Peak Minerals Limited

(Formerly known as Pure Alumina Limited)

ABN 74 072 692 365

Annual Report - 30 June 2020

Contents

Directors	Ernest Thomas Eadie (Non-Executive Chairman) David Leavy (Managing Director) Robert Boston (Non-Executive Director)
Company secretary	Melanie Leydin
Registered office	Level 4, 96-100 Albert Road South Melbourne VIC 3205
Principal place of business	Level 4, 96-100 Albert Road South Melbourne VIC 3205
Share register	Boardroom Limited Level 12, 225 George Street Sydney NSW 2000
Auditor	Moyes Yong + Co Suite 1301 Level 13, 115 Pitt Street Sydney NSW 2000
Stock exchange listing	Peak Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: PUA)
Website	www.peakminerals.com.au/

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Peak Minerals Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors

The following persons were directors of Peak Minerals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ernest Thomas Eadie - Non-Executive Chairman
David Leavy - Finance Director, appointed Managing Director on 24 December 2019
Robert Boston - Non-Executive Director
Martin McFarlane - Managing Director (resigned 24 December 2019)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Marketing and seeking to close the transaction with Polar Sapphire. This process was terminated on the 30th of September with the expiry of the acquisition agreement;
- Review of the company's strategic direction and subsequent focus on gold and base metal projects, including updating analysis of the company's existing gold projects.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

Overview

The transaction to acquire Polar Sapphire expired on 30th September 2019. While the board has a favourable view for the outlook of the HPA market the decision to place the Yendon HPA project on hold and focus on the company's Hill End gold project and commenced a search for additional acquisitions.

The Yendon HPA project was kept on hold during the Polar acquisition process. Following the end of this process it was decided that the best way to generate returns for shareholders was to focus on gold and base metal projects. The strategy has 2 focuses:

- Hill End Gold Project – the initial focus was to update the JORC Resource to the current 2012 guidelines based on the current data. This was completed in May 2020 and has provided the Company with the basis upon which it can decide on the most appropriate activities to maximise the value of the project for shareholders;
- We will continue to review investment opportunities in gold and base metal projects that have the potential to be value accretive.

The Yendon HPA project will be kept in good standing to provide optionality to the lithium battery market that is expected to see extraordinary growth driven by the electric vehicle market.

Corporate

On 30 September 2019 the acquisition agreement with Polar Sapphire expired, requiring the Company to review its strategic alternatives. The board took into account the outlook for many of the commodity markets and the key drivers behind each of them. The global geopolitical uncertainties and investor demand made gold an obvious choice. The outlook for commodities used in the electric vehicle revolution also have very favourable outlooks and so copper and nickel projects are of interest.

The sale process for the Hill End gold project was also terminated to allow a full review of the data to take place and its value to be maximised.

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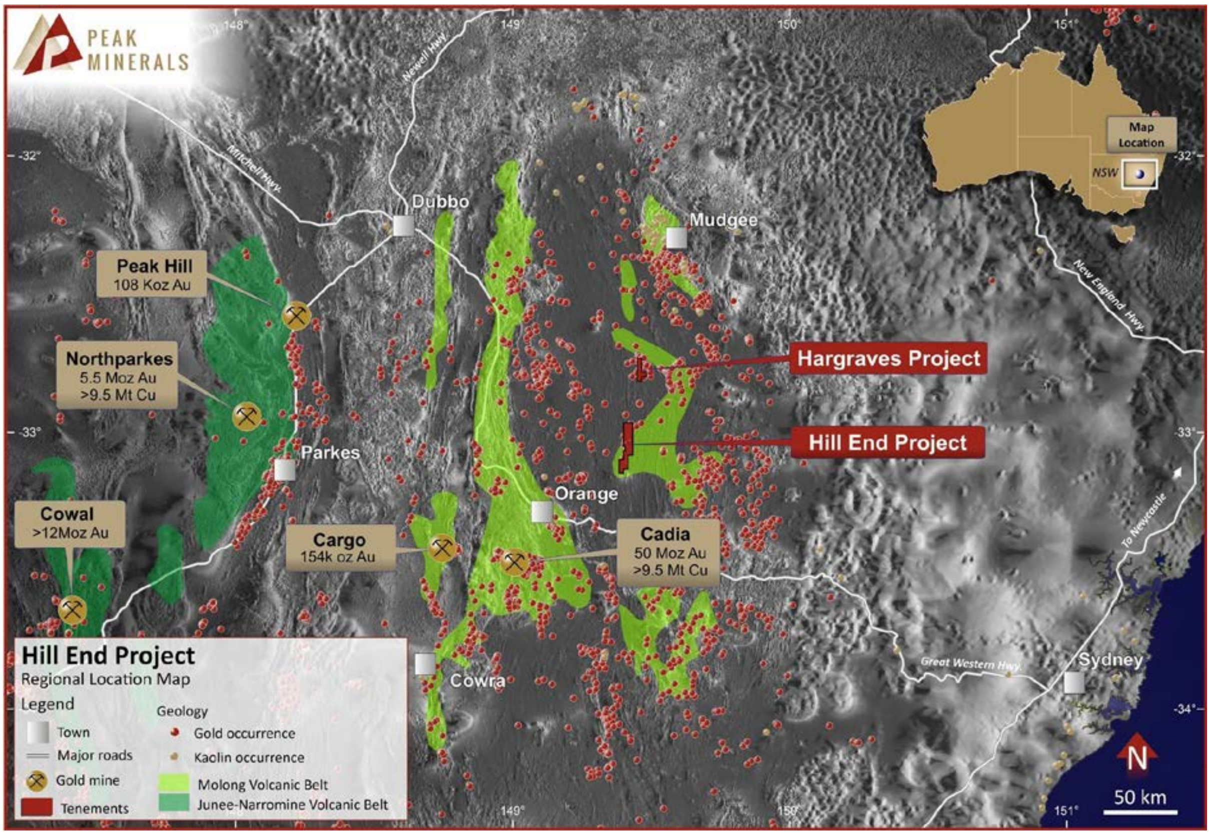
On 24 December 2019, Pure Alumina's Managing Director, Martin McFarlane, stepped down from his role with the company. Mr McFarlane's guidance of the company over the previous 2 years delivered a very successful PFS on the Yendon HPA (High Purity Alumina) project and an opportunity to acquire a unique and significantly less capital intensive technology for the production of HPA. While the PFS for Yendon was successful both technically and financially, the capital cost of construction, commissioning and working capital for the HPA facility was a significant hurdle to its development, and, as noted elsewhere in this report, this project has been placed on hold for the time being. The company would like to acknowledge the significant contribution made by Mr McFarlane over his tenure.

Hill End and Hargraves Gold Project - overview

The Hill End and Hargraves gold projects have long history of mining and exploration. Hill End has been an active mining centre since the 1850's, when the first alluvial gold was found. Since then there has been numerous phases of mining.

A full review of the history, geology and potential was undertaken to identify the key controls on mineralisation to enable an efficient and effective exploration strategy. The extensive history of gold mining in the area has provided a significant amount of data and information to assist in identify opportunities.

The first stage of the review was the updating of the Hargraves resource. While the update resulted in fewer ounces, it also provided a much higher level of confidence in the continuity of the deposit. It has also highlighted several areas for further exploration that will potentially increase the size and/or confidence level in the resource.



Hargraves Project

The Hargraves project was the subject of several development studies by the Company over several years. These studies were based on 2004 JORC compliant resource. In order to undertake further work on the project, the first step was to update the existing Resource to JORC 2012 using the existing information.

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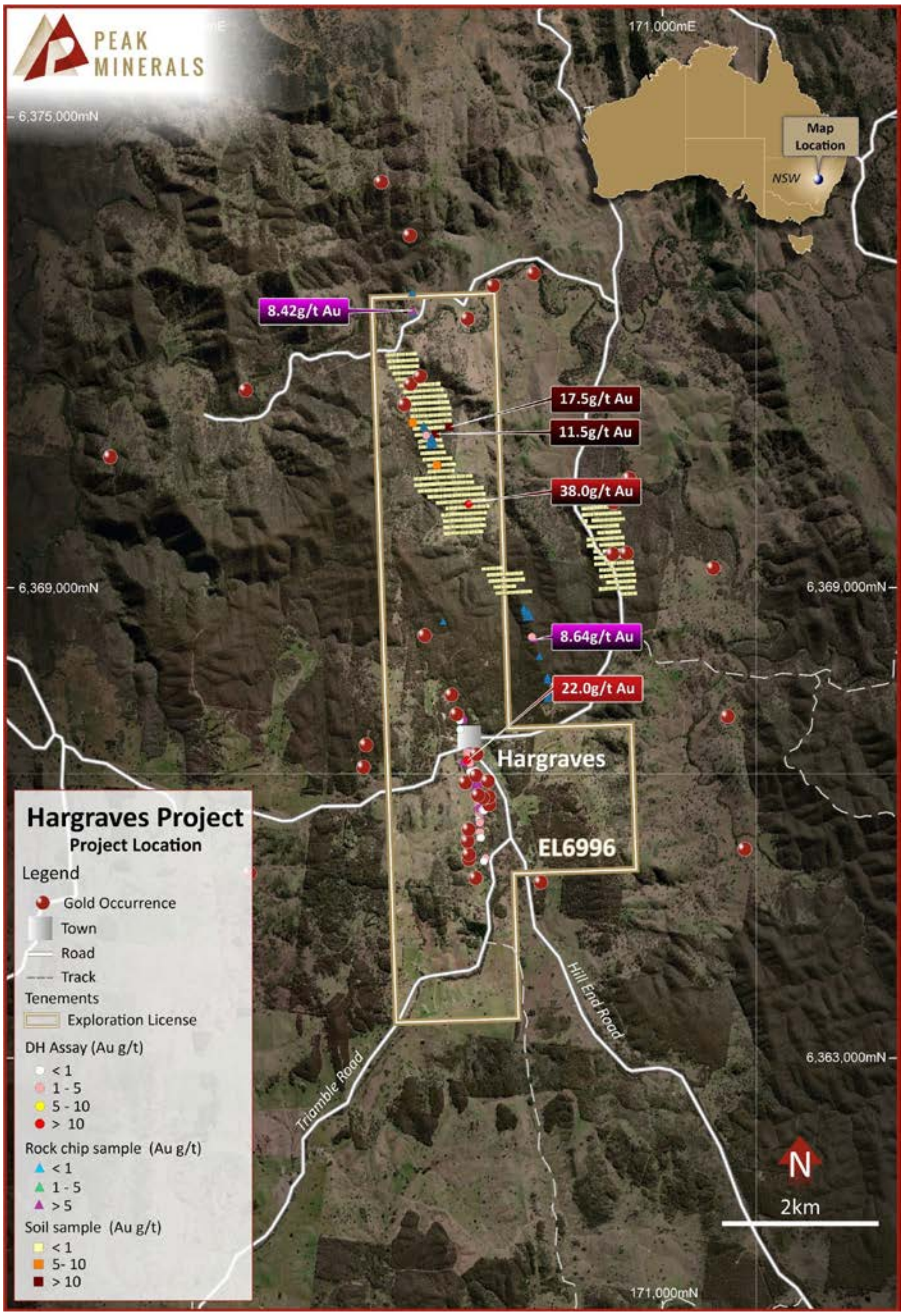
The key outcomes of the 2020 Hargraves Mineral Resource estimate were:

- The defined Mineral Resources represent a decrease in average grade, reported tonnes and contained metal relative to the previously announced 2013 Mineral Resource estimate. This decrease is primarily attributable to the treatment and sensitivity of the previous model to extreme grade samples.
- Extreme grade samples have the potential to dramatically alter the modelled grade distribution and different approaches have resulted in a lack of consistency between Mineral Resource estimates. The latest estimate better addresses the impact of high-grade samples on the block grade distribution with grade thresholding.
- SRK's modelling demonstrated geostatistical predictability of Hargraves mineralisation up to 30g/t Au, while acknowledging that high-grade mineralisation beyond this point has limited spatial continuity. The use of geostatistically-derived parameters and ordinary kriging has resulted in a modelled grade distribution that closely honours the drill data.
- Well-structured variograms were produced from untransformed assays. This calls into question the assertions that the mineralisation is extremely 'high nugget'. In SRK's experience, 'high nugget' gold deposits such as Ballarat and Bendigo often show no variogram structure whatsoever, even after unfolding or Gaussian transformation.



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Hill End Project

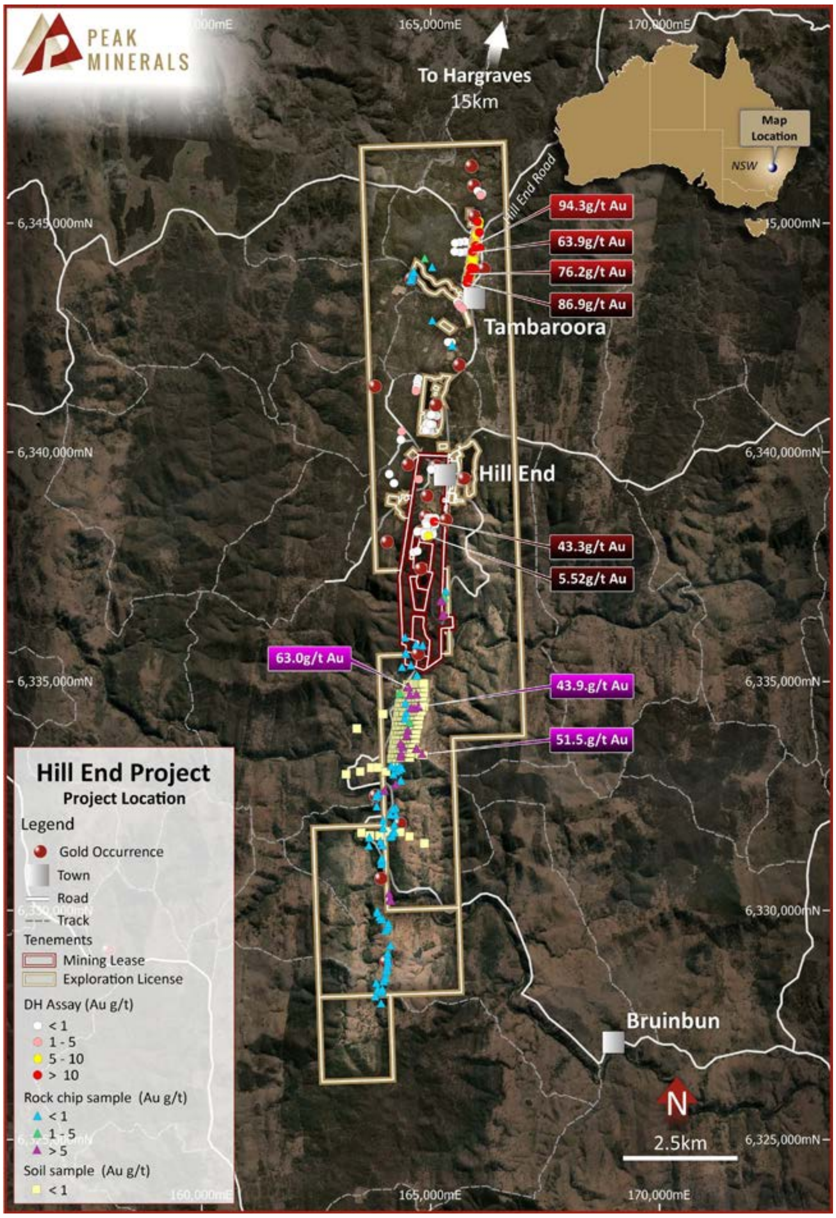
The Reward deposit at Hill End was the subject of a trial mining program from 2008-10, providing a lot of information on the geology of the deposit. It is a quartz hosted orebody that has had 2 significant geological events impact gold mineralisation:

1. Folding of the volcano-sedimentary package and formation of the bedding parallel veins along the thrusts.
2. The second deformation event led to the tightening of the folds and formation of steeply dipping reverse faults which were the fluid conduits for high grade gold. These faults form an en-echelon array.

Following a structural review of the geology with the benefit of the trial mining, the geological model was revised to take into account the impact of the 2 major events. The key finding were that mineralisation is likely to be focused on:

1. The dilational zones at the tops of the fault strands, in which vein arrays and breccias formed with the second mineralising event
2. Late fractures near the intersection of reverse faults with the laminated veins

This new understanding has provided a clear direction on an exploration plan for the project. In a quartz hosted, nuggety orebody, the structural controls are fundamental in being able to develop a predictive geological model to guide the exploration and drilling programs.



Hill End and Hargraves Gold Project - planned activities

The planned activities over the short and medium term are:

Over the next 3 months, the Company will conduct the following activities in preparation for drilling:
- A structural geology study to formalise the findings of the review process;
- A review of the underground workings to ensure safety and accessibility for exploration and drilling;
- Planning and approval process for drilling at both Reward and Hargraves.

Over the next 12-18 months, the aim is to undertake:
- Drilling and exploration work to extend the mineralisation at both Hargraves and Hill End, which if successful will result in upgraded resources;
- Subject to the outcomes of the exploration program, commence studies on the best development pathway for Hargraves and Hill End.

The Company is continuing to assess potential acquisitions to add value for shareholders. The focus is on gold, copper and nickel exploration projects in Australia.

Resource Statement

2012 JORC-compliant Mineral Resources

	Classification	Tonnes (t)	Grade (Au g/t)	Contained oz
Hargraves *	Indicated	1,108,651	2.7	97,233
Hargraves *	Inferred	1,210,335	2.1	80,419
Sub-Total		**2,318,986**	**2.4**	**177,652**
Red Hill**	Indicated	413,000	1.4	18,600
Red Hill**	Inferred	1,063,000	1.8	61,400
Sub-Total		**1,475,000**	**1.37**	**80,000**
Total		**3,794,986**	**2.11**	**257,652**

2004 JORC-compliant Hawkins Hill\Reward Mineral Resources

	Classification	Tonnes (t)	Grade (Au g/t)	Contained oz
Hawkins Hill – Reward***	Measured	77,400	11.3	28,100
Hawkins Hill – Reward***	Indicated	180,400	6.5	37,700
Hawkins Hill – Reward***	Inferred	627,800	8.8	178,100
Total		**885,600**	**8.6**	**243,900**

		Tonnes (t)	Grade (Au g/t)	Contained oz
Total		**4,680,586**	**3.3**	**501,552**

* Hargraves: 0.8 g/t reporting cut-off. ASX announcement 29 May 2020: https://www.asx.com.au/asxpdf/20200529/pdf/44j6vrzbnmmsm3.pdf

** Red Hill: 0.5 g/t per block, ordinary kriging grade interpolation, classified Mineral Resources limited to 160mRL below surface. ASX announcement 30 Nov 2015: https://www.asx.com.au/asxpdf/20151130/pdf/433f59prb9x8km.pdf

*** Cut-off grades Hawkins Hill\Reward: 0.5 g/t and inverse distance squared grade interpolation. ASX announcement 13 Oct 2010: https://www.asx.com.au/asxpdf/20101013/pdf/31t2q5df28qlgb.pdf . This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Pursuant to ASX Listing Rule 5.23.2, Peak Minerals Limited confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements referred to in the Resource Tables above and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in those market announcements continue to apply and have not materially changed.

High Purity Alumina Project

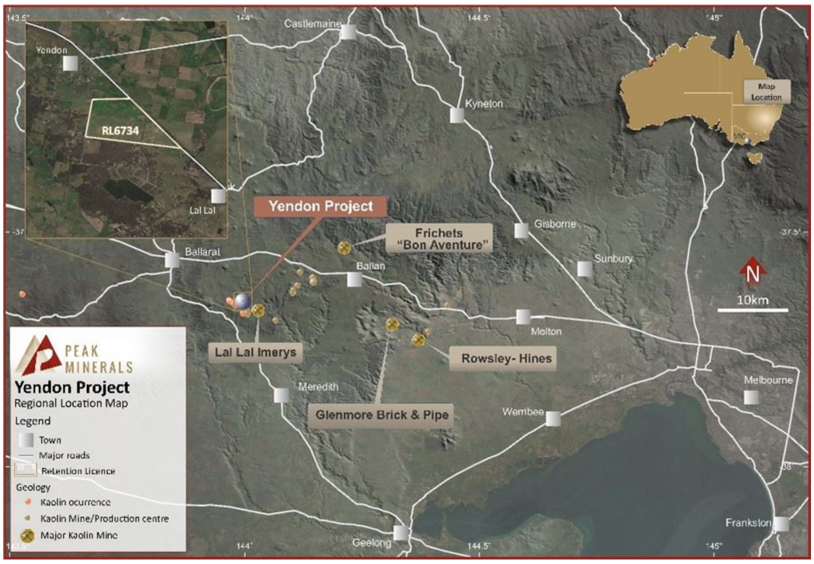


Figure 1: HPA Project location near Ballarat, Victoria

The Yendon HPA project has been placed on hold for the foreseeable future. While the project is technically and financially very sound, there is currently no clear path to fund the capital cost. During the half year ended 31 December 2019, the consolidated entity decided to surrender EL6447 (Pittong tenement) to reduce the project's holding costs. All of the remaining resource for the Yendon HPA Project is located on EL5457, EL5461 and EL6428, so the project is not impacted by this reduction on tenement holding.

A retention licence for the Resource area marked "RL6734" in Figure 1, above, was granted subsequent to 30 June 2020.

Financial performance

The loss for the consolidated entity after providing for income tax for the half year ended 30 June 2020 was $2,904,273 (30 June 2019: $6,426,182).

A significant amount of this loss was attributable to a loss of $1,402,398 (30 June 2020: $Nil) recognised in relation to the consolidated entity's decision to surrender its kaolin tenement at Pittong, Victoria.

A significant amount of the loss for the comparative period ended 30 June 2019 was attributable to an impairment loss of $4,279,171 recognised in relation to the consolidated entity's gold assets. That impairment was made following an assessment at the time by the Board of the gold assets' fair value.

Other expenses for the current period were approximately $390,000, compared to $772,000 for the corresponding period. The decrease in these expenses reflects lower holding and maintenance costs relating to the gold tenement assets. Administration costs for the current period were approximately $1,319,000, compared to $1,573,000 for the corresponding period. The decrease in these expenses mainly reflects share based payments expensed during the comparative period,

Financial position

The net assets of the consolidated entity reduced by $2,636,827 to $7,170,482 at 30 June 2020 (30 June 2019: $9,807,309) primarily as a consequence of the loss after income tax for the period, which is also reflected in the reduction of its cash balance.

Non-current assets related to the consolidated entity's gold projects with a value of $5,606,750 were re-classified from current assets to non-current assets following the Company's decision to discontinue the proposed sale of those assets. Non-current liabilities of $286,029 associated with those assets were similarly re-classified from current liabilities to non-current liabilities.

The reduction in the balance of the consolidated entity's High Purity Alumina project of approximately $1.4 million in the year ended 30 June 2020 was due to the consolidated entity's decision to surrender its kaolin tenement at Pittong, Victoria.

The working capital position of the consolidated entity as at 30 June 2020 resulted in an excess of current assets over current liabilities of $236,520, compared to $1,408,407 at 30 June 2019 (excluding the value of held for sale gold assets and associated liabilities, which were re-classified from current to non-current following the Company's decision to discontinue the proposed sale of those assets), with the reduction being due mainly to the reduction of the cash balance referred to above.

Significant changes in the state of affairs

On 30 September 2019 the Company announced that the agreement to acquire Canadian private company Polar Sapphire Limited (Polar Sapphire) would expire on that date, which terminated the proposed Polar Sapphire acquisition, and that the Company would review its direction, including the future of the Hill End / Hargraves gold assets and the Yendon high purity alumina project.

On 4 October 2019 the Company announced that it had terminated the sale process for its Hill End-Hargraves gold assets and that it would review whether there was greater value for shareholders by retaining the gold project rather than divesting it, given that, since the sale process commenced, the Australian-dollar gold price had increased by more than 30 per cent.

On 29 October 2019 the Company announced that it had completed a review of the strategic direction of the Company, with the following outcomes:

- in light of higher gold prices, the Company would refocus on gold projects, including: generating a gold resource estimate at Hargraves, using predominantly existing information, that complied with current JORC reporting requirements; contemplate updating historic economic studies for Hargraves; review the exploration potential for Hargraves and Hill End; assess other gold assets; and
- place the development of the Yendon high purity alumina project on hold until market conditions improved, or consider alternative options for the future of the Yendon assets.

On 24 December 2019, the Company's Managing Director, Martin McFarlane, resigned. Executive Director Mr David Leavy has been appointed as interim Managing Director.

On 29 May 2020, the Company issued 33,264,123 fully paid ordinary shares as first tranche of a share placement announced on the same day. The shares were issued at an issue price of $0.009 per share.

On 29 May 2020, the Company also announced a rights issue and the second tranche of the share placement. The rights issue and second tranche of the share placement were completed after 30 June 2020.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

On 7 July 2020, the Company issued 97,855,414 fully paid ordinary shares at $0.009 per share in relation to the non-renounceable rights issue (Entitlement Offer) announced on 29 May 2020.

Also on 7 July 2020, the Company issued 48,927,637 listed options in relation to the Entitlement Offer. The options are exercisable at $0.025 and expire on 30 December 2022.

On 10 July 2020, the Company issued 55,159,554 fully paid ordinary shares at $0.009 per share in relation to the shortfall shares under the Entitlement Offer.

Furthermore on 10 July 2020, the Company issued 27,579,777 listed options in relation to the shortfall shares under the Entitlement Offer. The options are exercisable at $0.025 and expire on 30 December 2022.

On 3 August 2020, the Company issued 195 fully paid ordinary shares at $0.025 per share, on exercise of 195 listed options.

On 4 August 2020, the Company:

- Issued 14,322,361 fully paid ordinary shares at $0.00001 per share, as consideration for services rendered by the Joint Lead Managers and Underwriter to the Entitlement Offer;
- Issued 16,632,061 listed options in relation to the tranche 1 shares issued from the placement announced on 29 May 2020 (Placement). The options are exercisable at $0.025 and expire on 30 December 2022;
- Issued 40,000,000 fully paid ordinary shares in relation to tranche 2 of the Placement. The shares were issued at an issue price of $0.009 per share;
- Issued 20,000,000 listed options in relation to the tranche 2 shares issued from the Placement. The options are exercisable at $0.025 and expire on 30 December 2022; and
- Issued 50,000,000 listed options as consideration for services rendered by the Joint Lead Managers and Underwriter to the Entitlement Offer. The options are exercisable at $0.025 and expire on 30 December 2022.

On 6 August 2020, the Company announced that it had changed its name from Pure Alumina Limited to Peak Minerals Limited following approval by shareholders.

On 17 August 2020, the Company issued 20,000,000 unlisted options to directors as an incentive as approved by shareholders on 31 July 2020. The options are exercisable at $0.0331 and expire on 30 December 2022.

On 17 August 2020, the Company issued 1,000,000 unlisted options to a contractor in recognition of services provided. The options are exercisable at $0.0465 and expire on 30 December 2022.

On 1 September 2020, the Company issued 1,350 fully paid ordinary shares at $0.025 per share, on exercise of 1,350 PUAOD listed options.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information about likely developments is set out above in the "Review of Operations" section of this report.

Environmental regulation

The Group's New South Wales mineral tenements are issued by the Department of Primary Industry - Minerals (DPI) and the Group operates under environmental licences and conditions issued by the DPI and the Environmental Protection Authority. The conditions of these tenements and licences require the preparation of environmental reports, monitoring and ongoing rehabilitation for exploration and mining activities. The Group has statutory obligations to protect the environment in which it is exploring and operating.

Before commencing ground intrusive work or work involving the removal or damage of native vegetation within an Exploration Licence in Victoria, each licence is subject to a rehabilitation bond to the satisfaction of the Minister. The licensee must also notify the Earth Resources Regulation (ERR) Regional Manager and the Crown land Manager, if Crown land is involved, of the nature of the proposed works, and obtain approvals for the proposed works to commence. All reasonable care must be taken to avoid, minimize and/or offset the removal and disturbance of native vegetation and faunal habitats. Special conditions, assessments and exclusions may also apply to Box-Ironbark regions to identify areas or sites to be avoided.

While environmental reports are not generally required where only low impact exploration activities are being undertaken (as within the Victorian Exploration Licences) the licensee must operate under the Code of Practice For Mineral Exploration (Mineral Resources (Sustainable Development) Act 1990) and be aware of, and manage, multiple potential issues that may arise.

During the reporting period the Group met its obligations pursuant to environmental legislation. Directors are not aware of any regulations or requirements that were not being complied with.

Information on directors

Name:	Ernest Thomas Eadie
Title:	Non-Executive Chairman
Experience and expertise:	Non-Executive Chairman appointed 3 July 2018. Geologist and mining executive with over 20 years' experience in the resources industry with many significant mineral discoveries to his name. Former Executive Chairman of Copper Strike, founding Chairman of Syrah Resources and previously Executive General Manager – Exploration and Technology at Pasminco. Past board member of the Australasian Institute of Mining and Metallurgy and the Australian Mineral Industry Research Association.
Other current directorships:	Strandline Resources Limited (ASX: STA), Alderan Resources Limited (ASX: AL8)
Former directorships (last 3 years):	New Century Resources Limited (resigned March 2019)
Interests in shares:	10,689,017 fully paid ordinary shares
Interests in options:	847,900 listed options 4,000,000 unlisted options

Name:	Martin McFarlane
Title:	Managing Director (resigned 24 December 2019)
Qualifications:	B.Eng., B.Bus
Experience and expertise:	Mr McFarlane has more than 25 years resources experience with major resource companies including Minerals and Metals Group, OZ Minerals Limited, Zinifex Limited, Pasminco Limited and Conzinc Rio Tinto of Australia including successfully holding senior roles for the past 13 years either as CEO / President of the company or being responsible for major business units reporting directly to the CEO.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	1,683,526 fully paid ordinary shares (as at date of resignation)
Interests in options:	None

Name:	David Leavy
Title:	Finance Director, appointed Managing Director on 24 December 2019
Qualifications:	B.Ec., M. App. Fin
Experience and expertise:	Mr Leavy has over 25 years of experience in the banking and mining industries covering a wide range of commodities. He has significant experience in debt and equity markets, physical and derivative commodity markets, specifically in gold, bauxite, iron ore, base metals, oil and LNG. Recent roles have included CFO of several mining companies undergoing project development, requiring implementation of appropriate business processes, government negotiations, team establishment, logistics etc. in Australia, Ghana, Guinea and Sierra Leone. Prior to this Mr Leavy held a number of roles at Westpac through financial markets (FX and commodity derivatives), project finance, relationship management, credit analysis and capital solutions. A significant focus for these roles was on the Mining and Oil & Gas sectors.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	2,877,641 fully paid ordinary shares
Interests in options:	539,557 listed options 8,000,000 unlisted options

Name:	Robert Boston
Title:	Non-Executive Director
Qualifications:	B.Comm, B.LLB, Grad Dip App.Fin, Dip Man
Experience and expertise:	Mr Boston has more than 15 years experience in the mining industry. An experienced resources executive, having held positions in legal, business development, strategy, marketing and commercial roles with in BHP Billiton Limited, Rio Tinto Limited and Poseidon Nickel Limited and continues to advise a number of junior resources companies. Mr Boston has multi commodity expertise in exploration, early stage resource development, M&A, joint ventures and marketing. Prior to this Mr Boston worked for national law firms Freehills and Mallesons Stephen Jaques in their Corporate, Projects and Finance areas and is admitted to the Supreme Court of Western Australia and High Court of Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	1,333,641 fully paid ordinary shares
Interests in options:	250,057 listed options 8,000,000 unlisted options

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Ms Melanie Leydin, BBus (Acc. Corp Law) CA FGIA

Melanie Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants, Fellow of the Governance Institute of Australia and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of Leydin Freyer. The practice provides outsourced company secretarial and accounting services to public and private companies across a host of industries including but not limited to the Resources, technology, bioscience, biotechnology and health sectors.

Melanie has over 25 years' experience in the accounting profession and over 15 years as a Company Secretary. She has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Ernest Thomas Eadie	17	17
Martin McFarlane	11	11
David Leavy	17	17
Robert Boston	17	17

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $250,000). Fees for non-executive directors are not linked to the performance of the Group.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

Consolidated entity performance and link to remuneration
Remuneration is not directly linked to the performance of the consolidated entity.

Voting and comments made at the Company's 29 November 2019 Annual General Meeting ('AGM')
At the 29 November 2019 AGM, 77.46% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Peak Minerals Limited:

- Ernest Thomas Eadie
- Martin McFarlane (resigned 24 December 2019)
- David Leavy
- Robert Boston

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
30 June 2020	Cash salary and fees $	Termination payment $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Ernest Thomas Eadie	60,000	-	-	5,700	-	-	65,700
Robert Boston	40,000	-	-	3,800	-	-	43,800
Executive Directors:							
Martin McFarlane	121,227	212,978	-	10,501	-	-	344,706
David Leavy	204,000	-	-	19,572	2,545	-	226,117
	425,227	212,978	-	39,573	2,545	-	680,323

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
30 June 2019	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Ernest Thomas Eadie	60,000	-	-	5,700	-	-	65,700
Robert Boston	40,000	-	-	3,800	-	24,000	67,800
Graham Charles Reveleigh	13,333	-	-	1,267	-	24,000	38,600
Executive Directors:							
Martin McFarlane	252,000	-	-	25,018	4,589	60,000	341,607
David Leavy	204,000	-	-	19,380	3,715	60,000	287,095
	569,333	-	-	55,165	8,304	168,000	800,802

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Non-Executive Directors:						
Ernest Thomas Eadie	100%	100%	-	-	-	-
Robert Boston	100%	65%	-	35%	-	-
Graham Charles Reveleigh	-	38%	-	62%	-	-
Executive Directors:						
Martin McFarlane	100%	82%	-	18%	-	-
David Leavy	100%	79%	-	21%	-	-

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	David Leavy
Title:	Finance Director (appointed Managing Director on 24 December 2019)
Agreement commenced:	1 January 2018
Term of agreement:	No fixed term
Details:	Mr Leavy's base salary is $204,000. Contributions to a complying superannuation fund will be made at the prevailing Superannuation Guarantee levy rate (currently 9.5%) up to the quarterly maximum salary cap. The following termination provisions apply: - the Company or Mr Leavy may terminate the agreement by giving three months' written notice; - if the Company terminates the agreement without notice for any reason other than serious misconduct a severance payment of 9 months current base salary will be payable; - in the case of redundancy the National Employment Standards will apply.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2020.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2020.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other*	Balance at the end of the year
Ordinary shares					
Martin McFarlane	1,683,526	-	-	(1,683,526)	-
David Leavy	1,798,526	-	-	-	1,798,526
Ernest Thomas Eadie	8,993,217	-	-	-	8,993,217
Robert Boston	833,526	-	-	-	833,526
	13,308,795	-	-	(1,683,526)	11,625,269

* Mr McFarlane resigned on 24 December 2019.

Option holding
The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Ernest Thomas Eadie	200,000	-	-	-	200,000
	200,000	-	-	-	200,000

Other transactions with key management personnel and their related parties
Refer to note 26 for details of other transactions with key management personnel and their related parties.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Peak Minerals Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
7 July 2020	30 December 2022	$0.025	48,927,637
10 July 2020	30 December 2022	$0.025	27,579,777
4 August 2020	30 December 2022	$0.025	86,632,061
17 August 2020	30 December 2022	$0.033	20,000,000
18 August 2020	30 December 2022	$0.046	1,000,000
			184,139,475

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
The following ordinary shares of Peak Minerals Limited were issued during the year ended 30 June 2020 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
7 July 2020	$0.025	1,545

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Moyes Yong & Co
There are no officers of the Company who are former partners of Moyes Yong & Co.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Moyes Yong & Co continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Tom Eadie
Chairman

18 September 2020

moyes yong + co
my business solutions

Moyes Yong + Co Partnership
ABN 36 528 219 967
Suite 1301, Level 13
115 Pitt Street
Sydney NSW 2000
GPO Box 4393,
Sydney NSW 2001
T: (02) 8256 1100
F: (02) 8256 1111
info@moyesyong.com.au

AUDITOR'S INDEPENDENCE DECLARATION

To the directors of Pure Alumina Limited

In accordance with Section 307C of the Corporations Act 2001, as lead audit partner for the audit of Pure Alumina Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Pure Alumina Limited and the entities it controlled during the period.

William M Moyes - Partner

Moyes Yong & Co Partnership

Dated this 18th day of September 2020

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Other revenue	5	201,843	187,746
Interest revenue		5,879	10,044
Other expenses	6	(389,549)	(772,211)
Impairment of assets	10	-	(4,279,171)
Loss on surrender of tenement	14	(1,402,398)	-
Administration		(1,318,631)	(1,572,590)
Finance costs		(1,417)	-
Loss before income tax expense		(2,904,273)	(6,426,182)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of Peak Minerals Limited		(2,904,273)	(6,426,182)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Peak Minerals Limited		(2,904,273)	(6,426,182)
		Dollars	**Dollars**
Basic earnings per share	34	(1.29)	(3.85)
Diluted earnings per share	34	(1.29)	(3.85)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Statement of financial position
As at 30 June 2020

	Note	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Assets			
Current assets			
Cash and cash equivalents	8	484,659	1,359,551
Trade and other receivables	9	49,724	313,548
		534,383	1,673,099
Non-current assets classified as held for sale	10	-	5,606,750
Total current assets		534,383	7,279,849
Non-current assets			
Other financial assets	11	636,750	30,000
Property, plant and equipment	12	145,892	815
Right-of-use assets	13	102,132	-
Exploration and evaluation	14	6,437,123	3,055,670
Total non-current assets		7,321,897	3,086,485
Total assets		7,856,280	10,366,334
Liabilities			
Current liabilities			
Trade and other payables	15	238,887	221,028
Lease liabilities	16	28,227	-
Employee benefits	17	30,749	43,664
		297,863	264,692
Liabilities directly associated with assets classified as held for sale	18	-	286,029
Total current liabilities		297,863	550,721
Non-current liabilities			
Lease liabilities	19	74,294	-
Employee benefits	20	6,261	8,304
Other provisions	21	307,380	-
Total non-current liabilities		387,935	8,304
Total liabilities		685,798	559,025
Net assets		7,170,482	9,807,309
Equity			
Issued capital	22	84,940,191	84,672,745
Reserves		200,848	200,848
Accumulated losses		(77,970,557)	(75,066,284)
Total equity		7,170,482	9,807,309

The above statement of financial position should be read in conjunction with the accompanying notes

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Statement of changes in equity
For the year ended 30 June 2020

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2018	81,578,502	85,348	(68,640,102)	13,023,748
Loss after income tax expense for the year	-	-	(6,426,182)	(6,426,182)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(6,426,182)	(6,426,182)
Transactions with owners in their capacity as owners:				
Options issued during the year	-	115,500	-	115,500
Shares issued during the year	3,094,243	-	-	3,094,243
Balance at 30 June 2019	84,672,745	200,848	(75,066,284)	9,807,309

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2019	84,672,745	200,848	(75,066,284)	9,807,309
Loss after income tax expense for the year	-	-	(2,904,273)	(2,904,273)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(2,904,273)	(2,904,273)
Transactions with owners in their capacity as owners:				
Shares issued during the year	267,446	-	-	267,446
Balance at 30 June 2020	84,940,191	200,848	(77,970,557)	7,170,482

The above statement of changes in equity should be read in conjunction with the accompanying notes

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Statement of cash flows
For the year ended 30 June 2020

	Note	Consolidated 30 June 2020 $	30 June 2019 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,650,826)	(2,156,247)
Interest received		5,879	10,044
Other revenue		40,535	8,195
Interest and other finance costs paid		(1,417)	-
R&D tax incentive		234,229	488,159
Net cash used in operating activities	33	(1,371,600)	(1,649,849)
Cash flows from investing activities			
Payments for property, plant and equipment	12	-	(978)
Payments for exploration and evaluation	14	(32,209)	(206,285)
Proceeds from disposal of property		290,000	-
Net cash from/(used in) investing activities		257,791	(207,263)
Cash flows from financing activities			
Proceeds from issue of shares	22	299,377	1,753,178
Share issue transaction costs		(31,931)	(141,437)
Repayment of lease liabilities		(28,529)	-
Net cash from financing activities		238,917	1,611,741
Net decrease in cash and cash equivalents		(874,892)	(245,371)
Cash and cash equivalents at the beginning of the financial year		1,359,551	1,604,922
Cash and cash equivalents at the end of the financial year	8	484,659	1,359,551

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Peak Minerals Limited as a consolidated entity consisting of Peak Minerals Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Peak Minerals Limited's functional and presentation currency.

Peak Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4, 96 - 100 Albert Road
South Melbourne, VIC, 3205
AUSTRALIA

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2020. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases
The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

- right of use assets of $38,557 were recognised upon adoption;
- lease liabilities of $38,557 were recognised upon adoption;
- there was no amendment to opening accumulated losses upon adoption;
- during the year ended 30 June 2020, lease payments of $29,946 were allocated to lease liability payments ($28,529) and interest expense ($1,417);
- during the year ended 30 June 2020, right of use assets depreciation of $28,917 was recognised.

Note 2. Significant accounting policies (continued)

	Consolidated 31 June 2020
Operating lease commitments as at 1 July 2019 (AASB 117)	40,089
Operating lease commitments discount based on the weighted average incremental borrowing rate of 5.5% (AASB 16)	(1,532)
	38,557
Lease liabilities - current (AASB 16)	(28,529)
Lease liabilities - non-current (AASB 16)	(10,028)
	(38,557)
Impact on opening accumulated losses as at 1 July 2019	-

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Going concern
The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and liabilities in the ordinary course of business. The going concern of the consolidated entity is dependent upon it maintaining sufficient funds for its operations and commitments.

The cash balance as at 30 June 2020 was $484,659 (30 June 2019: $1,359,551).

The consolidated entity made a loss after tax of $2,904,273 during the year ended 30 June 2020 (30 June 2019: loss of $6,426,182) and the net cash used in operating activities was $1,371,600 (30 June 2019: $1,649,849 net outflow).

Note 2. Significant accounting policies (continued)

Notwithstanding these results, the directors believe that the company will be able to continue as a going concern and as a result the financial statements have been prepared on a going concern basis. The accounts have been prepared on the assumption that the company is a going concern for the following reasons:

- During July – August 2020 the Company completed a capital raising, with cash proceeds of approximately $1.7 million, which is expected to be sufficient to fund the consolidated entity’s activities for at least 12 months from the date of these financial statements;
- the ability of the consolidated entity to scale back parts of its operations and reduce costs if required;
- the Board is of the opinion that the consolidated entity has, or shall have access to, sufficient funds to meet the planned corporate activities and working capital requirements; and
- as the Company is an ASX-listed entity, the consolidated entity has the ability to raise additional funds if required.

In the event that the Group is unable to achieve the actions noted above, the Group may not be able to continue as a going concern, it may be required to realise its assets at amounts different to those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for other costs which may arise as a result of cessation or curtailment of normal business operations.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Peak Minerals Limited ('Company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Peak Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Note 2. Significant accounting policies (continued)

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition
The consolidated entity recognises revenue as follows:

Revenue from contracts with customers
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.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Investments and other financial assets
Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Note 2. Significant accounting policies (continued)

Conceptual Framework for Financial Reporting (Conceptual Framework)
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Impairment
The Group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Calculations used to assess recoverable amounts incorporate a number of key estimates.

It is reasonably possible that the underlying metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining plant and equipment, mining infrastructure and mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

Estimates of reserve quantities
The estimated quantities of proved and probable reserves reported by the Group are integral to the calculation of amortisation expenses and to assessments of possible impairment of assets. Estimated reserve quantities are based on interpretations of geological and geophysical models and assessments of the technical feasibility and commercial viability of producing the reserves. These assessments require assumptions to be made regarding future development and production costs. The estimates of reserves may change from period to period as the economic assumptions used to estimate the reserves can change from period to period, and as additional geological data is generated during the course of the operations.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 4. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one operating segment, being mineral exploration and evaluation operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews expenditure reports on exploration projects. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information is reported to the CODM on a monthly basis.

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Other revenue

	Consolidated	
	30 June 2020	30 June 2019
	$	$
Research and development tax incentive	164,243	176,241
Profit on sales of assets	-	3,310
Government assistance – Covid-19 related	37,065	-
Other	535	8,195
Other revenue	201,843	187,746

Note 6. Other expenses

	Consolidated	
	30 June 2020	30 June 2019
	$	$
Depreciation	62,212	41,877
Hill End site expenses	311,394	317,883
HPA project expenses	15,943	412,451
	389,549	772,211

Note 7. Income tax expense

	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(2,904,273)	(6,426,182)
Tax at the statutory tax rate of 27.5%	(798,675)	(1,767,200)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	-	273
Share-based payments	-	54,450
R&D tax incentive received	(45,167)	(48,466)
Non-taxable Government grants received	(10,193)	-
Non-deductible loss on disposal of assets	4,509	-
Deduction for equity raising costs recorded in equity	(38,410)	(38,921)
	(887,936)	(1,799,864)
Current year tax losses not recognised	499,023	639,694
Current year temporary differences not recognised	388,913	1,160,170
Income tax expense	-	-

	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	65,676,855	64,590,161
Potential tax benefit @ 27.5%	18,061,135	17,762,294

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Non deductible amounts as temporary differences	123,436	104,217
Capital raising costs	106,259	119,868
Accelerated deductions for book compared to tax	1,858,081	1,686,513
Total deferred tax assets not recognised	2,087,776	1,910,598

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 8. Current assets - cash and cash equivalents

	Consolidated	
	30 June 2020 $	30 June 2019 $
Cash at bank	484,659	1,359,551

Accounting policy for cash and cash equivalents
For the purposes of the statement of cash flows, cash and cash equivalents included cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

Note 9. Current assets - trade and other receivables

	Consolidated	
	30 June 2020 $	30 June 2019 $
Other receivables	31,015	313,548
Prepayments	18,709	-
	49,724	313,548

Prior year other receivables included $290,000 owing in relation to proceeds from the sale of a property during May 2019. This amount was fully received in July 2019.

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Impairment
Allowances for impairment are recognised using an 'expected credit loss' ('ECL') model. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly.

Note 10. Current assets - non-current assets classified as held for sale

	Consolidated	
	30 June 2020 $	30 June 2019 $
Exploration property - gold assets	-	4,821,628
Performance guarantee bonds	-	606,750
Exploration property - plant & equipment	-	63,764
Exploration property - real property	-	114,608
	-	5,606,750

Note 10. Current assets - non-current assets classified as held for sale (continued)

During the year ended 30 June 2019 the Company undertook a formal sale process for the Company's gold tenements at Hill End, New South Wales and Hargraves, New South Wales ("gold assets"). The formal sale process remained in progress at 30 June 2019 and the gold assets were at that time classified as current assets.

During the year ended 30 June 2019 the Company reviewed the carrying value of the gold assets and reassessed their fair value less costs to sell as $5,000,000. Accordingly, an impairment loss of $4,279,171 was recognised in relation to those assets during the year ended 30 June 2019.

During the year ended 30 June 2020 the Company terminated the sale process for the gold assets as part of a strategic corporate review. As a result these assets were re-classified as non-current assets at 30 June 2020.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of 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. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Note 11. Non-current assets - other financial assets

	Consolidated	
	30 June 2020 $	30 June 2019 $
Performance guarantee bonds (HPA assets)	30,000	30,000
Performance guarantee bonds (gold assets)	606,750	-
	636,750	30,000

During the year ended 30 June 2019 the Company was undertaking a formal sale process for the Company's gold tenements at Hill End, New South Wales and Hargraves, New South Wales ("gold assets"). The formal sale process remained in progress at 30 June 2019 and the gold assets were at that time classified as current assets.

During the year ended 30 June 2020 the Company terminated the sale process for the gold assets as part of a strategic corporate review. As a result, property, plant and equipment previously included in gold assets have been re-classified during this period, and remain classified as non-current other financial assets at 30 June 2020.

Note 12. Non-current assets - property, plant and equipment

	Consolidated	
	30 June 2020 $	30 June 2019 $
Real Property - at cost	114,608	114,608
Less: Reallocation to available-for-sale assets	-	(114,608)
	114,608	-
Plant and equipment - at cost	2,129,352	2,129,352
Less: Accumulated depreciation	(2,098,885)	(2,065,590)
Less: Reallocation to available-for-sale assets	-	(62,947)
	30,467	815
Motor vehicles - at cost	46,783	46,783
Less: Accumulated depreciation	(45,966)	(45,966)
Less: Reallocation to available-for-sale assets	-	(817)
	817	-
	145,892	815

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Real Property $	Plant & equipment $	Motor vehicles $	Total $
Balance at 1 July 2018	388,798	99,229	6,250	494,277
Additions	-	978	-	978
Disposals	(274,190)	-	-	(274,190)
Transfers in/(out)	(114,608)	(62,947)	(817)	(178,372)
Depreciation expense	-	(36,445)	(5,433)	(41,878)
Balance at 30 June 2019	-	815	-	815
Transfers in/(out)	114,608	62,947	817	178,372
Depreciation expense	-	(33,295)	-	(33,295)
Balance at 30 June 2020	114,608	30,467	817	145,892

During the year ended 30 June 2019 the Company was undertaking a formal sale process for the Company's gold tenements at Hill End, New South Wales and Hargraves, New South Wales ("gold assets"). The formal sale process remained in progress at 30 June 2019 and the gold assets were at that time classified as current assets.

During the year ended 30 June 2020 the Company terminated the sale process for the gold assets as part of a strategic corporate review. As a result, property, plant and equipment previously included in gold assets have been re-classified during this period, and remain classified as non-current property, plant and equipment assets at 30 June 2020.

Accounting policy for property, plant and equipment
Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Note 12. Non-current assets - property, plant and equipment (continued)

Plant and equipment	4 - 5 years
Office furniture and equipment	3 - 4 years
Motor vehicles	3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash flows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying amount of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash- generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the income statement.

Note 13. Non-current assets - right-of-use assets

	Consolidated	
	30 June 2020	**30 June 2019**
	$	**$**
Land and buildings - right-of-use	131,049	-
Less: Accumulated depreciation	(28,917)	-
	102,132	-

Additions to the right-of-use assets during the year were $131,049.

The consolidated entity leases land and buildings for its office and depot facilities under an agreement approximately 3 years.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings $
Balance at 1 July 2018	-
Balance at 30 June 2019	-
Additions	131,049
Depreciation expense	(28,917)
Balance at 30 June 2020	102,132

Note 13. Non-current assets - right-of-use assets (continued)

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Note 14. Non-current assets - exploration and evaluation

	Consolidated	
	30 June 2020	**30 June 2019**
	$	**$**
Exploration and evaluation - Gold assets - at cost	39,920,143	39,920,143
Less: Impairment	(35,098,515)	(35,098,515)
Less: Reallocation to available-for-sale assets	-	(4,821,628)
	4,821,628	-
Exploration and evaluation - Yendon Alumina project - at cost	1,615,495	3,055,670
	6,437,123	3,055,670

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	High Purity Alumina project $	Gold tenements $	Total $
Balance at 1 July 2018	3,161,303	-	3,161,303
Additions	206,285	-	206,285
R&D tax incentive offset	(311,918)	-	(311,918)
Balance at 30 June 2019	3,055,670	-	3,055,670
Additions	32,209	-	32,209
Re-classified from held-for-sale assets	-	4,821,628	4,821,628
Write off tenement costs on surrender of tenement	(1,402,398)	-	(1,402,398)
R&D tax incentive offset	(69,986)	-	(69,986)
Balance at 30 June 2020	1,615,495	4,821,628	6,437,123

During the year ended 30 June 2019 the Company was undertaking a formal sale process for the Company's gold tenements at Hill End, New South Wales and Hargraves, New South Wales ("gold assets"). The formal sale process remained in progress at 30 June 2019 and the gold assets were at that time classified as current assets.

During the year ended 30 June 2020 the Company terminated the sale process for the gold assets as part of a strategic corporate review. As a result these assets were re-classified as non-current assets at 30 June 2020.

Note 14. Non-current assets - exploration and evaluation (continued)

During the year ended 30 June 2020 the consolidated entity made the decision to surrender its tenement at Pittong, Victoria, which formed part of the High Purity Alumina project. Accordingly, the costs attributable to that tenement have been written off and a loss of $1,402,398 (30 June 2019: $Nil) has been recognised in relation to the surrender of the tenement.

Accounting policy for exploration and evaluation assets
Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of an area or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profits in the year 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.

Costs of site restoration are provided over the life of the facility from where exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structure, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology and discounted by the Group's cost of capital to the present value.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Exploration and evaluation assets are tested for impairment each year. When the facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the carrying amount is written down to its likely recoverable amount.

The recoverability of the carrying amount is dependent on successful development and commercialisation or alternatively sale of the respective areas of interest.

Note 15. Current liabilities - trade and other payables

	Consolidated	
	30 June 2020	30 June 2019
	$	$
Trade payables	225,165	221,028
Other payables	13,722	-
	238,887	221,028

Refer to note 23 for further information on financial instruments.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 16. Current liabilities - lease liabilities

	Consolidated	
	30 June 2020 $	30 June 2019 $
Lease liability	28,227	-

Refer to note 23 for further information on financial instruments.

Note 17. Current liabilities - employee benefits

	Consolidated	
	30 June 2020 $	30 June 2019 $
Annual leave	30,749	43,664

Accounting policy for employee benefits

Short-term employee benefits
Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

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.

Note 18. Current liabilities - liabilities directly associated with assets classified as held for sale

	Consolidated	
	30 June 2020 $	30 June 2019 $
Provision for site rehabilitation	-	286,029

Refer to note 10 for accounting policy on liabilities directly associated with assets classified as held for sale.

During the year ended 30 June 2019 the Company was undertaking a formal sale process for the Company's gold tenements at Hill End, New South Wales and Hargraves, New South Wales ("gold assets"). The formal sale process remained in progress at 30 June 2019 and the gold assets were at that time classified as current assets. Accordingly, the Provision for site rehabilitation relating to the gold assets was classified as a current liability at that time.

During the year ended 30 June 2020 the Company terminated the sale process for the gold assets as part of a strategic corporate review. As a result, those assets were re-classified as non-current assets at 30 June 2020 and, accordingly, the Provision for site rehabilitation relating to the gold assets has been re-classified as a non-current liability at 30 June 2020.

Note 19. Non-current liabilities - lease liabilities

	Consolidated	
	30 June 2020 $	30 June 2019 $
Lease liability	74,294	-

Note 19. Non-current liabilities - lease liabilities (continued)

Refer to note 23 for further information on financial instruments.

Accounting policy for lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 20. Non-current liabilities - employee benefits

	Consolidated	
	30 June 2020 $	30 June 2019 $
Long service leave	6,261	8,304

Accounting policy for other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 21. Non-current liabilities - other provisions

	Consolidated	
	30 June 2020 $	30 June 2019 $
Provision for site rehabilitation	307,380	-

During the year ended 30 June 2019 the Company was undertaking a formal sale process for the Company's gold tenements at Hill End, New South Wales and Hargraves, New South Wales ("gold assets"). The formal sale process remained in progress at 30 June 2019 and the gold assets were at that time classified as current assets. Accordingly, the Provision for site rehabilitation relating to the gold assets was classified as a current liability at that time.

During the year ended 30 June 2020 the Company terminated the sale process for the gold assets as part of a strategic corporate review. As a result, those assets were re-classified as non-current assets at 30 June 2020 and, accordingly, the Provision for site rehabilitation relating to the gold assets has been re-classified as a non-current liability at 30 June 2020.

Note 22. Equity - issued capital

	Consolidated			
	30 June 2020 Shares	30 June 2019 Shares	30 June 2020 $	30 June 2019 $
Ordinary shares - fully paid	255,024,947	221,760,824	84,940,191	84,672,745

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2018	147,790,933		81,578,502
Shares issue to HPA vendor	23 October 2018	6,000,000	$0.070	420,000
Share issue to directors and consultants	23 October 2018	3,300,000	$0.060	198,000
Shares issue to HPA vendors	13 November 2018	14,000,000	$0.070	980,000
Share purchase plan	30 May 2019	38,913,244	$0.034	1,346,398
Top up placement	12 June 2019	11,756,647	$0.034	406,780
Cost of share issues		-	$0.000	(256,935)
Balance	30 June 2019	221,760,824		84,672,745
Shares issue through placement	29 May 2020	33,264,123	$0.009	299,377
Cost of share issues		-	$0.000	(31,931)
Balance	30 June 2020	255,024,947		84,940,191

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2019 Annual Report.

Note 22. Equity - issued capital (continued)

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 23. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

The consolidated entity's financial instruments as at year end are as follows:

	Consolidated	
	30 June 2020 $	30 June 2019 $
Financial assets		
Cash at bank	484,659	1,359,551
Trade and other receivables	49,724	313,548
Total financial assets	534,383	1,673,099
Financial liabilities		
Trade and other payables	238,887	221,028
Lease liabilities	102,521	-
Total financial liabilities	341,408	221,028

Market risk

The consolidated entity is not exposed to any significant market risk.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

Note 23. Financial instruments (continued)

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 30 June 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	225,165	-	-	-	225,165
Other payables	-	13,722	-	-	-	13,722
Interest-bearing - fixed rate						
Lease liability	5.50%	31,443	33,015	46,408	-	110,866
Total non-derivatives		270,330	33,015	46,408	-	349,753

Consolidated - 30 June 2019	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	153,023	-	-	-	153,023
Other payables	-	68,005	-	-	-	68,005
Total non-derivatives		221,028	-	-	-	221,028

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 24. Fair value measurement

Accounting policy for 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 interests. 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.

Note 25. Key management personnel disclosures

Directors
The following persons were directors of Peak Minerals Limited during the financial year:

Ernest Thomas Eadie
Martin McFarlane (resigned 24 December 2019)
David Leavy
Robert Boston

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	30 June 2020 $	**30 June 2019 $**
Short-term employee benefits	638,205	569,333
Post-employment benefits	39,573	55,165
Long-term benefits	2,545	8,304
Share-based payments	-	168,000
	680,323	800,802

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Moyes Yong & Co, the auditor of the Company:

	Consolidated	
	30 June 2020 $	**30 June 2019 $**
Audit services - Moyes Yong & Co		
Audit or review of the financial statements	34,000	32,000

Note 27. Contingent liabilities

Hargraves Tenement

During the 2007-08 year the Company acquired an interest in the Hargraves tenement. The acquisition cost included $300,000 plus the issue of 2,000,000 ordinary fully paid shares and 2,000,000 listed options which expired on 12 September 2008. These amounts were recorded during the year ending 30 June 2008. The Company will issue the vendors an additional 2,000,000 ordinary shares in the event that the Company estimates 70,000 ozs of recoverable gold in Mineral Reserves on the tenements and a further 2,000,000 ordinary shares in the event that 70,000 ozs are produced from the tenement.

Note 27. Contingent liabilities (continued)

First Tiffany

On 1 April 2014 the Company announced that it had received a summons filed by Tiffany in the Supreme Court of New South Wales claiming an order that the Company pay Tiffany 15% of the value of minerals extracted by HEG from certain mining tenements encompassed by a portion of EL 5868 in the Hill End locality of New South Wales (plus interest and costs).

The Company applied successfully to the court for Tiffany to provide security of costs. Tiffany failed to provide security and the Company successfully applied to the court to have the claim dismissed. The Company was awarded costs and Tiffany is barred from commencing fresh proceedings until it has paid the Company's costs as ordered. Costs are yet to be determined.

HPA Project

Under the terms of the Asset Sale Agreement in relation to the acquisition of the HPA project including the Victorian tenements and all of the ordinary shares in Pure Alumina Pty Ltd, there are several future contingent payments.

On completion of a Feasibility Study the Company is required to pay a success fee of $1.5 million settled by the issue of shares. If the Feasibility Study is not completed within 2 years of the completion date of the acquisition (i.e. 28 August 2019) the Company is required to pay the vendors $8,333 per month until the earlier of the completion of the Feasibility Study or 30 June 2022. The amount of the success fee arising in the period up to and including 30 June 2020 has been recognised as an expense in the consolidated statement of profit and loss for the year ended 30 June 2020.

On completion of a legally binding offtake agreement over all of the product from the project for a period of at least 1.5 times the project payback period, the Company is required to pay a success fee of $0.5 million settled by the issue of shares.

Note 28. Commitments

	Consolidated	
	30 June 2020	**30 June 2019**
	$	**$**
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	29,946
One to five years	-	10,143
	-	40,089
Lease commitments		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	31,443	-
One to five years	79,423	-
Total commitment	110,866	-
Less: Future finance charges	(8,345)	-
Net commitment recognised as liabilities	102,521	-

Commitments relating to tenements
As a condition of its tenements the Group has minimum expenditure commitments. These minimum commitments totalled $368,500 as at 30 June 2020 (30 June 2019: $584,250). This balance fluctuates based on the expiration and renewal of tenements.

Note 29. Related party transactions

Parent entity
Peak Minerals Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 31.

Key management personnel
Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	30 June 2020 $	30 June 2019 $
Payment/provision of the following payments was made for rental of office space and provision of professional services with related entities of the following directors:		
Graham Charles Reveleigh	-	18,700

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2020 $	30 June 2019 $
Loss after income tax	(1,431,474)	(6,004,838)
Total comprehensive income	(1,431,474)	(6,004,838)

Note 30. Parent entity information (continued)

Statement of financial position

	Parent 30 June 2020 $	Parent 30 June 2019 $
Total current assets	3,724,088	10,417,888
Total assets	9,980,492	10,998,705
Total current liabilities	894,214	1,128,029
Total liabilities	1,282,149	1,136,333
Equity		
Issued capital	84,940,191	84,672,745
Options reserve	200,848	200,848
Accumulated losses	(76,442,696)	(75,011,221)
Total equity	8,698,343	9,862,372

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 (30 June 2019: nil).

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2020 (30 June 2019: nil).

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 (30 June 2019: nil).

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 31. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 30 June 2020 %	Ownership interest 30 June 2019 %
Yendon HPA Pty Ltd	Australia	100.00%	100.00%
HEGL Investments Pty Ltd	Australia	100.00%	100.00%

Note 32. Events after the reporting period

On 7 July 2020, the Company issued 97,855,414 fully paid ordinary shares at $0.009 per share in relation to the non-renounceable rights issue (Entitlement Offer) announced on 29 May 2020.

Note 32. Events after the reporting period (continued)

Also on 7 July 2020, the Company issued 48,927,637 listed options in relation to the Entitlement Offer. The options are exercisable at $0.025 and expire on 30 December 2022.

On 10 July 2020, the Company issued 55,159,554 fully paid ordinary shares at $0.009 per share in relation to the shortfall shares under the Entitlement Offer.

Furthermore on 10 July 2020, the Company issued 27,579,777 listed options in relation to the shortfall shares under the Entitlement Offer. The options are exercisable at $0.025 and expire on 30 December 2022.

On 3 August 2020, the Company issued 195 fully paid ordinary shares at $0.025 per share, on exercise of 195 listed options.

On 4 August 2020, the Company:

- Issued 14,322,361 fully paid ordinary shares at $0.00001 per share, as consideration for services rendered by the Joint Lead Managers and Underwriter to the Entitlement Offer;
- Issued 16,632,061 listed options in relation to the tranche 1 shares issued from the placement announced on 29 May 2020 (Placement). The options are exercisable at $0.025 and expire on 30 December 2022;
- Issued 40,000,000 fully paid ordinary shares in relation to tranche 2 of the Placement. The shares were issued at an issue price of $0.009 per share;
- Issued 20,000,000 listed options in relation to the tranche 2 shares issued from the Placement. The options are exercisable at $0.025 and expire on 30 December 2022; and
- Issued 50,000,000 listed options as consideration for services rendered by the Joint Lead Managers and Underwriter to the Entitlement Offer. The options are exercisable at $0.025 and expire on 30 December 2022.

On 6 August 2020, the Company announced that it had changed its name from Pure Alumina Limited to Peak Minerals Limited following approval by shareholders.

On 17 August 2020, the Company issued 20,000,000 unlisted options to directors as an incentive as approved by shareholders on 31 July 2020. The options are exercisable at $0.0331 and expire on 30 December 2022.

On 17 August 2020, the Company issued 1,000,000 unlisted options to a contractor in recognition of services provided. The options are exercisable at $0.0465 and expire on 30 December 2022.

On 1 September 2020, the Company issued 1,350 fully paid ordinary shares at $0.025 per share, on exercise of 1,350 PUAOD listed options.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 33. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Loss after income tax expense for the year	(2,904,273)	(6,426,182)
Adjustments for:		
Depreciation and amortisation	62,212	41,877
Impairment of non-current assets	-	4,178,373
Share-based payments	-	198,000
R&D tax incentive receipt capitalised on balance sheet but treated as operating cash inflow	69,986	311,918
Gain on sale of fixed assets	-	(3,310)
Loss on relinquishment of tenement	1,402,398	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(7,468)	18,220
Decrease/(increase) in prepayments	(18,709)	1,982
Increase/(decrease) in trade and other payables	17,863	(92,938)
Increase in employee benefits	-	31,891
Increase in other provisions	6,391	90,320
Net cash used in operating activities	(1,371,600)	(1,649,849)

Note 34. Earnings per share

	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Loss after income tax attributable to the owners of Peak Minerals Limited	(2,904,273)	(6,426,182)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	224,677,131	166,829,098
Weighted average number of ordinary shares used in calculating diluted earnings per share	224,677,131	166,829,098
	Dollars	**Dollars**
Basic earnings per share	(1.29)	(3.85)
Diluted earnings per share	(1.29)	(3.85)

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Peak Minerals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 35. Share-based payments

Shares issued to employees and third parties in return for services
The Company may, from time to time, issue shares to employee and third parties as consideration for goods and/or services provided to the consolidated entity by those parties. All such transactions are settled in equity and vest immediately, unless otherwise stated.

During the current year, there were no shares issued as consideration for goods and/or services provided to the consolidated entity.

	Consolidated	
	30 June 2020 $	30 June 2019 $
Shares issued to directors as remuneration	-	168,000
Shares issued to consultants as remuneration	-	30,000
	-	198,000

During the prior financial year, the Company completed a Share Purchase Plan in connection with which the joint underwriters were paid a management fee, which included granting them 10,000,000 quoted options (PUAOC).

Set out below are summaries of options on issue at the end of the financial year under the plan:

30 June 2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
12/06/2019	30/07/2020	$0.075	10,000,000	-	-	-	10,000,000
			10,000,000	-	-	-	10,000,000

30 June 2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
12/06/2019	30/07/2020	$0.075	-	10,000,000	-	-	10,000,000
			-	10,000,000	-	-	10,000,000

Accounting policy for share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 35. Share-based payments (continued)

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' declaration
30 June 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Tom Eadie
Chairman

18 September 2020

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INDEPENDENT AUDITOR'S REPORT

To the members of Peak Minerals Limited

Report on the audit of the financial report

Opinion

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

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

(i) giving a true and fair view of the financial position of the Group as at 30 June 2020 and of its' financial 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 are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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.

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

We draw attention to Note 2 in the financial statements, which indicated the Group had incurred a net operating loss of $2,904,273 for the year ended 30 June 2020 and net cash used in operating activities was $1,371,600. As stated in the Note, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the following items to be the key audit matters to be communicated in our report.

Valuation of non-current assets - exploration and evaluation

Why Significant	How our audit addressed the key audit matter:
Gold Assets During the year ended 30 June 2019 the Group undertook a formal sale process for the gold tenements at Hill End and Hargraves, NSW (the gold assets). In the year ended 30 June 2020, following a strategic review, the Group terminated this sale process. Under the Group's accounting policy relating to deferred exploration and development expenditure the gold assets were reclassified from assets available for sale to non-current assets – exploration and evaluation. The assessment of indicators of impairment and reversal of impairment is complex and highly judgemental. It includes modelling a range of assumptions and estimates that are impacted on by the expected future performance and market conditions. Accordingly, this matter was considered to be a key audit matter.	Our audit procedures comprised of mainly but not limited to the following: • Reviewed the Group's accounting policy to ensure it met the requirements of AASB 6 – Exploration for and Evaluation of Mineral Resources • Assessing the currency of holding for all the Group's tenements and review of documentation to substantiate the renewal of expired licences. • Evaluation of the valuation methodology and other relevant factors applied in determining the recoverable amount, the appropriate level of impairment and impairment indicators. • Review of the criteria and assumptions applied by management in assessing the valuation and challenging the director's assumptions that supported the evaluation of impairment indicators.
High Purity Alumina Project - Yendon During the half year to 31 December 2019 the Group made the decision to surrender its tenement at Pittong Victoria, which formed part of the High Purity Alumina project. This resulted in the writing off the costs attributable to that tenement and recognising a loss in relation to the surrender of the tenement. The assessment of indicators of impairment and reversal of impairment is complex and highly judgemental. It includes modelling a range of assumptions and estimates that are impacted on by the expected future performance and market conditions. Accordingly, this matter was considered to be a key audit matter.	• Reviewed documentation to substantiate the relinquishment of the Pittong tenement. • Assessed the currency of holding for all the Group's tenements • Evaluation of the valuation methodology and other relevant factors applied in determining the recoverable amount, the appropriate level of impairment and impairment indicators. • Review of the criteria and assumptions applied by management in assessing the valuation and challenging the director's assumptions that supported the evaluation of impairment indicators.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report.

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

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

Auditor's responsibility 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at: www.auasb.gov.au/auditors_files/ar2.pdf . This description forms part of our audit report.

Report on the audit of the remuneration report

Opinion on the remuneration report

We have audited the remuneration report included on pages 13 to 17 of the Directors' Report for the year ended 30 June 2020. In our opinion, the remuneration report of Peak Minerals for the year ended 30 June 2020 complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Group 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.

William M Moyes - Partner

Moyes Yong & Co Partnership

Dated this 18th day of September 2020

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Shareholder information
30 June 2020

The shareholder information set out below was applicable as at 11 September 2020.

Corporate governance statement

Refer to the Company's Corporate Governance statement at: https://www.peakminerals.com.au/view/about/corporate-governance

Current on-market buy-back

There is no current on-market buy-back.

Distribution of equity securities
Analysis of number of equity security holders by size of holding:

	Number of holders of unlisted options No.	Percentage of total unlisted options held by holders in this range %	Number of holders of listed options No.	Percentage of total listed options held by holders in this range %	Number of holders of ordinary shares No.	Percentage of ordinary shares held by holders in this range %
1 to 1,000	-	-	169	-	158	-
1,001 to 5,000	-	-	123	-	127	-
5,001 to 10,000	-	-	59	-	75	-
10,001 to 100,000	-	-	167	4	786	8
100,001 and over	4	100	130	96	546	92
	648	100	648	100	1,692	100
Holding less than a marketable parcel					404	

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Shareholder information
30 June 2020

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	**% of total shares issued**
KITARA INVESTMENTS PTY LTD	38,960,001	8.43
KINGSLANE PTY LTD (CRANSTON SUPERANNUATION A/C)	20,000,001	4.33
DC & PC HOLDINGS PTY LTD (DC & PC NEESHAM SUPER A/C)	16,473,442	3.56
SUNSET CAPITAL MANAGEMENT PTY LTD (SUNSET SUPERFUND A/C)	12,000,000	2.60
THEA MANAGEMENT PTY LTD (THEA FAMILY A/C)	10,000,000	2.16
MOUBRAY PTY LTD (ROBERT HALLAS SF A/C)	8,008,000	1.73
CELTIC CAPITAL PTY LTD (THE CELTIC CAPITAL A/C)	7,000,000	1.51
MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN (MJ BAHEN SUPER FUND A/C)	6,666,667	1.44
SISU INTERNATIONAL PTY LTD	6,379,251	1.38
KENDALI PTY LTD	5,536,667	1.20
MR LUKASZ PALA	5,260,894	1.14
BLU BONE PTY LTD (THE SHARE TRADING A/C)	4,958,120	1.07
ANGKOR IMPERIAL RESOURCES PTY LTD (TURKISH BREAD S/F A/C)	4,729,993	1.02
EXPONENT CAPITAL PTY LTD	4,430,000	0.96
MONEX BOOM SECURITIES (HK) LTD (CLIENTS ACCOUNT)	4,299,242	0.93
B DAVID NOMINEES PTY LTD (NEVER SATISFIED S/F A/C)	4,160,000	0.90
SUPER MSJ PTY LTD (MSJ SUPER FUND A/C)	3,500,000	0.76
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,366,523	0.73
MR ALEXANDER NAUM & MRS ALBINA ABAYEVA (COCO INVESTMENTS A/C)	3,333,333	0.72
KONKERA PTY LTD (KONKERA FAMILY A/C)	3,040,000	0.66
	172,102,134	37.23

	Options over ordinary shares - exercise price 2.5 cents; expiring 30 December 2022	Options over ordinary shares - exercise price 2.5 cents; expiring 30 December 2022
	Number held	% of quoted options issued
KITARA INVESTMENTS PTY LTD (KUMOVA #1 FAMILY A/C)	21,230,001	13.01
DC & PC HOLDINGS PTY LTD (DC & PC NEESHAM SUPER A/C)	16,232,061	9.95
KINGSLANE PTY LTD (CRANSTON SUPERANNUATION A/C)	10,000,001	6.13
ALITIME NOMINEES PTY LTD (HONEYHAM FAMILY A/C)	9,000,000	5.52
ANGKOR IMPERIAL RESOURCES PTY LTD (TURKISH BREAD S/F A/C)	8,364,996	5.13
MS CHUNYAN NIU	5,999,356	3.68
SUNSET CAPITAL MANAGEMENT PTY LTD (SUNSET SUPERFUND A/C)	5,610,000	3.44
CELTIC CAPITAL PTY LTD (THE CELTIC CAPITAL A/C)	3,840,000	2.35
BLU BONE PTY LTD (THE SHARE TRADING A/C)	3,333,334	2.04
MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN (MJ BAHEN SUPER FUND A/C)	3,333,334	2.04
KENDALI PTY LTD	3,333,334	2.04
MR LUKASZ PALA	3,080,067	1.89
RICHSHAM NOMINEES PTY LTD	3,000,000	1.84
FREYABEAR FHMN PTY LTD	2,975,000	1.82
HONEYBEE ANHM PTY LTD	2,975,000	1.82
HUNTERLAND HJDN PTY LTD	2,975,000	1.82
QUATTRO STAGIONE PTY LTD	2,975,000	1.82
MR LAURIE TRETTEL (L TRETTEL FAMILY A/C)	1,850,000	1.13
MOUBRAY PTY LTD (ROBERT HALLAS SF A/C)	1,501,500	0.92
MR PAVLE TOMASEVIC	1,500,000	0.92
	113,107,984	69.31

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued - exercise price $0.0331, expiring 30 December 2022	20,000,000	3
Options over ordinary shares issued - exercise price $0.0645, expiring 30 December 2022	1,000,000	1

Substantial holders

Substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Tolga Kumova and associated entities	45,339,252	9.81

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Shareholder information
30 June 2020

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Other issued securities of the Company do not carry voting rights.

Tenements

Description	Tenement number	Interest owned %
Hill End	Exploration Licence No 5868 (1992)	100
Hill End	Gold Lease No 5846 (1906)	100
Hill End	Mining Lease No 1116 (1973)	100
Hill End	Mining Lease No 1541 (1992)	100
Hill End	Mining Lease No 315 (1973)	100
Hill End	Mining Lease No 316 (1973)	100
Hill End	Mining Lease No 317 (1973)	100
Hill End	Mining Lease No 49 (1973)	100
Hill End	Mining Lease No 50 (1973)	100
Hill End	Mining Lease No 913 (1973)	100
Hill End	Mining Lease No 914 (1973)	100
Hill End	Mining Lease No 915 (1973)	100
Hargraves	Exploration Licence No 6996 (1992)	100
Chambers Creek	Exploration Licence No 8289 (1992)	100
Yendon	Exploration Licence No 5457	100
Yendon	Exploration Licence No 5461	100
Yendon	Exploration Licence No 6428	100
Yendon	Retention Licence No RL6734	100