Alpha HPA Limited

and its controlled entities

Annual Report

for the financial year ended 30 June 2019

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Alpha HPA Limited
ABN 79 106 879 690
Chairman's Letter

Dear Fellow Shareholders,

The key target for the Company in the 2019 Financial Year was to complete the design and then construction of our HPA First pilot plant. An appropriate site was settled upon in Brisbane, and the plant was constructed and completed in time for its commencement of activities in July this year.

Key milestones for the 2020 Financial Year are the successful completion of a Definitive Feasibility Study and securing key strategic agreements with HPA offtake and chemical supply/offtake counterparties. We are hopeful and anticipate that achieving these milestones will lead to a positive rerating of your Company.

The performance of the pilot plant has reaffirmed the Company’s conviction that our process technology has a compelling cost and quality advantage over other existing and proposed HPA producers. We also believe that our project and project schedule are well-aligned with the global macro themes of decarbonisation and the electrification of transport, or e-mobility.

I would like to take this opportunity to thank our technical consultants for their tireless efforts and of course we would not be able to advance without our own good people. Thank you to Martin Kaderavek, our COO who joined us this year, my Board colleagues and Company officers, each of whom has brought unique skills and input to the Company. Last and certainly not least, a great vote of thanks to our Managing Director, Rimas Kairaitis, whose ability to think outside the box is the primary reason that our process flow sheet is so much simpler than it would have otherwise been.

Thank you to you, our shareholders for your faith and support and I look forward with confidence to the 2020 Financial Year being a pivotal one in the Company’s development.

Yours sincerely

Norman A. Seckold
Chairman

Review of Operations

OVERVIEW

Alpha HPA Limited (‘Alpha HPA’ or ‘the Company’) is an ASX-listed speciality metals and materials company focused on commercialising its proprietary licenced solvent extraction (SX) and refining technology to produce High Purity Alumina (HPA) for use in the burgeoning Lithium-ion battery and LED lighting markets.

During the year the Company achieved a number of significant milestones:

- Delivery of the HPA First Project PFS in November 2018, and the subsequent PFS upgrade in March 2019.
- Completion of an SX mini-rig program, and production of 4N purity (>99.99%) HPA.
- Commencement of the HPA First DFS, and construction of the HPA First pilot plant.
- Chemical counter-party engagement and commencement of project site selection.
- Launch of an extensive HPA end-user marketing campaign.

These activities are described in more detail below.

HPA FIRST PROJECT – (Alpha HPA - 100%)

On 20 November 2018, Alpha HPA announced the findings of a Pre-Feasibility Study (PFS) on the HPA First Project. The HPA First Project is the application of the Company’s licensed proprietary SX and refining technology to process aluminium derived from an industrial chemical feedstock into HPA rather than utilising an acid leach solution generated from a mining ore source.

The PFS described a technically robust project and delivered a compelling business case.

A full project description and summary of material assumptions and modifying factors is detailed in the Company’s PFS announcement dated 20 November 2018.

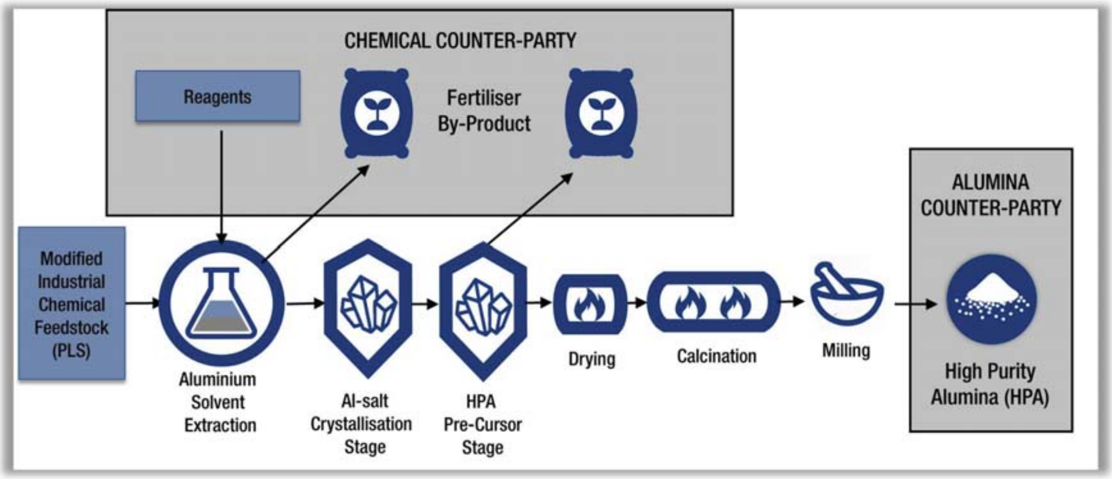
Feedstock Modification

In March 2019, the Company noted a significant opportunity regarding the modification of the chemical feedstock to the SX process and completed a number of detailed batch scale SX tests using the modified feedstock.

Key findings of the testwork were as follows:

- The modified feedstock allows for a higher-grade aluminium feed, which translates to reduced tank and pipe sizing, with attendant capital expenditure (CapEx) reductions.
- The modified feedstock presents a far more stable process, with rapid extraction of aluminium and rapid SX phase separation of the loaded organic from the feed solution.
- The modified feedstock also provides for a simplified flow sheet, with an increase in the production of higher value by-product B, and the elimination of by-product A. A simplified flow sheet using the modified feedstock is shown below.
- In-house analysis has confirmed a very-high aluminium extraction to >95%.

Review of Operations



HPA First Project - Simplified Process Flow Sheet with Modified Feedstock

PFS Update

Based on these very encouraging batch SX results, the Company adopted use of the modified feedstock and completed a recalibration of its PFS design and costings, updating the PFS with the following highlights:

- Total project CapEx reduced by $17M to $198M (US$149M), due largely to the removal of significant plant rendered redundant by the adoption of the modified feedstock.
- Although the reagent cost increases with the modified feedstock, this is more than offset by increased by-product sales revenue, providing for an approximate 20% net reduction in unit operating cost, down to $6,830 (US$5,123) per tonne of HPA after by-product credits.
- An increase of $17.6M in annual free cash flow (FCF) to $265M (US$199M).

The revised PFS findings of the HPA First Project are summarised in the table below alongside the November 2018 results:

HPA First Project	November 2018		PFS Update March 2019	
Key Project Parameters	**A$**	**US$**	**A$**	**US$**
A$/US$ Exchange Rate	0.75		0.75	
HPA Production (t/y)	10,200		10,200	
HPA Price Assumption ($/t HPA)	$33,333	$25,000	$33,333	$25,000
Annual Revenue (including by-products)	$384 million	$288 million	$413 million	$310 million
Annual Average Cash Operating Cost	$131 million	$98 million	$143 million	$107.5 million
Unit Cash Cost accounting for by-products ($/t HPA)	$8,538	$6,403	$6,830	$5,123
Annual Free Cash Flow (FCF)	$247 million	$185 million	$265 million	$199 million
Annual EBITDA	$248 million	$186 million	$266 million	$200 million
Aluminium Feedstock Processed (t/y)	65,753		20,400	
Pre-Production Capital Cost	$215 million	$161 million	$198 million	$149 million
Capital Intensity (CapEx $ per tpa HPA)	$21,043	$15,783	$19,417	$14,563

Review of Operations

Mini-rig and HPA First Pilot Plant

Following the modification to the feedstock, the Company completed an interim SX mini-rig (miniature pilot plant) program to supply mass-balance information for the design and construction of a pilot plant.

HPA assay results from the SX mini-rig process using the modified feedstock repeatedly confirmed >99.99% (>4N) purity and X-ray diffraction analysis also confirmed the HPA as 100% alpha form, as required for the battery applications. Importantly the assays confirmed very low levels of the battery deleterious impurities of Fe, Na and Cl.

Assays also confirmed most impurities identified were inherited from material handling between the crystallisation and calcination stages. With these impurity sources now identified, they could be readily removed from the process during pilot plant operation.

With data from the mini-rig process, a pilot plant, designed and commissioned by the Company's technology partner and by Prudentia Process Consultants, was constructed and, in July 2019, commenced processing HPA First feedstock which had been prepared in the lead up to the commencement of operations.

The pilot plant was designed at a production rate of approximately 4kg per day of HPA and operated as two complete end-to-end phases with intervals replicating the natural breaks in the commercial process.

The HPA First Pilot Plant Operations Team

Chemical Counterparty Engagement and Project Site Selection

The HPA First PFS was initially predicated on a project site based in Newcastle NSW, due to proximity to skills, logistics and reagent supply. The review of potential project sites has now expanded to include the Gladstone State Development Area (SDA) in Queensland as well as potential sites in Kwinana, WA.

Review of Operations

Each of the sites under evaluation has potential access to key chemical reagents required to make the Company's HPA and an existing market for the commercially valuable by-products generated from the HPA First process.

Alpha HPA is in discussions with a number of strategic chemical counterparties with regard to the purchase of land, key process reagents and the sale of these by-products with the outcome of these discussions to ultimately dictate the final project site selection.

As part of this process, Alpha HPA has lodged an application to reserve the purchase of a suitable land parcel within the Gladstone SDA.

HPA End-User Marketing Campaign

The Company initiated a focused end-user marketing campaign, based on intelligence source from independent consultants, Austrade and from commissioned market research. The process has involved insights into the role of HPA within both the lithium-ion cell as well as within the electric vehicle (EV) battery pack which include:

- The absolute focus on battery safety and integrity driven by EV manufacturers. This is considered strongly favourable to HPA demand, given HPA's role in thermal stability and control of battery thermal runaway.
- The focus on extending battery charge-recycle cycles (i.e. battery life) to match EV battery pack life to internal combustion engine vehicle equivalents. As battery ageing is substantially influenced by impurities within the cell, the increased focus on battery life is considered strongly favourable for all high-purity cell components, particularly HPA.
- To offset the high cost and ethical sourcing issues of cobalt in the lithium-ion battery cathode, the trend toward cobalt reduction in the battery cathode (i.e. the move toward 8:1:1 nickel-manganese-cobalt (NMC) ratio) appears well entrenched. A consequence of this trend is the requirement to stabilise the 8:1:1 cathode via either chemical doping or direct alumina coating which is further constructive for HPA demand.

HPA First - Definitive Feasibility Study (DFS)

Following the compelling results of the PFS, the Company immediately transitioned into a DFS for the HPA First Project, with the engagement of Prudentia Process Consulting to lead the study.

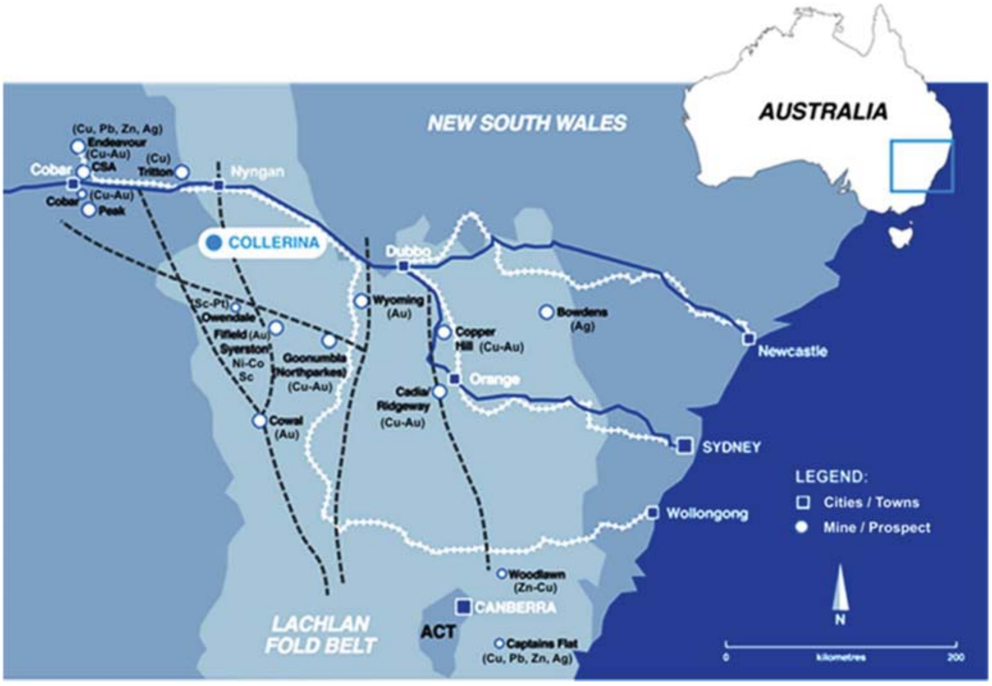
The dominant activity within the DFS is the pilot plant (see above) where key process flows, reagent usage and other key process metrics are finalised. Other major DFS activities completed include:

- Front end optimisation studies.
- Materials of construction testing.
- HPA morphology study.
- Filtration testing.
- Crystalliser optimisation.
- Generation of draft process flow diagrams.
- Final RFQs issued to all suppliers where major equipment specifications are known.

Review of Operations

COLLERINA PROJECT – (Alpha HPA - 100%, subject to commodity split agreement)

The Collerina Project is located 40 kilometres south of Nyngan in central NSW, covering an area of 150km^2 within the Fifield Platinum Province.



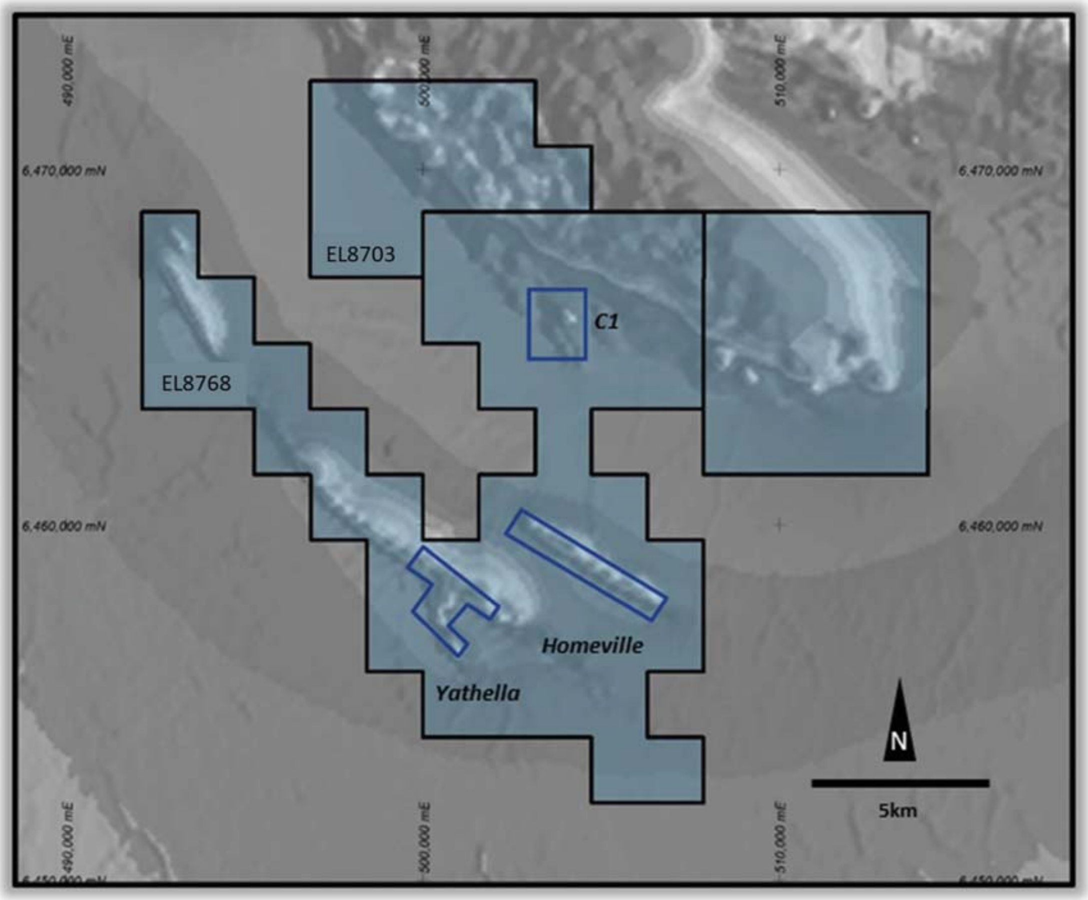
Collerina Project situated about 40 kilometres south of Nyngan, NSW.

With the adoption of the HPA First Project, the requirement to access the Collerina Project nickel-cobalt-aluminium mineralisation as feedstock is deferred. The Company still considers that the chemical characteristics of the Collerina Project ore represent a unique opportunity to produce nickel, cobalt, scandium and HPA when compared to other nickel-cobalt laterite deposits. However, further studies will be required to assess the technical and financial case for the integration of the Collerina Project into the HPA First Project and to expand the revenue base into these other products.

The Company remains committed to realising full value for shareholders from the advancement of the Collerina Project.

In October 2018, the Collerina Project tenement (EL 6336) was replaced with a new tenement (EL8768) with addition of an additional Mineral Group (Group 2) to cover for the opportunity of producing HPA from ore taken from the tenement.

Review of Operations



Plan of the Collerina licence area showing the Homeville, Yathella and C1 prospect areas

WONOGIRI PROJECT – (Alpha HPA - 45%)

The 3,928 hectare Wonogiri Project, located in central Java at an altitude of approximately 200 metres above sea level, is one of the most recent major copper-gold discoveries in the highly mineralised Indonesian archipelago.

The Wonogiri Project is supported by quality infrastructure, with access by sealed roads approximately 30 kilometres south of the provincial city of Solo and is easily accessible by daily flights from Jakarta. The surrounding area has grid power, a large dam and numerous river and stream systems. The surface area above the Randu Kuning deposit has no forestry restrictions.

The Wonogiri Project hosts the Randu Kuning deposit, a gold-rich porphyry copper deposit which, based on an updated JORC 2012 resource estimate using a cut-off grade of 0.2 g/t gold equivalent (AuEq[1]), contains 81.56 million tonnes (Mt) at 0.44 g/t AuEq (0.38 g/t gold and 0.11% copper). This represents 996,500 ounces of gold and 190 million pounds of copper, or 1.15 million ounces AuEq.

At a 0.5 g/t AuEq cut-off grade used in a Scoping Study, the total contained resource estimate is 20.95 million tonnes at 0.85 g/t Au and 0.16% copper, representing 573,000 ounces AuEq consisting of 533,000 ounces of gold and 74 million pounds of copper.

Review of Operations

AMDAL 20 year Operation Production IUP and Aggregate Licence

The Company is continuing to advance its AMDAL study (environmental impact study) for the Randu Kuning gold-copper deposit. On acceptance of the AMDAL, the Company will be awarded a 20 year operation production IUP which can be extended for a further 10 years. Separately, the Company is ready to initiate an Environmental Management Efforts and Environment Monitoring Efforts (UKL-UPL) report for its planned aggregate operation adjacent to the Randu Kuning deposit. Upon approval the Company will be granted an initial 5 year aggregate operation licence, which can be extended for two additional 5 year terms.

During the year ended 30 June 2019, the Directors decided to fully impair the carrying value of the Wonogiri Project, due to the inherent uncertainty surrounding the recoupment of this expenditure through successful development and exploitation of the area of interest, or by its sale.

CORPORATE ACTIVITIES

Issue of Shares and Options

In August 2018, the Company completed a fully underwritten, non-renounceable 1 for 10 rights issue, issuing 37,430,799 shares under the rights issue. An additional 13,396,475 new shares were issued through the underwriter of the Offer.

In September 2018, the Company issued 8 million shares following the exercise of 8 million $0.02 options and the Company granted 2 million options, each exercisable to acquire one fully paid ordinary share at any time up to 31 October 2020 for $0.15.

In November 2018, the Company granted 10 million options, each exercisable to acquire one fully paid ordinary share at any time up to 31 October 2020 for $0.15 and 10 million options, each exercisable to acquire one fully paid ordinary share at any time up to 31 October 2022 for $0.20.

Subsequent to the end of the year the Company placed 35 million fully paid ordinary shares with sophisticated investors, raising $3.5 million to further advance the Company's HPA First pilot plant and DFS.

MINERAL RESOURCES STATEMENT

Summarised below by resource category are the JORC 2012 resource estimates for the Collerina and Wonogiri projects.

Collerina Project - Homeville Deposit

The Mineral Resource Estimate is presented below at 0.54% Ni, 0.7% Ni, and 1.0% nickel cut-off grades:

Category	Cut Off Grade (Ni %)	Tonnes (Mt)	Ni %	Co %	Fe %	Al %
Indicated	0.5	2.2	0.97	0.04	19	2.8
Inferred	0.5	18.8	0.84	0.06	23	3.7
TOTAL		**21**	**0.85**	**0.06**	**22**	**3.6**

Category	Cut Off Grade (Ni %)	Tonnes (Mt)	Ni %	Co %	Fe %	Al %
Indicated	0.7	2.2	0.98	0.04	19	2.8
Inferred	0.7	15.7	0.88	0.06	23	3.7
TOTAL		**17.9**	**0.89**	**0.06**	**22**	**3.6**

Category	Cut Off Grade (Ni %)	Tonnes (Mt)	Ni %	Co %	Fe %	Al %
Indicated	1.0	0.9	1.1	0.04	18	2.4
Inferred	1.0	3.1	1.1	0.05	20	2.9
TOTAL		**4.0**	**1.1**	**0.05**	**19**	**2.8**

Wonogiri Project

Category	Cut Off (AuEq g/t)	Million Tonnes	AuEq (g/t)	Gold (g/t)	Copper (%)
Measured	1	4.88	1.36	1.28	0.23
	0.5	15.65	0.91	0.83	0.17
	0.2	21.59	0.77	0.69	0.15
Indicated	1	0.25	1.37	1.39	0.16
	0.5	1.67	0.74	0.73	0.11
	0.2	3.08	0.58	0.56	0.09
Inferred	1	0.1	1.37	1.49	0.09
	0.5	3.64	0.67	0.62	0.12
	0.2	56.89	0.31	0.25	0.09
Total	**1**	**5.22**	**1.36**	**1.29**	**0.23**
	0.5	**20.95**	**0.85**	**0.79**	**0.16**
	0.2	**81.56**	**0.44**	**0.38**	**0.11**

Resource Comparison 2019 to 2018

In September 2018 the Company released a JORC 2012 compliant Mineral Resource Estimate (MRE) for the Collerina Project, prepared by Optiro Consultants. The detail of this MRE were presented in the Company's 2018 Mineral Resource Statement.

With the Company's focusing on the HPA First Project no further updated to the resource estimate at the Collerina Project has been made.

A review of the Wonogiri Project concluded that no adjustment to the resource estimate at the Wonogiri Project was necessary at this time.

Review of Operations

Statements of Compliance

Competent Persons Statement – Process Development Testwork

Information in this announcement that relates to metallurgical results is based on information compiled by or under the supervision of Dr Stuart Leary, an Independent Consultant trading as Delta Consulting Group. Dr Leary is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Dr Leary has sufficient experience to the activity which he is undertaking to qualify as a Competent Persons under the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Leary consents to the inclusion of the technical data in the form and context in which it appears.

For further information on testwork results and processes see ASX announcements dated 23 September 2019, 28 August 2019, 5 August 2019, 25 July 2019, 2 July 2019, 3 June 2019, 17 April 2019, 7 March 2019, 4 December 2018, 20 November 2018, 6 September 2018, 31 August 2018, 9 July 2018, 30 April 2018, 26 April 2018, 21 March 2018, 6 March 2018, 21 February 2018, 8 December 2017, 30 November 2017, 29 November 2017, 24 November 2017 and 13 November 2017.

Competent Persons Statement – Exploration Results

The information in this report that relates to Exploration Results is based on information compiled by Rimas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Kairaitis is a Director of Alpha HPA Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Kairaitis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement – Homeville Mineral Resource Estimate

The Mineral Resource Estimate for the Homeville deposit has been compiled by Kahan Cervoj, B. App. Sci (Geology), MAIG MAusIMM. Mr Cervoj is an employee of Mineral Industry Consultants, Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Cervoj consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement – Randu Kuning Resource Estimate

The information in this report that relates to the Randu Kuning Resource estimate is based on information compiled by Collerina staff and contractors and approved by Mr Michael Corey, PGeo., who is a Member of the Association of Professional Geoscientists of Ontario (APGO) in Canada. Mr Corey was employed by the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Corey has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

1 Gold Equivalent Calculation for the Randu Kuning JORC 2012 Compliant Resource

Where reported in relation to the Wonogiri mineral resource estimate, gold equivalent results are calculated using a gold price of US$1,250/ounce and a copper price of US$5,500/tonne. Silver is excluded from the gold equivalent calculation. In calculating gold equivalents for the JORC 2012 resource estimate, gold and copper recoveries are assumed to be 85%. As previously reported, metallurgical testing has resulted in mean recoveries from sulphide material of over 90% for gold and 94% for copper. It is the Company's opinion that all metals used in the equivalent calculation have a reasonable potential to be recovered in the event that material from the Wonogiri Project was to undergo processing.

The gold equivalent calculation used is:
AuEq = (Au_g/t *$40.20 *85% + Cu_ppm *$0.0055 *85%) / ($40.20)
(i.e.: 1.0% Cu = 1.36 g/t Au)

Cautionary Statement

The Pre-Feasibility Study (PFS) referred to in this announcement has been undertaken to assess the technical and financial viability of the HPA First Project. Further evaluation work including a Definitive Feasibility Study (DFS) is required before the Company will be in a position to provide any assurance of an economic development case. The PFS is based on the material assumptions about the availability of funding and the pricing received for HPA. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by this PFS will be achieved. To achieve the range of outcomes indicated in the PFS, Pre-Production Capital in the order of A$198 million plus working capital will likely be required. Investors should note that there is no certainty that the Company will be able to raise the amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares. It is also possible that the Company could pursue other "value realisation" strategies such as a sale, partial sale or joint venture of the Project. If it does, this could materially reduce the Company's proportionate ownership of the Project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the PFS. The Company confirms that all material assumptions underpinning the updated PFS released in March 2019 continue to apply and have not materially changed.

Forward Looking Statements

The HPA First PFS contains certain forward looking statements with respect to the financial condition, results of operations, business of the Company and certain plans and objectives of the management of the Company. These forward looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice and may involve significant elements of subjective judgement and assumptions as to future events which may or may not occur. Forward looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither the Company, nor any other person, give any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statement will actually occur. In particular, those forward looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of the Company. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in the HPA First PFS in light of those disclosures.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders. The Company has reviewed its corporate governance practises against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2019 Corporate Governance Statement is dated as at 26 September 2019 and reflects the corporate governance practises throughout the 2019 financial year. The 2019 Corporate Governance Statement was approved by the Board on 26 September 2019. A description of the Company’s current corporate governance practises is set out in the Company’s Corporate Governance Statement which can be viewed at www.alphahpa.com.au/index.cfm/about-us/.

Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising of Alpha HPA Limited ('Alpha HPA' or 'the Company'), and its controlled entities for the financial year ended 30 June 2019 and the auditor's report thereon.

Directors

The names of the Directors in office at any time during or since the end of the financial year are:

Norman Seckold	-	Chairman
Rimas Kairaitis	-	Managing Director (appointed Managing Director 23 August 2018)
Peter Nightingale	-	Director and CFO
Anthony Sgro	-	Director
Justin Werner	-	Director

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

Company Secretary

The Company Secretary in office during the financial year was Richard Edwards.

Principal Activities

The Company's principal focus over the last 12 months has been advancing the commercialisation of its proprietary solvent extraction and refining technology to produce High Purity Alumina (HPA) for sale into the lithium-ion battery and LED battery markets. This decision to utilise a non-mining sourced feedstock has seen the Company de-prioritise the immediate development of the Collerina Project in central NSW. It is the Company's intention to continue the commercialisation path of the HPA First Project.

No significant changes in the nature of these activities occurred during the year.

Financial Results

The loss of the Group for the financial year after providing for income tax amounted to $11,213,001 (2018 - $1,834,498 loss), inclusive of a $7.5 million impairment loss on the Company's 45% interest in the Wonogiri Project.

Review of Operations

A review of the Group's operations for the year ended 30 June 2019 is set out in the Review of Operations.

Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend in respect of the financial year ended 30 June 2019. No dividends have been paid or declared during the financial year (2018 - $nil).

Environmental Regulations

The Group is subject to state, federal and international environmental legislation. The Group has complied with its environmental obligations and the Group have not received a notification for environmental breaches by any Government agency to the date of this Directors' Report, and the Directors do not anticipate any obstacles in complying with the legislation.

Directors' Report

Significant Changes in State of Affairs

In the opinion of the Directors, significant changes in the state of affairs of the Group that occurred during the year ended 30 June 2019 were as follows:

- The continued exploration and development of the Group's projects.
- Release of the pre-feasibility study at the HPA First Project.

After Balance Date Events

In July 2019, the Company completed a placement at $0.10 per share raising $3.5 million from sophisticated investors to further advance the Company's HPA First pilot plant and Definitive Feasibility Study. The issue was not underwritten.

In July 2019, the Company also received payment of its FY2018 R&D claim for $235,034, with this claim being the pre-cursor to a substantially larger FY2019 claim.

In August 2019, the Company announced that 110,536,400 shares representing an 18.36% interest in the Alpha HPA owned by PT Muara Mulya Propertindo (a subsidiary company of the Rajawali Group) had been sold to a major Australian institutional fund manager and a collection of high net worth individuals.

In September 2019, the Company successfully applied to the Advanced Manufacturing Growth Centre for $400,000 of funding towards the operation of the HPA First pilot plant and vendor testwork in support of the HPA First Definitive Feasibility Study.

Also in September 2019, the Company announced that purity assays from the first 16 HPA samples produced from the pilot plant, representing 6 individual batches of HPA, all returned >4N (>99.99%) purity, averaging 99.994%.

No other matters or circumstances have arisen since the end of the reporting period, 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.

Likely Developments

The Group will complete its HPA First Definitive Feasibility Study ahead of anticipated project construction, as well as continuing to explore and evaluate the Company's exploration projects with the aim of identifying potential mineral resources and undertake further studies at the Collerina and Wonogiri projects ahead of anticipated decisions to mine.

Information on Directors

Norman Alfred Seckold
Chairman

Director since 30 November 2009.

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney and has spent more than 30 years in the full time management of natural resource companies, both in Australia and overseas.

Mr Seckold has been the Chairman of a number of publicly listed companies including Moruya Gold Mines (1983) N.L., which acquired the Golden Reward heap leach gold deposit in South Dakota, USA, Pangea Resources Limited, which acquired and developed the Pauper's Dream gold mine in Montana, USA, Timberline Minerals, Inc. which acquired and completed a feasibility study for the development of the MacArthur copper deposit in Nevada, USA, Perseverance Corporation Limited, which discovered and developed the Nagambie gold mine in Victoria, Valdora Minerals N.L., which developed the Rustler's Roost gold mine in the Northern Territory and the Ballarat East Gold Mine in Victoria, Viking Gold Corporation, which discovered a high grade gold deposit in northern Sweden, Mogul Mining N.L., which drilled out the Magistral and Ocampo gold deposits in Mexico and Bolnisi Gold N.L, which discovered and developed the Palmarejo and Guadalupe gold and silver mines in Mexico, and was previously Chairman of Cockatoo Coal Limited, an Australian coal mining, exploration and project development company and Equus Mining Limited, a mineral and development company operating in Chile.

Mr Seckold is currently Chairman of ASX listed Sky Metals Limited and Santana Minerals Ltd and Deputy Chairman of ASX listed Nickel Mines Limited. He is also a director of the unlisted public company Mekong Minerals Ltd.

Other current listed company directorships: Nickel Mines Limited, Santana Minerals Ltd and Sky Metals Limited.
Former directorships in the last three years: None.
Interests in shares and options: 67,291,194 shares indirectly held as at the date of this report.

Rimas Kairaitis
Managing Director
Technical Director since 1 November 2017. Appointed as Managing Director on 23 August 2018.

Mr Kairaitis is a geologist with over 24 years' experience in minerals exploration and resource development in gold, base metals and industrial minerals. In his most recent role, Mr Kairaitis was founding Managing Director and CEO of Aurelia Metals (ASX: AMI), which he steered from a junior exploration company IPO to a profitable NSW based gold and base metals producer. Mr Kairaitis' technical and commercial capacity and his recent project development experience in NSW are considered to be well matched to the Company's near-term development ambitions for the HPA First Project and the Collerina Project.

Other current listed company directorships: Sky Metals Limited, Great Western Exploration Ltd.
Former directorships in the last three years: None.
Interests in shares and options: 480,000 shares indirectly held, 10,000,000 $0.10 31 October 2019 and 10,000,000 $0.15 31 October 2020 unlisted options held directly as at the date of this report.

Peter James Nightingale
Director and Chief Financial Officer

Director since 30 November 2009.

Peter Nightingale graduated with a Bachelor of Economics degree from the University of Sydney and is a member of the Institute of Chartered Accountants in Australia. He has worked as a chartered accountant in both Australia and the USA.

As a director or company secretary Mr Nightingale has, for more than 30 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia, the USA and Europe including Pangea Resources Limited, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals N.L., Mogul Mining N.L., Bolnisi Gold N.L., Cockatoo Coal Limited Planet Gas Limited (now Sky Metals Limited). Mr Nightingale is currently a director of ASX listed Nickel Mines Limited and unlisted public company Prospech Limited.

Other current listed company directorships: Nickel Mines Limited.
Former directorships in the last three years: Argent Minerals Limited and Planet Gas Limited (now Sky Metals Limited).
Interests in shares and options: 13,612,500 shares indirectly held and 3,000,000 $0.10 31 October 2019 unlisted options held directly as at the date of this report.

Directors' Report

Anthony Sgro
Director

Director since 1 November 2017.

Mr Sgro is a Chemical Engineer, graduating from University of Sydney. His studies included an emphasis on Minerals Chlorination, which focused on the application of chlorination techniques to the extractive metallurgy of various minerals including titanium, nickel, chromium and tungsten ores.

His early career was spent with an international engineering group, including an extended period managing operations in Indonesia.

In 1979, with two partners, Mr Sgro started Kelair Pumps which grew to be the largest privately owned pumping equipment supply company in Australia. The company was sold to an international group in 2004 but Mr Sgro remained with the company as General Manager until his retirement in 2015.

In a career spanning 45 years, Mr Sgro was deeply involved in the technical and commercial aspects of supply of specialised equipment to the major process industries including oil and gas, petrochemical, chemical and mining industries, including equipment specification, material selection, commercial and technical aspects of large tenders, contract negotiation and contract management.

Other current listed company directorships: None.
Former directorships in the last three years: None.
Interests in shares and options: 155,297 shares indirectly held and 3,000,000 $0.10 31 October 2019 unlisted options held directly as at the date of this report.

Justin Charles Werner
Director

Director since 23 December 2010. Managing Director from 8 August 2014 to 23 August 2018.

Justin Werner, who has a Bachelor of Management from the University of Sydney, has been involved in the mining industry for more than 10 years. He was a founding partner of PT Gemala Borneo Utama, a private Indonesian exploration and mining company, which developed a heap leach gold mine in West Kalimantan and discovered the highly prospective Romang Island in Indonesia which was acquired by Padiham resources from Robust Resources Limited in November 2014.

Prior to focusing on developing projects in Indonesia, he worked as a consultant for specialist mining consultancies GPR Dehler, Jamieson Consulting and Partners in Performance, leading many successful turnaround projects for blue chip mining companies including Freeport McMoran (Grasberg deposit, Indonesia where he spent 2 years), Lihir Gold (Lihir mine, Papua New Guinea), Placer Dome (Nevada, USA), BHP Billiton (Ingwe Coal, South Africa), Rio Tinto (West Angeles Iron Ore, Australia), Nickel West (Western Australia) and QNI Yabulu refinery (Queensland, Australia). Mr Werner is currently Managing Director of ASX listed public company Nickel Mines Limited.

Other current listed company directorships: Nickel Mines Limited.
Former directorships in the last three years: None.
Interests in shares and options: 7,316,835 shares indirectly held and 10,000,000 $0.10 31 October 2019 unlisted options held directly as at the date of this report.

Directors' Report

Meetings of Directors

Directors	Directors' Meetings	
	Nº eligible to attend	Nº attended
Norman Seckold	3	3
Rimas Kairaitis	3	3
Peter Nightingale	3	2
Anthony Sgro	3	3
Justin Werner	3	3

Company Secretary

The Company Secretary, Richard Edwards, was appointed on 3 September 2012.

Richard Edwards graduated with a Bachelor of Commerce degree from the University of New South Wales, is a Fellow of the Governance Institute of Australia, is a member of CPA Australia and holds a Graduate Diploma of Applied Finance and Investment from FINSIA. Mr Edwards has worked for over fifteen years providing financial reporting and company secretarial services to a range of publicly listed companies in Australia with a focus on the mining sector. He is also Company Secretary of ASX listed Nickel Mines Limited and unlisted public company Prospech Limited.

Directors' Interests

The following table provides the total ordinary shares held by each Director as at the date of this report:

	Directly held	Indirectly held
Norman Seckold	-	67,291,194
Rimas Kairaitis	-	480,000
Peter Nightingale	-	13,612,500
Anthony Sgro	-	155,297
Justin Werner	-	7,316,835
Total	**-**	**88,855,826**

The following table provides the total options held by each Director as at the date of this report:

	Directly held	Indirectly held
Norman Seckold	-	-
Rimas Kairaitis	20,000,000	-
Peter Nightingale	3,000,000	-
Anthony Sgro	3,000,000	-
Justin Werner	10,000,000	
Total	**36,000,000**	**-**

Directors' Report

Unissued Shares Under Option

At the date of this report, unissued ordinary shares of the Company under option are:

Number of options	Exercise price	Expiry date
30,000,000	$0.10	31 October 2019
12,000,000	$0.15	31 October 2020
10,000,000	$0.20	31 July 2022

Shares Issued on Exercise of Options

During or since the end of the financial year, the Group issued ordinary shares as a result of the exercise of options as follows (there are no amounts unpaid on the shares issued):

Number of Shares	Amount paid on each share
8,000,000	$0.02

Indemnification of Officers and Auditor

During or since the end of the financial year, the Group has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Company against a liability incurred by such an officer or auditor. In addition, the Group has not paid or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit Services

During the year ended 30 June 2019 KPMG, the Company's auditor, has not performed other services in addition to their statutory audit duties.

	2019	2018
Statutory Audit	**$**	**$**
Auditors of the Company		
Audit of annual and interim financial reports - KPMG	87,875	81,700

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

The lead auditor's independence declaration is set out on page 23 as required under section 307C of the *Corporations Act 2001.*

Remuneration Report - (Audited)

Principles of Compensation - (Audited)

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the Directors and the Chief Operating Officer of the Company. The policy of remuneration of Directors and senior executives is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board is responsible for reviewing and evaluating its own performance. The evaluation process is intended to assess the Group's business performance, whether long term strategic objectives are being achieved and the achievement of individual performance objectives.

Remuneration generally consists of salary payments. Longer term incentives are able to be provided through the Group's Incentive Option Plan which acts to align the Directors and senior executives' actions with the interests of the shareholders. The terms and conditions of share options offered or granted by the Group are determined by the Board in its sole and absolute discretion. The remuneration disclosed below represents the cost to the Group for the services provided under these arrangements. No Directors or senior executives receive performance related remuneration.

There were no remuneration consultants used by the Group during the year ended 30 June 2019, or in the prior year.

Details of Remuneration for the Year Ended 30 June 2019 - (Audited)

Details of Director and senior executive remuneration and the nature and amount of each major element of the remuneration of each Director of the Company, and other key management personnel of the Group are set out below:

Key management personnel	Year	Short term	Post-employment	Share based payments	Total	Proportion of remuneration performance related	Value of options as a proportion of remuneration %
		Salary and fees $	Superannuation $	Options $	$	%	
Norman Seckold	2019	90,000	-	-	90,000	-	-
	2018	90,000	-	-	90,000	-	-
Rimas Kairaitis(1)	2019	365,733	-	436,000	801,733	-	54.38
	2018	161,064	-	320,124	481,188	-	66.53
Peter Nightingale	2019	90,000	-	-	90,000	-	-
	2018	90,000	-	96,037	186,037	-	51.62
Anthony Sgro	2019	40,000	-	-	40,000	-	-
	2018	26,667	-	96,037	122,704	-	78.26

(1) Technical Director since 1 November 2017. Appointed as Managing Director 23 August 2018.

Remuneration Report - (Audited) (Cont.)

Key management personnel	Year	Short term	Post-employment	Share based payments	Total	Proportion of remuneration performance related	Value of options as a proportion of remuneration %
		Salary and fees $	Superannuation $	Options $	$	%	
Justin Werner(2)	2019	54,957	-	-	54,957	-	-
	2018	150,000	-	320,124	470,124	-	68.09
Martin Kaderavek(3)	2019	57,500	5,463	-	62,963	-	-
	2018	-	-	-	-	-	-
Total	2019	698,190	5,463	436,000	1,139,653	-	38.26
Total	2018	517,731	-	832,322	1,350,053	-	61.65

(2) Ceased being Managing Director from 23 August 2018 and became a Non-Executive Director from this date.
(3) Appointed as Chief Operation Officer on 1 April 2019.

Other than the share based payments outlined above, no bonuses were paid during the financial year and no performance based components of remuneration exist.

On 1 April 2019, the Company appointed Martin Kaderavek as Chief Operating Officer under the terms and conditions of an employment agreement dated 11 March 2019. The terms and conditions of the employment agreement were as follows:

- Total fixed remuneration comprised of an Annual Base Salary of $230,000 and $21,850 Employer Superannuation Contributions;
- The Company may at its sole discretion terminate employment by giving one month's written notice to Martin and making a payment of two month's salary; and
- Performance based cash bonus of up to 25% of total fixed remuneration and a package of share issued options under the Group's Incentive Option Plan at the final discretion of the Board.

The Group employed no other key management personnel.

Consequences of Performance on Shareholder Wealth - (Audited)

In considering the Group's performance and benefits for shareholder wealth, the Board of Directors have regard to the following indices in respect of the current financial year and the previous four financial years:

	2019	2018	2017	2016	2015
Loss attributable to owners of the Company	$10,054,498	$1,770,554	$2,519,816	$832,714	$738,499
Dividends paid	Nil	Nil	Nil	Nil	Nil
Change in share price	$0.016	$0.077	$0.009	$0.003	($0.02)
Return on capital employed(1)	(242%)	(17%)	(32%)	(9%)	(8%)

(1) Return on capital employed is calculated by dividing the profit or loss for the year by total assets less current liabilities.

The overall level of key management personnel's compensation is assessed on the basis of market conditions, status of the Group's projects, and financial performance of the Company.

Directors' Report

Remuneration Report - (Audited) (Cont.)

Movement in Shares - (Audited)

No shares were granted to key management personnel during the reporting period as compensation in 2019 or 2018. The movement during the reporting period in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Key management personnel	Held at 1 July 2018	Purchased shares	Sales	Held at 30 June 2019
Norman Seckold	61,173,812	6,117,382	-	**67,291,194**
Rimas Kairaitis	300,000	180,000	-	**480,000**
Peter Nightingale	12,375,000	1,237,500	-	**13,612,500**
Anthony Sgro	141,179	14,118	-	**155,297**
Justin Werner	6,651,667	665,168	-	**7,316,835**

Key management personnel	Held at 1 July 2017	Purchased shares	Sales	Held at 30 June 2018
Norman Seckold	52,082,903	9,090,909	-	61,173,812
Rimas Kairaitis	300,000	-	-	300,000
Peter Nightingale	12,375,000	-	-	12,375,000
Anthony Sgro	141,179	-	-	141,179
Justin Werner	5,568,334	1,083,333	-	6,651,667

Movement in Options - (Audited)

Options granted as compensation - (Audited)

Details of options granted as compensation to each key management person:

Director	Grant Date	Number of Options Granted	Fair Value at Grant Date	Option Terms (Exercise Price and Term)
Rimas Kairaitis	01/11/17	10,000,000	$320,124	$0.10 at any time to 31/10/19
Rimas Kairaitis	30/11/18	10,000,000	$436,000	$0.15 at any time to 31/10/20
Peter Nightingale	01/11/17	3,000,000	$96,037	$0.10 at any time to 31/10/19
Anthony Sgro	01/11/17	3,000,000	$96,037	$0.10 at any time to 31/10/19
Justin Werner	01/11/17	10,000,000	$320,124	$0.10 at any time to 31/10/19

The Company issued 10,000,000 $0.15 options for no consideration with a grant date of 30 November 2018 to Mr Rimas Kairaitis following his appointment as Managing Director and shareholder approval of the grant of options at the Company's AGM. The fair value of the options granted was measured using a Black-Scholes formula. The model inputs of the options issued were the Company's share price of $0.11 at the grant date, a volatility factor of 90% based on historical share price performance, a risk-free interest rate of 2.00% and no dividends paid.

The fair value of the options issued on the grant date of 1 November 2017 was determined based on Black-Scholes formula. The model inputs of the options issued, were the Company's share price of $0.065 at the grant date, a volatility factor of 106% based on historic share price performance, a risk free rate of 1.84% based on the 2 year government bond rate and no dividends paid.

The number of options that vested to key management personnel during the year ended 30 June 2019 is 10,000,000 (2018 - 26,000,000). No options lapsed during 2019 and 2018 financial years. All options issued to date at the discretion of the Board to each key management person vested immediately and had no service or performance conditions attached to them. No options were granted subsequent to year end.

Directors' Report

Remuneration Report - (Audited) (Cont.)

Modification of terms of equity-settled share-based payment transactions - (Audited)

No terms of equity-settled share-based payment transactions (including options granted as compensation to a key management person) have been altered or modified by the Company during the 2019 financial year.

Exercise of options granted as compensation - (Audited)

There were no shares issued on the exercise of options previously granted as compensation during the 2019 and 2018 financial years.

Analysis of options and rights over equity instruments granted as compensation - Audited

All options refer to options over ordinary shares of Alpha HPA Limited, which are exercisable on a one-for-one basis.

	Options granted				
Director	**Number**	**Date**	**% vested at year end**	**% forfeited at year end**	**Financial year in which grant vests**
Rimas Kairaitis	10,000,000	1 November 2017	100%	-	30 June 2018
Rimas Kairaitis	10,000,000	30 November 2018	100%	-	30 June 2019
Peter Nightingale	3,000,000	1 November 2017	100%	-	30 June 2018
Anthony Sgro	3,000,000	1 November 2017	100%	-	30 June 2018
Justin Werner	10,000,000	1 November 2017	100%	-	30 June 2018

Options and rights over equity instruments - (Audited)

The movement during the reporting period in the number of options over ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their personally related entities, is as follows:

	Held at 1 July 2018	Granted/ Purchased[1]	Exercised	Expired	Held at 30 June 2019	Vested and exercisable at 30 June 2019
Rimas Kairaitis	10,000,000	10,000,000	-	-	**20,000,000**	**20,000,000**
Peter Nightingale	3,000,000	-	-	-	**3,000,000**	**3,000,000**
Anthony Sgro	3,000,000	-			**3,000,000**	**3,000,000**
Justin Werner	10,000,000	-	-	-	**10,000,000**	**10,000,000**

(1) Granted as part of remuneration.

Loans to key management personal and their related parties - (Audited)

There were no loans made to key management personnel or their related parties during the 2019 and 2018 financial years and no amounts were outstanding at 30 June 2019 (2018 - $nil).

Directors' Report

Remuneration Report - (Audited) (Cont.)

Other transactions with key management personnel - (Audited)

These key management personnel related entities transacted with the Group during the year as follows:

Norman Seckold and Peter Nightingale hold a controlling interest in an entity, MIS Corporate Pty Limited, which provided full administrative services, including administrative, accounting and investor relations staff both within Australia and Indonesia, rental accommodation, services and supplies, to the Group during the year. Fees charged by MIS Corporate Pty Limited during the year amounted to $287,490 (2018 - $246,332) which includes a monthly fee of $15,000 per month, which increased to $25,000 per month from 1 April 2019 and reimbursement of consultant expenses incurred by MIS Corporate Pty Limited on behalf of the Group. At 30 June 2019, $15,502 (2018 - $271,076) remained outstanding and was included in the creditor's balance. Included within current liabilities are amounts totalling $50,083 (2018 - $223,369) due to the Directors of the Company.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Director's interests existing at year end.

Signed at Sydney this 26th day of September 2019 in accordance with a resolution of the Board of Directors.

Rimas Kairaitis
Managing Director

Lead Auditor's Independence Declaration
under Section 307C of the *Corporations Act 2001* to the Directors of Alpha HPA Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2019, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Adam Twemlow
Partner

Brisbane
26 September 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Notes	Consolidated 2019 $	2018 $
Continuing operations			
Other income		**918,798**	31,815
Administration and consultant expenses		**(829,682)**	(584,422)
Audit and other professional fees	6	**(87,875)**	(92,650)
Depreciation and amortisation expenses	6	**(522)**	(1,301)
Directors' and company secretarial fees		**(574,811)**	(261,498)
Legal fees		**(27,457)**	(51,436)
Share based payments	16	**(1,090,600)**	(960,372)
Loss on sale of subsidiary		**-**	(94,364)
Unrealised loss on investment		**(244,123)**	-
Development expenses		**(1,953,296)**	-
Impairment loss – exploration and evaluation expenditure	12	**(7,496,245)**	(15,646)
Operating loss before financing income		**(11,385,813)**	(2,029,874)
Finance income	5	**172,847**	195,376
Finance expense	5	**(35)**	-
Net financing income		**172,812**	195,376
Loss before income tax expense		**(11,213,001)**	(1,834,498)
Income tax expense	8	**-**	-
Loss after income tax expense		**(11,213,001)**	(1,834,498)
Other comprehensive income for the year			
Items that may be classified subsequently to profit or loss			
Foreign currency translation		**(17,369)**	(185,726)
Total other comprehensive loss		**(17,369)**	(185,726)
Total comprehensive loss for the year		**(11,230,370)**	(2,020,224)
Loss is attributable to:			
Owners of the Company		**(10,054,498)**	(1,770,554)
Non-controlling interest		**(1,158,503)**	(63,944)
Loss for the year		**(11,213,001)**	(1,834,498)
Total comprehensive loss is attributable to:			
Owners of the Company		**(10,069,223)**	(1,848,621)
Non-controlling interest		**(1,161,147)**	(171,603)
Total comprehensive loss for the year		**(11,230,370)**	(2,020,224)
Earnings per share			
Basic and diluted loss per share (cents)	9	**(1.80)**	(0.37)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Alpha HPA Limited
and its controlled entities

Consolidated Statement of Financial Position
As at 30 June 2019

	Notes	Consolidated 2019 $	Consolidated 2018 $
Current assets			
Cash and cash equivalents	10	**691,016**	288,007
Trade and other receivables	11	**1,123,675**	774,027
Prepayments		**117,276**	99,143
Total current assets		**1,931,967**	1,161,177
Non-current assets			
Property, plant and equipment		**2,016**	948
Exploration and evaluation expenditure	12	**2,546,597**	9,764,421
Investments	13	**215,877**	110,000
Other assets		**45,000**	45,000
Total non-current assets		**2,809,490**	9,920,369
Total assets		**4,741,457**	11,081,546
Current liabilities			
Trade and other payables	14	**579,871**	841,682
Total current liabilities		**579,871**	841,682
Total liabilities		**579,871**	841,682
Net assets		**4,161,586**	10,239,864
Equity			
Issued capital	15	**34,112,896**	30,187,206
Reserves	15	**2,054,810**	999,735
Accumulated losses		**(31,518,634)**	(21,464,136)
Total equity attributable to equity holders of the Company		**4,649,072**	9,722,805
Non-controlling interest		**(487,486)**	517,059
Total equity		**4,161,586**	10,239,864

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 30 June 2019

Attributable to equity holders of the Group	Notes	Issued capital $	Reserves $	Accumulated losses $	Total $	Non-controlling interest $	Total equity $
Balance at 1 July 2017		26,712,574	122,630	(19,693,582)	7,141,622	658,954	7,800,576
Total comprehensive income for the year							
Loss for the year		-	-	(1,770,554)	(1,770,554)	(63,944)	(1,834,498)
Total other comprehensive income		-	(78,067)	-	(78,067)	(107,659)	(185,726)
Total comprehensive loss for the year		-	(78,067)	(1,770,554)	(1,848,621)	(171,603)	(2,020,224)
Transactions with owners recorded directly in equity							
Contributions by and distributions to owners of the Company							
Issue of shares	15	3,660,302	-	-	3,660,302	-	3,660,302
Costs of issue	15	(190,870)	-	-	(190,870)	-	(190,870)
Exercise of Options		5,200	(5,200)	-	-	-	-
Share Based Payments	16	-	960,372	-	960,372	-	960,372
Contribution from non-controlling interest		-	-	-	-	29,708	29,708
Balance at 30 June 2018		30,187,206	999,735	(21,464,136)	9,722,805	517,059	10,239,864
Balance at 1 July 2018		30,187,206	999,735	(21,464,136)	9,722,805	517,059	10,239,864
Total comprehensive income for the year							
Loss for the year		-	-	(10,054,498)	(10,054,498)	(1,158,503)	(11,213,001)
Total other comprehensive income		-	(14,725)	-	(14,725)	(2,644)	(17,369)
Total comprehensive loss for the year		-	(14,725)	(10,054,498)	(10,069,223)	(1,161,147)	(11,230,370)
Transactions with owners recorded directly in equity							
Contributions by and distributions to owners of the Company							
Issue of shares	15	4,226,182	-	-	4,226,182	-	4,226,182
Costs of issue	15	(321,292)	-	-	(321,292)	-	(321,292)
Exercise of Options		20,800	(20,800)	-	-	-	-
Share Based Payments	16	-	1,090,600	-	1,090,600	-	1,090,600
Contribution from non-controlling interest		-	-	-	-	156,602	156,602
Balance at 30 June 2019		**34,112,896**	**2,054,810**	**(31,518,634)**	**4,649,072**	**(487,486)**	**4,161,586**

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

Consolidated Statement of Cash Flows for the year ended 30 June 2019

	Notes	Consolidated 2019 $	2018 $
Cash flows from operating activities			
Cash payments in the course of operations		**(1,674,214)**	(945,288)
Interest received		**37,244**	13,329
Net cash used in operating activities	17	**(1,636,970)**	(931,959)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		**(462,575)**	(2,105,556)
Payments for development expenditure		**(1,706,613)**	-
(Payments for)/Proceeds from sale of property, plant and equipment		**(2,290)**	32,569
Proceeds from sale of tenement interest		**400,000**	-
Payments for investment in Santana		**(250,000)**	-
Payments for bonds		**-**	(30,000)
Repayment of R&D tax incentive		**-**	(694,359)
Net cash used in investing activities		**(2,021,478)**	(2,797,346)
Cash flows from financing activities			
Proceeds from issue of shares		**4,226,182**	3,585,000
Transaction costs on share issue		**(321,292)**	(190,870)
Contribution by non-controlling interest		**156,602**	29,708
Net cash provided by financing activities		**4,061,492**	3,423,838
Net increase/(decrease) in cash held		**403,044**	(305,467)
Cash and cash equivalents at 1 July		**288,007**	594,029
Effect of exchange rate adjustments on cash held		**(35)**	(555)
Cash and cash equivalents at 30 June	10	**691,016**	288,007

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

Notes to the Consolidated Financial Statements

1 REPORTING ENTITY

Alpha HPA Limited (the 'Company') is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is a for-profit entity developing the HPA First Project, to produce High Purity Alumina for the battery and LED markets, and the acquisition, exploration and development of mineral deposits in Australia and Indonesia.

2 BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The consolidated financial statements comply with the International Financial Reporting Standards ('IFRSs') adopted by the International Accounting Standards Board ('IASB').

The Company adopted AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* effective from 1 July 2018. There was no material impact on the financial statements upon adoption.

The consolidated financial statements were authorised for issue by the Directors on 26 September 2019.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items in the Statement of Financial Position:

- Investments - financial assets measured at fair value through profit and loss.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- Note 2(e) Going concern.
- Note 8 Unrecognised deferred tax assets.
- Note 12 Exploration and evaluation expenditure.

(e) Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

Notes to the Consolidated Financial Statements

2 BASIS OF PREPARATION (Cont.)

(e) Going concern (Cont.)

During the year ended 30 June 2019, the Group incurred a net loss before tax of $11,213,001 for the year ended 30 June 2019 and used $3,806,158 of cash in operations, including payments for exploration and evaluation activities and development expenditure. As at 30 June 2019, the Group had net assets of $4,161,586 including unrestricted cash of $691,016.

Subsequent to the end of the financial year, the Company issued 35,000,000 ordinary shares for cash totalling $3,500,000 (before costs) under a placement to professional and sophisticated investors.

The Directors have prepared cash flow projections for the period from 1 July 2019 to 30 September 2020 that support the ability of the Group to continue as a going concern. These cashflow projections assume the operational expenditures are maintained within available funding levels, and additional development expenditures are managed in line with additional funds secured from shareholders or other parties.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by all entities in the Group with the exception of the new accounting policies for AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*. The adoption of AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* did not have a material impact on the financial statements.

(a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entities and the revenue can be reliably measured.

(b) Finance income and finance costs

Finance income comprises interest income on funds invested (including financial assets at fair value through profit or loss), dividend income and gains on the disposal of financial assets at fair value through profit or loss (2018: available-for-sale financial assets). Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings, losses on disposal of available-for-sale financial assets and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(c) Exploration, evaluation and development expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(c) Exploration, evaluation and development expenditure (Cont.)

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

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

(d) Property, plant and equipment

Items of property, plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets is depreciated over the assets' estimated useful lives to the Group commencing from the time the asset is ready for use.

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

Class of fixed asset	Depreciation rates	Depreciation basis
Furniture and fittings	25.0%	Prime cost
Motor vehicles	25.0%	Prime cost
Office equipment	25.0%	Prime cost
Plant and equipment	25% to 37.5%	Prime cost

(e) Research and development grants

Where a rebate is received relating to research and development costs that have been expensed, the rebate is recognised as other income when the rebate becomes receivable and the Company complies with all attached conditions. If the research and development costs have been capitalised, the rebate is deducted from the carrying value of the underlying asset when the grant becomes receivable and the Group complies with all attached conditions.

(f) Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(f) Financial instruments (Cont.)

Classification and subsequent measurement – Policy applicable from 1 July 2018

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through other comprehensive income (FVOCI) – equity investment; or
- fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value through OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses – Policy applicable from 1 July 2018

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity instruments at FVOCI	These assets are subsequently measured at fair value. 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 other comprehensive income and are never reclassified to profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(f) Financial instruments (Cont.)

Prior to 1 July 2018, the Group classified its financial assets into the following categories:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which take into account any dividend income, are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. They are included in current assets, except for those with maturities greater than 12 months after the reporting period, which are classified as non-current assets. Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Available-for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets. Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss is reclassified to profit or loss.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Other financial liabilities comprise trade and other payables.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(g) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The accounting policies of the subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the Statement of Profit or Loss and Other Comprehensive Income and within equity in the Consolidated Statement of Financial Position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary.

Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity accounted investee or as a financial asset at fair value through profit or loss depending on the level of influence retained.

Investments in associates and jointly controlled entities are accounted for under the equity method and are initially recognised at cost. The cost of the investment includes transaction costs.

Transactions eliminated on consolidation

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(g) Tax

Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(h) Tax (Cont.)

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; or
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

(j) Goods and services tax (GST)

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

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

(k) Impairment

Financial instruments

Policy applicable from 1 July 2018

The Group recognises expected credit losses (‘ECLs’), where material, on:

- Financial assets measured at amortised cost;

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(k) Impairment (Cont.)

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Policy applicable before 1 July 2018

Non-derivative financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

For an investment in an equity security classified as available-for-sale, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group consider a decline of 20 per cent to be significant and a period of 9 months to be prolonged.

Financial assets measured at amortised cost

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised within profit or loss. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss recognised previously in profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(l) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(m) Foreign operations

The assets and liabilities of foreign operations are translated to the functional currency at the foreign exchange rate ruling at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such items are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

(n) Segment reporting

Determination and presentation of operating segments

The Group determines and presents operating segments based on the information that is provided internally to the Managing Director, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(o) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Site restoration

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.

(q) New standards and interpretations adopted

AASB 9 Financial Instrument

From 1 July 2018, the Group adopted of AASB 9 for the first time. The adoption of AASB 9 did not require comparative balances to be restated nor any transition adjustments. From 1 July 2018, the classification of loans and receivables changed to measured at amortised cost and available-for-sale financial assets changed to measured fair value through profit or loss changes to the following did not have any significant effect on the Group's accounting policies related to financial assets or financial liabilities. Given the nature of the Company's business and its history of negligible credit loss on trade and other receivables, application of the ECL model has had no material impact on the value of trade and other receivables recognised at 30 June 2019.

(r) New standards and interpretations not yet effective

AASB 16 Leases

AASB 16 replaces existing leases guidance, including AASB 17 Leases. The standard is effective for annual periods beginning on or after 1 January 2019 and will apply to the Group from 1 July 2019. Early adoption is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16.

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard (i.e. lessors continue to classify leases as finance or operating leases).

AASB 16 is not expected to have a material impact on the Group's financial statements in the period of initial application.

Notes to the Consolidated Financial Statements

4 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Equity securities

The fair values of investments in equity securities are determined with reference to their quoted closing bid price at the measurement date.

Share-based payment transactions

The fair value of the employee share options is measured using the Black-Scholes formula. Measurement inputs include share price on the measurement date, exercise price of the instrument, expected volatility (based on an evaluation of the historic volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions are not taken into account in determining fair value.

	Consolidated	
	2019	**2018**
	$	**$**
5 FINANCE INCOME AND FINANCE COSTS		
Recognised in profit or loss		
Interest income on cash deposits	**30,315**	13,329
Remission of general interest charge	**6,929**	110,338
Foreign exchange gain	**135,568**	71,709
Net finance income recognised in profit or loss	**172,812**	195,376
6 LOSS FOR THE YEAR		
Loss before income tax expense has been determined after:		
Depreciation of non-current assets		
- Plant and equipment	**522**	1,301
Wages and salaries	**119,317**	62,286
Foreign exchange (gain)/loss	**(135,568)**	(71,709)
Remuneration of the auditors of the Company - KPMG		
- Audit of annual and interim financial statements	**87,875**	81,700
Total remuneration of the auditors	**87,875**	81,700

Notes to the Consolidated Financial Statements

7 FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's financial instruments comprise deposits with banks, receivables, investments in financial assets, trade and other payables and from time to time short term loans from related parties. The Group does not trade in derivatives or in foreign currency.

The Group manages its risk exposure of its financial instruments in accordance with the guidance of the Board of Directors. The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risks. This note presents information about the Group's exposure to each of these risks, its objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. These policies are reviewed regularly to reflect changes in market conditions and the Group's activities.

The primary responsibility to monitor the financial risks lies with the Managing Director, the Chief Financial Officer and the Company Secretary under the authority of the Board.

Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to market interest rates relates exclusively to cash and cash equivalents and is not considered a material risk.

At balance date the Group's variable interest bearing financial instruments were:

	Consolidated	
	2019	**2018**
	$	**$**
Financial assets		
Cash and cash equivalents	**691,016**	288,007

The Group did not have any variable interest bearing financial liabilities in the current or prior year.

The Group does not have interest rate swap contracts. The Group has two interest bearing accounts from where it draws cash when required to pay liabilities as they fall due. The Group normally invests its funds in at least two accounts to maximise the available interest rates. The Group always analyses its interest rate exposure when considering renewals of existing positions including alternative financing.

The following sensitivity analysis is based on the interest rate risk exposures at balance date.

Notes to the Consolidated Financial Statements

7 FINANCIAL INSTRUMENTS (Cont.)

***Interest rate risk* (Cont.)**

For the year ended 30 June 2019, if the interest rates had moved, as illustrated in the table below, with all other variables held constant, the post-tax loss and equity would have been affected as follows:

Judgement of reasonable possible movements:

	Post tax loss (Higher)/Lower 2019 $	Post tax loss (Higher)/Lower 2018 $	Total equity (Higher)/Lower 2019 $	Total equity (Higher)/Lower 2018 $
+ 1% higher interest rate	**4,895**	4,410	**4,895**	4,410
- 0.5% lower interest rate	**(2,448)**	(2,205)	**(2,448)**	(2,205)

The movements in the loss after tax are due to higher/lower interest earned from variable movement in the interest rate on cash balances.

Currency risk

The Groups functional currency is Australian dollars. The Group is exposed to foreign currency risks due to the fact that the functional currency of its operating subsidiary PT Alexis is in Indonesian Rupiah and the intercompany transfers are denominated in United States Dollars.

The Group's gross financial position exposure to foreign currency risk at 30 June 2019 is as follows:

- US$1,626 (A$2,315) cash at bank;
- IDR 639,983,667 (A$64,508) cash at bank;
- IDR 800,127,149 (A$80,650) of receivables;
- IDR 1,042,726,388 (A$105,103) of prepayments;
- IDR 355,866,073 (A$35,870) of trade and other payables.

The Group's gross financial position exposure to foreign currency risk at 30 June 2018 is as follows:

- US$1,750 (A$2,380) cash at bank;
- IDR 638,828,882 (A$60,206) cash at bank;
- IDR 800,052,149 (A$75,401) of receivables;
- IDR 951,022,449 (A$89,629) of prepayments;
- US$24,000 (A$32,411) of trade and other payables;
- IDR 394,974,324 (A$37,224) of trade and other payables.

The following significant exchange rates applied during the year:

	Average rate		**Reporting date spot rate**	
AUD	**2019**	**2018**	**2019**	**2018**
IDR	10,334	10,541	9,921	10,611
USD	0.7154	0.7749	0.7023	0.7405

The following sensitivity analysis is based on the exchange rate risk exposures at balance date.

For the year ended 30 June 2019, if the exchange rate between the Australian dollar to the United States dollar and Indonesian Rupiah had moved, as illustrated in the table below, with all other variables held constant, the post-tax loss and equity would have been affected as follows:

Notes to the Consolidated Financial Statements

7 FINANCIAL INSTRUMENTS (Cont.)

Market risks (Cont.)

***Currency risk* (Cont.)**

Judgement of reasonable possible movements:

	Post tax loss (Higher)/Lower 2019 $	Post tax loss (Higher)/Lower 2018 $	Total equity (Higher)/Lower 2019 $	Total equity (Higher)/Lower 2018 $
+ 10% higher AUD to USD exchange rate	**210**	3,138	**(210)**	(3,138)
- 5% lower AUD to USD exchange rate	**(105)**	(1,569)	**105**	1,569
+ 10% higher AUD to IDR exchange rate	**(19,490)**	(17,092)	**19,490**	17,092
- 5% lower AUD to IDR exchange rate	**9,745**	8,456	**(9,745)**	(8,456)

The Group seeks to minimise currency risk through the alignment of the proportion of cash balances held in various currencies with forecast expenditures and the underlying currency denomination of those forecast expenditures.

Price risk

The group holds listed shares, the following sensitivity is based on the price risk exposures at balance date.

	Post tax loss (Higher)/Lower 2019 $	Post tax loss (Higher)/Lower 2018 $	Total equity (Higher)/Lower 2019 $	Total equity (Higher)/Lower 2018 $
+ 10% higher of the share price	**21,588**	-	**(21,588)**	-
- 5% lower of the share price	**(10,794)**	-	**10,794**	-

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors rolling forecasts of liquidity on the basis of expected fund raisings, trade payables and other obligations for the ongoing operation of the Group.

At balance date, the Group has available funds of $691,016 for its immediate use.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

Financial liabilities	Carrying amount $	Contractual cash flows $	Less than 6 months $	6 to 12 months $	1 to 5 years $	More than 5 years $
30 June 2019						
Trade and other payables	**579,871**	**579,871**	**579,871**	**-**	**-**	**-**
	579,871	**579,871**	**579,871**	**-**	**-**	**-**

Notes to the Consolidated Financial Statements

7 FINANCIAL INSTRUMENTS (Cont.)

Market risks (Cont.)

***Liquidity risk* (Cont.)**

Financial liabilities	Carrying amount $	Contractual cash flows $	Less than 6 months $	6 to 12 months $	1 to 5 years $	More than 5 years $
30 June 2018						
Trade and other payables	841,682	841,682	841,682	-	-	-
	841,682	841,682	841,682	-	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2019 $	2018 $
Cash and cash equivalents	**691,016**	288,007
Trade and other receivables	**1,123,675**	774,027
Other financial assets	**45,000**	45,000
	1,859,691	1,107,034

Other financial assets for the year ended 30 June 2019 and 30 June 2018 represent environmental bonds held with Government Departments.

All financial assets and liabilities are current, with the exception of environmental bonds totalling $45,000. The significant receivables relate to GST and an R&D rebate which are both owed by the Australian government and represent minimal credit risk. All other financial assets are not past due or impaired and the Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group except for the Australian government and cash and cash equivalents described below.

Cash and cash equivalents

The Group held cash and cash equivalents of $691,016 at 30 June 2019 (2018 - $288,007), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated Aa3 ($624,482) to Baa3 ($66,534), based on rating agency Moody's Investor Service ratings.

Capital management

Management controls the capital of the Group in order to maintain an appropriate debt to equity ratio and ensure that the Group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital supported by financial assets. There are no externally imposed capital requirements on the Group.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of cash levels, distributions to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Notes to the Consolidated Financial Statements

	Consolidated 2019 $	Consolidated 2018 $
8 INCOME TAX		
Current tax expense		
Current year	**(274,391)**	(385,753)
Tax losses not recognised	**274,391**	385,753
	-	-
Numerical reconciliation of income tax expense to prima facie tax payable:		
Loss before tax	**(11,213,001)**	(1,834,498)
Prima facie income tax benefit at the Australian tax rate of 27.5%	**(3,083,575)**	(504,487)
Increase in income tax expense due to:		
Non-deductible expenses	**2,241,052**	470,065
Tax losses not recognised	**274,391**	385,753
Effect of net deferred tax assets not brought to account	**568,132**	(351,331)
Income tax expense	**-**	-
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Taxable temporary differences (net)	**81,177**	(575,310)
Tax losses	**2,153,568**	2,174,112
Net	**2,234,745**	1,598,802

Deferred tax assets have not been recognised in respect of these items because it is not considered probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Notes to the Consolidated Financial Statements

	Consolidated 2019 $	Consolidated 2018 $
9 LOSS PER SHARE		
Basic and diluted loss per share have been calculated using:		
Net loss for the year attributable to equity holders of the Company	**(10,054,498)**	(1,770,554)
	Nº of shares	**Nº of shares**
Weighted average number of ordinary shares (basic and diluted)		
- Issued ordinary shares at the beginning of the year	**508,272,744**	435,818,198
- Effect of shares issued on 1 August 2017	**-**	5,489,011
- Effect of shares issued on 13 November 2017	**-**	28,544,931
- Effect of shares issued on 13 December 2017	**-**	1,093,407
- Effect of shares issued on 19 December 2017	**-**	10,117,557
- Effect of shares issued on 6 August 2018	**45,800,401**	-
- Effect of shares issued on 28 September 2018	**6,043,956**	-
Weighted average number of shares at the end of the year	**560,117,101**	481,063,104

As the Group is loss making, none of the potentially dilutive securities are currently dilutive.

10 CASH AND CASH EQUIVALENTS

	2019	2018
Cash at bank	**691,016**	288,007
Cash and cash equivalents in the statement of cash flows	**691,016**	288,007

11 TRADE AND OTHER RECEIVABLES

	2019	2018
Current		
GST receivable - Australia	**117,494**	78,560
Consideration on sale of subsidiary	**-**	500,000
Accrued R&D rebate	**918,798**	-
Other receivables	**87,383**	195,467
	1,123,675	774,027

Notes to the Consolidated Financial Statements

12 EXPLORATION AND EVALUATION EXPENDITURE

Costs carried forward in respect of areas of interest in exploration phase:

	Consolidated 2019 $	Consolidated 2018 $
New South Wales – opening balance	**2,514,286**	1,324,886
Additions	**32,311**	1,189,400
Net book value	**2,546,597**	2,514,286
Indonesia – opening balance	**7,250,135**	7,148,180
Additions	**181,671**	199,792
Impairment[1]	**(7,496,245)**	(15,646)
Exchange movements	**64,439**	(82,191)
Net book value	**-**	7,250,135
Chile – opening balance	**-**	225,331
Additions	**-**	460,080
Disposal of tenement interest	**-**	(685,411)
Net book value	**-**	-
	2,546,597	9,764,421

Exploration programs in New South Wales and Indonesia continue but have not reached a stage which permits a reasonable assessment of economically recoverable reserves. The ultimate recoupment of these costs is dependent on the successful development and exploitation, or alternatively sale, of the respective areas of interest.

(1) During the year ended 30 June 2019 the Group fully impaired the carrying value of the Wonogiri Project, by an amount of $7,496,245, due to the continued uncertainty surrounding the recoupment of this expenditure through successful development and exploitation of the area of interest, or by its sale.

13 INVESTMENTS

	2019 $	2018 $
Opening balance	**110,000**	-
Additions – shares received from sale of Becker Project[1]	**100,000**	110,000
Additions – shares purchased	**250,000**	-
Unrealised loss	**(244,123)**	-
Closing balance	**215,877**	110,000

(1) As part of the consideration for the sale of the Becker Project in May 2018, the Company elected to receive two monthly payments by way of shares in Santana Mineral Limited ('Santana'). The Company was issued 5,083,436 Santana shares in August 2018, based on a VWAP of $0.00983587 per share and 6,875,597 Santana shares in September 2018 based on a VWAP of $0.0072721 per share.

14 TRADE AND OTHER PAYABLES

Current

	2019 $	2018 $
Trade creditors	**353,090**	724,182
Sundry creditors and accruals	**226,781**	117,500
	579,871	841,682

Notes to the Consolidated Financial Statements

	Consolidated 2019 $	Consolidated 2018 $
15 CAPITAL AND RESERVES		
Share capital		
567,100,018 (2018 - 508,272,744) fully paid ordinary shares	**34,112,896**	30,187,206

Ordinary shares	2019 Nº of shares	2019 $	2018 Nº of shares	2018 $
Balance at the beginning of the year	**508,272,744**	**30,187,206**	435,818,198	26,712,574
Issue of shares	**50,827,274**	**4,066,182**	70,454,546	3,620,302
Exercise of options	**8,000,000**	**180,800**	2,000,000	45,200
Costs of issue	**-**	**(321,292)**	-	(190,870)
Balance at the end of the year	**567,100,018**	**34,112,896**	508,272,744	30,187,206

In August 2018, the Group issued 50,827,274 shares at $0.08 each for cash totaling $4,066,182. There were no amounts unpaid on the shares issued. Share issue costs totaled $321,292.

In September 2018, the Group issued 8,000,000 shares at $0.02 each for cash totaling $160,000. These were in relation to 8,000,000 options exercised by a third party stockbroker. The fair value of the share options exercised was $20,800. The share price on the date the share options were exercised was $0.11.

During the prior year, the Group issued 64,454,546 shares at $0.055 each for cash totaling $3,545,000. There were no amounts unpaid on the shares issued. Share issue costs totaled $197,870.

During the prior year, the Group issued 2,000,000 shares at $0.02 each for cash totaling $40,000. These were in relation to 2,000,000 options exercised by a third party stockbroker. The fair value of the share options exercised was $5,200.

In addition, during the year ended 30 June 2018 the Group issued 6,000,000 ordinary shares with a fair value of $75,302 to a consultant as payment for geological consultancy services provided to the Group.

Terms and conditions - shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Nature and purpose of reserves

Option premium reserve
The option premium reserve is used to recognise the grant date fair value of options vested but not exercised.

Foreign currency translation reserve
The foreign currency translation reserve records the foreign currency differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

Notes to the Consolidated Financial Statements

15 CAPITAL AND RESERVES (Cont.)

	Consolidated 2019 $	Consolidated 2018 $
Option premium reserve	**2,050,972**	981,172
Foreign currency translation reserve	**3,838**	18,563
	2,054,810	999,735
Non-controlling interest	**(487,486)**	517,059

Movements during the period

Option premium reserve

	2019	2018
Balance at beginning of period	**981,172**	26,000
Share options issued – share based payments	**1,090,600**	960,372
Exercise of options	**(20,800)**	(5,200)
Balance at end of period	**2,050,972**	981,172

Foreign currency translation reserve

	2019	2018
Balance at beginning of period	**18,563**	96,630
Currency translation differences	**(14,725)**	(78,067)
Balance at end of period	**3,838**	18,563

Non-controlling interests

	2019	2018
Balance at beginning of period	**517,059**	658,954
Current period loss	**(1,158,503)**	(63,944)
Share of foreign currency translation reserve	**(2,644)**	(107,659)
Contribution by non-controlling interest	**156,602**	29,708
Balance at end of period	**(487,486)**	517,059

Unlisted options to take up ordinary shares in the capital of the Company have been granted as follows:

Exercise Period	Exercise Price	Opening Balance 1 July 2018 Number	Options Issued Number	Options (Expired/ Exercised) Number	Closing Balance 30 June 2019 Number
On or before 24 October 2018	$0.02	8,000,000	-	(8,000,000)	-
On or before 31 October 2019	$0.10	30,000,000	-	-	**30,000,000**
On or before 31 October 2020	$0.15	-	12,000,000	-	**12,000,000**
On or before 31 July 2022	$0.20	-	10,000,000	-	**10,000,000**

Notes to the Consolidated Financial Statements

15 CAPITAL AND RESERVES (Cont.)

Exercise Period	Exercise Price	Opening Balance 1 July 2017 Number	Options Issued Number	Options (Expired/ Exercised) Number	Closing Balance 30 June 2018 Number
On or before 24 October 2018	$0.02	-	10,000,000	(2,000,000)	**8,000,000**
On or before 31 October 2019	$0.10	-	30,000,000	-	**30,000,000**

16 SHARE BASED PAYMENTS

During the year, 8,000,000 options were exercised by a third party stockbroker.

In addition, during the year, the following options were issued under the Alpha HPA Option Incentive Plan:

- The Company issued 2,000,000 $0.15 options for no consideration with a grant date of 4 September 2018 and an expiry date of 31 October 2020, to the Company's investor relations consultant. The fair value of the options granted is measured using a Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. The fair value of the options granted was $94,600. The Black-Scholes formula model inputs were the Company's share price of $0.105 at the grant date, a volatility factor of 97% (based on historical share price performance), a risk-free interest rate of 1.98% and a dividend yield of 0%. The options fully vested on grant date and remain unexercised at year end.

- The Company issued 10,000,000 $0.15 options for no consideration with a grant date of 30 November 2018 and an expiry date of 31 October 2020, to Mr Rimas Kairaitis following his appointment as Managing Director and shareholder approval of the grant of options at the Company's AGM. The fair value of the options granted is measured using a Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. The fair value of the options granted was $436,000. The Black-Scholes formula model inputs were the Company's share price of $0.11 at the grant date, a volatility factor of 90% (based on historical share price performance), a risk-free interest rate of 2.00% and a dividend yield of 0%. The options fully vested on grant date and remain unexercised at year end.

- The Company issued 10,000,000 $0.20 options for no consideration with a grant date of 30 November 2018 and an expiry date of 31 July 2022 as part consideration for the right to use proprietary intellectual property owned by the option holder. The fair value of the options granted is measured using a Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. The fair value of the options granted was $560,000. The Black-Scholes formula model inputs were the Company's share price of $0.11 at the grant date, a volatility factor of 90% (based on historical share price performance), a risk-free interest rate of 2.16% and a dividend yield of 0%. The options fully vested on grant date and remain unexercised at year end.

Notes to the Consolidated Financial Statements

	Consolidated 2019 $	Consolidated 2018 $
17 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES		
Cash flows from operating activities		
Loss from ordinary activities after income tax	**(11,213,001)**	(1,834,498)
Adjustments for:		
Depreciation	**522**	1,301
Impairments	**7,496,245**	15,646
Net interest expense	-	(110,338)
Revaluation of investment	**244,123**	10,000
Share based payment	**1,090,600**	960,372
Development expenses	**1,953,297**	-
Loss on sale of subsidiary	**-**	84,364
Effect of exchange rate adjustments	**35**	557
Changes in assets and liabilities:		
Other receivables	**(977,778)**	(171,936)
Prepayments	**(759)**	10,687
Trade and other payables	**(230,254)**	101,886
Net cash used in operating activities	**(1,636,970)**	(931,959)

18 RELATED PARTIES

Parent and ultimate controlling party

Alpha HPA Limited is both the parent and ultimate controlling party of the Group.

Key management personnel compensation

Information regarding individual key management personnel's compensation and some equity instruments disclosures as required by the *Corporations Act* and *Corporations Regulations 2M.3.03* are provided in the Remuneration Report section of the Directors' Report. Compensation paid to key management personnel during the year is set out in the table below. At 30 June 2019 there were $50,083 of fees outstanding (2018 - $223,369).

Primary fees/salary	**698,190**	517,731
Share based payments	**436,000**	832,322
Superannuation	**5,463**	-
	1,139,653	1,350,053

Key management personnel and Director transactions

The following key management personnel holds a position in another entity that results in them having control or joint control over the financial or operating policies of that entity, and this entity transacted with the Company during the year as follows:

18 RELATED PARTIES (Cont.)

Norman Seckold and Peter Nightingale hold a controlling interest in an entity, MIS Corporate Pty Limited, which provided full administrative services, including administrative, accounting and investor relations staff both within Australia and Indonesia, rental accommodation, services and supplies, to the Group during the year. Fees charged by MIS Corporate Pty Limited during the year amounted to $287,490 (2018 - $246,332) which included a monthly fee of $15,000 per month, which increased to $25,000 per month from 1 April 2019 and reimbursement of consultant expenses incurred by MIS Corporate Pty Limited on behalf of the Group. At 30 June 2019, $15,502 (2018 - $271,076) remained outstanding and was included in the creditor's balance.

19 SEGMENT INFORMATION

Segment information is presented in respect of the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income earning assets and revenue, interest bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period in that geographic region.

For the year ended 30 June 2019, the Group had three segments, being development of the HPA First Project, minerals exploration in NSW and minerals exploration in Indonesia.

The Group has three reportable segments as follows:

	HPA First $	NSW $	Indonesia $	South America	Total $
30 June 2019					
External revenues	**-**	**-**	**-**	**-**	**-**
Reportable segment loss before tax	**(1,953,297)**	**-**	**(6,187,938)**	**-**	**(8,141,235)**
Interest income					
Depreciation and amortisation	**-**	**(286)**	**(236)**	**-**	**(522)**
Impairment of exploration and evaluation expenditure	**-**	**-**	**(7,495,245)**		**(7,495,245)**
Reportable segment assets	**-**	**2,593,601**	**8,676**	**-**	**2,602,277**
Reportable segment liabilities	**398,684**	**144,819**	**36,368**	**-**	**435,052**
30 June 2018					
External revenues	-	-	-	-	-
Reportable segment loss before tax	-	-	(111,089)	(94,364)	(205,453)
Interest income	-	-	-	-	-
Depreciation and amortisation	-	-	(1,301)	-	(1,301)
Impairment of exploration and evaluation expenditure	-	-	(15,646)	-	(15,646)
Loss on sale of investment	-	-	-	(94,364)	(94,364)
Reportable segment assets	-	2,495,898	7,516,311	-	10,012,209
Reportable segment liabilities	-	-	37,224	-	37,224

During the year ended 30 June 2019, the Group had operations in two geographical areas, being development of the HPA First Project and minerals exploration in Australia and minerals exploration in Indonesia.

Notes to the Consolidated Financial Statements

19 SEGMENT INFORMATION (Cont.)

	Consolidated 2019 $	Consolidated 2018 $
Reconciliations of reportable segment revenues and profit or loss		
Profit or loss		
Total loss for reportable segments	**(8,141,235)**	(205,043)
Unallocated amounts:		
Interest income	**37,244**	13,329
Other income	**918,798**	31,815
Net other corporate expenses	**(4,027,808)**	(1,674,599)
Consolidated loss before tax	**(11,213,001)**	(1,834,498)

	Consolidated 2019 $	Consolidated 2018 $
Reconciliations of reportable assets and liabilities		
Assets		
Total assets for reportable segments	**2,602,277**	10,012,209
Unallocated corporate assets	**2,139,180**	1,069,337
Consolidated total assets	**4,741,457**	11,081,546
Liabilities		
Total liabilities for reportable segments	**435,052**	37,224
Unallocated corporate liabilities	**144,819**	804,458
Consolidated total liabilities	**579,871**	841,682

Geographical information

In presenting information on the basis of geography, segment revenue and segment assets are based on the geographical location of the operations.

20 COMMITMENTS AND CONTINGENCIES

There are no contingent assets or liabilities as at the date of this financial report.

Notes to the Consolidated Financial Statements

21 PARENT ENTITY DISCLOSURES

As at and throughout the financial year ended 30 June 2019 the parent and ultimate controlling entity of the Group was Alpha HPA Limited.

	2019	2018
	$	$
Result of the parent entity:		
Net loss	**(3,856,026)**	(1,828,555)
Other comprehensive income	**-**	-
Total comprehensive loss	**(3,856,026)**	(1,828,555)
Financial position of the parent entity:		
Current assets	**1,923,304**	1,049,337
Non-current assets	**2,592,474**	2,587,932
Total assets	**4,515,778**	3,637,269
Current liabilities	**543,503**	804,458
Total non-current liabilities	**-**	-
Total liabilities	**543,503**	804,458
Net assets	**3,972,275**	2,832,811
Total equity of the parent entity:		
Share capital	**34,112,896**	30,187,206
Option premium reserve	**2,050,972**	981,172
Accumulated losses	**(32,191,593)**	(28,335,567)
Total equity	**3,972,275**	2,832,811

The Directors are of the opinion that no contingencies existed at, or subsequent to year end.

The Company had no capital commitments at the balance date.

22 EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the year the Company placed 35 million fully paid ordinary shares with sophisticated investors, raising $3.5 million to further advance the Company's HPA First Pilot Plant and Definitive Feasibility Study.

In July, the Company also received payment of its FY2018 R&D claim for $235,034, with this claim being the pre-cursor to a substantially larger FY2019 claim.

In August 2019, the Company announced that 110,536,400 shares representing an 18.36% interest in the Alpha HPA owned by PT Muara Mulya Propertindo (a subsidiary company of the Rajawali Group) had been sold to a major Australian institutional fund manager and a collection of high net worth individuals.

In September 2019, the Company successfully applied to the Advanced Manufacturing Growth Centre for $400,000 of funding towards the operation of the HPA First pilot plant and vendor testwork in support of the HPA First Definitive Feasibility Study.

Also in September 2019 the Company announced that purity assays from the first 16 HPA samples produced from the pilot plant, representing 6 individual batches of HPA, all returned >4N (>99.99%) purity, averaging 99.994%.

Other than the matters detailed above, no matters or circumstances have arisen since the end of the reporting period, 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 Consolidated Financial Statements

23 GROUP ENTITIES

Particulars in relation to controlled entities:

	Country of incorporation	Company interest in ordinary shares	
		2019	2018
		%	%
Parent entity			
Alpha HPA Limited	Australia		
Controlled entities			
Augur Investments Pty Limited	Australia	100	100
Bugis Pty Ltd	Australia	100	100
Goron Pty Ltd	Australia	100	100
MMG Exploration Singapore (Number One) Pte. Ltd.	Singapore	80	80
MMG Exploration Singapore (Number Two) Pte. Ltd.	Singapore	80	80
PT Alexis Perdana Mineral(1)	Indonesia	45	45
PT Explorasi Indonusa Jaya(1)*	Indonesia	-	80
PT Gunung Mulia Mineral(2)	Indonesia	-	80
PT Multi Mineral Explorasi(2)	Indonesia	-	80
PT Oxindo Exploration(2)	Indonesia	-	80
PT Panah Emas(2)	Indonesia	-	80
Solindo Pty Ltd	Australia	100	100
Wonogiri Pty Ltd	Australia	100	100

(1) The Company continues to control the PT Alexis Perdana Mineral subsidiary through the operation of a shareholders' agreement.

(2)Operating entities related to the Gorontalo properties that were deregistered during the year.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Alpha HPA Limited (the Company):

   (a) the consolidated financial statements and notes thereto, set out on pages 24 to 53, and the Remuneration Report in the Directors Report, as set out on pages 18 to 22, are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

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

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2019.

Signed at Sydney this 26th day of September 2019 in accordance
with a resolution of the Board of Directors.

Rimas Kairaitis
Managing Director

KPMG

Independent Auditor's Report

To the shareholders of Alpha HPA Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Alpha HPA Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2019;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies;
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

KPMG

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Exploration and evaluation expenditure and Impairment loss – exploration and evaluation expenditure;
- Development expenditure; and
- Going concern basis of accounting

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Exploration and evaluation expenditure ($2,546,597) and Impairment loss – exploration and evaluation expenditure ($7,496,245)

Refer to Note 12 'Exploration and Evaluation expenditure'

The key audit matter	How the matter was addressed in our audit
Exploration and evaluation expenditure capitalised (E&E) is a key audit matter due to: • the significance of the activity to the Group's business and the balance (being 54% of total assets) at 30 June 2019; and • the greater level of audit effort to evaluate the Group's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources,* in particular the conditions allowing capitalisation of relevant expenditure and presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of E&E. Given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's assessment of impairment indicators. In assessing the conditions allowing capitalisation of relevant expenditure, we focused on: • the determination of the areas of interest (areas); • documentation available regarding rights to tenure, via licensing, and	Our procedures included: • Evaluating the Group's accounting policy to recognise exploration and evaluation assets using the criteria in the accounting standard; • We assessed the Group's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the licenses in which the Group holds an interest and the exploration programmes planned for those for consistency with documentation such as license requirements, a joint venture agreement, and planned work programmes; • For each area of interest, we assessed the Group's current rights to tenure by corroborating the ownership of the relevant license to government registries and evaluating the joint venture agreement in place with the other party. We also tested for compliance with conditions to maintain the licences in good standing, such as minimum expenditure requirements; • We tested the Group's additions to E&E for the year by evaluating a statistical sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of the accounting standard; • We inspected Group documents, such as minutes of Board meetings and ASX announcements for consistency with their stated intentions for continuing E&E in certain areas. We also inquired

compliance with relevant conditions, to maintain current rights to an area of interest; • the Group's intention and capacity to continue the relevant E&E activities; • the Group's determination of whether the E&E are expected to be recouped through successful development and exploitation of the area of interest, or by its sale. In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of E&E activities for the Collerina area of interest where significant capitalised E&E exists, and the Wonogiri area of interest where significant E&E was impaired by the Group. In addition to the assessments above, and given the financial position of the Group, we paid particular attention to: • the ability of the Group to fund the continuation of activities; and • results from latest activities regarding the existence or otherwise of economically recoverable reserves. The Group engage an external expert to assist with these assessments. The Group recorded an impairment charge of $7,496,245 for the carrying value of E&E for the Wonogiri area of interest. This is a result of the increased uncertainty surrounding the recoupment of this expenditure through successful development and exploitation of the area of interest, or by its sale.	with key operational and finance personnel; • We analysed the Group's determination of recoupment through successful development and exploitation of the area. This included evaluating the Group's documentation of planned future/continuing activities, such as work programmes and project and corporate budgets, for each area of interest; • We obtained project and corporate budgets identifying areas with existing funding and those requiring alternate funding sources. We compared this for consistency with areas with E&E, for evidence of the ability to fund continued activities. We identified those areas relying on alternate funding sources and evaluated the capacity of the Group to secure such funding; • We compared the results from the external expert engaged by the Group regarding the existence of reserves for consistency to the treatment of E&E and the requirements of the accounting standard; • We recalculated the impairment charge against the recorded amount disclosed; • We assessed the disclosures in the financial report, using our understanding of the matter obtained from our testing and against the requirements of the accounting standards.

<table>
<tr><th colspan="2">Development expenditure - $1,953,296</th></tr>
<tr><td colspan="2">Refer to the Consolidated Statement of Profit or Loss and Other Comprehensive Income</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Development expenditure is a key audit matter due to the significance of the amount (being 17% of total expenses) and the audit effort associated with assessing the completeness, existence and accuracy of the amounts recorded by the Group.</td><td>Our procedures included:
• We assessed the Group's accounting policy for development expenditure against the requirements of the accounting standards;
• We selected a statistical sample of items recorded as development expenditure and checked the:
  • Expenditure amount recorded for consistency to invoices from third parties or other underlying documentation;
  • Classification of the expenditure as development expenditure for consistency with its nature, obtained from invoices from third parties or other underlying documentation, in accordance with the Group's accounting policy;
• We tested the completeness of development expenditure recorded in the year by inspecting the underlying documentation of a sample of payments recorded by the Group since year end and unprocessed invoices at year end for evidence of the timing of the related expenditure</td></tr>
</table>

<table>
<tr><th colspan="2">Going Concern basis of accounting</th></tr>
<tr><td colspan="2">Refer to Note 2e to the Financial Report</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>The Group's use of the going concern basis of accounting and the associated extent of uncertainty is a key audit matter due to the high level of judgement required by us in evaluating the Group's assessment of going concern and the events or conditions that may cast significant doubt on their ability to continue as a going concern. These are outlined in Note 2e.

The Directors have determined that the use of the going concern basis of accounting is appropriate in preparing the financial report. Their assessment of going concern was based on cash flow projections. The preparation of these projections incorporated a number of assumptions and significant judgements, and the Directors have concluded that the range of possible outcomes considered in arriving at this judgement does not give rise to a material uncertainty casting significant doubt on the Group's ability to continue as a going concern.

We critically assessed the levels of uncertainty, as it related to the Group's ability to continue as a going concern, within these assumptions and judgements, focusing on the following:
• The Group's planned levels of operational expenditures, and the ability of the Group to manage cash outflows within available funding, particularly in light of the historical cash outflows from operations and loss making operations; and
• the Group's ability to raise additional funds from shareholders or other parties and the projected timing thereof. This included source of funds, availability of fund type, feasibility and status/progress of securing those funds.

In assessing this key audit matter, we involved senior audit team members who understand the Group's business, industry and the economic environment it operates in.</td><td>Our procedures included:
• We analysed the cash flow projections by:
  • Evaluating the underlying data used to generate the Group prepared cash flow projections. We specifically looked for their consistency with the Group's intentions within the Board minutes and project and corporate budgets, as tested by us in the exploration and evaluation expenditure key audit matter above, and their comparability to past practices;
  • Analysing the impact of reasonably possible changes in projected cash flows and their timing, to the projected periodic cash positions. Assessing the resultant impact on the ability of the Group to pay debts as and when they fall due and continue as a going concern. The specific areas we focused on were informed from our test results of the accuracy of previous Group cash flow projections and sensitivity analysis on key cash flow projection assumptions;
  • Assessing the planned levels of operating expenditures for consistency of relationships and trends to the Group's historical results, particularly in light of the historical cash outflows from operations, loss making operations, results since year end, and our understanding of the business, industry and economic conditions of the Group;
  • We read Directors minutes and relevant correspondence with the Group's advisor to understand and assess the Group's ability to raise additional funds from shareholders or other parties. We assessed the Group's plans to raise additional funding from shareholders for feasibility, quantum and timing and its impact to going concern. We used our knowledge of the client, its industry and status to assess the level of associated uncertainty;
  • We checked funds raised from shareholders since year end to the Group's bank statement.
  • We evaluated the Group's going concern disclosures in the Financial Report by comparing them to our understanding of the matter, the events or conditions incorporated into the cash flow projection assessment, the Group's plans to address those events or conditions, and accounting standard requirements.</td></tr>
</table>

Other Information

Other Information is financial and non-financial information in Alpha HPA Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error;
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Alpha HPA Limited for the year ended 30 June 2019, complies with *Section 300A of the Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A of the Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 18 to 22 of the Directors' report for the year ended 30 June 2019.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG
Brisbane
26 September 2019

Adam Twemlow
Partner

Additional ASX Information

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 31 August 2019.

Distribution of Equity Securities

ORDINARY SHARES		
Range	**Number of Holders**	**Number of Shares**
1 - 1,000	51	7,243
1,001 - 5,000	77	275,363
5,001 - 10,000	153	1,371,624
10,001 - 100,000	347	14,704,646
100,001 - 9,999,999	346	585,741,142
Total	**974**	**602,100,018**

The number of shareholders holding less than a marketable parcel is 87.

Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

Nº	ORDINARY SHARES SHAREHOLDER	Nº OF SHARES	TOTAL %
1	Permgold Pty Ltd	67,291,194	11.18
2	Budworth Capital Pty Ltd <Rolling Hills Capital A/C>	41,906,001	6.96
3	Merrill Lynch (Australia) Nominees Pty Limited	39,230,511	6.52
4	BT Portfolio Services Limited <Warrell Holdings S/F A/C>	36,312,500	6.03
5	Palmer Bookmaking Pty Limited	26,088,998	4.33
6	CS Third Nominees Pty Limited <HSBC Cust Nom Au Ltd 13 A/C>	21,688,287	3.60
7	UBS Nominees Pty Ltd	21,343,400	3.54
8	Rosignol Pty Ltd <Nightingale Family A/C>	13,612,500	2.26
9	Mr Robert Simeon Lord	11,000,000	1.83
10	Ninan Pty Ltd	10,563,282	1.75
11	Oon Peng Lim	10,000,000	1.66
12	HSBC Custody Nominees (Australia) Limited	9,454,974	1.57
13	R & C Australia Pty Ltd	8,000,000	1.33
14	Rigi Investments Pty Limited <The Cape A/C>	7,350,000	1.22
15	Spinite Pty Ltd	6,750,000	1.12
16	Motte & Bailey Pty Ltd <Bailey Super Fund A/C>	6,487,376	1.08
17	Citicorp Nominees Pty Limited	5,406,963	0.90
18	All-States Finance Pty Limited	5,206,418	0.86
19	Guy Jones Pty Ltd <The Guy Jones Family S/F A/C>	5,000,000	0.83
20	Talor Limited	5,000,000	0.83
Total		**357,692,404**	**59.41**

There are no current on-market buy backs.

Additional ASX Information

Substantial Shareholders

Substantial shareholders and the number of equity securities in which it has an interest, as shown in the Company's Register of Substantial Shareholders is:

Shareholder	Nº of Shares Held	% to Issued Shares
Regal Funds Management Pty Ltd (RFM)	84,221,687	13.99
Permgold Pty Ltd	67,291,194	11.18
Budworth Capital Pty Ltd <Rolling Hills Capital A/C>	39,306,001	7.03
BT Portfolio Services Limited <Warrell Holdings S/F A/C>	34,312,500	6.14

Class of Shares and Voting Rights

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote when a poll is called, otherwise each member present at a meeting has one vote on a show of hands.

Tenement Schedule

Project	Tenement number	Interest %
Australia		
Collerina	EL 8703	100%
	EL 8768	100%
Yeoval	ML 811	25%
Indonesia		
Wonogiri	IUP No. 545.21/054/2009	45%

Alpha HPA Limited
ABN 79 106 879 690

Corporate Directory

Directors:

Mr Norman Seckold (Chairman)
Mr Rimas Kairaitis (Managing Director)
Mr Peter Nightingale
Mr Anthony Sgro
Mr Justin Werner

Company Secretary:

Mr Richard J. Edwards

Principal Place of Business and Registered Office:

Level 2, 66 Hunter Street
SYDNEY NSW 2000

Phone:	61-2 9300 3310
Fax:	61-2 9221 6333
Homepage:	www.alphahpa.com.au

Auditors:

KPMG
Level 16, Riparian Plaza
71 Eagle Street
BRISBANE QLD 4000

Share Registrar:

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
SYDNEY NSW 2000

Phone:	1300 787 272
Overseas Callers:	61-3 9415 4000
Fax:	61-3 9473 2500

Solicitors:

DLA Piper Australia
1 Martin Place
Sydney NSW 2000