



## APPENDIX 4D

The following information is given to the ASX under Listing Rule 4.2A.3:

### 1. Reporting periods

The current reporting period is the six months ended 31 December 2019.

The previous corresponding period is the six months ended 31 December 2018.

### 2. Results for announcement to the market

Item	6 months to 31 Dec 2019	6 months to 31 Dec 2018	\$ Change	Percentage Change
	\$000's	\$000's	\$000's	%
Revenue from ordinary activities	55,879	450 *	55,429	12,318%
Profit / (loss) from ordinary activities after tax attributable to members	(29,274)	(10,897)	(18,377)	(169%)
Net profit / (loss) for the period attributable to members	(31,630)	(10,998)	(20,632)	(188%)

There were no dividends paid, recommended or declared during the current reporting period.

The loss in the current period was principally related to the amortisation of transaction costs, writedown of inventory, a net foreign exchange loss (all of which are non-cash costs) and interest expense. Further explanation of the result of the current period is set out in the Directors Report contained in the attached audit reviewed half-year Financial Report.

\* Prior to the declaration of commercial production in March 2019 any spodumene revenue derived from sales was offset to capitalised development costs.

### 3. Net tangible assets per security

Item	6 months to 31 Dec 2019	6 months to 31 Dec 2018
Net tangible assets per ordinary share	\$0.04	\$0.04

The calculation of net tangible assets per ordinary share includes right of use assets and lease liabilities.

### 4. Details of entities over which control has been gained or lost during the period

There have been no gains or losses of control over entities in the period ended 31 December 2019 except for the wholly owned subsidiary PT Asiadrill Bara Utama (ABU) which was sold in July 2019. ABU was a dormant company, therefore the sale has an immaterial impact on the Group's financial statements.

**5. Dividends**

As noted above, there were no dividends applicable to the reporting period.

**6. Dividend Reinvestment Plan**

The Company does not currently offer a dividend reinvestment plan.

**7. Details of associates and joint venture entities**

Not applicable.

**8. Foreign entities**

Not applicable.

**9. Status of audit**

This half year Financial Report is based on accounts that have been reviewed by Altura's statutory auditors. The review opinion includes an emphasis of matter relating to a material uncertainty regarding going concern.

**Authorised for release by the Board of Directors**



# Altura Mining Limited

ABN 39 093 391 774

## HALF YEAR FINANCIAL REPORT

**For the six months ended 31 December 2019**



This half year financial report is for the six months ended 31 December 2019 and does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Company's Annual Report for the year ended 30 June 2019 and any public announcements made by Altura Mining Limited ABN 39 093 371 774 during the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.



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## **Corporate Directory**

### **DIRECTORS**

James Brown - Managing Director  
Paul Mantell - Executive Director  
Allan Buckler - Non-Executive Director  
Dan O'Neill - Non-Executive Director  
Beng Teik Kuan - Non-Executive Director  
Xiaoyu Dai - Non-Executive Director

### **COMPANY SECRETARY**

Damon Cox

### **REGISTERED OFFICE**

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PERTH WA 6000

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### **AUDITORS**

PKF Brisbane Audit  
Level 6, 10 Eagle Street  
Brisbane QLD 4000

### **SHARE REGISTRY**

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

### **AUSTRALIAN SECURITIES EXCHANGE**

Code: AJM, AJMOB

**Directors' Report**

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Your directors have pleasure in presenting the interim financial statements of Altura Mining Limited ("Altura" or "the Company") and its controlled entities ("the Group") for the half year ended 31 December 2019. The previous corresponding period of financial performance is the half year ended 31 December 2018 and of financial position is as at 30 June 2019. The directors report as follows:

**DIRECTORS**

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

Mr James Brown  
Mr Paul Mantell  
Mr Allan Buckler  
Mr Dan O'Neill  
Mr Beng Teik Kuan  
Mr Xiaoyu Dai (appointed 10 September 2019)

**PRINCIPAL ACTIVITIES**

The principal activity of the Group during the period was the mining, processing and sale of lithium ore at Altura's 100% owned Altura Lithium Project in the Pilbara region of Western Australia.

**OPERATING AND FINANCIAL REVIEW****Overview**

Altura Mining Limited ("AJM") is an ASX listed entity that is focused on the operations of the Altura Lithium Project at Pilgangoora in Western Australia. The Company also has an interest in a coal project in Indonesia, which is in the process of being divested.

**Operating Results**

The Group's operating loss after providing for income tax for the half-year ended 31 December 2019 was \$31,624,952 (2018: loss \$10,978,556). The loss in the current period was principally related to the amortisation of transaction costs, write-down of inventory, and a net foreign exchange loss (all of which are non-cash costs) and interest expense.

**Strategy**

The Group's objective is to create shareholder value through the development of profitable mining operations and other supplementary mining activities that deliver strong cash flows for the Group and resultant regular dividends for shareholders.

The Group is focused on consistently achieving nameplate production from its Altura Lithium Project and adding additional committed customers for the supply of spodumene concentrate. The Group has also completed a Definitive Feasibility Study (DFS) for a Stage 2 expansion of the lithium project, which it plans to commence subject to market conditions.

**Altura Lithium Project**

During the six months to 31 December 2019, the Group achieved record production from its Pilgangoora lithium mine, moving steadily towards nameplate production rates, driving down unit costs and delivering positive cash margins on sales.

The Pilgangoora lithium mine recorded total production of 92,665 wet metric tonnes (wmt) for the period, driven by increased ore production, higher grade and improved plant throughputs. Unit costs for the period reduced to US\$359/wmt produced.

**Directors' Report (continued)**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

### Mining

Total material movements in the period included a strong increase in ore mined and a reduction in waste mining as operations focused on ore development resulting in ore production for the period of 906,073 wmt as mine design and operations were optimised. Mine production benefited from the introduction of a night shift for one week in three from August to provide consistent supply of fresh ore to the mill. A second excavator also was brought into operations to enable multiple dig faces to be opened to increase material movement efficiency and secure continued access to targeted sections of the mine pit.

The grade of ore mined increased to 1.27% Li<sub>2</sub>O as mining operations accessed higher grade segments of the pegmatite ore bodies.

### Processing

Processing performance improved significantly during the 6 months to December 2019 with ore processed increasing to 722,083 wmt compared with 588,986 wmt in the June 2019 half year. The September quarter was a record 376,530 tonnes of ore processed before reducing in the December quarter due to increased (scheduled) plant maintenance requirements.

Head grade averaged 1.17% Li<sub>2</sub>O during the 6 months and reached 1.22% in the month of October.

During the period plant utilisation increased to 90% during the September quarter, with the processing feed rate rising to 191 dry metric tonnes ("dmt")/hr, and 83% during the December quarter with the processing feed rate averaged 187 dmt/h. Both quarters were only slightly below nameplate capacity of 193 dmt/hr. The feed rate was restricted for several weeks prior to replacement of the HPGR rollers and thereafter to maximise operational efficiencies. Feed rates above 200 dmt/h remain achievable.

The increase in plant throughput through the period was due to improved asset utilisation and process reliability despite a three-day planned maintenance shut down in the first week of July, a staged maintenance of individual plant modules during August, a 35-hour total plant shutdown in September and an extended plant downtime required to complete planned maintenance on the HPGR, wet secondary screen and secondary DMS plant, which had been brought forward from its original schedule of February 2020.

Lithium concentrate produced in the 6 months to 31 December 2019 was a record 92,665 wmt, 29% higher than the 72,029 wmt produced in the June 2019 half year. The coarse product circuit performed in line with expectations over the period, producing 50,044 wmt. The fines circuit was affected by unplanned maintenance in August, with total fines production of 42,621 wmt. New measures were implemented to stabilise fines circuit operations and increase recoveries, resulting in a significant increase in fines production from September onwards.

**Table 1 – Mining and Process Quantities**

	Units	Mar Qtr 2019	Jun Qtr 2019	Half year to June 2019	Sept Qtr 2019	Dec Qtr 2019	Half year to December 2019	Half year December 2019 vs June 2019
Ore mined	wmt	404,087	439,559	<b>843,646</b>	476,093	429,890	<b>905,983</b>	+8%
Waste mined	wmt	1,426,256	1,546,719	<b>2,927,975</b>	1,484,978	1,493,295	<b>2,978,273</b>	+2%
Total material mined	bcm	622,929	675,726	<b>1,298,655</b>	670,842	686,501	<b>1,357,343</b>	+5%
Ore mined grade Li <sub>2</sub> O	%	1.16	1.10	<b>1.13</b>	1.18	1.27	<b>1.22</b>	+8%
Ore processed	wmt	251,200	337,786	<b>588,986</b>	376,530	345,553	<b>722,083</b>	+23%
Lithium concentrate produced	wmt	29,627	42,402	<b>72,029</b>	45,484	47,181	<b>92,665</b>	+29%

### ROM and Product Stocks

Current ROM and crushed ore stocks as at the end of December 2019 totalled 531,129 wmt of which 306,106 wmt was at a grade greater than 1.20% Li<sub>2</sub>O, providing sufficient stock to blend and feed the process plant.

Concentrate product stocks as at the end of the period totalled 30,008 wmt distributed between site product stockpiles and the Wedgefield storage facility. Subsequent to the end of the period a cargo of 24,500 wmt was dispatched which significantly reduced concentrate product stocks (refer to ASX announcement of 21 January 2020).

During the period contractor Qube Bulk hauled 91,274 wmt to the storage facility from the mine site.

**Directors' Report (continued)**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

### Marketing and Shipping

In the six months to December 2019, Altura shipped seven cargoes totalling 67,281 dmt. All cargoes were sold to long term offtake partners. The Company continues to receive positive feedback on its product quality, with the material handling and quality factors making the product well-suited for conversion into high-grade lithium chemicals. All shipments were in line with off-take specification requirements.

### Health, Safety and Environment (HSE)

The Company's safety record has continued to be positive with one Lost Time Injury (LTI) recorded for the period, in November 2019. There have only been two LTI's since the beginning of construction. The other LTI was recorded in March 2018. The Company maintains a strong focus on ensuring safe operating practices.

### **Corporate Developments**

#### Capital Raising

In July 2019 Altura signed a subscription and cooperation agreement with Shanshan Forever International Co., Limited. The agreement raised A\$22.4 million in proceeds, which were received in early August 2019. Under the terms of the agreement Shanshan is entitled to appoint a director to the Altura board (Mr Xiaoyu Dai appointed in September 2019), provided that their relevant interest in Altura shares does not fall below 12.5 per cent for more than 30 consecutive days.

In November 2019, the Company undertook a capital raising comprising a non-renounceable Entitlement Offer of two new fully paid ordinary shares for every thirteen existing fully paid ordinary shares at \$0.06 per share to raise a maximum amount of A\$21.55 million. The total amount raised was \$9.155 million with shareholders subscribing for a total of 152,585,610 shares.

#### Offtakes

In July 2019 Altura entered into a new offtake agreement with Shandong Ruifu Lithium Industry Co., Ltd for 35,000 tonnes per annum (tpa). At the same time Altura reached agreement with Shaanxi J&R Optimum Energy Co., Ltd for the termination of the remaining 50,000 tpa under that offtake agreement.

In August 2019 Altura entered into a new offtake agreement with Guangdong Weihua Corporation for 50,000 tpa. At the same time Altura reached agreement with Lionergy Limited to reduce its tonnage from 100,000 tpa to 65,000 tpa.

Altura has offtake commitments for its entire nameplate production capacity which are summarised below:

Offtake Partner	Tonnage	BOA Term / Expiry
Lionergy Limited	65,000 dmt	September 2023
GFL International Co., Limited	70,000 dmt	December 2021
Shandong Ruifu Lithium Industry Co., Ltd	35,000 dmt	June 2024
Guangdong Weihua Corporation	50,000 dmt	December 2024
<b>Total</b>	<b>220,000 dmt</b>	

#### Loan Note Facility

The Group breached the financial covenant on the loan note facility (Note 4) for the September 2019 and December 2019 quarters. The respective covenant is based on an annual net debt to EBITDA ratio. The calculation of this ratio is based on the current operating quarter results added to the previous three operating quarters in order to deliver an annual result. For quarterly reporting periods after 31 December 2018 the net debt to defined EBITDA ratio shall not exceed the ratio of 1.5:1. Subsequent to the end of the reporting period, the Company received waivers for those breaches of the financial covenants as part of the agreement to extend the term of the loan note facility.

As at 31 December 2019 the Group did not hold an unconditional right to defer settlement of the loan and the loan was therefore required to be reclassified as current on this basis.



# Directors' Report (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

During the period, half-yearly interest totaling \$15.9 million was paid to the Company's debt providers. Subsequent to the end of the reporting period the loan note facility maturity date was extended to August 2023 and the interest payment due in February 2020 was extended to February 2021 and the Company executed agreements for equity raisings of up to \$61 million.

Below is an **unaudited pro forma Balance Sheet** detailing the changes had the subsequent events detailed on page 6 occurred prior to 31 December 2019. It is noted that the Group's current ratio (current assets: current liabilities) increases to 2.71 under the proforma scenario:

	31 December 2019 \$'000	Pro Forma Adjustments 2019 \$'000	Unaudited Pro Forma 31 December 2019 \$'000
<b>Current assets</b>			
Cash and cash equivalents	2,398	61,000	63,398
Trade and other receivables	5,559	-	5,559
Held to maturity investments	78	-	78
Inventories	31,433	-	31,433
Current tax prepaid	59	-	59
Other current assets	2,510	-	2,510
Assets classified as held for sale	7,601	-	7,601
<b>Total current assets</b>	<b>49,638</b>	<b>61,000</b>	<b>110,638</b>
<b>Non-current assets</b>			
Financial assets	816	-	816
Property, plant, equipment and mine properties	286,257	-	286,257
Exploration and evaluation	3,380	-	3,380
Right-of-use assets	2,042	-	2,042
<b>Total non-current assets</b>	<b>292,495</b>	<b>-</b>	<b>292,495</b>
<b>Total assets</b>	<b>342,133</b>	<b>61,000</b>	<b>403,133</b>
<b>Current liabilities</b>			
Trade and other payables	34,568	1,771	36,339
Borrowings	190,113	(189,739)	374
Short term provisions	1,731	-	1,731
Lease liabilities	524	-	524
Liabilities classified as held for sale	1,892	-	1,892
<b>Total current liabilities</b>	<b>228,828</b>	<b>(187,968)</b>	<b>40,860</b>
<b>Non-current liabilities</b>			
Rehabilitation provision	11,994	-	11,994
Borrowings	-	188,968	188,968
Lease liabilities	1,555	-	1,555
<b>Total non-current liabilities</b>	<b>13,549</b>	<b>188,968</b>	<b>202,517</b>
<b>Total liabilities</b>	<b>242,377</b>	<b>1,000</b>	<b>243,377</b>
<b>Net assets</b>	<b>99,756</b>	<b>60,000</b>	<b>159,756</b>
<b>Equity</b>			
Contributed equity	265,511	60,000	325,511
Reserves	(4,341)	-	(4,341)
Accumulated losses	(161,635)	-	(161,635)
Capital and reserves attributable to owners of Altura Mining Limited	99,535	60,000	159,535
Non-controlling interest	221	-	221
<b>Total equity</b>	<b>99,756</b>	<b>60,000</b>	<b>159,756</b>

**Directors' Report (continued)**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

**Sayona Tenements Agreement**

Altura announced in August 2019 that it had signed an Earn-in 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.

**Divestment of Assets****Tabalong Coal Asset**

The Tabalong Coal Project is a premium grade thermal coal deposit located in South Kalimantan, Indonesia. The project consists of five Mining Licences (IUPs) 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. The Company has been pursuing various options for sale of the coal assets and information has been made available to a number of parties under confidentiality deed arrangements. Subsequent to the end of the reporting period end the Company received an indicative cash offer for the assets. The Company is currently reviewing the offer.

**Sale of subsidiary Asset**

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

**MATTERS SUBSEQUENT TO THE END OF THE PERIOD**

Subsequent to the end of the reporting period, the Company undertook the following:

**Capital Raising**

The Company completed an equity raise of \$ 11 million to sophisticated investors, including board participation. The issue price was \$A0.05 per new share.

The Company has executed a Put Option Agreement with LDA Capital, LLC to access additional equity up to A\$ 50 million if required at the Company's election over the next 36 months. Each put option will be priced at 90% of the 15 VWAP with the maximum number of shares subject to each put option is 10 times the average daily number of Company's shares traded during a 15 day period. The Company will issue 74.4 million options with a 3 year term exercisable at 150% of the 30 day VWAP of the Company's shares following re-quotation and will pay a commitment fee of 2%, payable within 12 months.

**Extension of Loan Note Facility**

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. The loan extension agreements were signed in March 2020 just prior to signing of these accounts. In consideration of these amendments and waivers the Company agreed to pay an amendment fee of 5 % of aggregate principal amount of the loan (including capitalised interest) due and payable in October 2020, pay 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 directors are not aware of any other significant events since the end of the interim period.

**Directors' Report (continued)**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

**ROUNDING OF AMOUNTS**

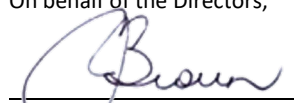
The Company is an entity to which ASIC Corporations Instrument 2016/191 applies and, accordingly, amounts in the financial statements have been rounded to the nearest thousand dollars.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration for the half year ended 31 December 2019 has been received and is included on page 8 of the report.

Signed in accordance with a resolution of the directors.

On behalf of the Directors,

A handwritten signature in blue ink, appearing to read 'James Brown', written over a horizontal line.

**James Brown**

Director

Perth, 4 March 2020

AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*  
TO THE DIRECTORS OF ALTURA MINING LIMITED

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

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

PKF BRISBANE AUDIT



LIAM MURPHY  
PARTNER

BRISBANE  
DATE: 4 MARCH 2020

## Consolidated Statement of Profit and Loss

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$'000	2018 \$'000
<b>Continuing operations</b>			
Revenue	3(a)	55,879	450
Cost of sales	3(c)	(53,960)	(466)
<b>Operating profit / (loss)</b>		1,919	(16)
<b>Other income</b>			
Sundry income	3(b)	5	143
<b>Expenses</b>			
Administration costs		(1,576)	(1,574)
Employee benefits expense	3(g)	(2,179)	(3,454)
Other expenses	3(d)	(96)	(94)
Profit on sale of subsidiary	3(f)	1,202	-
<b>(Loss) before foreign exchange and finance costs</b>		(725)	(4,995)
Net foreign exchange (loss)	3(e)	(1,174)	(5,883)
<b>(Loss) before finance costs</b>		(1,899)	(10,878)
<b>Finance costs</b>			
Interest on funding facility		(16,100)	-
Amortisation of transaction costs		(11,247)	-
<b>(Loss) before income tax</b>		(29,247)	(10,878)
Income tax expense		(21)	-
<b>Net (Loss) after income tax for the period from continuing operations</b>		(29,268)	(10,878)
<b>Discontinued operations</b>			
Profit / (loss) of discontinued operations after tax	7(b)	(2,356)	(101)
<b>Net profit / (loss) for the period</b>		(31,624)	(10,979)
<b>Net profit / (loss) attributable to:</b>			
Owners of Altura Mining Limited		(31,630)	(10,998)
Non-controlling interest		6	19
		(31,624)	(10,979)
<b>(Loss) per share from continuing and discontinued operations attributable to the ordinary equity holders of the company:</b>		<b>Cents</b>	<b>Cents</b>
Basic and diluted (loss) per share from continuing and discontinued operations		(1.37)	(0.60)
Basic and diluted (loss) per share from continuing operations		(1.26)	(0.59)
Basic and diluted (loss) per share from discontinued operations		(0.10)	(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 HALF YEAR ENDED 31 DECEMBER 2019

	2019 \$'000	2018 \$'000
<b>Net profit / (loss) after income tax</b>	<u>(31,624)</u>	<u>(10,979)</u>
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss:		
Changes in the fair value of financial assets	(470)	(2,148)
Exchange differences on translation of foreign controlled entities	<u>(551)</u>	<u>(2,184)</u>
<b>Other comprehensive (loss) for the period, net of tax</b>	<u>(1,021)</u>	<u>(4,332)</u>
<b>Total comprehensive (loss) for the period</b>	<u>(32,645)</u>	<u>(15,311)</u>
Total comprehensive (loss) attributable to:		
Members of the parent entity	(32,651)	(15,310)
Non-controlling interest	<u>6</u>	<u>(1)</u>
	<u>(32,645)</u>	<u>(15,311)</u>
Total comprehensive (loss) attributable to members:		
Continuing operations	(30,286)	(14,694)
Discontinued operations	<u>(2,365)</u>	<u>(616)</u>
	<u>(32,651)</u>	<u>(15,310)</u>

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

# Consolidated Balance Sheet

AS AT 31 DECEMBER 2019

	Note	31 December 2019 \$'000	30 June 2019 \$'000
<b>Current assets</b>			
Cash and cash equivalents		2,398	9,494
Trade and other receivables	5	5,559	2,149
Held to maturity investments		78	78
Inventories	13	31,433	20,720
Current tax prepaid		59	73
Other current assets		2,510	1,155
Assets classified as held for sale	7	7,601	9,903
<b>Total current assets</b>		<b>49,638</b>	<b>43,572</b>
<b>Non-current assets</b>			
Financial assets	8	816	1,286
Property, plant, equipment and mine properties	11	286,257	288,680
Exploration and evaluation	10	3,380	3,265
Right-of-use assets	1(i)	2,042	-
<b>Total non-current assets</b>		<b>292,495</b>	<b>293,231</b>
<b>Total assets</b>		<b>342,133</b>	<b>336,803</b>
<b>Current liabilities</b>			
Trade and other payables	6	34,568	40,778
Borrowings	4	190,113	179,612
Short term provisions		1,731	1,669
Lease liabilities	1(i)	524	-
Liabilities classified as held for sale	7	1,892	1,905
<b>Total current liabilities</b>		<b>228,828</b>	<b>223,964</b>
<b>Non-current liabilities</b>			
Rehabilitation provision	9	11,994	11,994
Lease liabilities	1(i)	1,555	-
<b>Total non-current liabilities</b>		<b>13,549</b>	<b>11,994</b>
<b>Total liabilities</b>		<b>242,377</b>	<b>235,958</b>
<b>Net assets</b>		<b>99,756</b>	<b>100,845</b>
<b>Equity</b>			
Contributed equity	16	265,511	233,955
Reserves		(4,341)	(3,320)
Accumulated losses		(161,635)	(130,005)
<b>Capital and reserves attributable to owners of Altura Mining Limited</b>		<b>99,535</b>	<b>100,630</b>
Non-controlling interest		221	215
<b>Total equity</b>		<b>99,756</b>	<b>100,845</b>

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

## Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Contributed Equity	Accumul- ated losses	Perform- ance rights reserve	Change in fair value - financial assets	Foreign currency translat- ion reserve	Non- controll- ing interests	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2018	192,893	(103,340)	1,602	3,488	(1,588)	298	93,353
Total comprehensive income for the period	-	(10,997)	-	(2,148)	(2,165)	(2)	(15,312)
Transactions with owners in their capacity as owners:							
Issue of shares – employee bonus payment	125	-	-	-	-	-	125
Employee performance rights issued	2,819	-	(2,819)	-	-	-	-
Amortisation of performance rights	-	-	1,217	-	-	-	1,217
Sub-total	2,944	-	(1,602)	-	-	-	1,342
Balance as at 31 December 2018	195,837	(114,337)	-	1,340	(3,753)	296	79,383
<b>Balance as at 1 July 2019</b>	<b>233,955</b>	<b>(130,005)</b>	<b>-</b>	<b>756</b>	<b>(4,076)</b>	<b>215</b>	<b>100,845</b>
Total comprehensive income for the period	-	(31,630)	-	(470)	(551)	6	(32,645)
Transactions with owners in their capacity as owners:							
Issue of shares	31,556	-	-	-	-	-	31,556
Sub-total	31,556	-	-	-	-	-	31,556
<b>Balance as at 31 December 2019</b>	<b>265,511</b>	<b>(161,635)</b>	<b>-</b>	<b>286</b>	<b>(4,627)</b>	<b>221</b>	<b>99,756</b>

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



# Consolidated Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	2019 \$'000	2018 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers #	42,719	15,662
Payments to suppliers and employees	(60,867)	(3,927)
Sundry income	-	24
Interest received	3	49
Interest paid	(15,927)	-
<b>Net cash provided by / (used in) operating activities</b>	<b>(34,072)</b>	<b>11,808</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and mine properties	(3,717)	(66,696)
Proceeds during commissioning of mine properties *	-	16,222
Expenditure on exploration and evaluation	(161)	(508)
Proceeds from disposal of subsidiaries	260	-
Proceeds from sale of property, plant and equipment	2	44
<b>Net cash provided by / (used in) investing activities</b>	<b>(3,616)</b>	<b>(50,938)</b>
<b>Cash flows from financing activities</b>		
Proceeds for the issue of shares	31,555	-
Payments of lease liabilities	(248)	-
Proceeds from borrowings	2,878	19,395
Repayment of borrowings	(2,878)	-
Borrowing costs	(714)	-
<b>Net cash provided by / (used in) financing activities</b>	<b>30,593</b>	<b>19,395</b>
<b>Net increase / (decrease) in cash and cash equivalents held</b>	<b>(7,095)</b>	<b>(19,735)</b>
Cash and cash equivalents at the beginning of year	9,513	28,779
Effect of exchange rates on cash holdings in foreign currencies	(10)	(5)
<b>Cash and cash equivalents at the end of period</b>	<b>2,408</b>	<b>9,039</b>
<b>Reconciliation of cash and cash equivalents at the end of period</b>		
Cash and cash equivalents per balance sheet	2,398	9,028
Cash in assets classified as held for sale	10	11
Cash balance as per statement of cash flows above	2,408	9,039
<b>Non cash investing and financing activities</b>		
Share based payments – employees	-	(198)
Transaction fees – borrowings	-	(1,926)
Borrowing costs – capitalised interest	-	(13,665)

# Receipts from customers is after deducting A\$9.6m (US\$7.1m) from sales receipts for shipments to offtake partner Ganfeng to repay the US\$11m prepayment received by the Company in November 2018. The prepayment was completely repaid during the 6 months to December 2019.

\*Proceeds from shipments of spodumene concentrate made prior to 31<sup>st</sup> December 2018 were offset against the cost of mine properties in development. As such, these proceeds have been recorded as investing activities.

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

## Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

The half year report covers the consolidated financial statements of the consolidated entity comprising Altura Mining Limited (the Company) and its controlled entities (the Group). The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report for the year ended 30 June 2019 of the Company and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The interim financial statements were authorised for issue on 4 March 2020 by the directors of the Company.

#### Basis of preparation

The Company is a company of the kind referred to in ASIC Corporations Instrument 2016/191, and in accordance with that Instrument amounts in the directors' report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

#### Accounting policies

The same accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2019, except for those described below.

#### (i) Changes in Accounting Policies Applied by the Group

##### AASB 16: Leases

This note explains the impact of the adoption of AASB 16 *Leases* on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2019.

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.

#### (a) 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.

	<b>2019 \$'000</b>
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)
<b>Lease liability recognised as at 1 July 2019</b>	<b>2,327</b>
Of which are:	
Current lease liabilities	503
Non-current lease liabilities	1,824
	<b>2,327</b>

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**
**AASB 16: 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 recognised right-of-use assets relate to the following types of assets:

	<b>31 December 2019 \$'000</b>
Properties	2,042

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 31 December 2019 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:

	<b>Adjusted EBITDA \$000's</b>	<b>Segment Assets \$'000</b>	<b>Segment Liabilities \$'000</b>
Lithium mining	341	2,042	2,079

Earnings per share increased by 0.01 per share for the half year to 31 December 2019 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 costs 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*

(b) The Group's leasing activities and how these are accounted for

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.

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****AASB 16: Leases (continued)**

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
- 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 lease with a lease term of 12 months or less. Low-value assets comprise IT equipment.

*(ii) Going Concern Principle of Accounting*

Notwithstanding the Group's reporting an operating loss after tax of \$31.62m (31 December 2018: loss of \$10.98m) for the half year ended 31 December 2019 and recording a net current asset deficiency of \$179.19m (30 June 2019: \$180.39m) as at 31 December 2019 and the consolidated entity having \$2.40m (30 June 2019: \$9.49m) of cash available while needing to refinance a loan note facility of \$203.91m by August 2020, the financial statements have been prepared on a going concern basis as the Company's directors are of the opinion that there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due and payable.

As at 31 December 2019, the Group's ability to continue as a going concern is dependent on the Altura Lithium project generating cash flow sufficient to address the operating losses and achieve positive cash flows from operations, being able to refinance its loan note facility prior to its due date and access to future funding options. In this regard, Directors are confident that sales will be made in line with forecasted quantities and commodity prices, this together with the ongoing support of lenders and shareholders and other funding options available to the Company, will ensure the Group is a going concern and will be able to pay its debts as and when they fall due and payable.

Subsequent to the end of the half year period and prior to signing these accounts, the Group has executed the agreements for the refinance of the loan note facility which includes extending the maturity date to August 2023 and the capitalisation of accrued interest due in February 2020 to February 2021. The Group has raised \$11 million by way of a placement and has also executed an equity put option agreement to raise \$50m to fund working capital requirements. Refer to Note 4 and 14.

Notwithstanding the position outlined above, if the forecast sale of spodumene concentrate volumes, pricing and operating cost are not achieved and future funding options are not able to be accessed, there is a material uncertainty (matters outside of the Company's control) as to whether the Group will be able to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. No adjustments have been made relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

## (ii) Market Risk

The Group is exposed to commodity price risk which arises from the Group's sale of lithium spodumene. The Group's commodity price risk is not hedged

## 2. SEGMENT INFORMATION

The Group's primary segment reporting format is business segments as the Group's risks and returns are affected predominantly in the products and services produced.

	Lithium mining \$'000	Exploration services \$'000	Mineral exploration \$'000	Eliminations \$'000	Total \$'000
<b>Half-year 2019</b>					
<b>Revenue</b>					
External sales	54,259	1,620	-	-	55,879
Other income	-	2	3	-	5
Other segments	-	2,000	-	(2,000)	-
Total segment revenue	54,259	3,622	3	(2,000)	55,884
Unallocated revenue					-
Total consolidated revenue					55,884
<b>Segment result</b>	(773)	290	(1,416)	-	(1,899)
Unallocated segments net of unallocated revenue					-
Profit before income tax and finance costs					(1,899)
Finance costs					(27,348)
Income tax expense					(21)
Net loss for the period from continuing operations					(29,268)
Loss from discontinued operations					(2,356)
Net profit / (loss) for the period					(31,624)
<b>Assets and liabilities</b>					
Segment assets	330,364	1,029	3,142	-	334,535
Unallocated assets	-	-	-	-	7,598
Total assets					342,133
Segment liabilities	236,498	946	3,045	-	240,489
Unallocated liabilities	-	-	-	-	1,888
Total liabilities					242,377

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

## 2. SEGMENT INFORMATION (continued)

	Lithium mining \$'000	Exploration services \$'000	Mineral exploration \$'000	Eliminations \$'000	Total \$'000
<b>Half-year 2018</b>					
<b>Revenue</b>					
External sales	-	450	-	-	450
Other income	-	110	33	-	143
Other segments	-	48	-	(48)	-
Total segment revenue	-	608	33	(48)	593
Unallocated revenue					-
Total consolidated revenue					593
<b>Segment result</b>	-	(499)	(10,379)	-	(10,878)
Unallocated segments net of unallocated revenue					-
Loss before income tax and finance costs					(10,878)
Finance costs					-
Income tax benefit					-
Net loss for the period from continuing operations					(10,878)
Loss from discontinued operations					(101)
Net loss for the period					(10,979)
<b>Assets and liabilities</b>					
Segment assets	299,628	1,551	4,703	-	305,882
Unallocated assets	-	-	-	-	9,690
Total assets					315,572
Segment liabilities	231,303	976	1,983	-	234,262
Unallocated liabilities	-	-	-	-	1,927
Total liabilities					236,189

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019 \$'000	31 December 2018 \$'000
<b>3. PROFIT / (LOSS) FROM ORDINARY ACTIVITIES</b>		
(a) <b>Revenue</b>		
Revenue from sales of product	54,259	-
Revenue from exploration services	285	471
Revenue from royalties	1,335	(21)
Total revenues from ordinary activities	55,879	450
(b) <b>Sundry income</b>		
Interest received from other corporations	3	33
Profit on sale of assets	2	110
Total sundry income	5	143
(c) <b>Cost of sales</b>		
Mining and processing costs	51,968	-
Royalty expenses	4,880	-
Depreciation and amortisation	6,239	51
Product inventory movement	(7,339)	-
Product inventory impairment	(2,623)	-
Mining services drilling costs	835	415
Total cost of sales	53,960	466
(d) <b>Other expenses</b>		
Depreciation – plant & equipment	96	89
Total depreciation	96	89
(e) <b>Net foreign exchange loss</b>		
The net foreign exchange loss relates to the revaluation of the US\$ funding facility and other US\$ denominated funds held by the Group.		
(f) <b>Profit on sale of subsidiary</b>		
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.		
(g) <b>Employee benefits expense</b>		
Salaries and on-costs expense	2,179	2,112
Employee share scheme expense	-	1,217
Bonus paid by issue of shares to employees	-	125
Total employee benefits expense	2,179	3,454

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019 \$'000	30 June 2019 \$'000
<b>4. BORROWINGS</b>		
<b>Current borrowings</b>		
Loan note facility	189,739	179,100
Other	374	512
<b>Total current borrowings</b>	<b>190,113</b>	<b>179,612</b>
<b>Reconciliation of loan note facility</b>		
Opening balance	179,100	145,887
Loan notes issued	-	21,661
Interest capitalised	-	2,141
Exchange rate differences	204	10,036
Amortisation of transaction costs	10,545	7,031
Transaction costs incurred	(110)	(7,656)
<b>Total borrowings – loan note facility</b>	<b>189,739</b>	<b>179,100</b>

As at December 2019, the 3-year term loan had an expiry date of August 2020. 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.

Under the terms of the facility, the Company is required to comply with a net debt to defined EBITDA ratio financial covenant for quarterly reporting periods after 30 September 2018. The Group breached the financial covenant for each quarter during the 2019 financial year and the December 2019 half year. As at 31 December 2019 the Group did not hold an unconditional right to defer settlement of the loan and the loan was due for repayment in August 2020. Therefore, the loan was required to be reclassified as current.

Subsequent to 31 December 2019, 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. Formal agreements to extend the loan were signed in March 2020 just prior to signing of these accounts. 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.

	31 December 2019 \$'000	30 June 2019 \$'000
<b>5. TRADE AND OTHER RECEIVABLES</b>		
Trade and other receivables	5,691	3,195
Provision for doubtful debts	(132)	(1,046)
<b>Total trade and other receivables</b>	<b>5,559</b>	<b>2,149</b>
<b>6. TRADE AND OTHER PAYABLES</b>		
Trade payables and accruals	22,078	18,920
Accrued interest on loan note facility	12,490	12,248
Prepaid revenue	-	9,610
<b>Total trade and other payables</b>	<b>34,568</b>	<b>40,778</b>



## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

**7. DISCONTINUED OPERATIONS**
**(a) Description**

During the reporting period the Directors have made further information packages available to various groups for the purpose of attracting offers for the sale of the Tabalong tenements, Kalimantan. Currently formal offers have been received and are under review by management. Subsequent to the end of the period an offer for US\$4 million was received, as a result an impairment loss of A\$2.3 million was recorded to write down the asset to its fair value less costs to sell.

The Directors consider that the presentation of the Tabalong Group as held for sale confirms its intention to dispose of these assets in the next 12 months.

**(b) Financial performance and cash flow information of discontinued operations**

The financial performance and cash flow information presented are for the half year ended 31 December 2019.

	<b>31 December 2019 \$'000</b>	<b>31 December 2018 \$'000</b>
Revenue	-	-
Impairment (loss)	(2,332)	-
Expenses	(24)	(101)
(Loss) before income tax	(2,356)	(101)
Income Tax expense	-	-
<b>(Loss) from discontinued operations after income tax</b>	<b>(2,356)</b>	<b>(101)</b>
Net cash (outflow) from financing activities	(9)	(11)
<b>Net decrease in cash generated by the division</b>	<b>(9)</b>	<b>(11)</b>

**(c) Carrying amounts of assets and liabilities**

	<b>31 December 2019 \$'000</b>	<b>30 June 2019 \$'000</b>
Cash	10	19
Other receivables *	2,904	2,899
Property, plant and equipment	5	5
Exploration at cost	4,682	6,980
<b>Total assets</b>	<b>7,601</b>	<b>9,903</b>
Other payables	192	206
Borrowings ^	1,700	1,699
<b>Total liabilities</b>	<b>1,892</b>	<b>1,905</b>

^ 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.

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

## 8. FINANCIAL ASSETS

	31 December 2019 \$'000	30 June 2019 \$'000
<b>Non-current financial assets</b>		
Financial assets	816	1,286
Reconciliation of the fair values at the beginning and end of the current and previous period are set out below		
Opening fair value	1,286	4,018
Changes in fair value	(470)	(2,732)
Closing fair value	816	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)

## 9. REHABILITATION PROVISION

## Non-current provision

Rehabilitation and demobilisation	11,994	11,994
	11,994	11,994
<b>Movements in provisions</b>		
Rehabilitation and demobilisation		
Opening balance	11,994	3,918
Provision increase/(decrease)	-	8,076
Total provision	11,994	11,994

Directors have reviewed the rehabilitation provision and are confident that assumptions and inputs into the current calculation can be relied upon.

## 10. EXPLORATION AND EVALUATION

## Exploration and evaluation expenditure at cost:

Carried forward from previous year	3,265	1,595
Incurred during the year	150	2,218
Transfer to held for sale	(35)	(548)
	3,380	3,265
Written off during the year	-	-
Total exploration and evaluation expenditure	3,380	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.

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

## 11. PROPERTY, PLANT, EQUIPMENT AND MINE PROPERTIES

	Property plant and equipment \$'000	Mine properties in production \$'000	Mine properties in development \$'000	Total \$'000
<b>December 2019</b>				
<b>Gross carrying amount</b>				
Balance at 30 June 2019	10,120	290,342	-	300,462
Additions	400	3,310	-	3,710
Exchange difference	5	-	-	5
Disposals	(4,812)	-	-	(4,812)
Balance at 31 December 2019	5,713	293,652	-	299,365
<b>Accumulated depreciation</b>				
Balance at 30 June 2019	7,876	3,906	-	11,782
Depreciation expense	699	5,350	-	6,049
Exchange difference	5	-	-	5
Disposals	(4,728)	-	-	(4,728)
Balance at 31 December 2019	3,852	9,256	-	13,108
Net book value as at 31 December 2019	1,861	284,396	-	286,257

	Property plant and equipment \$'000	Mine properties in production \$'000	Mine properties in development \$'000	Total \$'000
<b>June 2019</b>				
<b>Gross carrying amount</b>				
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
<b>Accumulated depreciation</b>				
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

## 12. DIVIDENDS

The Company has not paid a dividend during the period and no interim dividend is recommended. (2018: \$0)

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019 \$'000	30 June 2019 \$'000
<b>13. INVENTORIES</b>		
Consumables stores	6,497	5,746
Product and processing stock *	24,936	14,974
	31,433	20,720

\* Write-downs of inventories to net realisable value amounted to \$2,623,000 (2018 - Nil). These were recognised as an expense during the half year ended 31 December 2019 and included in cost of sales in the statement of Profit and Loss.

**14. SUBSEQUENT EVENTS**

Subsequent to the end of the reporting period, the Company undertook the following:

**Capital Raising**

The Company completed an equity raise of \$ 11 million to sophisticated investors, including board participation. The issue price was \$A0.05 per new share.

The Company has executed a Put Option Agreement with LDA Capital, LLC to access additional equity up to A\$ 50 million if required at the Company's election over the next 36 months. Each put option will be priced at 90% of the 15 VWAP with the maximum number of shares subject to each put option is 10 times the average daily number of Company's shares traded during a 15 day period. The Company will issue 74.4 million options with a 3 year term exercisable at 150% of the 30 day VWAP of the Company's shares following re-quotation and will pay a commitment fee of 2%, payable within 12 months.

**Extension of Loan Note Facility**

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. The loan extension agreements were signed in March 2020 just prior to signing of these accounts. In consideration of these amendments and waivers the Company agreed to pay an amendment fee of 5 % of 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 directors are not aware of any other significant events since the end of the interim period.

**15. CONTINGENT LIABILITIES AND COMMITMENTS**

There have been no material changes to the contingent liabilities and commitments as reported at 30 June 2019.

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

### 16. CONTRIBUTED EQUITY

#### Issued capital

	31 December 2019		30 June 2019	
	Number	\$'000	Number	\$'000
<b>Fully paid ordinary shares issued</b>	<b>2,478,048,116</b>	<b>265,511</b>	<b>2,125,462,476</b>	<b>233,955</b>
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
Share placement #	200,000,000	22,400	297,596,002	38,687
Exercise of warrants and unlisted options	30	-	-	-
Rights offer ##	152,585,610	9,156	-	-
Share issue costs	-	-	-	(569)
Balance at the end of the financial period	<u>2,478,048,116</u>	<u>265,511</u>	<u>2,125,462,476</u>	<u>233,955</u>

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

# 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.

## 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.

### 17. KEY MANAGEMENT PERSONNEL

Details of the Group's Key Management Personnel Compensation arrangements are provided in the Remuneration Report and the Notes to the Financial Statements contained in the Group's Annual Report for the year ended 30 June 2019.

### 18. RELATED PARTIES

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.

During the period, 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

## Directors' Declaration

The directors declare that:

1. The financial statements and notes as set out on pages 9 to 25 are in accordance with the *Corporations Act 2001* and:
  - (a) comply with the Accounting Standard AASB134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2019 and of the performance for the six-month period ended on that date of the consolidated entity;
2. In the director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors,

A handwritten signature in blue ink, appearing to read 'James Brown', written over a horizontal line.

**James Brown**  
Director

Perth, 4 March 2020

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ALTURA MINING LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of Altura Mining Limited ("the company"), which comprises the consolidated balance sheet as at 31 December 2019, and the consolidated statement of profit and loss, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Altura Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 of the financial report which indicates that the consolidated entity incurred a loss after tax of \$31.62m (31 December 2018: loss of \$10.98m) for the half-year ended 31 December 2019 and recorded a net current asset deficiency of \$179.19m (30 June 2019: \$180.39m) as at 31 December 2019. As at 31 December 2019, the consolidated entity had \$2.39m (30 June 2019: \$9.49m) of cash available while needing to refinance a loan note facility of \$203.91 million by August 2020. These conditions, along with other matters as set forth in Note 1, 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. Our opinion is not modified in respect of this matter.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.

## Directors' Responsibility for the Financial Report

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

## Auditor's Responsibility

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

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

## PKF BRISBANE AUDIT



LIAM MURPHY  
PARTNER

BRISBANE  
DATE: 4 MARCH 2020