balance at 30 June 2018	8,778	-	-	8,778
Depreciation expense	307	3,906	-	4,213
Exchange difference	280	-	-	280
Disposals	(1,489)	-	-	(1,489)
Balance at 30 June 2019	7,876	3,906	-	11,782
Net book value as at 30 June 2019	2,244	286,436	-	288,680

An increase or decrease is created to mine development asset from any movement in provision for rehabilitation costs to the extent that the movement in provision relates to future production activities

15. EXPLORATION AND EVALUATION

	2020 $'000	2019 $'000
Exploration and evaluation expenditure at cost:		
Carried forward from previous year	3,265	1,595
Incurred during the year	578	2,218
Transferred to property, plant and equipment and mine properties	(313)	-
Transferred to assets classified as held for sale	-	(548)
	3,530	3,265
Written off during the year	(218)	-
Total exploration and evaluation expenditure	3,312	3,265

The recovery of expenditure carried forward is dependent upon the discovery of commercially viable mineral and other natural resource deposits, their development and exploitation, or alternatively their sale.

The Company's title to certain mining tenements is subject to Ministerial approval and may be subject to successful outcomes of native title issues.

16. TRADE AND OTHER PAYABLES

	2020 $'000	2019 $'000
Trade payables and accruals	28,864	18,920
Accrued interest on loan note facility	14,091	12,248
Prepaid revenue #	-	9,610
	42,955	40,778

In November 2018, Jiangxi Ganfeng Lithium Co. Ltd provided a prepayment of US$11 million for the future supply of spodumene concentrate. The repayment is made as shipments are completed by returning 30% of the proceeds received. The final prepayment was repaid in November 2019.

17. BORROWINGS

	2020 $'000	2019 $'000
Current borrowings		
Loan note facility	16,049	179,100
Other	1,687	512
Total current borrowings	17,736	179,612
Non-current borrowings		
Loan note facility	191,693	-
Total non-current borrowings	191,693	-
Total borrowings	209,429	179,612
Reconciliation borrowings - loan note facility		
Opening balance	179,100	145,887
Loan notes issued	-	21,661
Interest and fees capitalised	27,863	2,141
Exchange rate differences	3,753	10,036
Amortisation of transaction costs	22,897	7,031
Transaction costs incurred	(25,871)	(7,656)
Total borrowings – loan note facility	207,742	179,100

As at 30 June 2020, the 3-year term loan had an expiry date of August 2023 and an interest rate of 15%. The loan is secured over all Altura Lithium Operations (ALO) assets, shares in ALO, AJM bank accounts and certain AJM receivables. Transaction costs capitalised are amortised over the remaining life of the financial instrument.

In March 2020, the Company agreed with the loan note holders to extend the maturity date of the existing loan facility by three years to August 2023 and to defer the February 2020 interest payment to February 2021. The amendments to the loan note facility also included a waiver of the net debt to defined EBITDA ratio for each of the periods ending 30 September 2019, 31 December 2019, 31 March 2020 and 30 June 2020. In consideration of these amendments and waivers the Company agreed to pay an amendment fee of 5% of the aggregate principal amount of the loan (including capitalised interest) due and payable in October 2020, a waiver fee of US$1.6 million within 60 days and subject to shareholder approval issue shares to the holders of the loan notes equal to 9.9 % of the Company's fully diluted capital. The shareholders approved the issue of 284,195,159 shares at 5 cents per share following a general meeting held in April 2020.

Under the terms of the facility, the Company is required to comply with the following financial covenants:

a) For periods ending on 30 September 2018, the Company shall ensure that the net debt to defined EBITDA ratio shall not exceed the ratio of 2:1.
b) For quarterly reporting periods after the 30 September 2018 the net debt to defined EBITDA ratio shall not exceed the ratio of 1.5:1.

18. SHORT TERM PROVISIONS

	2020 $'000	2019 $'000
Employee benefits	1,901	1,669
	1,901	1,669
Movements in provisions		
Short term employee benefits		
Opening balance	1,669	1,158
Provision increase / (decrease)	1,177	1,247
Expense incurred	(945)	(736)
Balance at year end	1,901	1,669

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

	2020 $'000	2019 $'000
Provision for employee entitlements:		
Current	1,901	1,669
Total	1,901	1,669

19. CURRENT TAXATION & DEFERRED TAX LIABILITIES & ASSETS

	2020 $'000	2019 $'000
(a) Liabilities		
Current		
Income tax paid / payable	-	-
Non-Current		
Deferred tax liability comprises:		
Lease ROU asset	527	-
Tax allowances relating to exploration	963	949
Property, plant & equipment	30,034	28,563
Other	253	59
	31,776	29,571
(b) Assets		
Non-Current		
Deferred assets comprise:		
Provisions	6,078	4,083
Revenue losses	69,126	42,486
Revenue losses not recognised	(48,195)	(20,442)
Lease liabilities	547	-
Unrealised foreign exchange loss	3,783	2,651
Other	438	793
	31,776	29,571
Net deferred tax balance recognised in the Consolidated Balance Sheet	-	-

20. REHABILITATION PROVISION

	2020 $'000	2019 $'000
Non-current provision		
Rehabilitation and demobilisation	18,435	11,994
	18,435	11,994
Movements in provisions		
Rehabilitation and demobilisation		
Opening balance	11,994	3,918
Provision increase/(decrease)	6,441	8,076
Expense incurred	-	-
Balance at year end	18,435	11,994

Directors have reviewed the rehabilitation provision and are confident that inputs into the current calculation can be relied upon. Refer to Note 1o i)(d) and Note 1q (i) for accounting policies in relation to the rehabilitation provision.

21. LEASES

The Group has adopted AASB from 1 July 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

Set out below is a summary of the amounts disclosed in the Consolidated Balance Sheet:

	2020 $'000	2019 $'000
Lease liability		
Current	524	-
Non-current	1,300	-
	1,824	-
Right of use assets		
Properties	1,757	-
	1,757	-

Adjustments recognised on adoption of AASB 16

On adoption of AASB 16, the group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 5%.

The Company did not previously have any leases classified as finance leases therefore no adjustment is required.

Any remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

	2019 $'000
Operating lease commitments disclosed as at 30 June 2019	2,582
Discount using the lessee's incremental borrowing rate at the date of initial application	(255)
Lease liability recognised as at 1 July 2019	2,327
Of which are:	
Current lease liabilities	503
Non-current lease liabilities	1,824
	2,327

21. LEASES (continued)

The associated right-of-use assets for property leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

- Right-of-use assets – increase by $2,327,000
- Lease liabilities – increase by $2,327,000

There was no impact on retained earnings on 1 July 2019.

i) Impact on segment disclosure and earning per share

Adjusted EBITDA, segment assets and segment liabilities for 30 June 2020 all increase as a result of the change in accounting policy. Lease liabilities are now included in the segment liabilities, whereas finance lease liabilities were previously excluded from segment liabilities. The following segment was affected by the change in policy:

	Adjusted EBITDA $000's	Segment Assets $'000	Segment Liabilities $'000
Lithium mining	341	2,042	2,079

Earnings per share increased by 0.01 per share for the full year to 30 June 2020 as a result of adoption of AASB 16.

ii) Practical expedients applied

In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard.

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- Reliance on previous assessments on whether leases are onerous
- The accounting for operating lease with a remaining term of less than twelve months as at 1 July 2019 as short-term leases the exclusion of initial direct cots for the measurement of the right-of-use asset at the date of the initial application, and
- The use of hindsight in determining the lease term where the contract contains a lease at the date of the initial application. Instead, for contracts entered into before the transition date the group has relied on its assessment made applying AASB 117 *Interpretation 4 Determining whether an arrangement contains a Lease*

22. CONTRIBUTED EQUITY

Issued capital

2,986,243,275 (2019: 2,125,462,476) ordinary shares issued and fully paid	290,860	233,955

	2020 Number	2020 $'000	2019 Number	2019 $'000
Fully paid ordinary shares				
Balance at the beginning of the financial year	2,125,462,476	233,955	1,819,866,474	192,893
Issue of shares on vesting of performance rights #	-	-	8,000,000	2,944
Shares issued in lieu of loan note fees (Refer note 17)	284,195,159	14,210	-	-
Share placement / securities purchase plan ##	-	-	297,596,002	38,687
Share issue - Rights Offer ###	152,585,610	9,155	-	-
Share placement – Shanshan ####	200,000,000	22,400	-	-
Share placement - Sophisticated Investors #####	224,000,000	11,200	-	-
Exercise of Listed Options	30	-	-	-
Share issue costs	-	(60)	-	(569)
Balance at the end of the financial year	2,986,243,275	290,860	2,125,462,476	233,955

Nil shares were issued to directors and other key management personnel in 2020 on the vesting of performance rights (30 June 2019: 5,200,000).

22. CONTRIBUTED EQUITY (continued)

The Company conducted a share placement and securities purchase plan offering during February and March 2019 at an issue price of 13.0 cents per share. A total of 297.596 million shares were issued as follows:

- Placement of 69.528 million shares to institutional and sophisticated investors on 13 February 2019.
- Securities purchase plan issue of 107.594 million shares to existing eligible shareholders on 20 March 2019.
- Further placement of 120.474 million shares on 26 March 2019 to related parties (following shareholder approval).

On 20 November 2019 Altura announced that it had completed a non-renounceable Entitlement Offer raising a total of $9.156 million. The offer comprised 2 new shares for every 13 held at an offer price of 6 cents per share. A total of 152,585,610 shares were issued.

Placement of 200,000,000 shares on 7 August 2019 to Shanshan Forever International Co., Limited at an issue price of 11.2 cents per share.

Placement of 224,000,000 shares in March and April 2020 to sophisticated investors at an issue price of 5 cents per share

Fully paid ordinary shares carry one vote per share and carry the rights to dividends. Ordinary shares have no par value.

Option and performance rights reserve

Movements in option and performance rights reserve

	2020 $'000	**2019 $'000**
Opening balance	-	1,602
Share based payment expense	201	1,217
Other share based options	1,601	-
Performance rights exercised and transferred to contributed equity	-	(2,819)
Balance at year end	1,802	-

Foreign currency translation reserve

Movements in foreign currency translation reserve

Opening balance	(4,076)	(1,588)
Foreign currency translation differences	(1,478)	(2,488)
Balance at year end	(5,554)	(4,076)

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Fair value reserve

Movements in fair value reserve

Opening balance	756	3,488
Change in fair value of financial assets	637	(2,732)
Balance at year end	1,393	756

The change in fair value reserve records valuation differences arising on the market valuation of financial assets at fair value through other comprehensive income. Refer to note 13 for reconciliation of movements in the year.

Capital management

Capital consists of ordinary share capital, retained earnings, reserves and net debt. The Board's policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes to the consolidated entity's approach to capital management during the year. Other than obtaining

22. CONTRIBUTED EQUITY (continued)

consent from existing loan note holders, neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Board effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and by share issues.

Please refer to note 17 for further details of the loan facility.

23. SHARE BASED PAYMENTS

During the year, the Company had the following share-based payments expenses:

	2020 $'000	2019 $'000
Performance rights	201	1,217
Share options	-	-
Bonus shares	-	125
	201	1,342

a) Performance Rights

In 2014 the Company approved a Long-Term Incentive Plan (LTIP) under which employees and directors of the Group may be issued on a discretionary basis with performance rights over ordinary shares of Altura Mining Limited. The purpose of this plan is to:

- assist in the reward, retention and motivation of employees and directors;
- align the interests of employees and directors more closely with the interests of shareholders by providing an opportunity for employees and directors to receive an equity interest in the form of rewards; and
- provide employees and directors with the opportunity to share in any future growth in value of the Company.

The Performance Rights lapse when employment ceases with Altura Mining Limited. The Performance Rights have been granted for no consideration, and no amount is payable on the vesting or exercising of the Performance Rights. All rights subject to the LTIP carry no rights to dividends and no voting rights, until converted into ordinary shares.

The following table shows performance rights issued during the year ended 30 June 2020 and the value attributed:

Number of performance rights	Expiry Date	Fair Value ($/right)	Total Value $'000
8,500,000	31 Jan 21	$0.062	527

The Performance Rights granted and outstanding under the LTIP as at 30 June 2020 are as follows:

Expiry Date	Granted	Vested	Unvested
31 Jan 21	8,500,000	-	8,500,000

23. SHARE BASED PAYMENTS (continued)

b) Share Options

During the year the Company issued unlisted options to LDA Capital. The valuation was performed using a Black-Scholes model with the following assumptions resulting in a valuation of $1,601,318 (30 June 2019: Nil):

Number	74,400,000
Grant Date	1 May 20
Dividend yield (%)	0%
Expected volatility	78.70%
Risk Free interest rate (%)	3.5%
Expected life of options (years)	3 years
Option exercise price ($)	$0.0586
Share price at grant date ($)	$0.0460
Fair value at grant date ($)	$0.0215

The options granted and outstanding as at 30 June 2020 are as follows:

Expiry Date	Options Granted	Exercise Price ($)	Number of options not yet exercised
1 May 23	74,400,000	$0.0586	74,400,000

24. KEY MANAGEMENT PERSONNEL COMPENSATION

a) Names and positions held of key management personnel in office at any time during the financial year are:

Directors

James Brown	Managing Director
Paul Mantell	Executive Director
Allan Buckler	Non-Executive Director
Dan O'Neill	Non-Executive Director
BT Kuan	Non-Executive Director
Xiaoyu Dai	Non-Executive Director (appointed 10 September 2019)

Key Management Personnel

Rod Wheatley	Chief Financial Officer (appointed 2 September 2019)
Noel Young	Group Financial Controller (retired on 29 February 2020)
Damon Cox	Company Secretary
Phil Robinson	Chief Operating Officer (resigned on 1 September 2019)

b) Key management personnel remuneration

Short-term employee benefits	1,773,905	2,109,242
Long-term employee benefits	-	-
Post-employment benefits	100,629	124,217
Termination benefits	116,170	62,716
Share based payments	29,955	622,750
	2,020,659	2,918,925

24. KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

c) Performance Rights

Number of performance rights held by key management personnel

The number of performance rights in the Company held during the financial year by each director of Altura Mining Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2020	Balance at the start of the year	Granted as compensation	Shares issued/ rights lapsed	Balance at the end of the year	Vesting 31 Jan 2021
J Brown	-	-	-	-	-
P Mantell	-	-	-	-	-
A Buckler	-	-	-	-	-
D O'Neill	-	-	-	-	-
B Kuan	-	-	-	-	-
X Dai i)	-	-	-	-	-
R Wheatley ii)	-	1,000,000	-	1,000,000	1,000,000
P Robinson iii)	-	-	-	-	-
N Young iv)	-	-	-	-	-
D Cox	-	-	-	-	-

2019	Balance at the start of the year	Granted as compensation	Shares issued/ rights lapsed	Balance at the end of the year	Vesting 30 Nov 2019
J Brown	2,000,000	-	2,000,000	-	-
P Mantell	1,000,000	-	1,000,000	-	-
A Buckler	-	-	-	-	-
D O'Neill	-	-	-	-	-
B Kuan	-	-	-	-	-
Z Tong v)	-	-	-	-	-
C Evans vi)	1,000,000	-	1,000,000	-	-
P Robinson iii)	800,000	-	800,000	-	-
N Young	200,000	-	200,000	-	-
D Cox	200,000	-	200,000	-	-

i) X Dai appointed as Non-Executive Director effective from September 2019
ii) R Wheatley appointed as Chief Financial Officer effective from September 2019
iii) P Robinson appointed Chief Operating Officer effective from February 2019 and resigned as Chief Operating Officer effective from August 2019
iv) N Young resigned as Financial Controller effective from February 2020
v) Z Tong resigned as Non-Executive Director effective from April 2019
vi) C Evans resigned as Chief Operating Officer effective from January 2019

Details of performance rights awarded as compensation and shares issued on the vesting of the rights, together with terms and conditions of the rights, can be found in the Directors' Report and under this note.

24. KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

d) Share holdings

Number of shares held by key management personnel

The number of shares in the Company held during the financial year by each director of Altura Mining Limited and other key management personnel (KMP) of the Group, including their personally related parties, are set out below.

	Balance at start of the year	Purchased / (sold)	Vesting of performance rights	Placement & Securities Purchase Plan	Other	Balance at the end of the year
2020						
J Brown	30,088,301	-	-	1,700,000	-	31,788,301
P Mantell	35,273,084	-	-	1,626,154	-	36,899,238
A Buckler	311,773,371	-	-	147,965,134	-	459,738,505
D O'Neill	13,633,336	-	-	-	-	13,633,336
B Kuan	23,000,000	61,537	-	3,538,463	-	26,600,000
X Dai [$]	-	-	-	-	-	-
R Wheatley [@]	-	-	-	-	-	-
P Robinson ^	1,000,000	-	-	-	(1,000,000)	-
N Young *	18,641,801	-	-	820,000	(19,461,801)	-
D Cox	1,875,000	-	-	-	-	1,875,000
2019						
J Brown	28,518,301	(1,200,000)	2,000,000	770,000	-	30,088,301
P Mantell	33,503,084	-	1,000,000	770,000	-	35,273,084
A Buckler	194,839,756	-	-	116,933,615	-	311,773,371
D O'Neill	13,633,336	-	-	-	-	13,633,336
B Kuan	21,000,000	-	-	2,000,000	-	23,000,000
Z Tong [&]	-	-	-	-	-	-
C Evans #	1,000,000	(1,500,000)	1,000,000	-	-	500,000
P Robinson ^	200,000	-	800,000	-	-	1,000,000
N Young	17,574,411	-	200,000	867,390	-	18,641,801
D Cox	1,675,000	-	200,000	-	-	1,875,000

[$] X Dai appointed as Non-Executive Director effective from September 2019

[@] R Wheatley appointed as Chief Financial Officer effective from September 2019

^ P Robinson appointed Chief Operating Officer effective from February 2019 and resigned as Chief Operating Officer effective from August 2019. These amounts represent the balance of shares held upon resignation

* N Young resigned as Financial Controller effective from February 2020. These amounts represent the balance of shares held upon retirement

[&] Z Tong resigned as Non-Executive Director effective from April 2019

C Evans resigned as Chief Operating Officer effective from January 2019. These amounts represent the balance of shares held upon resignation.

24. KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

e) Option holdings

Number of listed options held by key management personnel
The number of listed options in the Company held during the financial year by each director of Altura Mining Limited and other key management personnel (KMP) of the Group, including their personally related parties, are set out below.

	Balance at start of the year	Purchased / (sold)	Placement & Securities Purchase Plan	Other	Balance at the end of the year
2020					
J Brown	385,000	-	-	-	385,000
P Mantell	385,000	-	-	-	385,000
A Buckler	58,466,808	-	-	-	58,466,808
D O'Neill	-	-	-	-	-
B Kuan	1,000,000	-	-	-	1,000,000
X Dai $	-	-	-	-	-
R Wheatley @	-	-	-	-	-
P Robinson ^	-	-	-	-	-
N Young *	385,000	-	-	(385,000)	-
D Cox	-	-	-	-	-
2019					
J Brown	-	-	385,000	-	385,000
P Mantell	-	-	385,000	-	385,000
A Buckler	-	-	58,466,808	-	58,466,808
D O'Neill	-	-	-	-	-
B Kuan	-	-	1,000,000	-	1,000,000
Z Tong &	-	-	-	-	-
C Evans #	-	-	-	-	-
P Robinson ^	-	-	-	-	-
N Young	-	-	385,000	-	385,000
D Cox	-	-	-	-	-

$ X Dai appointed as Non-Executive Director effective from September 2019
@ R Wheatley appointed as Chief Financial Officer effective from September 2019
^ P Robinson appointed Chief Operating Officer effective from February 2019 and resigned as Chief Operating Officer effective from August 2019
* N Young resigned as Financial Controller effective from February 2020
& Z Tong resigned as Non-Executive Director effective from April 2019
# C Evans resigned as Chief Operating Officer effective from January 2019

25. INVESTMENTS IN OTHER ENTITIES

a) Joint operations

For the year ending June 2020 Altura Mining Limited holds no interests in any joint operations or ventures.

26. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1:

Name of entity	Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
Altura Lithium Operations Pty Ltd	Australia	100	100
Altura Drilling Pty Ltd	Australia	100	100
Altura Minerals Pty Ltd	Australia	100	100
Minvest Australia Pty Ltd	Australia	100	100
Minvest International Corporation	Mauritius	100	100
Altura Asia Pte Ltd	Singapore	100	100
Altura Mining Philippines Inc. *	Philippines	40	40
PT Asiadrill Bara Utama	Indonesia	-	100
PT Altura Indonesia	Indonesia	100	100
PT Minvest Mitra Pembangunan	Indonesia	100	100
PT Cakrawala Jasa Pratama	Indonesia	100	100
PT Minvest Jasatama Teknik	Indonesia	100	100
PT Cybertek Global Utama	Indonesia	100	100

* Altura Mining Limited through its wholly owned subsidiary, Altura Asia Pte Ltd holds 40% direct equity in Altura Mining Philippines Inc. This entity is considered a subsidiary as the Group has full economic and management rights.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests in accordance with the accounting policy described in Note 1:

Name of entity	Country of incorporation	Principal activities	Parent ownership interest 2020 %	Parent ownership interest 2019 %	Non-controlling interest 2020 %	Non-controlling interest 2019 %
PT Velseis Indonesia *	Indonesia	Mining services	50	50	50	50
PT Jasa Tambang Pratama #	Indonesia	Mining and exploration	70	70	30	30
PT Cahaya Permata Khatulistiwa #	Indonesia	Mining and exploration	70	70	30	30
PT Suryaraya Permata Cemerlang #	Indonesia	Mining and exploration	70	70	30	30
PT Suryaraya Cahaya Khatulistiwa #	Indonesia	Mining and exploration	70	70	30	30
PT Suryaraya Cahaya Cemerlang #	Indonesia	Mining and exploration	70	70	30	30
PT Suryaraya Permata Khatulistiwa #	Indonesia	Mining and exploration	70	70	30	30
PT Suryaraya Pusaka #	Indonesia	Mining and exploration	70	70	30	30
PT Kodio Multicom	Indonesia	Mining and exploration	56	56	44	44
PT Marangkayu Bara Makarti	Indonesia	Mining and exploration	56	56	44	44

Altura Mining Limited, Altura Lithium Operations Pty Ltd and Altura Minerals Pty Ltd are included within the tax consolidation group.

Altura Mining Limited through its wholly owned subsidiary, Altura Asia Pte Ltd holds 70% direct equity in these seven entities.
* Altura Mining Limited through its wholly owned subsidiary, Minvest International Corporation holds 50% direct equity in PT Velseis Indonesia. This entity is considered a subsidiary as the Group has full management rights.

26. INTERESTS IN SUBSIDIARIES (continued)

Summarised financial information

Summarised financial information of the subsidiaries with non-controlling interests that are material to the consolidated entity are set out below:

	PT Velseis Indonesia $'000	PT Suryaraya Pusaka $'000	PT Kodio Multicom $'000	PT Marangkayu Bara Makarti $'000
2020				
Summarised statement of financial position				
Current assets	476	184	1,086	1,085
Non-current assets	338	1,798	1,069	1,977
Total assets	814	1,982	2,155	3,062
Current liabilities	295	76	135	150
Non-current liabilities	(201)	1,290	894	1,756
Total liabilities	94	1,366	1,029	1,906
Net assets	720	616	1,126	1,156
Summarised statement of profit or loss and other comprehensive income				
Revenue	515	-	-	-
Expenses	701	-	(3)	(5)
Profit / (loss) before income tax expense	(186)	-	3	5
Income tax expense / (benefit)	-	-	-	-
Profit / (loss) after income tax expense	(186)	-	3	5
Other comprehensive income	250	(3)	(8)	(8)
Total comprehensive income	64	(3)	(5)	(3)
Statement of cash flows				
Net cash from operating activities	74	1	-	-
Net cash used in investing activities	-	-	-	-
Net cash used in financing activities	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	74	1	-	-
Other financial information				
Profit attributable to non-controlling interests	32	(1)	(2)	(2)
Accumulated non-controlling interest at the end of reporting period	329	(6)	9	21

26. INTERESTS IN SUBSIDIARIES (continued)

	PT Velseis Indonesia $'000	PT Suryaraya Pusaka $'000	PT Kodio Multicom $'000	PT Marangkayu Bara Makarti $'000
2019				
Summarised statement of financial position				
Current assets	557	180	1,063	1,061
Non-current assets	341	1,685	915	1,792
Total assets	898	1,865	1,978	2,853
Current liabilities	270	-	1	5
Non-current liabilities	(25)	1,262	876	1,720
Total liabilities	245	1,262	877	1,725
Net assets	653	603	1,101	1,128
Summarised statement of profit or loss and other comprehensive income				
Revenue	793	-	-	-
Expenses	802	-	3	5
Profit / (loss) before income tax expense	(9)	-	(3)	(5)
Income tax expense / (benefit)	-	-	-	-
Profit / (loss) after income tax expense	(9)	-	(3)	(5)
Other comprehensive income	34	(6)	(17)	(15)
Total comprehensive income	25	(6)	(20)	(20)
Statement of cash flows				
Net cash from operating activities	89	1	-	-
Net cash used in investing activities	-	-	-	-
Net cash used in financing activities	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	89	1	-	-
Other financial information				
Profit attributable to non-controlling interests	12	(2)	(9)	(9)
Accumulated non-controlling interest at the end of reporting period	297	(3)	11	23

27. RELATED PARTIES

Transactions within the wholly-owned Group

The wholly-owned Group includes the ultimate parent entity in the wholly-owned Group, and wholly-owned controlled entities. The ultimate parent entity in the wholly-owned Group is Altura Mining Limited.

During the year the parent entity provided financial assistance to its wholly owned and controlled entities by way of intercompany loans. The loans are unsecured, interest free and have no fixed term of repayment. Sales and purchases between related parties within the Group have been eliminated upon consolidation. There were no further sales or purchases from wholly-owned related parties during the financial year.

27. RELATED PARTIES (continued)

Transactions other related parties

a) Altura announced in August 2019 that it had signed an Earn-in Agreement (Agreement) with lithium project developer Sayona Mining Limited over its Pilbara lithium tenements. Sayona Mining Limited is a related party due to common directors. Under the Agreement, Altura will spend $1.5 million on exploration across the project portfolio over a three-year period to earn a 51% interest, with Sayona retaining the remaining project interest. Sayona will retain the right to contribute to project evaluation and development in the future to participate in the upside potential.

b) In October 2019, Mr Allan Buckler a director of the Group provided an unsecured loan via his controlled entity Katsura Holdings Pte Ltd. The facility provided was for $2.878 million and was interest free. The loan facility converted into Securities to the nominee of Katsura at the rate of two (2) Shares for every (13) existing shares held by nominee of Katsura (this being the same terms as under the Rights offer) on the basis that the amount lent to the Company would have otherwise been utilised by Katsura to subscribe for Shares in the Rights offer itself.

The facility was provided on 16 October 2019 and was converted to shares on 20 November 2019.

Details of the conversion of the loan facility was as follows:

- Loan amount $2,877,908
- 6 cents per share
- Securities issued 47,965,134 ordinary shares

c) In February 2020, Mr Allan Buckler a director of the Group provided an unsecured loan via his controlled entity Katsura Holdings Pte Ltd. The facility provided was for $5.0 million and was interest free. The loan facility converted into Securities to the nominee of Katsura on the basis that the amount lent to the Company would have otherwise been utilised by Katsura to subscribe for Shares in the Placement offer itself.

The facility was provided on 28 February 2020 and was converted to shares on 1 May 2020 following shareholder approval on 30 April 2020.

Details of the conversion of the loan facility was as follows:

- Loan amount $5,000,000
- 5 cents per share
- Securities issued 100,000,000 ordinary shares

28. NOTES TO STATEMENT OF CASH FLOWS

a) For the purpose of the statement of cash flows, cash includes cash on hand and in banks, and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the balance sheet as follows:

	2020 $'000	**2019 $'000**
Cash at bank and on hand (Note 8)	2,298	9,494
Cash in assets classified as held for sale	10	19
Cash per statement of cash flows	2,308	9,513

Reconciliation to Statement of Cash Flows

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 30 June:

Cash at bank and on hand	2,308	9,513
Short-term deposits	-	-
Cash at bank and on hand	2,308	9,513

28. NOTES TO STATEMENT OF CASH FLOWS (continued)

b) Reconciliation of operating profit / (loss) after income tax to net cash used in operating activities

	2020 $'000	2019 $'000
Operating loss after income tax	(93,827)	(26,713)

Adjustments for non-cash income and expense items:	2020 $'000	2019 $'000
Share based payments	201	1,217
Bonus paid by way of issue of shares to directors and staff	-	125
Loan facility fees	26,425	7,605
Depreciation of property, plant and equipment	12,937	4,201
Interest on funding facility	16,202	10,566
Foreign currency exchange rate movement	3,691	8,620
Profit on sale of subsidiary	(1,202)	]-
Exploration expenditure written off	218	-
Profit on sale of assets	(2)	-
Impairment on assets held for sale	4,196	-
(Increase) / decrease in current tax prepaid	(21)	-
Changes in assets and liabilities:		
(Increase) / decrease in receivables	(7,246)	93
(Decrease) / increase in other creditors and accruals	214	18,065
Increase in inventories	(1,795)	(9,935)
(Increase) / decrease in deposits and prepayments	(2,983)	(771)
Increase / (decrease) in current lease liabilities	(46)	-
Increase / (decrease) in current provisions	232	511
Net cash used in operating activities	(42,806)	13,584

c) Net debt reconciliation

Net debt

	2020 $'000	2019 $'000
Cash and cash equivalents	2,308	9,513
Borrowings – repayable within one year	(17,736)	(512)
Borrowings – repayable after one year	(191,693)	(179,100)
Net debt	(207,121)	(170,099)
Cash and liquid investments	2,308	9,513
Gross debt - fixed interest rate	(209,429)	(179,612)
Gross debt - variable interest rate	-	-
Net debt	(207,121)	(170,099)

28. NOTES TO STATEMENT OF CASH FLOWS (continued)

	Cash and cash equivalents	Borrowings due within 1 year	Borrowings due after 1 year	Total
Net debt as at 30 June 2019	9,513	(512)	(179,100)	(170,099)
Cash flows	(7,140)	(1,175)	-	(8,315)
Foreign exchange adjustments	(65)	-	(3,753)	(3,818)
Other non-cash movements	-	(16,049)	(8,840)	(24,889)
Net debt as at 30 June 2020	2,308	(17,736)	(191,693)	(207,121)

d) Acquisition of entities

The Group did not acquire any interest in entities during the year.

29. PARENT ENTITY DISCLOSURE

(a) Summary of financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2020 $'000 Parent	2019 $'000 Parent
Balance sheet		
Current assets	3,260	1,960
Total assets	220,511	141,950
Current liabilities	3,149	523
Total liabilities	3,149	523
Net assets	217,362	141,427
Equity		
Contributed equity	290,860	233,955
Reserves	1,802	-
Retained profits / (accumulated losses)	(144,570)	(92,528)
Total shareholder equity	148,092	141,427
Loss for the year	(41,141)	(10,649)
Total comprehensive loss for the year	(41,141)	(10,649)

(b) Contingent liabilities

Contingent liabilities are disclosed in Note 32.

(c) Contractual commitments

	2020	2019
No later than one year	-	55
Later than one year and not later than five years	-	3
Later than five years	-	-
	-	58

30. AUDITORS' REMUNERATION

	2020 $'000	2019 $'000
a) Auditors of the Group – PKF and related network firms		
Audit of financial report		
- Group (PKF Brisbane)	48	122
- Group (PKF (Perth)	77	-
Total audit of financial reports	125	122
Other non-audit services (PKF (Brisbane)	84	-
Total services provided by PKF	209	122
b) Other auditors and their related network firms		
Audit of financial report		
- Foreign Subsidiaries	17	-
Total audit of financial reports	17	-
Other non-audit services	1	-
Total services provided by other auditors	18	-

31. SUBSEQUENT EVENTS

Subsequent to the end of the financial year the following events occurred:

31 July 2020 - Formal request from the Group to its Senior Secured Loan Note Holders (LNH), to extend payment obligations to 31 October 2020 to allow re-structure process to complete.

5 August 2020 - Draft Waiver Letter issued to LNH, subsequently LNH instructed their legal counsel to provide a letter extension (1 week) to allow formal documentation to be completed.

10 August 2020 - The Group entered a trading halt and subsequent suspension from official quotation while refinancing activities were undertaken.

25 August 2020 - LNH provided waiver of all financial obligations and covenants until 31 October 2020 – with 2 milestones:
Milestone 1 - 10 September 2020 to present to the LNH some form of non-binding term sheet for an equity, debt, merger proposal; and
Milestone 2 - 10 October 2020 to present to the LNH a binding proposal to the LNH and be announced to the market.

26 August 2020 - A credible and well-known participant in the Australian equity market (Bookrunner) commenced a non-deal roadshow to gauge market interest.

10 September 2020 – A prominent Australian-based mining and processing company provided a non-binding indicative offer (NBIO) to Altura and presented to the LNH in accordance with the waiver agreement.

7 October 2020 - LNH were issued with a Term Sheet regarding the recapitalisation process. The Term Sheet was non-binding but allowed the Bookrunner to provide details to equity groups and allow a structure to be agreed with those groups.

9 October 2020 - LNH provided an extension of Milestone 2 from 10 October 2020 to 24 October 2020 due to one large equity group requiring more due diligence time. AJM paid $140,000 of the LNH legal fees for document drafting as part of the recapitalisation process.

14 October 2020 - LNH advised the Company to proceed with document drafting for the re-structure based on the key terms agreed in the Term Sheet – LNH stated that in essence of time the parties should proceed with formal documentation rather than trying to bind the Term Sheet, this followed a few days of negotiation on the Term Sheet.

21 October 2020 - An existing offtake partner committed to an A$66 million cornerstone investment for the proposed equity process, subject to transaction approval at their board meeting on 21 October 2020 – the deal would be announced on the same day, the equity process would launch on week of 26 October 2020. LNH requested Altura hold off on the Offtake partner's approval until formal documents completed (target 23 October 2020), this would defer approval until Offtake partner's next board meeting on 29 October 2020. Altura in good faith accepted the LNH request in anticipation of completion and execution of signing documents on the 23 October 2020.

22 October 2020 – The Bookrunner provided a detailed letter of support to the recap process, the Bookrunner also issued LNH with a process timeline and request for them to acknowledge support and terms of the agreements.

23 October 2020 – The Company's legal counsel provided LNH legal counsel with final drafts of all legal agreements for review and execution.

31. SUBSEQUENT EVENTS (continued)

25 October 2020 – Altura becomes aware of a potential deal (from a credible media outlet) being struck by the LNH and other parties involved in the process – request sent to other parties for clarification and compliance to the existing Non-Disclosure Agreements in place between Altura and said parties;

25 October 2020 - Notice of Default issued to Altura by LNH (**midnight**) citing breach of Milestone 2, which came about by Altura in good faith agreeing to the LNH request on the 21 October 2020 of the announcement of the Offtake partner's deal and the request by the LNH on the 14 October 2020 to proceed with formal documentation on the recapitalisation.

26 October 2020 - Notice of Receivers and Administrators received, Altura had no time to challenge, KordaMentha (KM) appointed as Receivers and Managers.

26 October 2020 - Cor Cordis (CC) appointed as Administrators.

28 October 2020 PLS announce conditional agreement to acquire Altura Lithium Operations stating PLS had entered into an Implementation Deed with the senior secured loan noteholders of Altura

29 October 2020 - KM announce the LNH have entered into an implementation agreement with Pilbara Minerals (PLS).

1 December 2020 - PLS announce a share sale agreement to acquire the Group's wholly owned subsidiary Altura Lithium Operations Pty Ltd (ALO).

11 December 2020- Creditors approve the ALO deed of company arrangement (DOCA) subject to completion of an equity raising by PLS.

20 January 2021 - PLS completes the acquisition of ALO as per the terms of the share sale agreement. ALO was sold for a total consideration of $270 million. As at the date of this report, Directors are unable to quantify the financial impact on operations as a result of the transaction. KM retire as Receivers and Managers.

5 March 2021 - ACN 647 358 987 Pty Ltd entered into a DOCA resulting in the CC deed of administration ceasing and administration for the Group reverting to its Directors. ACN 647 358 987 Pty Ltd has loaned funds to Altura and provided funds to the Altura Mining Limited Creditors Trust.

16 April 2021 - Altura announced the appointment of Alex Cheeseman as CEO of the company, the resignation of Paul Mantell as a director and the appointment of John Lewis as Company Secretary.

3 May 2021 Altura announced it had executed a Letter of Intent (LOI) to enter into an Earn-in Option Agreement (EOA) for 60% project equity in Lithium Corporation's ("Lithium Corp.") Fish Lake Valley (FLV) Project located in central-west Nevada, USA

Post the disposal of ALO and the balance of the Australian based assets, the Altura Group retains its interest in the Tabalong Project (whilst searching for a suitable party to divest the project) and investment in Lithium Corporation, Nevada USA. Funding provided from the Group's current Australian Directors has funded payment of the remaining liabilities and providing sufficient working capital to sustain its operations during the Group's re-quotation process on the ASX.

Material contracts with Key Management Personnel post June 2020

Alex Cheeseman, Chief Executive Officer - (Appointed 16 April 2021) the agreement is of no fixed term and allows for payment of an annual cash salary, reviewed each year, and superannuation. Six months' notice of termination by either party is required, with a separation allowance equivalent to six month's gross salary to be paid if employment was terminated by the Company

Key Management Personnel Remuneration post June 2020

During the period after the financial year ending 30 June 2020 the following payments, we made to key management personnel in accordance with their service contracts. Remuneration excludes termination payments as the details require confirmation from KordaMentha and performance rights require completion of the re-listing process on the ASX.

Estimated remuneration of Key Management Personnel Remuneration

Executive Directors	310,185
Non-Executive Directors	83,700
Other key management personnel	180,832

No further events have occurred since 20 May 2021, which would require disclosure in the financial report.

32. CONTINGENT LIABILITIES

Details and estimates of maximum amounts of contingent liabilities for which no provision is included in the financial statements are as follows:

	2020 $'000	2019 $'000
The bankers of the Group and parent entity have issued undertakings and guarantees to the DME (Northern Territory Department of Mines and Energy) and various other entities.	26	78

A subsidiary of the Group has entered into a conditional loan agreement

Civmec Legal Action

On 17 July 2020, Altura was advised by Civmec Construction and Engineering Pty Ltd that it had lodged a writ and statement of claim in the Supreme Court of Western Australia against Altura Lithium Operations Pty Ltd (ALO) in relation to the process plant construction and installation work at the Altura Lithium Project. On 20 July 2020, Altura was served with this statement of claim.

Altura proceeded to defend these proceedings until the Group was placed under external management. ALO was acquired by Pilbara Minerals Limited (PLS) following a deed of company arrangement (DOCA) process. As a result of the DOCA process and acquisition by PLS, ALO is no longer a subsidiary of the Company. The Company was not a party to the proceedings. The proceedings were dismissed by a consent order on 4 February 2021.

No losses are anticipated in respect of any of the above contingent liabilities.

33. COMMITMENTS

In order to maintain an interest in the mining and exploration tenements in which the Group is involved, the Group is committed to meeting the conditions under which the tenements were granted and the obligations of any joint venture agreements. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required by the relevant State Departments of Minerals and Energy, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest.

One of the Group's subsidiaries has contracted to provide up to a US$4 million facility to a minority party in the Tabalong coal project. The provision of the facility is contingent on project milestones being achieved. The facility will be repaid in accordance with the loan agreement between the parties. The likelihood of this proceeding is highly probable.

a) Exploration work

The Company has certain obligations to perform minimum exploration work and expend minimum amounts on its wholly owned mining tenements to meet minimum expenditure requirements. This expenditure will only be incurred should the Group retain its existing level of interest in its various exploration areas and provided access to mining tenements is not restricted. These obligations will be fulfilled in the normal course of operations, which may include exploration and evaluation activities.

b) Exploration

The Group has the following estimated exploration expenditure commitments at 30 June 2020.

	2020 $'000	2019 $'000
No later than one year	252	425
Later than one year and not later than five years	348	-
Later than five years	1,025	-
	1,625	425

c) Asset acquisitions

The Group has the following commitments for asset acquisitions at 30 June 2020.

	2020 $'000	2019 $'000
Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements		
Property, plant and equipment	622	978
Mine development at cost	255	-
	877	978

d) Operating leases

As of June 2020, all leases held by the Company have been measured in accordance with AASB 16 *Leases* and disclosed within lease liabilities in Note 21. The Company adopted AASB 16 on 1 July 2019 using the modified retrospective approach. Comparatives have therefore not been restated and represent amounts committed at 30 June 2019 date but not recognised as liabilities.

	2020	2019
The commitment in respect of these leases is:		
No later than one year	-	853
Later than one year and not later than five years	-	2,571
Later than five years	-	-
	-	3,424

Directors' Declaration

In the Directors' opinion:

(a) The financial statements and notes set out on pages 20 to 73 are in accordance with the *Corporations Act 2001* and:

a. comply with Accounting Standards and the Corporations Regulations 2001; and
b. give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and its performance for the financial year ended on that date;

(b) the financial statements and notes also comply with International Financial Reporting Standards as set out in Note 1;

(c) there are reasonable grounds to believe that the Company will be able to pay its debt as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required under section 295A of the *Corporations Act 2001*.

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

James Brown
Director

Brisbane, 25 May 2021

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALTURA MINING LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Altura Mining Limited (the company) and its controlled entities (consolidated entity), which comprises the consolidated balance sheet as at 30 June 2020, the consolidated statement of profit and loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the financial report of Altura Mining Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

As detailed in the subsequent events note the consolidated entity was placed into external administration and receivership on the 26th October 2020. The consolidated entity's wholly owned subsidiary Altura Lithium Operations Pty Ltd, which owned the Altura Lithium Project, was sold to a third party to payout the consolidated entity's secured noteholders.

The consolidated entity was administered externally until it was returned to the Directors on the 5th March 2021. During this period a deed of company arrangement (DOCA) was executed, funds were loaned to the consolidated entity for working capital and a creditors trust was established.

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The Directors have decided to seek a relisting of the company on the ASX. To do so they will need to re-comply with a number of ASX requirements. The purpose of the relisting will be to raise sufficient capital to implement the Key Business Strategies detailed in the Directors Report. This, along with other matters as set forth in Note 1, a), i), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary as a result of the external administration and receivership.

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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.

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 for the year ended 30 June 2020. These matters may not be significant post 30 June 2020. The reader of this report must refer to the subsequent events note in the financial report. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

1. Altura Lithium Project Mine Assets

Why significant

As at 30 June 2020 mine assets relating to the Altura Lithium Project of $284.4 million have been recognised as a depreciating asset as disclosed in Note 14. The consolidated entity's accounting policy in respect of the Altura Lithium Project mine assets is detailed in Note 1, g).

The Altura Lithium Project mine assets is a key audit matter due to:

- the significance of the balance (being 83% of total assets); and
- the level of judgement applied in determining the treatment of the mine asset in accordance with AASB 116 *Property, Plant and Equipment* and whether the asset is impaired in accordance with AASB 136 *Impairment of Assets.*

How our audit addressed the key audit matter

In assessing this key audit matter, we involved senior audit team members who understand the industry.

Our audit procedures included, amongst others:

- obtaining a project management report and holding discussions with the directors and management to confirm that the mine asset is operating as forecasted;
- obtaining supporting documentation including external reports to validate the LOM (Life of Mine) 26 year period over which the mine asset is being depreciated;
- obtaining and assessing management's assessment of the recoverable amount of the mine asset;

Why significant

In particular, judgement exists around:

- whether depreciation rates applied are appropriate;
- whether disclosure is appropriate; and
- whether the mine asset is impaired.

The evaluation of the recoverable amount of the mine asset requires significant judgement in determining the key assumptions supporting the expected future cash flows of the Altura Lithium Project.

How our audit addressed the key audit matter

- reviewing and verifying the key inputs and assumptions used in management's value in use calculation, supporting the recoverable amount of the mine asset;
- comparing production reports and current sales data to forecasts applied in the value in use calculation; and

obtaining and reviewing external reports of forward looking spodumene concentrate prices and ensuring $USD sales prices applied in the value in use calculation are reasonable in line with anticipated prices.

2. Borrowings – loan note facility

Why significant

As at 30 June 2020 the consolidated entity held a loan note facility of $207.7 million as described in Note 17. The consolidated entity's accounting policy in respect of the loan note facility is detailed in Note 1, m).

Borrowings – loan note facility is a key audit matter due to:

- the significance of the balance (being 75% of total liabilities); and
- the level of complexity and judgement applied in determining the correct treatment in accordance with AASB 132 *Financial Instruments: Presentation* and AASB 9 *Financial Instruments.*

In particular, complexity and judgement exists around:

- measurement and recognition of transactions costs incurred;
- appropriateness of interest and fees capitalised;
- the period over which transaction costs are amortised;
- the calculation and appropriateness of foreign currency movements impacts;
- whether the loan note is classified appropriately with respect to loan terms and covenant waivers obtained;

How our audit addressed the key audit matter

In assessing this key audit matter, we involved senior audit team members who understand such financial instruments. We also obtained external advice where appropriate.

Our audit procedures included, amongst others:

- obtaining and reviewing loan agreements, subscription deeds, warrant deeds and amendment deeds relating to the loan note facility;
- obtaining a schedule of fees and interest capitalised and testing the costs capitalised during the year;
- reviewing management's treatment and accounting policies regarding treatment in accordance with relevant accounting standards;
- reviewing the debt covenant breaches incurred during the year with reference to the loan agreement and waivers received, to ensure the impact on loan note classification and related disclosure is appropriate; and
- reviewing management's forecasted plans for repayment and assessment of the consolidated entity's ability to repay the facility by the maturity date.

Why significant	How our audit addressed the key audit matter
• whether movements in the loan balance during the year have been appropriately disclosed; and • management's plan to refinance the debt and the consolidated entity's capacity concerning the repayment of the borrowing facility.	

Other Information

Other information is financial and non-financial information in the annual report of the consolidated entity which is provided in addition to the financial report and the auditor's report. The directors are responsible for other information in the annual report.

The other information we obtained prior to the date of this auditor's report was the director's report and additional information for listed public companies. The remaining other information is expected to be made available to us after the date of the auditor's report.

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

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

We are required to report if we conclude that there is a material misstatement of this other information in the financial report and based on the work we have performed on the other information that we obtained prior the date of this auditor's report we have nothing to report.

Directors' Responsibilities for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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

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

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

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

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

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

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

Report on the Remuneration Report

Opinion

We have audited the remuneration report included in the directors' report for the year ended 30 June 2020.

In our opinion, the remuneration report of Altura Mining Limited for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

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Responsibilities

The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF Perth

PKF PERTH

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SIMON FERMANIS
PARTNER

25 MAY 2021
WEST PERTH,
WESTERN AUSTRALIA