



Alt Resources Limited

ABN: 57 168 928 416

Financial Statements

For the Half-year ended 31 December 2018

Alt Resources Limited

ABN: 57 168 928 416

Corporate Directory

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Email: info@altresources.com.au

Web: www.altresources.com.au

Registered Office Address

64 Industrial Drive
MAYFIELD NSW 2304

Australian Business Number:

57 168 928 416

Share Registry

Boardroom Limited
Grosvenor Place
Level 12, 225 George Street
SYDNEY NSW 2000

Telephone: 1300 737 760
+61 2 9290 9600

Stock Exchange

Australian Securities Exchange Limited
Home Branch Perth
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

ASX CODE – ARS

Auditor

Hardwicks
6 Phipps Close
DEAKIN ACT 2600

Directors

William H Ellis – Chairman
Neva Collings – Non Executive Director
Andrew Sparke – Corporate Finance

Chief Executive Officer

James Anderson

Company Secretary

Elissa C Hansen

Chief Financial Officer

Timothy J Symons

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Directors' Report

For the half-year ended 31 December 2018

The directors present their report on Alt Resources Limited for the period from 1 July 2018 to 31 December 2018.

1. General information

Directors

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

Names	Position	Appointed/Resigned
William Hugh Ellis	Executive Director & Chairman	Appointed : 11 April 2014
Clive Napier Buckland	Executive Director & Company Secretary	Resigned: 8 March 19
Neva Collings	Non-executive Director	Appointed : 11 April 2014
Andrew Sparke	Executive Director	Appointed: 1 Sept 2018

Directors have been in office since the start of the Half Year to the date of this report unless otherwise stated.

Principal activities

The principal activity of the Company during the half year was to continue exploration and advance the development to mine plans at the Mt Ida and Bottle Creek Gold projects located in Western Australia. The Company holds 100% of the Mt Ida gold project and an Option to Buy the Bottle Creek gold mine project. During the half year to December 2018 the Company has delivered new gold resource statements and JORC compliant resource upgrades and continued exploration and target generation on the Company's tenements. All results have been disclosed to shareholders and to the ASX.

The advancement of the mine plans at the and Mt Ida and Bottle Creek mining tenements is a significant change in the nature of the Company's activities with a shift in focus from exploration to planning for gold production. Development is progressing with the project moving into the pre-feasibility stage, with treatment plant preliminary plans being developed in conjunction with other scoping studies.

Additionally, the Company retains a 51% interest in the Mt Roberts gold project located in Leinster Western Australia under a joint venture with Mt Roberts Mining Pty Ltd and a 70% interest in the Paupong Intrusion Related Gold system with joint venture partner GFM Exploration Pty Ltd.

2. Operating results and review of operations for the period

Operating results

The loss of the Company after providing for income tax amounted to \$1,934,860 (31 December 2017: \$ (1,155,677)).

Review of operations

A review of the operations of the Company during the year and the results of those operations show a loss of \$1,934,860 incurred in becoming operational and negotiating arrangements to generate revenue in future periods.

3. Other items

Significant changes in state of affairs

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

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An additional \$2,880,763 after transaction costs has been raised in share capital during the half-year to fund operations.

4. Future developments and results

The Company plans to continue to raise working capital to continue its exploration programme.

5. Environmental matters

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory other than the environmental and planning Laws of New South Wales and Western Australia. The Company is not aware of any significant risk arising from non-compliance.

6. Company secretary

The following person held the position of Company secretary at the end of the financial half year:

Mr Clive Buckland was appointed as Company secretary on 11 April 2014.

7. Meetings of directors

During the period, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Neva Collings	4	4
Clive Napier Buckland	4	4
William Hugh Ellis	4	4
Andrew Sparke	2	2

8. Indemnification and insurance of officers and auditors

No indemnities have been given during or since the end of the financial year, for any person who is an auditor of Alt Resources Limited.

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

9. Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half-year ended 31 December 2018 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:



Neva Collings

Director:



William Hugh Ellis

Dated 14th March 2019

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2018, there have been:

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

Hardwickes

Hardwickes
Chartered Accountants



Robert Johnson FCA
Partner

14 March 2019

Canberra

Alt Resources Limited

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Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2018

		Half year ended 31 December 2018	Half year ended 31 December 2017
	Note	\$	\$
Income	2	18,752	170
Depreciation and amortisation expense	8(a)	(8,257)	(11,472)
Employee benefits expense	3	(385,817)	(445,697)
Exploration expenditure	3	(1,162,707)	(447,097)
Finance costs	3	(18,295)	(1,017)
Other expenses		(378,536)	(250,564)
(Loss) before income tax		(1,934,860)	(1,155,677)
Tax expense	4	-	-
Net (loss) for the year		(1,934,860)	(1,155,677)
Other comprehensive income		-	-
Total comprehensive income for the period		(1,934,860)	(1,155,677)

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Consolidated Statement of Financial Position As At 31 December 2018

		As at 31 December 2018	As at 30 June 2018
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	518,227	708,966
Trade and other receivables	6	175,521	198,584
Prepayments		48,798	33,329
TOTAL CURRENT ASSETS		742,546	940,879
NON-CURRENT ASSETS			
Investment in joint ventures and capitalised tenement costs	18	5,376,974	4,845,017
Financial assets	7	91,000	66,000
Intangible assets	27	1,551,850	1,551,850
Capital Works in Progress		196,000	-
Property, plant and equipment	8	449,853	506,915
TOTAL NON-CURRENT ASSETS		7,665,677	6,969,782
TOTAL ASSETS		8,408,223	7,910,661
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,240,640	1,734,757
Employee benefits	11	82,852	84,740
Financial liabilities	10	247,512	197,799
TOTAL CURRENT LIABILITIES		1,571,004	2,017,296
NON-CURRENT LIABILITIES			
Employee benefits	11	44,459	43,102
Financial liabilities	10	1,680	5,086
TOTAL NON-CURRENT LIABILITIES		46,139	48,188
TOTAL LIABILITIES		1,617,143	2,065,484
NET ASSETS		6,791,080	5,845,177
EQUITY			
Issued capital	12	15,782,441	12,901,678
Accumulated losses	13	(8,991,361)	(7,056,501)
TOTAL EQUITY		6,791,080	5,845,177

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Consolidated Statement of Changes in Equity

For the half year ended 31 December 2018

Half-year ended 31 December 2018

	Note	Ordinary Shares \$	Accumulated losses \$	Total \$
Balance at 1 July 2018		12,901,678	(7,056,501)	5,845,177
Deficit attributable to members of the entity	13	-	(1,934,860)	(1,934,860)
Shares issued during the year	12	3,079,470	-	3,079,740
Transaction cost on share issued	12	(198,707)	-	(168,707)
Balance at 31 December 2018		15,782,441	(8,991,361)	6,791,080

Half-year ended 31 December 2017

	Note	Ordinary Shares \$	Accumulated losses \$	Total \$
Balance at 1 July 2017		8,750,222	(3,656,929)	5,093,293
Deficit attributable to members of the entity	13(a)	-	(1,155,677)	(1,155,677)
Shares issued during the year	12(a)	1,413,895	-	1,413,895
Transaction cost on share issued	12(a)	(40,702)	-	(40,702)
Balance at 31 December 2017		10,123,415	(4,812,606)	5,310,809

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Consolidated Statement of Cash Flows

For the half year ended 31 December 2018

	Half-year ended 31 December 2018	Half-year ended 31 December 2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
GST refunds received from ATO	180,437	44,163
Payments to suppliers and employees	(2,758,095)	(579,324)
Income received	18,752	170
Interest paid	(18,295)	(1,017)
Net cash provided by (used in) operating activities	21 (2,577,201)	(536,008)
Purchase of plant and equipment	8(a) (1,832)	(66,463)
Proceeds from sale of plant & equipment	18,182	5,000
Purchase of equity-accounted investments	(531,958)	(168,449)
Decrease / (increase) in Financial Assets	(25,000)	5,000
Net cash used by investing activities	(540,608)	(224,912)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	46,307	135,389
Proceeds from issue of shares	3,079,470	1,413,895
Transaction cost on share issue	(198,706)	(40,702)
Net cash used by financing activities	2,927,071	1,508,582
Net increase (decrease) in cash and cash equivalents held	(190,738)	747,662
Cash and cash equivalents at beginning of year	708,965	108,985
Cash and cash equivalents at end of financial year	5(a) 518,227	856,647

Notes to the Financial Statements

For the half-year ended 31 December 2018

1 Summary of Significant Accounting Policies

The consolidated financial statements of the Group as at and for the half year ended 31st December 2018 comprise the Company and its subsidiary (together referred to as the “Consolidated Entity” or “Group”). The Consolidated Entity is comprised of for-profit Companies limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Alt Resources Limited is Australian dollars.

The financial statements were authorised for issue on 14th March 2019 by the directors of the Company and Group.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit consolidated entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Basis of Consolidation Subsidiaries

The consolidated financial statements comprise of the assets and liabilities of Alt Resources Limited and its subsidiary, MGK Resources Pty Ltd at 31 December 2018 and the results of the subsidiary for the period then ended. A subsidiary is any entity controlled by Alt Resources Limited.

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

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Goodwill upon consolidation has been created by the consolidation of Alt Resources Limited and MGK Resources Pty Ltd. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period which Alt Resources Limited has control.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquisition. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

Notes to the Financial Statements

For the half-year ended 31 December 2018

1 Summary of Significant Accounting Policies continued

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(c) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest in net assets are classified as a joint venture and accounted for using the equity method.

Investments in joint ventures are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the joint ventures. In addition, the Group's share of the profit or loss of the joint ventures is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the joint ventures. Any discount on acquisition, whereby the Group's share of the net fair value of the joint ventures exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

When the Group's share of losses in joint ventures equals or exceeds its interest in the joint ventures, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the joint ventures. When the joint ventures subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Notes to the Financial Statements

For the half-year ended 31 December 2018

1 Summary of Significant Accounting Policies continued

(d) Going concern

This report has been prepared on going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group has incurred a loss of \$1,934,860 for the half year ended 31 December 2018 (30 June 2018 loss: \$3,375,080) funded by raising share capital.

- The ability of Group to continue as a going concern is dependent on:
- i) the completion of the capital raising program;
 - ii) the ability to meet projected revenue levels; and
 - iii) the retention of overheads at budgeted levels.

The directors have reviewed the Group's financial position and cash flow forecasts for the next twelve months, which shows that the Group will be able to meet its debts as and when they fall due and payable and are, therefore, of the opinion that the use of the going concern basis of accounting is appropriate. This is based on the belief that the Group will complete its capital raising program, it will meet projected revenue from its mining activity, and that the Group will be able to retain overheads at budgeted levels.

Should the Group not achieve the matters set above, there is uncertainty whether the Group will continue as a going concern and therefore whether it will realise its asset and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments to assets and liabilities that may be necessary if the Group is unable to continue as going concern.

(e) Income Tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Notes to the Financial Statements

For the half-year ended 31 December 2018

1 Summary of Significant Accounting Policies continued

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Alt Resources Limited and its wholly-owned subsidiary have formed an income tax consolidated group under the tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the "stand-alone taxpayer" approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiary are immediately transferred to the parent entity. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 12th January 2018.

(f) Revenue and other income

Interest revenue

Interest is recognised using the effective interest method.

(g) Comparative Figures

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

Where the Company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(h) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the

Notes to the Financial Statements

For the half-year ended 31 December 2018

1 Summary of Significant Accounting Policies continued

specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(i) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1 (m) for further discussion on the determination of impairment losses.

(k) Plant and Equipment

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

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the

Notes to the Financial Statements

For the half-year ended 31 December 2018

1 Summary of Significant Accounting Policies continued

estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (m) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	22.5%
Computer Equipment and Software	25%-66.67%
Leasehold Improvements	10%-22.22%
Plant & Equipment	13.33%-66.67%
Office Equipment	40%-66.67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(I) Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially on the date that the Association becomes party to the contractual

Notes to the Financial Statements

For the half-year ended 31 December 2018

1 Summary of Significant Accounting Policies continued

provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

amortised cost

fair value through profit or loss - FVTPL

fair value through other comprehensive income - equity instrument (FVOCI - equity)

fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

the business model is to hold assets to collect contractual cash flows; and

the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Association has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Association has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

The Association holds derivative financial instruments to hedge its foreign currency and interest rate risk

Notes to the Financial Statements

For the half-year ended 31 December 2018

1 Summary of Significant Accounting Policies continued

exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

The Association's financial assets measured at FVTPL comprise derivatives [insert details of other financial assets carried at FVTPL] in the statement of financial position.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

financial assets measured at amortised cost

debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or

the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flowa are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(m) Impairment of non-financial assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of

Notes to the Financial Statements

For the half-year ended 31 December 2018

1 Summary of Significant Accounting Policies continued

the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed half yearly for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

(n) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(o) Employee benefits

(i) Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

(ii) Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Notes to the Financial Statements

For the half-year ended 31 December 2018

1 Summary of Significant Accounting Policies continued

(p) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Notes to the Financial Statements

For the half-year ended 31 December 2018

1 Summary of Significant Accounting Policies continued

(q) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(r) Exploration and development expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

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

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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

Costs of site rehabilitation are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

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

(s) Critical accounting estimates and judgments

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

Impairment – general

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Notes to the Financial Statements

For the half-year ended 31 December 2018

1 Summary of Significant Accounting Policies continued

Key judgements

(i) Issuing of Shares

During the Half Year ending 31 December 2018, the Board of Directors of Alt Resources Limited resolved to issue fully paid shares with issue prices of 3, 5 and 5.7 cents per share. See Note 12 for details of shares issued.

A share placement with a discounted share price of 3 cents per share was subscribed by shareholders during November and December 2018.

(ii) Exploration and evaluation expenditure

The Group capitalizes expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. See Note 18 for details of capitalized exploration costs.

(t) New Accounting Standards and Interpretations

Accounting Standards and Interpretations issued by the AASB that are not yet mandatory applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116 : Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Notes to the Financial Statements

For the half-year ended 31 December 2018

1 Summary of Significant Accounting Policies continued

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15 : *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8 : Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements in AASB 118 and the related interpretations. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. Revenue is recognised through a five-step process that notably involves identifying a contract with customer and the related performance obligations and recognising revenue (as a portion of transaction price allocated to such performance obligations) as and when the performance obligation is satisfied.

The key areas of change that may impact the Group's financial statements have been identified below:

- identification and categorisation of performance obligations on each contract, which would influence the timing of revenue recognition on each contract deliverable;
- capitalisation of costs incurred in procuring a contract that is expensed under the existing accounting policies;
- upfront estimation of credit risk applicable to each customer and factoring the same in the revenue recognition of each contract;
- estimation of the variable consideration in the transaction price and including that portion in the revenue recognition on the contract for the current year; and
- additional qualitative and quantitative disclosures regarding contracts and the related amounts.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application.

The assessment of the financial impact due to the above changes in accounting policies is still in progress and as such that impact is not known at this stage.

Notes to the Financial Statements

For the Half-year ended 31 December 2018

2 Revenue and Other Income

	Half year ended 31 December 2018 \$	Half year ended 31 December 2017 \$
Other Income		
Interest received	375	170
Profit on Sale of Assets	2,993	-
Fuel Tax Credits received	14,867	-
Miscellaneous Income	518	-
Total Other Income	18,753	170

3 Loss for the Half-year

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

	Half year ended 31 December 2018 \$	Half year ended 31 December 2017 \$
Interest paid	18,295	1,017
Employee benefit expenses	385,817	445,697
Depreciation expenses	8,257	11,472
Superannuation contributions	16,651	14,218
Rent paid	19,266	10,552
Exploration expenditure	1,162,707	447,097

Notes to the Financial Statements For the Half-year ended 31 December 2018

4 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

Income tax is payable on that proportion of the income less expenses. The aggregate amount of income tax attributable to the financial year differs from the amount prima facie payable on the operating profit. The difference is reconciled as follows:

	Half year ended 31 December 2018 \$	Half year ended 31 December 2017 \$
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2017: 27.5%) as likely timing of recovery is 2021/22 tax year	(483,715)	(317,811)
Add:		
Tax effect of:		
- non-deductible expense	46,443	48,046
- change in tax rate	169,369	32,431
	(267,903)	(237,334)
Less:		
Tax effect of:		
- Other deductible expenses	(54,563)	(46,735)
- Other deductible expenses capital raising	(33,268)	(27,368)
Tax losses not brought to account	355,734	311,437
Income tax expense	-	-

(b) Deferred Tax Asset not brought to accounts

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

	Half year ended 31 December 2018 \$	Half year ended 31 December 2017 \$
- deductible temporary difference	25,595	16,078
- tax losses - operating in nature	2,218,797	1,463,967
	2,244,392	1,480,045

The benefits of above temporary differences and unused tax losses will be realised when the conditions for deductibility set out in Note 1(e) occur. These amounts have no expiry date. The half yearly figures to 31 December 18 have been adjusted to the tax rate of 25% (2017 27.5%).

Notes to the Financial Statements
For the Half-year ended 31 December 2018

5 Cash and cash equivalents

	Half year ended 31 December 2018 \$	Year ended 30 June 2018 \$
Cash on hand	10	10
Cash at bank	518,217	708,956
	<u>518,227</u>	<u>708,966</u>

5(a) Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	Half year ended 31 December 2018 \$	Half year ended 31 December 2017 \$
Cash and cash equivalents	518,227	856,647
Balance as per statement of cash flows	<u>518,227</u>	<u>856,647</u>

6 Trade and other receivables

	Half year ended 31 December 2018 \$	Year ended 30 June 2018 \$
CURRENT		
Trade and Other Receivables	-	8,954
GST receivable	161,849	136,366
Sundry receivables	13,672	53,264
Total current trade and other receivables	<u>175,521</u>	<u>198,584</u>

Notes to the Financial Statements
For the Half-year ended 31 December 2018

7 Other financial assets

	Half year ended 31 December 2018 \$	Year ended 30 June 2018 \$
Government Department Rehabilitation Bonds	91,000	66,000
	<u>91,000</u>	<u>66,000</u>

No repayment terms have been determined for the above loan. No interest has been charged.

8 Property, plant and equipment

	Half year ended 31 December 2018 \$	Year ended 30 June 2018 \$
Freehold property		
At cost	199,990	199,990
Accumulated depreciation	-	-
Total Freehold property	<u>199,990</u>	<u>199,990</u>
Computer equipment		
At cost	30,503	29,503
Accumulated depreciation	(20,287)	(15,361)
Total Computer equipment	<u>10,216</u>	<u>14,142</u>
Computer software		
At cost	39,680	39,680
Accumulated depreciation	(18,641)	(11,628)
Total computer software	<u>21,039</u>	<u>28,052</u>

Notes to the Financial Statements
For the Half-year ended 31 December 2018

8 Property, plant and equipment continued

	Half year ended 31 December 2018 \$	Year ended 30 June 2018 \$
Motor vehicles		
At cost	143,034	163,034
Accumulated depreciation	(44,280)	(35,513)
Total motor vehicles	<u>98,754</u>	<u>127,521</u>
Leasehold Improvements		
At cost	36,056	36,056
Accumulated depreciation	(8,614)	(6,246)
Total leasehold improvements	<u>27,442</u>	<u>29,810</u>
Plant & equipment		
At cost	203,121	202,289
Accumulated depreciation	(112,453)	(97,154)
Total plant & equipment	<u>90,668</u>	<u>105,135</u>
Office equipment		
At cost	7,185	7,185
Accumulated depreciation	(5,441)	(4,920)
Total office equipment	<u>1,744</u>	<u>2,265</u>
Total property, plant and equipment	<u><u>449,853</u></u>	<u><u>506,915</u></u>

Alt Resources Limited

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Notes to the Financial Statements

For the Half-year ended 31 December 2018

8(a) Movements in carrying amounts of plant and equipment

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

	Freehold Property \$	Computer Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Plant & Equipment \$	Office Equipment \$	Total \$
Corporate Assets							
Half-year ended 31 December 2018							
Balance at the beginning of year	199,990	3,677	11,233	6,438	28,202	2,265	251,805
Additions	-	1,000	-	-	-	-	1,000
Disposals	-	-	-	-	-	-	-
Depreciation expense	-	(1,437)	(1,264)	(693)	(4,342)	(521)	(8,257)
Balance at the end of the year	199,990	3,240	9,969	5,745	23,860	1,744	244,548
Exploration Assets							
Half-year ended 31 December 2018							
Balance at the beginning of year	10,465	116,288	23,372	76,933	28,052		255,110
Additions	-	-	-	832	-		832
Disposals	-	(15,189)	-	-	-		(15,189)
Depreciation expense	(3,488)	(12,316)	(1,675)	(10,956)	(7,013)		(35,448)
Balance at the end of the half-year	6,977	88,783	21,697	66,809	21,039		205,305

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Notes to the Financial Statements

For the Half-year ended 31 December 2018

	Freehold Property \$	Computer Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Plant & Equipment \$	Office Equipment \$	Total \$
Corporate Assets							
Half-year ended 31 December 2017							
Balance at the beginning of year	199,990	1,562	23,817	7,358	41,676	10,470	284,873
Additions	-	937	-	850	-	-	1,787
Disposals	-	-	(8,956)	-	-	-	(8,956)
Depreciation expense	-	(466)	(1,998)	(884)	(6,737)	(6,408)	(16,493)
Balance at the end of the half-year	199,990	2,033	12,863	7,324	34,939	4,062	261,211

	Computer Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Plant & Equipment \$	Computer Software \$	Total \$
Exploration Assets						
Half-year ended 31 December 2017						
Balance at the beginning of year	-	23,905	14,710	23,512	-	62,127
Additions	4,996	20,000	-	-	39,680	64,676
Disposals	-	-	-	-	-	-
Depreciation expense	(354)	(4,189)	(737)	(4,873)	(1,708)	(11,861)
Balance at the end of the half-year	4,642	39,716	13,973	18,639	37,972	114,942

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Notes to the Financial Statements For the Half-year ended 31 December 2018

9 Trade and Other Payables

	As at 31 December 2017 \$	As at 30 June 2018 \$
CURRENT		
Trade payables	883,327	525,100
Audit Fee accrual	8,500	12,000
GST on Income	-	814
Superannuation payable	15,368	29,612
Payroll Clearing account	-	(6,339)
Amounts held from salary and wages	53,445	23,733
Sundry Creditors – Subscriptions for share issue in progress	280,000	1,149,837
	1,240,640	1,734,757

10 Financial Liabilities

	As at 31 December 2018 \$	As at 30 June 2018 \$
Current Liabilities:		
Short term loans	185,000	175,000
Other commercial loans	62,512	22,799
Total Current Financial Liabilities	247,512	197,799

	As at 31 December 2018 \$	As at 30 June 2018 \$
Non-current Liabilities:		
Other commercial loans	1,680	5,086
Total Non-current Financial Liabilities	1,680	5,086

11 Employee Benefits

	As at 31 December 2018 \$	As at 30 June 2018 \$
Current liabilities		
Annual leave provision	82,852	84,740
Non-current liabilities		
Long service leave provision	44,459	43,102

Notes to the Financial Statements
For the Half-year ended 31 December 2018

12 Issued Capital

	As at 31 December 2018 \$	As at 30 June 2018 \$
57,263,080 (2018: 0) Ordinary shares of \$0.03 each	1,717,892	
1,250,000 (2018: 1,250,000) Ordinary shares of \$0.04 each	50,000	50,000
69,276,907 (2018: 68,776,907) Ordinary shares of \$0.05 each	3,463,846	3,438,845
54,873,041 (2018: 31,424,323) Ordinary shares of \$0.057 each	3,127,763	1,791,186
12,500,000 (2018: 12,500,000) Ordinary shares of \$0.06 each	750,000	750,000
19,574,000 (2018: 19,574,000) Ordinary shares of \$0.08 each	1,565,920	1,565,920
12,294,500 (2018: 12,294,500) Ordinary shares of \$0.10 each	1,229,450	1,229,450
133,333 (2018: 133,333) Ordinary shares of \$0.15 each	20,000	20,000
3,375,000 (2018: 3,375,000) Ordinary shares of \$0.16 each	540,000	540,000
22,943,500 (2018: 22,943,500) Ordinary shares of \$0.20 each	4,588,700	4,588,700
50 (2018: 50) Ordinary shares of \$0.20 each	10	10
Transaction cost on share issued	(1,271,140)	(1,072,433)
Total	15,782,441	12,901,678

12 Ordinary shares

	As at 31 December 2018 No.	As at 30 June 2018 No.
At the beginning of the reporting period	172,271,613	93,569,383
Shares issued during the half-year		
Ordinary shares of \$0.03 each	57,263,080	-
Ordinary shares of \$0.05 each	500,000	33,777,907
Ordinary shares of \$0.057 each	23,448,718	31,424,323
Ordinary shares of \$0.06 each	-	12,500,000
Ordinary shares of \$0.08 each	-	1,000,000
At the end of the reporting period	253,483,411	172,271,613

Notes to the Financial Statements

For the Half-year ended 31 December 2018

12(a) Issued Capital

	As at 31 December 2018	As at 31 December 2017
	\$	\$
57,263,080 (2018: 0) Ordinary shares of \$0.03 each	1,717,892	-
1,250,000 (2018: 1,250,000) Ordinary shares of \$0.04 each	50,000	50,000
69,276,907 (2018: 68,776,907) Ordinary shares of \$0.05 each	3,463,846	3,083,845
54,873,041 (2018: 31,424,323) Ordinary shares of \$0.057 each	3,127,763	1,565,920
12,500,000 (2018: 12,500,000) Ordinary shares of \$0.06 each	750,000	1,229,450
19,574,000 (2018: 19,574,000) Ordinary shares of \$0.08 each	1,565,920	-
12,294,500 (2018: 12,294,500) Ordinary shares of \$0.10 each	1,229,450	-
133,333 (2018: 133,333) Ordinary shares of \$0.15 each	20,000	20,000
3,375,000 (2018: 3,375,000) Ordinary shares of \$0.16 each	540,000	540,000
22,943,500 (2018: 22,943,500) Ordinary shares of \$0.20 each	4,588,700	4,588,700
50 (2018: 50) Ordinary shares of \$0.20 each	10	10
Transaction cost on share issued	(1,271,140)	(954,510)
Total	15,782,441	10,123,415

12(a) Ordinary shares

	As at 31 December 2018	As at 31 December 2017
	No.	No.
At the beginning of the reporting period	172,271,613	93,569,383
Shares issued during the half-year		
Ordinary shares of \$0.03 each	57,263,080	-
Ordinary shares of \$0.05 each	500,000	26,677,907
Ordinary shares of \$0.057 each	23,448,718	-
Ordinary shares of \$0.08 each	-	1,000,000
At the end of the reporting period	253,483,411	121,247,290

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

12(b) Performance shares

The Company issued 12,000,000 performance shares on 19th December 2017. These shares have no voting rights and no capital rights but will convert to fully paid ordinary shares if the two performance targets included in the purchase agreement for the acquisition of 70% of the Joint Venture with GFM Exploration Pty Ltd are met.

These performance shares are not included in the issued capital reported in the Company's Statement of Financial Position.

Notes to the Financial Statements
For the Half-year ended 31 December 2018

12(c) Options

The Company issued 19,696,680 options on 9th July 2018. These options have no voting rights and no capital rights but will convert to fully paid ordinary shares in the future at the owners' discretion.

These options are not included in the issued capital reported in the Company's Statement of Financial Position. The total number of options issued by the company is 30,557,580 (2018 10,860,900).

13 Accumulated Losses

	As at 31 December 2018	As at 30 June 2018
	\$	\$
Accumulated losses		
Opening balance	(7,056,501)	(3,656,929)
Carried Forward Loss for MGK Resources Pty Ltd	-	(24,492)
Loss for the half-year	(1,934,860)	(3,375,080)
Closing balance	(8,991,361)	(7,056,501)

13(a) Reserves

	As at 31 December 2018	As at 31 December 2017
	\$	\$
Accumulated losses		
Opening balance	(7,056,501)	(3,656,929)
Loss for the half-year	(1,934,860)	(1,155,677)
Closing balance	(8,991,361)	(4,812,606)

Notes to the Financial Statements

For the Half-year ended 31 December 2018

14 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans receivable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments: t* as detailed in the accounting policies to these financial statements, are as follows:

		As at 31 December 2018 \$	As at 30 June 2018 \$
Financial Assets			
Financial Assets at amortised cost			
- Cash and cash equivalents	5	518,227	708,966
- Trade and other receivables excluding GST	6	13,672	62,218
- Other Financial assets	7	91,000	66,000
Total financial assets		622,899	837,184
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables excluding GST	9	1,240,640	1,733,943
- Current Financial Liabilities	10	247,512	197,799
- Non-Current Financial Liabilities	10	1,680	5,086
Total financial liabilities		1,489,832	1,936,828

Financial risk management policies

The Board of Directors monitors the Company's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk.

Mitigation strategies for specific risks faced are described below:

Specific financial risk exposures and management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

Notes to the Financial Statements

For the Half-year ended 31 December 2018

(a) Liquidity risk

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

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile, managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Company's policy is to ensure no more than 30% of borrowings should mature in any 12-month period.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider there is any material risk the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year-end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the company has no control over the timing of any potential settlement of the liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Notes to the Financial Statements
For the Half-year ended 31 December 2018

14 Financial Risk Management continued

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$
Financial liabilities due for payment								
Trade and other payables (excluding estimated annual leave and GST)	(1,240,640)	(1,733,943)	-	-	-	-	(1,240,640)	(1,733,943)
Current Loans	(247,512)	(197,799)	-	-	-	-	(247,512)	(197,799)
Non-Current Loans	-	-	(1,680)	(5,086)	-	-	(1,680)	(5,086)
	(1,488,152)	(1,931,742)	(1,680)	(5,086)	-	-	(1,489,832)	(1,936,828)
Total expected outflows	(1,488,152)	(1,931,742)	(1,680)	(5,086)	-	-	(1,489,832)	(1,936,828)
Financial assets – cash flows realisable								
Cash and cash equivalents	518,227	708,966	-	-	-	-	518,227	708,966
Trade and other receivables (excluding GST)	13,672	62,218	-	-	-	-	13,672	62,218
Loan receivables	-	-	91,000	66,000	-	-	91,000	66,000
Total anticipated inflows	531,899	771,184	91,000	66,000	-	-	622,899	837,184
Net (outflow)/inflow on financial instruments	(956,253)	(1,160,558)	89,320	60,914	-	-	(866,933)	(1,099,644)

Notes to the Financial Statements
For the Half-year ended 31 December 2018

14 Financial Risk Management continued

(b) Market risk

(i) Interest rate risk

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

(c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 6.

Credit risk related to balances with banks and other financial institutions is managed by the FOC in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

The following table details the Company's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Company.

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

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
	\$	\$	\$	\$	\$	\$	\$
For the Half-year ended 31 December 2018							
Trade and other receivables (Excluding GST receivable)	13,672	-	-	-	-	-	13,672
Total	13,672	-	-	-	-	-	13,672
For the Year ended 30 June 2018							
Trade and other receivables (Excluding GST receivable)	62,218	-	-	-	-	-	62,218
Total	62,218	-	-	-	-	-	62,218

Notes to the Financial Statements
For the Half-year ended 31 December 2018

14 Financial Risk Management continued

The Company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

Sensitivity analysis - Interest rate risk

The following table illustrates sensitivities to the company's exposures to changes in interest rates, exchange rates and commodity and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$
Change in profit		
- Increase in interest rate by 1%	\$5,182	\$7,090
- Decrease in interest rate by 1%	\$(5,182)	\$(7,090)
Change in equity		
- Increase in interest rate by 1%	\$5,182	\$7,090
- Decrease in interest rate by 1%	\$(5,182)	\$(7,090)

Notes to the Financial Statements
For the Half-year ended 31 December 2018

15 Capital Management

The directors control the capital of Alt Resources Limited in order to maintain a debt to equity ratio, provide the shareholders with adequate returns and ensure the company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities supported by financial assets.

The directors effectively manage Alt Resources Limited's capital by assessing the Company's financial risks and adjusting the capital structure in response to changes in these risks. The responses include the management of debt levels, distributions to shareholders and share issues.

The gearing ratio for the half-year ended 31 December 2018 and year ended 30 June 2018 are as follows:

		As at 31 December 2018	As at 30 June 2018
		\$	\$
Trade and other payables (excluding GST payable)	9	1,240,640	1,733,943
Less Cash and cash equivalents	5	(518,227)	(708,966)
Net (asset)/debt		722,413	1,024,977
Equity	12	15,782,441	12,901,678
Total capital		16,504,854	13,926,655
Gearing ratio		(4.38%)	7.36%

Notes to the Financial Statements
For the Half-year ended 31 December 2018

16 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Alt Resources Limited during the half year are as follows:

	Half-year ended 31 December 2018	Half-year ended 31 December 2017
	\$	\$
Short-term employee benefits – Earnings and Directors fees	140,992	155,887
Short-term employee benefits – Incentives	65,000	50,000
Post-employment benefits – Superannuation contributions	13,576	14,724
Share-based payments - Incentives	22 82,764	230,000
Short-term employee benefits – Earnings and Directors fees	302,332	450,611

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the company's superannuation commitments made during the year and post-employment life insurance benefits.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

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

Notes to the Financial Statements

For the Half-year ended 31 December 2018

Key management personnel shareholdings

The number of ordinary shares in Alt Resources Limited held by each key management person of Alt Resources Limited during the financial year is as follows:

	Balance at beginning of year	Shares Issued	On exercise of options	Other changes during the year	Balance at 31 December 2018
As at 31 December 2018					
Directors					
William Hugh Ellis	890,500	-	-	-	890,500
Clive Napier Buckland*	842,500	-	-	(150,000)	692,500
Neva Collings	2,082,350	166,667	-	-	2,249,017
Andrew Sparke	181,046	833,333	-	88,954	1,103,333
Other KMP					
Phillip James Anderson	6,161,044	1,927,133	-	(2,464,685)	5,623,492
	<u>10,157,440</u>	<u>2,927,133</u>	<u>-</u>	<u>(2,525,731)</u>	<u>10,558,842</u>

* Clive Napier Buckland resigned as Director on 8 March 2019

16 Key Management Personnel Disclosures continued

	Balance at beginning of year	Shares Issued	On exercise of options	Other changes during the year	Balance at 30 June 2018
As at 30 June 2018					
Directors					
William Hugh Ellis	890,500	-	-	-	890,500
Clive Napier Buckland*	442,500	400,000	-	-	842,500
Neva Collings	2,082,350	-	-	-	2,082,350
Other KMP					
Phillip James Anderson	1,660,650	4,497,907	-	2,487	6,161,044
	<u>5,076,000</u>	<u>4,897,907</u>	<u>-</u>	<u>2,487</u>	<u>9,976,394</u>

* Clive Napier Buckland resigned as Director on 8 March 2019

Notes to the Financial Statements
For the Half-year ended 31 December 2018

For details of other transactions with key management personnel, refer to Note 20: Related Parties.

17 Remuneration of Auditors

	Half-year ended 31 December 2018 \$	Half-year ended 31 December 2017 \$
Remuneration of the auditor of the Company, Hardwickes Chartered Accountants, for:		
- auditing or reviewing the financial report	8,500	8,250

18 Joint Arrangements and Capitalised Tenement Costs

Joint Ventures

Reconciliation of carrying amount of interest in joint venture to summarised financial information for joint ventures accounted for using the equity method:

	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$
Joint Venture with GFM		
Opening balance	4,234,799	4,147,836
Investment in Joint Venture at cost	8,620	86,963
Carrying amount	4,243,419	4,234,799

	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$
Joint Venture with Mount Roberts Mining Pty Ltd		
Opening balance	336,703	82,746
Investment in Joint Venture at cost	12,401	253,957
Carrying amount	349,104	336,703

Notes to the Financial Statements

For the Half-year ended 31 December 2018

18 Joint Arrangements and Capitalised Tenement Costs continued

	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$
Investments in Tenements at Lake Cowan WA		
Opening balance	-	6,994
Exploration costs written off	-	(6,994)
Carrying amount	<u>-</u>	<u>-</u>
	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$
Bottle Creek WA Acquisition cost of option to purchase		
Opening balance	125,000	-
Investment in tenements at cost	500,000	125,000
Carrying amount	<u>625,000</u>	<u>125,000</u>
	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$
MGK Resources Pty Ltd Investment in Tenements at Mount Ida South and Quinn Hills		
Opening balance	145,000	-
Investment in tenements at cost	-	145,000
Carrying amount	<u>145,000</u>	<u>145,000-</u>
	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$
MGK Resources Pty Ltd Joint Venture with Maincoast Pty Ltd		
Opening balance	819	-
Investment in tenements at cost	6,102	819
Carrying amount	<u>6,921</u>	<u>819</u>

Notes to the Financial Statements

For the Half-year ended 31 December 2018

18 Joint Arrangements and Capitalised Tenement Costs continued

	Half-year ended 31 December 2018	Year ended 30 June 2018
	\$	\$
MGK Resources Pty Ltd Joint Venture with Gazard Investments Pty Ltd		
Opening balance	2,696	-
Investment in tenements at cost	4,834	2,696
Carrying amount	<u>7,530</u>	<u>2,696</u>
Total carrying amount of capitalised investment and tenement costs	<u>5,376,974</u>	<u>4,845,017</u>

Notes to the Financial Statements
For the Half-year ended 31 December 2018

Risks associated with the interests in joint ventures

The recoverability of the carrying amount of the exploration development expenditure is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Name	Classification	Place of Business	Participating Share	Free carried Interest of Joint Venturers	Measurement Method	Carrying Amount
			31 December 2018 %	31 December 2018 %	31 December 2018	\$
Joint Venture between Alt Resources and GFM Exploration Pty Ltd	Joint Venture	New South Wales	70%	30%	Equity Method	4,243,419
Joint Venture between Alt Resources and Mount Roberts Mining Pty Ltd	Joint Venture	Western Australia	51%	49%	Equity Method	349,104
Joint Venture between MGK Resources Pty Ltd and Maincoast Pty Ltd	Joint Venture	Western Australia	80%	20%	Equity Method	6,921
Joint Venture between MGK Resources Pty Ltd and Gazard Investments Pty Ltd	Joint Venture	Western Australia	80%	20%	Equity Method	7,530

Alt Resources Limited holds a 70% interest in an unincorporated Joint Venture, a strategic joint arrangement structured between the Company and GFM Exploration Pty Ltd (GFM). The principal place of business of the Joint Venture is New South Wales and the primary purpose of the joint venture is the discovery, location and declination of Gold and all activities as are necessary or expedient for the purpose of exploring the Joint Venture Area and includes conducting a feasibility studies and all activities to produce the same and all activities as are necessarily or desirable in order to implement and give to facilitate exploration, mining and sale of Gold on behalf of the joint operators.

Alt Resources Limited has continued its joint venture farm-in of two western Australian tenements from Mount Roberts Mining Pty Ltd. Alt Resources Limited has completed the first stage of the farm-in requirement to achieve a 51% holding in these tenements. Alt Resources Limited may choose to complete the second stage farm-in prior to 31 October 2019 to achieve a 80% holding in these tenements.

Alt Resources Limited purchased MGK Resources Pty Limited and therefore control of MGK Resources' tenements in the Mount Ida South and Quinn Hills regions of Western Australia. Eight of these tenements are jointly owned by MGK Resources and Maincoast Pty Ltd or Gazard Investments Pty Ltd. MGK Resources owns 80% of these tenements in a joint venture with each of these companies.

The Joint Ventures are not created as partnerships. The rights, interests, liabilities and obligations of the parties respectively under the Joint Venture are individual and separate and will not be joint or collective and each party is responsible for its own obligations and will be liable only for its own proportionate share of any property and assets of the

Notes to the Financial Statements

For the Half-year ended 31 December 2018

Joint Venture. The rights and obligation of the parties is several and neither joint nor joint and several. However, in acquiring its interest in the tenements, Alt Resources Limited has entered into an agreement with GFM Exploration Pty Ltd and Mount Roberts Mining Pty Ltd to meet all of the exploration costs of the tenements including those which would otherwise be an obligation of GFM Exploration Pty Ltd or Mount Roberts mining Pty Ltd.

19 Fair Value Measurement

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

	As at 31 December 2018		As at 30 June 2018	
	Net Carrying Value	Net Fair value	Net Carrying Value	Net Fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	518,227	518,227	708,966	708,966
Trade and other receivables (excluding GST receivable)	13,672	13,672	62,218	62,218
Loan Receivables	91,000	91,000	66,000	66,000
Total financial assets	622,899	622,899	837,184	837,184
Financial liabilities				
Trade and other payables (excluding GST payable)	1,240,640	1,240,640	1,733,943	1,733,943
Current Financial Liabilities	247,512	247,512	197,799	197,799
Non-current Financial Liabilities	1,680	1,680	5,086	5,086
Total financial liabilities	1,489,832	1,489,832	1,936,828	1,936,828

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave and income received in advance which are not considered to be financial instruments.

(ii) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at reporting date for similar types of loans and advances. Differences between fair values and carrying values largely represent movements in the effective interest rate determined on initial recognition and current market rates.

Notes to the Financial Statements

For the Half-year ended 31 December 2018

20 Related Parties

The Company's main related parties are as follows:

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 16: Key Management Personnel Compensation.

(b) Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

(c) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

		Half-year to 31 December 2018	Half-year to 31 December 2017
		\$	\$
Orange Door Legal	Legal Fees	6,250	5,000
Orange Door Legal	Exploration costs	-	9,000
2020 Accountancy Solutions	Accounting Fees	-	78,899
Supershift IQ	Accounting Fees	78,091	-
		84,341	92,899

Notes to the Financial Statements
For the Half-year ended 31 December 2018

21 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	Half-year to 31 December 2018 \$	Half-year to 31 December 2017 \$
(Loss) for the period	(1,934,860)	(1,155,677)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	8,257	11,472
- depreciation – Exploration costs	35,448	11,861
- Loss on disposal of Plant & Equipment	-	3,956
- Profit on disposal of Plant & Equipment	(2,993)	-
Changes in assets and liabilities,		
- (increase)/decrease in trade and other receivables	23,063	514,721
- (increase)/decrease in prepayments	(15,468)	(43,067)
- (increase)/decrease in capital works in progress	(196,000)	-
- increase/(decrease) in trade and other payables	(494,117)	70,312
- increase/(decrease) in employee benefits	(531)	50,414
Cashflow from operations	<u>(2,577,201)</u>	<u>(536,008)</u>

22 NSW Government Grants

The Group has not received a New Horizons NSW Government grant during the half year to 31 December 2018.

23 Research and Development Tax Incentives

The Group has not received a Research and Development Tax Incentive during the half year to 31 December 2018.

Notes to the Financial Statements

For the Half-year ended 31 December 2018

24 Share-based Payments

During the half-year 1 July 2018 to 31 December 2018 the following number of shares were granted to key management personnel (KMP), employees, consultants and suppliers as share-based payments.

	Half-year to 31 December 2018 \$	Half-year to 31 December 2018 Shares	Half-year to 31 December 2017 \$	Half-year to 31 December 2017 Shares
KMPs	97,018	1,927,133	230,000	4,000,000
Other Employees	25,000	500,000	-	-
Consultants	20,100	670,000	-	-
Other Suppliers	377,227	8,924,223	-	-
Total	519,345	12,021,356	230,000	4,000,000

The weighted average fair value of those equity instruments, determined by management was \$0.0432 (Half-year to 31 December 17 \$0.0575).

Included under expenses in the statement of profit and loss is \$492,345 which relates to equity settled share-based payment transactions.

Included under transaction cost on the share issue in the statement of Changes in Equity is \$57,000 (Half-year to 31 December 17 \$0) which relates to equity settled share-based payment transactions.

25 Subsidiaries

The Consolidated Financial Statements include the financial statements of the Parent Entity, Alt Resources Limited and the subsidiary listed in the following table.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non-controlling Interests	
		At 31 December 18 %	At 30 June 18 %	At 31 December 18 %	At 30 June 18 %
MGK Resources Pty Ltd	Jindabyne, NSW	100	100	-	-

Notes to the Financial Statements
For the Half-year ended 31 December 2018

26 Parent Information

		Half-year ended 31 December 2018	Year ended 30 June 2018
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	518,227	708,966
Trade and other receivables	6	175,521	198,58
Prepayments		48,798	33,329
TOTAL CURRENT ASSETS		742,546	940,879
NON-CURRENT ASSETS			
Investment in joint ventures and capitalised tenement costs	18, 27	6,967,523	6,446,502
Financial assets	7	572,114	338,700
Capital Works in Progress		196,000	-
Property, plant and equipment	8	449,853	506,915
TOTAL NON-CURRENT ASSETS		8,185,490	7,292,117
TOTAL ASSETS		8,928,036	8,232,996
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,240,640	1,734,757
Employee benefits	11	82,852	84,740
Financial liabilities	10	247,512	197,799
TOTAL CURRENT LIABILITIES		1,571,004	2,017,296
NON-CURRENT LIABILITIES			
Employee benefits	11	44,459	43,102
Financial liabilities	10	1,680	5,086
TOTAL NON-CURRENT LIABILITIES		46,139	48,188
TOTAL LIABILITIES		1,617,143	2,065,484
NET ASSETS		7,310,893	6,167,512
EQUITY			
Issued capital	12	15,782,441	12,901,678
Accumulated losses	13	(8,471,548)	(6,734,166)
TOTAL EQUITY		7,310,893	6,167,512

Notes to the Financial Statements

For the Half-year ended 31 December 2018

		Half-year ended 31 December 2018	Year ended 30 June 2018
	Note	\$	\$
Revenue	2	18,234	8,990
Depreciation and amortisation expense	3, 8(a)	(8,257)	(22,874)
Employee benefits expense	3	(385,817)	(741,821)
Exploration expenditure		(964,711)	(1,761,419)
Finance costs	3	(18,295)	(3,538)
Other expenses		(378,536)	(556,975)
Loss before income tax		(1,737,382)	(3,077,237)
Tax expense	4	-	-
R & D recoupment tax expense	4(c)	-	-
Net loss for the year		(1,737,382)	(3,077,237)
Other comprehensive income		-	-
Total comprehensive income for the year		(1,737,382)	(3,077,237)

27 Intangible Asset

The consolidated reports for the group include an intangible asset – Goodwill on consolidation. This is the combination of the acquisition cost of MGK Resources Pty Ltd and the issued capital of MGK Resources Pty Ltd.

Acquisition cost of MGK Resources Pty Ltd	1,750,000
Less: Issued Capital of MGK Resources Pty Ltd	(198,150)
Goodwill on Consolidation	<u>1,551,850</u>

28 Events Occurring After the Reporting Date

The financial report was authorised for issue on 14th March 2019 by the board of directors.

The Group announced an updated JORC resource estimate for the Mt Ida and Bottle Creek Gold Projects on 13 March 2019. This updated resource estimate has increased the resource and reserve estimate to 406,000 oz Au and 3.78M oz of Ag. The updated resource estimate has significantly improved the resource in the JORC Code categories with the Bottle Creek resource now being classified in the Measured, Indicated and Inferred categories.

The Company is currently undertaking pit optimisation and scoping study of the Bottle Creek ore bodies which will move the resource into the ore reserve category under the JORC Code significantly enhancing shareholder value and the Company assets.

Mr Clive Napier Buckland resigned as Director and Company Secretary on 8 March 2019. Ms Elissa Claire Hansen was appointed as Company Secretary on 20 February 2019.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the Financial Statements

For the Half-year ended 31 December 2018

29 Group Details

The registered office of Alt Resources Limited and MGK Resources Pty Ltd is:

Alt Resources Limited
64 Industrial Drive
Mayfield NSW 2304

The principal place of business of Alt Resources Limited and MGK Resources Pty Ltd is:

11-13 Baggs Street
Jindabyne NSW 2627

30 Joint Venture Details

a) Joint Venture with GFM Exploration Pty Ltd

Alt Resources holds 70% of the Joint Venture with GFM Exploration Pty Ltd holding the other 30%. Therefore the Company has beneficial and legal entitlement to 70% of the following tenements:

EL7825 Paupong NSW; EL8266 Paupong NSW; EL8382 Paupong NSW; ELA5492 Paupong NSW; EL8416 Myalla NSW.

The Group's address details provided at Note 29 above are the same for GFM Exploration Pty Ltd.

b) Joint Venture with Mount Roberts Mining Pty Ltd

Alt Resources holds 51% of the Joint Venture with Mount Roberts Mining Pty Ltd holding the other 49%. Therefore, the Company has beneficial and legal entitlement to 51% of the following tenements:

M36/279 Mount Roberts WA; M36/341 Mount Roberts WA.

c) Joint Venture with Maincoast Pty Ltd

Alt Resources owns 100% of MGK Resources Pty Ltd. MGK Resources Pty Ltd holds 80% of the Joint Venture with Maincoast Pty Ltd holding the other 20%. Therefore the Company has beneficial and legal entitlement to 80% of the following tenements:

E29/0901 Mt Ida South WA, E29/0921 Mt Ida South WA, E29/997 Quinn Hills WA, E291014 Mt Ida South WA.

d) Joint Venture with Gazard Investments Pty Ltd

MGK Resources Pty Ltd also holds 80% of the Joint Venture with Gazard Investment Pty Ltd holding the other 20%. Therefore the Company has beneficial and legal entitlement to 80% of the following tenements:

E29/969 Mt Ida South WA, E29/970 Mt Ida South WA, E29/971 Mt Ida South WA, E29/973 Mt Ida South WA.

Notes to the Financial Statements

For the Half-year ended 31 December 2018

Directors Declaration

The directors of the Company declare that:

1. the financial statements and notes for the half year ended 31 December 2018 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the Company;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director



Neva Collings

Director



William Hugh Ellis

Dated 14th March 2019

Alt Resources Limited

ABN: 57 168 928 416

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Alt Resources Limited and its subsidiary (the group), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies [statement or description of accounting policies as required by AASB 134] and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the group are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Alt Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Alt Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Alt Resources Limited

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Alt Resources Limited is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Hardwickes

Hardwickes
Chartered Accountant

R Johnson

Robert Johnson FCA
Partner

Canberra

14 March 2019