Pure Minerals Limited

ABN 61 125 368 658

Annual Report for the Year Ended 30 June 2020

Annual Report
For the year ended 30 June 2020

Contents

Corporate Directory

Board of Directors

John Downie	Managing Director (appointed 17 May 2019)
Eddie King	Non-Executive Director (appointed 26 March 2018)
Cameron Mclean	Non-Executive Director (appointed 30 November 2018)
Andrew Matheson	Non-Executive Director (appointed 30 April 2020, resigned 15 July 2020)

Company Secretary

Mauro Piccini	(appointed 8 November 2017)

Registered Office

Level 1, 1 Altona Street
WEST PERTH, WA 6005

Telephone: +61 3 9191 0135
Email: info@pureminerals.com.au
Website: www.pureminerals.com.au

Stock Exchange Listing

Australian Securities Exchange
ASX Code: PM1

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Solicitors

Nova Legal
2/50 Kings Park Rd
West Perth WA 6005

Share Registry

Computershare
172 St Georges Tce
Perth WA 6000

Directors' Report

The Directors of Pure Minerals Limited ("Pure Minerals" or "the Company") present their report, together with the financial statements of the consolidated entity consisting of Pure Minerals Limited and its controlled entities (the "Group") for the financial year ended 30 June 2020.

DIRECTORS

The names and particulars of the Company's directors in office during the financial year and at the date of this report are as follows. Directors held office for this entire year unless otherwise stated.

John Downie | Managing Director
(Appointed 17 May 2019)

Mr Downie is a mechanical engineer and has over 30 years' experience in the mining industry. He has extensive experience in lateritic nickel mining and processing, having previously been Director of Mines for Vale's Goro operations, CEO of Gladstone Pacific Nickel and Director of Projects at Queensland Nickel. He has also been employed in senior roles at Barrack Mines NL, Alcoa of Australia Ltd and Boral Resources Ltd.

During the past three years, Mr Downie did not hold any directorships in any other ASX listed companies.

Cameron Mclean | Non-Executive Director
(Appointed 30 November 2018)

Cameron Mclean has more than 20 years of experience leading and managing a range of commercial activities including co-directing London business ibase in the geo-technology sector, and as chief financial officer of Snowden Mining Industry Consultants, Kagara and Atrum Coal. Mr Mclean has a background in accounting and finance, with experience originating at Western Mining in Melbourne. Mr Mclean is the founder and major shareholder of the mining investment platform, Mineral Intelligence, where he has facilitated over $100m in mining transactions over 5 years. Mr Mclean identified, secured and introduced the cobalt and vanadium projects through Ion Minerals and was its managing director.

During the past three years, Mr Mclean held the following directorships in other ASX listed companies: Great Northern Minerals Limited (current).

Eddie King | Non-Executive Director
(Appointed 26 March 2018)

Mr King is a qualified Mining Engineer. He holds a Bachelor of Commerce and Bachelor of Engineering from the University of Western Australia. His past experience includes being a manager for an investment banking firm, where he specialised in the analysis of technical and financial requirements of bulk commodity and other resources projects.

During the past three years, Mr King held the following directorships in other ASX listed companies: Eastern Iron Limited (current), Ragnar Metals Limited (formerly, Drake Resources Limited) (current), European Cobalt Limited (resigned April 2020), Six Sigma Metals Limited (resigned April 2020) Sultan Resources Limited (resigned March 2019), Axxis Technology Limited (resigned March 2019), Bowen Coking Coal Limited (resigned December 2018) and Lindian Resources Limited (resigned January 2018).

Andrew Matheson | Non-Executive Director
(Appointed 30 April 2020, resigned 15 July 2020)

Andrew is a founding partner and director of QPM and is a geological engineer with over 30 years professional experience within the mining and engineering sectors. He has a track record in exploration, project evaluation and strategy, development, construction, infrastructure management, underground and open cut mining operations and corporate management. He has held roles including Chairman, Managing Director, CEO and General Manager with various private and publicly listed resources companies and has experience with lateritic nickel projects in New Caledonia, Indonesia and Australia.

During the past three years, Mr Matheson did not hold any directorships in any other ASX listed companies.

Directors' Report

COMPANY SECRETARY

Mauro Piccini

Mr Piccini is a Chartered Accountant (CA) and a member of the Governance Institute of Australia (GIA). He specialises in corporate advisory, company secretarial and financial management services. Mauro spent 7 years at the ASX and possesses core competencies in publicly listed and unlisted company secretarial, administration and governance disciplines.

INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The following table sets out each current Director's relevant interest in shares and options of the Company or a related body corporate as at the date of this report.

Director	Ordinary Shares	Options
Eddie King	2,862,058	10,000,000
Cameron Mclean	-	2,000,000
John Downie	40,738,283	-
Andrew Matheson	41,569,475	-
	85,169,816	**12,000,000**

PRINCIPAL ACTIVITIES

The principal activity of the Company is mineral exploration.

REVIEW AND RESULTS OF OPERATIONS

Overview

Queensland Pacific Metals Pty Ltd
The Company's wholly owned subsidiary, Queensland Pacific Metals Pty Ltd ("QPM") continued to advance the development of the Townsville Energy Chemicals Hub ("TECH Project"), achieving a number of key milestones.

Technical Progression
QPM continues to advance the technical aspects of the TECH Project. The current focus of this work is centred around piloting of the flowsheet for the TECH Project. A bulk sample of ore sourced from QPM's ore supply partners in New Caledonia has been transported to Western Australia and has been prepared, reading for processing in a pilot plant at ALS Global later this year.
Operation of the pilot plant is an important milestone for QPM, with the aim of delivering the following outcomes:

- Demonstration of processing flowsheet;
- Generation of product samples to send to potential customers; and
- Producing results which will feed directly into a Bankable Feasibility Study.

Discussion with Potential Offtakers
QPM has engaged in discussions with a number of end users regarding supply of battery chemicals from the TECH Project. At this point in time, no commercial arrangement has been reached, however QPM believes that there is interest and potential demand for battery chemicals from the TECH Project.

Iron Ore Collaboration with Sun Metals
One of the by-products produced by the TECH Project is iron oxide (haematite). QPM has entered into a memorandum of understanding ("**MOU**") with Sun Metals, a wholly owned subsidiary of Korea Zinc. Sun Metals will also produce an iron oxide product from its operations in Townsville. The MOU provides for the two companies to collaborate on the potential to produce a single haematite product to market to steel mills.

Directors' Report

Financial Performance

The financial results of the Company for the year ended 30 June 2020 are:

	30-Jun-20 $	30-Jun-19 $
Cash and cash equivalents	**1,556,678**	2,690,342
Net Assets/ (Net Liabilities)	**921,706**	3,419,919
Revenue	**382,999**	33,645
Net loss after tax	**(4,980,543)**	(2,295,115)

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year. No dividend is recommended in respect of the current financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Board Appointments and Resignations

On 30 April 2020 Andrew Matheson was appointed to the board as a Non-Executive Director. Andrew Matheson then resigned on 15 July 2020.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

On 15 July 2020 Andrew Matheson resigned from the board as a Non-Executive Director.

On 21 July 2020 Dr Stephen Grocott joined Pure Minerals Limited as Chief executive officer. On the same date the Company announced it would issue 38,500,000 performance rights to Dr Stephen Grocott dependent upon meeting the milestones set. Please refer to the ASX announcement on 21 July 2020 for the details around the performance rights milestones.
On 8 September 2020 the Company issued 377,650 ordinary shares to Dr Stephen Grocott in lieu of cash for services provided.

On 18 August 2020 The Company drew down on tranche b of the R&D Incentive Facility loan with Metamor Capital Pty Ltd amounting to $222,240.

On 21 September 2020, The Company received firm commitments from institutional and sophisticated investors to raise $4.4 million before costs via a share placement of 293,333,334 fully paid ordinary shares at an issue price of $0.015 per share.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The Company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during 2021.Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2021 financial year. Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Company's results of future operations, financial position, and liquidity in fiscal year 2021.

There has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

QPM will operate the pilot plant with piloting activities continuing on into 2021. QPM expects that the pilot plant will demonstrate the processing flowsheet outlined in the Pre-Feasibility Study and should produce battery chemicals suitable for end user consumption.

DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Direct held office are:

Director	Number Eligible to Attend	Number Attended
John Downie	5	5
Cameron Mclean	5	5
Eddie King	5	5
Andrew Matheson [i]	5	4

(i) Appointed 30 April 2020, resigned 15 July 2020.

In addition to the scheduled Board meetings, Directors regularly communicate by telephone, email or other electronic means, and where necessary, circular resolutions are executed to effect decisions.

Due to the size and scale of the Company, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board. For details of the function of the Board, please refer to the Corporate Governance Statement.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2020 outlines the remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

a) Key Management Personnel Disclosed in this Report

Key Management Personnel of the Company during or since the end of the financial year were:

John Downie	Managing Director (appointed 17 May 2019)
Cameron Mclean	Non-Executive Director (appointed 30 November 2018)
Eddie King	Non-Executive Director (appointed 26 March 2018)
Stephen Grocott	Chief Executive Officer (appointed 21 July 2020)
Andrew Matheson	Non-Executive Director (appointed 30 April 2020, resigned 15 July 2020)

After the reporting period Stephen Grocott was appointed as Chief Executive Officer 15 July 2020 and Andrew Matheson resigned 15 July 2020.

The Remuneration Report is set out under the following main headings:

A Remuneration Philosophy
B Remuneration Governance, Structure and Approvals
C Remuneration and Performance
D Details of Remuneration
E Service Agreements
F Share-based Compensation
G Equity Instruments Issued on Exercise of Remuneration Options
H Loans with KMP
I Other Transactions with KMP

REMUNERATION REPORT (AUDITED, CONTINUED)

A Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Company. KMP of the Company comprise of the Board of Directors.

The Company's broad remuneration policy 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.

No remuneration consultants were employed during the financial year.

Voting and comments made at the Company's Annual General Meeting
At the 2019 Annual General Meeting, the resolution to adopt the Remuneration Report for the year ended 30 June 2019 was passed unanimously without amendment on a show of hands "For" the resolution to adopt the Remuneration Report. The Company did not receive any specific feedback at the Annual General Meeting regarding its remuneration practices.

B Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Company's development, nor has the Board engaged the services of an external remuneration consultant. It is considered that the size of the Board along with the level of activity of the Company renders this impractical. The Board is primarily responsible for:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives, including key performance indicators and performance hurdles;
- Remuneration levels of executives; and
- Non-Executive Director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long- term interests of the Company.

❖ **Non-Executive Remuneration Structure**

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. The total aggregate fixed sum per annum to be paid to Non-Executive Directors in accordance with the Company's Constitution shall initially be no more than A$150,000 and may be varied by ordinary resolution of the Shareholders in a General Meeting.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. In accordance with the Company's Constitution, the Directors may at any time, subject to the Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Company and which is designed to provide superannuation benefits for both present and future Non-Executive Directors, and they may from time to time vary this scheme or plan.

The remuneration of Non-Executive is detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Service Agreements".

Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

REMUNERATION REPORT (AUDITED, CONTINUED)

❖ **Executive Remuneration Structure**

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high performance Directors.

The main objectives sought when reviewing executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Company, the performance of the Executives and the general pay environment.

The remuneration of Executives is detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Service Agreements".

❖ **Executive Remuneration Approvals**

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice. Executive contracts are reviewed annually by the Board, in the absence of a Remuneration Committee, for their approval. The process consists of a review of company, business unit and individual performance, relevant comparative remuneration internally and externally and where appropriate, external advice independent of management.

Executive remuneration and incentive policies and practices must be aligned with the Company's vision, values and overall business objectives. Executive remuneration and incentive policies and practices must be designed to motivate management to pursue the Company's long-term growth and success and demonstrate a clear relationship between the Company's overall performance and performance of the executives.

C Remuneration and Performance

The following table shows the gross revenue, losses, earnings per share ("EPS") and share price of the Company for the past five years:

	30-June-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
Revenue ($)	**382,999**	33,645	13,457	105,321	49,024
Net loss after tax ($)	**(4,980,543)**	(2,295,115)	(2,755,575)	(215,084)	(39,812)
EPS ($)	**(0.96)**	(0.72)	(1.17)	(1.19)	0.06
Share price	**0.013**	0.018	0.014	0.025	0.020
Dividends	**-**	-	-	-	-

Relationship between Remuneration and Company Performance

Given the recent listing of the Company and the current phase of the Company's development, the Board does not consider earnings during the current and previous financial year when determining, and in relation to, the nature and amount of remuneration of KMP.

The pay and reward framework for key management personnel may consist of the following areas:

a) Fixed Remuneration – base salary
b) Variable Short-Term Incentives
c) Variable Long-Term Incentives

The combination of these would comprise the key management personnel's total remuneration.

REMUNERATION REPORT (AUDITED, CONTINUED)

a) Fixed Remuneration – Base Salary

The fixed remuneration for each senior executive is influenced by the nature and responsibilities of each role and knowledge, skills and experience required for each position. Fixed remuneration provides a base level of remuneration which is market competitive and comprises a base salary inclusive of statutory superannuation. It is structured as a total employment cost package.

Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. External remuneration consultants may provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. No external advice was taken this year. Base salary for key management personnel is reviewed annually to ensure the executives' pay is competitive with the market. The pay of key management personnel is also reviewed on promotion. There is no guaranteed pay increase included in any key management personnel's contract.

b) Variable Remuneration – Short Term Incentives (STI)

Discretionary cash bonuses may be paid to senior executives annually, subject to the requisite Board and shareholder approvals where applicable. No bonus payments were made during the financial year.

c) Variable Remuneration – Long-Term Incentives (LTI)

Options are issued at the Board's discretion.

D Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each KMP of the Company during the financial year are:

Table 1 – Remuneration of KMP of the Company for the year ended 30 June 2020 is set out below:

	Short-term Employee Benefits			Post-Employment	Share based payments	Total
	Cash Salary & fees	Non-monetary benefits	Other	Superannuation		
30 June 2020	**$**	**$**	**$**	**$**	**$**	**$**
Key Management Personal						
Eddie King	60,000	-	-	5,700	-	65,700
John Downie	105,000	-	-	9,975	-	114,975
Cameron Mclean	42,000	-	-	3,990	-	45,990
Andrew Matheson(i)	10,000	-	-	950	-	10,950
Total	**217,000**	**-**	**-**	**20,615**	**-**	**237,615**

(i) Appointed 30 April 2020

REMUNERATION REPORT (AUDITED, CONTINUED)

Table 2 – Remuneration of KMP of the Company for the year ended 30 June 2019 is set out below:

	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Cash Salary & fees	Non-monetary benefits	Other	Superannuation	Options	
30 June 2019	**$**	**$**	**$**	**$**	**$**	**$**
Key Management Personal						
Jeremy King (i)	25,000	-	-	2,375	-	27,375
Eddie King	52,500	-	-	4,988	58,616	116,104
Lincoln Ho(ii)	42,000	-	-	3,658	17,585	63,243
John Downie	20,000	-	-	1,471	-	21,471
Cameron Mclean	24,500	-	-	2,328	11,723	38,551
Total	**164,000**	**-**	**-**	**14,820**	**87,924**	**266,744**

(i) Resigned 30 November 2018
(ii) Resigned 17 May 2019

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the tables above.

Table 3 – Relative proportion of fixed vs variable remuneration expense

	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
Name	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Key Management Personal						
Jeremy King	-	100%	-	-	-	-
Eddie King	100%	50%	-	50%	-	-
Lincoln Ho	-	72%	-	28%	-	-
John Downie	100%	100%	-	-	-	-
Cameron Mclean	100%	70%	-	30%	-	-
Andrew Matheson	100%	-	-	-	-	-

Table 4 – Shareholdings of KMP (direct and indirect holdings)

30 June 2020	Balance at 01/07/2019	Granted as Remuneration	Other	Balance at 30/06/2020
Key Management Personal				
Eddie King	500,000	-	2,362,058(i)	2,862,058
John Downie	10,803,250	-	29,935,033(ii)	40,738,283
Cameron Mclean	-	-	-	-
Andrew Matheson	-	-	44,738,851(iii)	44,738,851
Total	**11,303,250**	**-**	**75,673,884**	**86,977,134**

(i) On market purchase during the year.
(ii) Milestone A shares issued during the year refer to note 14.
(iii) Shareholding prior to appointment as director.

Table 5 – Option holdings of KMP (direct and indirect holdings)

30 June 2020	Balance at 01/07/2019	Issued as Remuneration	Exercised	Other	Unused	Balance at 30/06/2020	Vested & Exercisable
Key Management Personal							
Eddie King	10,000,000	-	-	-	10,000,000	10,000,000	10,000,000
John Downie	-	-	-	-	-	-	-
Cameron Mclean	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000
Andrew Matheson	-	-	-	-	-	-	-
Total	**12,000,000**	**-**	**-**	**-**	**12,000,000**	**12,000,000**	**12,000,000**

REMUNERATION REPORT (AUDITED, CONTINUED)

E Service Agreements

- **John Downie – Managing Director,**
  - Contract: Commenced 17 May 2019
  - Director Fees: $120,000 p.a.
  - Contract: Commenced 1 April 2020
  - Director Fees: $60,000 p.a.
  - Term: no fixed term
  - Period of notice: Not less than 3 months

- **Stephen Grocott – Chief Executive Officer**
  - Contract: Commenced 21 July 2020

    Service Fees: $250,000 p.a. plus super paid 70% cash 30% shares
    Term: Initial term one year from commencement date
    Period of notice: 3 months
    Termination: Any outstanding amounts to be paid at termination

F Share-based Compensation

The Company rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options and/or performance rights. Share-based compensation is at the discretion of the Board and no individual has a contractual right to receive any guaranteed benefits.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

30 June 2020	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise Price $	Fair value per option at grant date $
Key Management Personal						
Eddie King	10,000,000	1/5/2019	1/5/2019	21/5/2022	0.03	0.06
John Downie	-	-	-	-	-	-
Cameron Mclean	2,000,000	1/5/2019	1/5/2019	21/5/2022	0.03	0.06
Andrew Matheson	-	-	-	-	-	-

On 21 May 2019, the Company issued 15,000,000 options to the Directors, exercisable at $0.03 on or before 21 May 2022. The Grant Date of the 15,000,000 options is 1 May 2019 which is the date of the General Meeting when the options were approved. In line with Australian Accounting Standards, these options have been fair valued based on grant date on 1 May 2019 and a share-based payment expense has been recognised as at 30 June 2019 in the statement of profit or loss and other comprehensive income. The total value of the options issued was $87,924. The options have no performance or service conditions as they were granted as remuneration. The other 3,000,000 options not mentioned above were issued to past Directors.

At the date of this report, the unissued ordinary shares of the Company under option carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company.

G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the financial year.

H Loans with KMP

There were no loans made to any KMP during the year ended 30 June 2020 (2019: nil).

REMUNERATION REPORT (AUDITED, CONTINUED)

I Other Transactions with KMP

In the prior year the Company acquired Queensland Pacific Metals, to which two of the vendors John Downie and Andrew Matheson were subsequently elected to the Pure Minerals board.
On the successful achievement of QPM Milestone A 29,935,033 shares were issued equally to both John Downie and Andrew Matheson at a fair value of $778,311.
There were no other transactions with KMP during the year ended 30 June 2020.

End of Audited Remuneration Report.

Corporate Governance - Diversity measurable

The Company has not yet set measurable objectives for achieving gender diversity. The Company is currently not of a size that justifies the establishment of measurable diversity objectives. As the Company develops, the Board will seek to develop a reporting framework in the future to report the Company's progress against the objectives and strategies for achieving a diverse workplace which can be used as a guide to be used by the Company to identify new Directors, senior executives and employees.

An executive office holding below the Board level, this being the position of Company Secretary, is held by a female contractor to the Company.

Full details of the Company's Diversity Policy can be found on the Corporate Governance page of the Company's website.

SHARES UNDER OPTION

At the date of this report there were the following unissued ordinary shares for which options were outstanding:

25,000,000 unlisted options expiring 21 May 2022, exercisable at 3 cents each.

15,000,000 unlisted options expiring 21 May 2022, exercisable at 3 cents each.

30,000,000 unlisted options expiring 21 May 2022, exercisable at 3 cents each.

SHARES ISSUED ON EXERCISE OF OPTIONS

There were no ordinary shares of the Company issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

ENVIRONMENTAL REGULATIONS

The company is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the year under review and up until the date of this report.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

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

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

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

AUDITOR

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF BDO AUDIT (WA) PTY LTD

There are no officers of the company who are former partners BDO Audit (WA) Pty Ltd.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and included within these financial statements.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 21 to the financial statements.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are satisfied that the provision of non-audit services by the auditors, as set out below, did not compromise the auditor independent requirements of the Corporations Act 2001 for the following reasons:

• all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and

• None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

This report is signed in accordance with a resolution of Board of Directors.

John Downie
Managing Director
24 September 2020

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF PURE MINERALS LIMITED

As lead auditor of Pure Minerals Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 24 September 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2020

	Note	2020 $	2019 $
Revenue from continuing operations			
Other Income	4	**166,883**	33,645
Grant Income	4a	**216,116**	-
Expenses			
TECH Project expenses		**(1,612,987)**	(216,668)
Consulting and legal fees	5	**(586,745)**	(493,485)
Directors fees		**(237,617)**	(237,019)
Compliance and regulatory expenses		**(36,872)**	(33,519)
Listing fees		**(46,625)**	(41,391)
Professional fees		**(523,948)**	(175,809)
Insurance		**(20,808)**	(13,972)
Rent and office expenses		**(36,632)**	(45,000)
Other expenses		**(202,953)**	(133,864)
Share based payments	14	**(1,516,190)**	(236,964)
Impairment of exploration assets	10	**(471,888)**	(701,069)
Depreciation		**(40,288)**	-
Financing expenses		**(29,989)**	-
Loss from continuing operations before income tax		**(4,980,543)**	(2,295,115)
Income tax expense	6	**-**	-
Loss from continuing operations after income tax		**(4,980,543)**	(2,295,115)
Other comprehensive loss		-	-
Total other comprehensive loss for the year, net of tax		**(4,980,543)**	(2,295,115)
Total comprehensive loss for the year ended is attributable to owners of Pure Mineral Limited		**(4,980,543)**	(2,255,115)
Total comprehensive loss for the year ended is attributable to Non-controlling interest	18	**-**	(40,000)
		(4,980,543)	(2,295,115)
Loss per share for the year attributable to the members of Pure Minerals Limited:			
Basic loss per share (cents)	7	**(0.96)**	(0.72)
Diluted loss per share (cents)	7	**(0.96)**	(0.72)

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

Consolidated Statement of Financial Position

As at 30 June 2020

	Note	2020 $	2019 $
ASSETS			
Current assets			
Cash and cash equivalents	8	**1,556,678**	2,690,342
Other receivables	9	**73,265**	66,612
Total current assets		**1,629,943**	2,756,954
Non-current assets			
Exploration and evaluation assets	10	**1,077,967**	1,428,198
Right of use asset	11e	**47,614**	-
Total non-current assets		**1,125,581**	1,428,198
Total assets		**2,755,524**	4,185,152
LIABILITIES			
Current liabilities			
Trade and other payables	11a	**323,929**	393,568
Other current liabilities	11b	**-**	371,665
Deferred CRC grant income	11c	**1,051,552**	-
Borrowings	11d	**409,973**	-
Lease liability	11e	**48,364**	-
Total current liabilities		**1,833,818**	765,233
Total liabilities		**1,833,818**	765,233
Net assets		**921,706**	3,419,919
EQUITY			
Contributed equity	12	**14,640,840**	12,158,510
Reserves	13	**3,995,047**	3,995,047
Accumulated losses		**(17,714,181)**	(12,733,638)
Capital and reserves attributable to owners of the company		**921,706**	3,419,919
Non-controlling interest	18	**-**	-
Total equity		**921,706**	3,419,919

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2020

	Issued Capital	Share-based Payment Reserve	Asset revaluation reserve	Non-Controlling Interests	Accumulated Losses	Total
	$	$	$	$	$	$
At 1 July 2019	**12,158,510**	**3,995,047**	**-**	**-**	**(12,733,638)**	**3,419,919**
Loss for the period	-	-	-	-	**(4,980,543)**	**(4,980,543)**
Other comprehensive income for the year, net of tax	-	-	-	-	**-**	**-**
Total comprehensive income/(loss) for the period after tax	-	-	-	-	**(4,980,543)**	**(4,980,543)**
Transactions with owners in their capacity as owners:						
Milestone A Shares	**1,516,190**	**-**	**-**	**-**	**-**	**1,516,190**
Tranche 2 (net of costs)	**586,810**	**-**	**-**	**-**	**-**	**586,810**
Shares issued for services performed	**75,344**	**-**	**-**	**-**	**-**	**75,344**
Share capital raising (net of costs)	**303,986**	**-**	**-**	**-**	**-**	**303,986**
At 30 June 2020	**14,640,840**	**3,995,047**	**-**	**-**	**(17,714,181)**	**921,706**
At 1 July 2018	10,383,419	4,456,583	(10,555)	40,000	(10,467,968)	4,401,479
Loss for the period	-	-	-	(40,000)	(2,255,115)	(2,295,115)
Other comprehensive income for the year, net of tax	-	-	-	-	-	**-**
Total comprehensive income/(loss) for the period after tax	-	-	-	(40,000)	(2,255,115)	(2,295,115)
Transactions with owners in their capacity as owners:						
Issue of share capital (net of costs)	1,342,191	-	-	-	-	1,342,191
Deferred consideration adjustment	-	(700,000)	-	-	-	(700,000)
Issue of non-listed options	-	238,464	-	-	-	238,464
Consideration paid for acquisition of subsidiary	432,900	-	-	-	-	432,900
Reserve adjustment	-	-	10,555	-	(10,555)	-
At 30 June 2019	12,158,510	3,995,047	-	-	(12,733,638)	3,419,919

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the Financial Year ended 30 June 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Payments to suppliers and employees		**(1,944,329)**	(1,155,160)
Payment for costs relating to the Tech Project		**(1,706,778)**	(184,137)
Interest received		**4,715**	33,645
GST Refund		**35,813**	-
R&D tax offset received		**162,168**	-
Grant income received		**1,207,661**	-
Net cash used in operating activities	8(a)	**(2,240,750)**	(1,305,652)
Cash flows from investing activities			
Payment of exploration activities capitalised		**(121,657)**	(96,991)
Payment for costs related to the purchase of the Queensland Pacific Metals Pty Ltd		**-**	(203,335)
Net cash from investing activities		**(121,657)**	(300,326)
Cash flows from financing activities			
Proceeds from the issue of shares		**942,364**	1,477,637
Share issue costs		**(51,567)**	(4,000)
Proceeds from borrowings		**409,973**	-
Payment relating to finance costs		**(32,490)**	-
Payment relating to office lease		**(39,538)**	-
Net cash from financing activities		**1,228,742**	1,437,637
Net (decrease) in cash and cash equivalents		**(1,133,664)**	(132,341)
Cash and cash equivalents at the beginning of the year		**2,690,342**	2,822,683
Cash and cash equivalents at the end of the year	8	**1,556,678**	2,690,342

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Pure Minerals Limited (referred to as the "Company") is a company domiciled in Australia. The address of the Company's registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The consolidated financial statements of the Company as at and for the year ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity" or the "Group").

(b) Basis of Preparation

Statement of compliance
The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The financial statements comply with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB"). Pure Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

The annual report was authorised for issue by the Board of Directors on 24 September 2020.

Basis of measurement
The financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 23.

(c) Comparatives

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

(d) Principles of Consolidation

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

Subsidiaries are all entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.
Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(e) Principles of Consolidation (continued)

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(f) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board. Management has determined that based on the report reviewed by the Board and used to make strategic decisions, that the entity has two reportable segments.

(g) Interest Recognition

Interest revenue
Interest revenue is recognised as it accrues, using the effective interest method.

(h) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realis the asset and settle the liability simultaneously.
Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(i) Exploration and evaluation expenditure

Exploration and evaluation assets acquired

Exploration and evaluation assets compromise of acquisition of mineral rights and fair value (at acquisition date) of exploration and expenditure assets from other entities. As the assets are not yet ready for use they are not depreciated. Exploration and evaluation assets are assessed for impairment if facts or circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

(j) Asset Acquisition not constituting a Business

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for the deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

(k) Cash and Cash Equivalents

Cash on hand and in bank and short-term deposits are stated at nominal value. For the purpose of the statement of cash flows, cash includes cash on hand and in bank, and bank securities readily convertible to cash, net of outstanding bank overdrafts.

(l) Other Receivables

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

(m) Impairment of non-financial assets

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

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

(n) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received whether or not billed to the Company. Trade payables are usually settled within 30 days of recognition.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(o) Share-based Payments

Equity-settled share-based compensation benefits are provided to Key Management Personnel and employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees and service providers in exchange for the rendering of services.
The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.
The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

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

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.
If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(p) Grant Income

Government grants are recognised only when there is reasonable assurance that (a) the entity will comply with any conditions attached to the grant and (b) the grant will be received.
Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(q) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(r) Earnings Per Share

Basic earnings per share
Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share
Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(s) Goods and Services Tax ("GST")

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables area stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

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

(t) Current and Non-Current classification

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

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

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

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

(u) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(v) Other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss.
Typically, such financial assets will be either:
(i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or
(ii)designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.
Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.
For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(w) Borrowings

The Company entered into a R&D tax prepayment loan agreement with Metamor Capital Partners Pty Ltd for $586,728, repayable upon the receipt of the tax refund from the Australian Taxation Office for the research and development tax incentive offset for the financial year ended 30 June 2020 or 15 November 2020, whichever is earlier. The fair value of the loan is provided for, upon the receipt of cash from Metamor Capital.
Interest was fixed at 13.5% per annum payable monthly is accrued for. The loan was secured by a general security agreement over all the assets and undertaking of the Company and its subsidiaries and holding company including plant and equipment, intellectual property and the proceeds of the R&D rebate.

(x) New Accounting Standards and Interpretations not yet mandatory or early adopted

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

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

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS

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

AASB 16 Leases
AASB 16 Leases replaces the provisions of AASB 117 Leases that relates to the recognition, classification and measurement of leases. The adoption of AASB 16 Leases from 1 July 2019 resulted in changes to the accounting policies and adjustments to the amounts recognised in the financials. The new accounting policies are set out below. Comparative figures have not been restated in accordance with transitional provisions.

On 1 August 2019, the Company held one lease, for the principal office based in Brisbane. The Company assessed which business model applied to the lease and classified its lease into the appropriate AASB 16 category.

Initial recognition
The Company adopted AASB 16 Leases from 1 July 2019 as the lease agreement was signed 1 August 2019. The liability was measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate of 4.05% as at 1 August 2019. The initial amount recognised for each asset and liability is the same and uses the current borrowing rate.

Notes to the Consolidated Financial Statements

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS (CONT.)

AASB 16 Leases (continued)

At 1 July 2019 there was no lease agreement in place until 1 August 2019. The option to extend the lease has not be incorporated into the initial recognition as there is no reasonable certainty that it will be extended.

Subsequent recognition

PM1 will recognise a lease liability based on the discounted payments under the lease. The lease liability is to be measured with reference to an estimate of the lease term. PM1 will use the cost model to recognise the ROU asset and amortise it over the remaining four years of its term.

Contingent Consideration

During the year the Group reassessed the probabilities of the contingent consideration being payable with respect to the asset acquisition of Pure Manganese Pty Ltd occurring on 31 July 2017.

The contingent consideration comprised of:

10 million Milestone 1 shares to be issued at $0.02 per share to the Pure Manganese Pty Ltd Shareholders (or their nominees) on the satisfaction of:

- The Company delineation of an inferred JORC Mineral Resource of at least 4 million tonnes at 10% of manganese at exploration license application E09/2217-1 and E562/3523-1 (together the Battery Hub Project); and
- The 20 day VWAP of the shares being equal to or greater than $0.04, within 12 months of settlement

25 million Milestone 2 shares to be issued at $0.02 per share to the Pure Manganese Pty Ltd (or their nominees) on the satisfaction of:

- The completion of a Positive Feasibility Study at any of the Tenement acquired by the Company at settlement of the Acquisition agreement, MDV Agreement or Lake Blanche Agreement; and
- The 20 day VWAP of the shares being equal to or greater than $0.06, within 54 months of settlement.

During the prior period Milestone 1 shares lapsed and were not achieved resulting in the reversal of the previously recognised balances, further it has been determined by the Group that the Milestone 2 contingent consideration is now not ‘probable’ and as such the initial recognition of the contingent consideration has been reversed. The contingent consideration for Milestone 2 shares is now recognised as a contingent liability as disclosed within note 20 of the report.

During the prior year the Group acquired Queensland Pacific Metals Pty Ltd (“QPM”) and as a part of the consideration payable, the contingent consideration comprised of:

Group A

116,630,000 Milestone shares at $0.013 per share to be issued on the achievement of at least 5Mt JORC inferred resource at 1% Ni equivalent defined at the Eden Garry Project; or Completion of positive pre-feasibility study that demonstrates an IRR >20% and EBITDA of no less than A$50M per annum which is verified in writing by PM1’s independently engaged expert within 9 months from the date of settlement. Milestone A was settled during the year for the completion of the positive pre-feasibility study that demonstrated an IRR>20% and EBITDA of no less than A$50M per annum.

Group B

83,330,000 milestone shares at $0.013 per share to be issued 24 months from the date of settlement on the achievement of at least 10MT JORC inferred resource at 1% NI equivalent defined at the Eden Garry Project; or Completion of positive definitive bankable feasibility study which demonstrates an IRR>20% and EBITDA of no less than A$50m per annum.

Group C

83,330,000 milestone shares at $0.013 per share to be issued 36 months from the date of settlement on the achievement of first commercial mining of ore obtained at the Eden Garry Project; or PM1 obtaining all regulatory approvals required to construct a nickel-cobalt processing plant.

Group D

83,330,000 milestone shares at $0.013 per share to be issued 42 months from the date of settlement on the achievement of the final investment decision by the PM1 Board to construct a nickel-cobalt processing plant.

The remaining milestones above are now recognised as a contingent liability as disclosed within note 20 of the report. While the achievement of these milestones is possible, it is currently not probable and therefore no value has been ascribed to them and that these will be reassessed at each period end.

Notes to the Consolidated Financial Statements

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS (CONT.)

Share based payments
The consolidated entity measures the cost of equity-settled transactions with employees and service providers by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. The assumptions and models used for estimating the fair value of share based payments transactions are disclosure in Note 14.

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

Acquisition of subsidiaries
The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The subsidiary acquisitions of Pure Minerals hold exploration tenements and no processes or outputs. The acquisitions are therefore assessed as an asset acquisition rather than a business combination. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Going Concern
For the year ended 30 June 2020 the entity recorded a loss of $4,980,543 and had net cash outflows from operating activities of $2,240,750. The ability of the entity to continue as a going concern is dependent on securing additional funding through new or existing investors to fund its operational and marketing activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity’s ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Management believe there are sufficient funds to meet the entity’s working capital requirements and as at the date of this report.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The CRC grant awarded to the Company;
- The current cash of the entity relative to its fixed and discretionary commitments;
- The entity also has the ability to reduce its expenditure to conserve cash; and
- Ability of the company to raise additional capital.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

Notes to the Consolidated Financial Statements

NOTE 3 SEGMENT INFORMATION

The Group operates two reportable segments being predominately in the area of mineral exploration in Queensland and the Tech project in Queensland. Results of the two segments are analysed by the chief operating decision maker, this being the Board of Directors. Consequently, revenue, profit, net assets and total assets for the operating segments are reflected in this financial report.

	Corporate	Exploration	TECH Project	Total
Year Ended 30 June 2020				
Revenue	**64,566**	**-**	**318,433**	**382,999**
Result (loss)	**(3,214,101)**	**(471,888)**	**(1,294,554)**	**(4,980,543)**
Total assets	**542,564**	**1,078,078**	**1,134,882**	**2,755,524**
Total liabilities	**(504,765)**	**-**	**(1,329,053)**	**(1,833,818)**
Year Ended 30 June 2019				
Revenue	33,645	-	-	33,645
Result (loss)	(1,377,378)	(701,069)	(216,668)	(2,295,115)
Total assets	2,756,955	1,428,197	-	4,185,152
Total liabilities	(258,612)	(372,325)	(134,296)	(765,233)

NOTE 4 REVENUE AND OTHER INCOME

	2020 $	2019 $
Revenue from continuing operations		
Other income		
Interest received	**4,715**	33,645
R&D tax offset	**162,168**	-
	166,883	33,645

NOTE 4a REVENUE AND OTHER INCOME

	2020 $	2019 $
Grant income		
*CRC grant income**	**156,109**	-
CSIRO grant	**60,007**	-
	216,116	-

**During the year $1,207,661 had been received by Queensland Pacific Metals for the ongoing feasibility work for the TECH Project of which $156,109 had been expended at 30 June 2020.*

Notes to the Consolidated Financial Statements

NOTE 5 CONSULTANCY AND LEGAL EXPENSES

	2020 $	2019 $
Consulting fees	**545,181**	442,316
Legal fees	**41,564**	51,169
	586,745	493,485

NOTE 6 INCOME TAX

(a) The components of tax expense comprise:	**2020 $**	2019 $
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the of profit or loss and other comprehensive income	-	-

(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

	2020 $	2019 $
Loss before income tax expense	**(4,980,543)**	(2,295,114)
Prima facie tax benefit on loss before income tax at 30% (2019: 30%)	**(1,494,163)**	(688,534)
Tax effect of:		
Non-deductible expenses	**1,091,348**	333,610
Temporary Differences	**402,815**	354,924
Deferred tax assets not brought to account	-	-
Total	-	-

Tax losses not recognised

	2020 $	2019 $
Unused tax losses for which no deferred tax asset has been recognised	**8,747,389**	7,197,095
Potential tax benefit at 30%	**2,624,217**	2,159,129

Pure Minerals Limited does not currently recognise any deferred tax asset arising from carried forward tax losses. The estimated potential deferred tax asset at 30% (2019: 30%) not brought to account which is attributable to tax losses carried forward at 30 June 2020 is $2,624,217 (2019: $2,159,129).

Notes to the Consolidated Financial Statements

NOTE 7 LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	2020	2019
Net loss for the year	**(4,980,543)**	(2,295,115)
Weighted average number of ordinary shares for basic and diluted loss per share.	**520,335,764**	318,742,783
Continuing operations		
- Basic and diluted loss per share (cents)	**(0.96)**	(0.72)

NOTE 8 CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash at bank and in hand	**505,126**	2,189,619
Restricted cash*	**1,051,552**	-
Short-term deposits	**-**	500,723
	1,556,678	2,690,342

Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made in varying periods between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.
The Company's exposure to interest rate and credit risks is disclosed in Note 16.

*Restricted cash is the cash received as a part of the CRC grant as at 30 June 2020.

(a) Reconciliation of net loss after tax to net cash flows from operations

Loss for the financial year	**(4,980,543)**	(2,295,115)
Adjustments for:		
Performance milestone revaluation	**-**	700,000
Impairment of asset	**471,888**	701,069
Share based payments	**1,516,190**	238,464
Depreciation	**40,288**	-
Shares issued in lieu of cash	**75,344**	-
Other non-cash items	**32,488**	(94,542)
Changes in assets and liabilities		
Other Receivables	**(6,653)**	37,511
Trade and other payables	**610,248**	(593,039)
Net cash used in operating activities	**(2,240,750)**	(1,305,652)

Notes to the Consolidated Financial Statements

NOTE 8b CASH AND CASH EQUIVALENTS (continued)

Non-cash investing and financing activities

	2020	2019
	$	$
Additions to right of use assets	**87,902**	-
Consideration for the acquisition of QPM	**-**	432,900
	87,902	432,900

Changes in liabilities arising from financing activities

Consolidated	loans $	Lease liability $	Total $
Balance at 1 July 2018	-	-	-
Net cash used in financing activities	-	-	-
Acquisition of leases	-	-	-
Other changes	-	-	-
Balance at 30 June 2019	-	-	-
Acquisition of leases	-	87,902	-
Interest on lease payments	-	2,462	-
Net cash from/(used in) financing activities	409,973	(42,000)	335,484
Balance at 30 June 2020	**409,973**	**48,364**	**335,484**

NOTE 9 OTHER RECEIVABLES

	2020	2019
	$	$
GST receivable	**35,813**	46,071
Other deposits and receivables	**37,452**	20,541
	73,265	66,612

The Company did not recognise any loss in the profit or loss in respect of the expected credit losses for the year ended 30 June 2020 and 30 June 2019.

Notes to the Consolidated Financial Statements

	2020 **$**	2019 $
NOTE 10 EXPLORATION AND EVALUATION		
Opening balance	**1,428,198**	1,723,361
Additions capitalised during the period	**121,657**	98,006
Acquisition of Queensland Pacific Metals Pty Ltd(i)	**-**	1,007,900
Impairment of capitalised expenditure(ii)	**(471,888)**	(701,069)
Deferred consideration adjustment (iii)	**-**	(700,000)
	1,077,967	1,428,198

(i) Refer to note 17 for further details.

(ii) During the year ended 30 June 2020 and post year end tenements were relinquished, under AASB 6 this required the capitalised expenditure to become impaired

(iii) During the prior year Milestone 1 shares lapsed and were not achieved resulting in the reversal of the previously recognised balances, further it has been determined by the Group that the Milestone 2 contingent consideration is now not 'probable' and as such the initial recognition of the contingent consideration has been reversed. The contingent consideration for Milestone 2 shares is now recognised as a contingent liability in relation to as disclosed within note 20 of the report. These Milestone shares relate to the Pure Manganese Pty Ltd acquisition.

NOTE 11(a) TRADE AND OTHER PAYABLES	**2020** **$**	2019 $
Trade payables (i)	**243,930**	154,248
Accrued expenses	**61,012**	233,436
Other payables	**18,987**	5,884
	323,929	393,568

(i) Trade payables are non-interest bearing and are normally settled on 60-day terms.

(ii) Refer to note 16 for further information on financial instruments.

NOTE 11(b) OTHER CURRENT LIABILITIES	**2020** **$**	2019 $
Consideration payable for QPM acquisition(i)	**-**	371,665
	-	371,665

(i) Refer to note 17 for further details.

NOTE 11(c) OTHER CURRENT LIABILITIES	**2020** **$**	2019 $
Deferred CRC Grant Income	**1,051,552**	-
	1,051,552	-

(i) Refer to note 4 for further details.

Notes to the Consolidated Financial Statements

NOTE 11(d) LOANS AND BORROWINGS	2020 $	2019 $
Current		
R&D tax prepayment loan	**409,973**	-
	409,973	-

On 13 April 2020, The Company entered into a R&D tax prepayment loan agreement with Metamor Capital Partners Pty Ltd for $586,728, repayable upon the receipt of the tax refund from the Australian Taxation Office for the research and development tax incentive offset for the financial year ended 30 June 2020 or 15 November 2020, whichever is earlier. Interest was fixed at 13.5% per annum payable monthly. The loan was secured by a general security agreement over all the assets and undertaking of the Company and its subsidiaries and holding company including plant and equipment, intellectual property and the proceeds of the R&D rebate.
Transaction costs are costs that are directly attributable to the loan and include loan origination fees and legal fees.
On 18 May 2020 Queensland Pacific Metals drew down $409,973 on the loan. The loan remains outstanding as at 30 June 2020 to the value of $409,973.

Note 11(e): RIGHT OF USE ASSET AND LEASE LIABILITY

Amount recognised in the consolidated statement of financial position

	2020 $	2019 $
Right of Use asset		
Property- Brisbane lease		
At August 1, 2019	**87,902**	-
Depreciation	**(40,288)**	-
At 30 June 2020	**47,614**	-

Amount recognised in the consolidated statement of profit or loss

	2020 $	2019 $
Lease liability		
Property- Brisbane lease		
At August 1, 2019	**87,902**	-
Lease payments	**(42,000)**	-
Interest	**2,462**	-
At 30 June 2020	**48,364**	-

The total cash outflow for the lease from August 2019 to the year ended 30 June 2020 was $42,000.

Notes to the Consolidated Financial Statements

NOTE 12 CONTRIBUTED EQUITY

(a) Issued and fully paid

	2020 $	2020 No.	2019 $	2019 No.
Ordinary shares	**14,640,840**	**628,171,793**	12,158,510	434,598,824

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the company in proportion to the number and amount paid on the share hold.

(b) Movement reconciliation

	Number	$
At 1 July 2018	314,379,059	10,383,419
Consideration for the acquisition of QPM	33,300,000	432,900
Shares issued at $0.017 per share	86,919,765	1,477,636
Less share issue costs	-	(135,445)
At 30 June 2019	434,598,824	12,158,510
1 July 2019	**434,598,824**	**12,158,510**
Tranche 2 Shares issued at $0.017 (net of costs)	**36,609,636**	**586,810**
Shares issued in lieu of cash*	**8,333,333**	**75,344**
Milestone A shares issued	**116,630,000**	**1,516,190**
Share capital raising $0.01 (net of costs)	**32,000,000**	**303,986**
	628,171,793	**14,640,840**

*Shares issued in lieu of cash were valued based on the invoice for the services provided to the Company during the period.

NOTE 13 RESERVES

	2020 $	2019 $
Share-based payment reserve	**3,995,047**	3,995,047
	3,995,047	3,995,047
Share-based payment reserve		
Balance at the beginning of the year	**3,995,047**	4,456,583
Milestone A share[i]	**1,516,190**	-
Milestone share reserve[ii]	**-**	(700,000)
Issue of non-listed options[iii]	**-**	238,464
Movement upon issue to share capital	**(1,516,190)**	-
Balance at the end of the year	**3,995,047**	3,995,047

(i) Refer to note 14
(ii) Refer to note 20 for further information.
(iii) Refer to note 14 for further information.

Share-based payment reserve
The share-based payment reserve is used to record the value of share-based payments provided to outside parties, and share-based remuneration provided to employees and directors.

Notes to the Consolidated Financial Statements

NOTE 14 SHARE-BASED PAYMENTS

	2020 $	2019 $
(a) Recognised share-based payment transactions		
Deferred consideration (i)	**1,516,190**	-
Options issued to advisors and Directors (ii)	**-**	236,964
	1,516,190	236,964

(i) *Milestone A Shares*

During the year the Company satisfied milestone 1 (116,630,000 Milestone shares to be issued at a price of $0.013 per share) on the Completion of positive pre-feasibility study that demonstrates an IRR >20% and EBITDA of no less than A$50M per annum which is verified in writing by PM1's independently engaged expert within 9 months from the date of settlement.

The shares were valued using the grant date (1 May 2019) share issue price ($0.013), the total value of the shares issued was $1,516,190. The shares were issued 5 March 2020, as the milestone is equity settled rather than cash settled and doesn't qualify as a liability. Please refer to note 10 and 17.

(ii) *Options issued to Advisors and Directors*

On 21 May 2019, the Company issued 25,000,000 and 15,000,000 options to the advisors and Directors respectively, exercisable at $0.03 on or before 21 December 2022. The Grant Date of the 40,000,000 options is 1 May 2019 which is the date of the General Meeting when the options were approved. In line with Australian Accounting Standards, these options have been fair valued based on grant date on 1 May 2019 and a share-based payment expense has been recognised in the prior year 30 June 2019 in the statement of profit or loss and other comprehensive income. The total value of the options issued was $236,964 which is net of the $1,500 paid by the directors as consideration for the options.

(b) Summary of options granted during the prior year

Options	Issue Date(i)	Date of Expiry	Exercise Price	Balance at the start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year
Directors	1/5/2019	21/05/2022	0.03	-	15,000,000	-	-	15,000,000
Advisors	1/5/2019	21/05/2022	0.03	-	25,000,000	-	-	25,000,000
Total				-	**40,000,000**	**-**	**-**	**40,000,000**

(i) The options were issued on 21/05/2019 but was granted on 01/05/2019.

Notes to the Consolidated Financial Statements

NOTE 15 RELATED PARTY DISCLOSURES

(a) Key Management Personnel Compensation

Details relating to key management personnel, including remuneration paid, are below.

	2020 **$**	2019 $
Short-term benefits	**217,000**	164,000
Other	**20,615**	14,820
Share-based payments	**778,311**	87,924
	1,015,926	266,744

Information regarding individual Directors compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the Remuneration Report section of the Directors' Report.

(b) Related Party Transactions

The following transactions occurred with related parties:

	2020 **$**	2019 $
Mirador Corporate Pty Ltd (i)	**-**	112,457
Red Mountain Mining Ltd (ii)	**-**	45,000
Mineral Intelligence Pty Ltd(iii)	**7,000**	-
Lasswade Resources Pty Ltd(iv)	**15,000**	-
	22,000	157,457

(i) In the prior year, Mirador Corporate Pty Ltd provided company secretarial, financial management and registered office services to the Company of which Jeremy King is a Director.

(ii) In the prior year, Office rental fees were paid to Red Mountain Mining Ltd, of which Jeremy King and Lincoln Ho are Directors. Of which $11,250 was unpaid at 30 June 2019.

(iii) Director fees remained unpaid to the value of $7,000 to Mineral Intelligence Pty Ltd, a Company of which Cameron Mclean is a Director.

(iv) $15,000 was paid from 30 April 2020 for consulting fees to Lasswade Resources Pty Ltd a Company of which Andrew Matheson is a Director.

All transactions were on normal commercial terms.

Notes to the Consolidated Financial Statements

NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Company are interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.
The carrying values of the Company's financial instruments are as follows:

	2020 $	2019 $
Financial Assets		
Cash and cash equivalents	**1,556,678**	2,690,342
	1,556,678	2,690,342

(a) Market risk

(i) Interest rate risk
The Company is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Company's exposure to this risk relates primarily to the Company's cash and any cash on deposit. The Company does not use derivatives to mitigate these exposures. The Company manages its exposure to interest rate risk by holding certain amounts of cash in fixed and floating interest rate facilities. At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments were:

	2020 Weighted average interest rate (i)	**Balance $**	2019 Weighted average interest rate	Balance $
Cash and cash equivalents	**0.22%**	**1,556,678**	0.64%	2,690,342

(i) This interest rate represents the average interest rate for the year.

(b) Credit risk
Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and other receivables. The Group's exposure to credit risk arises from the potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- based on Standard and Poor's rating agency.
The credit risk on other receivables is limited as it is comprised of prepayments and GST recoverable form the Australian Taxation office. The credit risk on liquid funds is limited because the counter part is a bank with high credit rating. There are no receivable balances which are past due or impaired.

(c) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company'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 its reputation.

Notes to the Consolidated Financial Statements

NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

The Company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Company does not have any external borrowings.
The following are the contractual maturities of financial liabilities:

2020	6 months $	6-12 months $	1-5 years $	> 5 years $	Total $
Trade and other payables	**1,375,481**	**-**	**-**	**-**	**1,375,481**
Borrowings	**409,973**	**-**	**-**	**-**	**409,973**
Lease liabilities	**22,322**	**22,322**	**3,720**	**-**	**48,364**
Total Financial Liabilities	**1,807,776**	**22,322**	**3,720**	**-**	**1,833,818**
2019					
Trade and other payables	765,233	-	-	-	765,233

(d) Capital risk management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

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

Given the stage of the Company's development there are no formal targets set for return on capital. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. New capital is obtained through capital raisings on the Australian Securities Exchange ("ASX").

NOTE 17 ACQUISITION

A) Queensland Pacific Metals Pty Ltd

In the prior year on 15 May 2019 the Company completed the acquisition of Queensland Pacific Metals Pty Ltd ('QPM') and now owns 100% of all the outstanding share capital in QPM. As Queensland Pacific Metals Pty Ltd holds exploration tenements and no processes or outputs were acquired, the acquisition was assessed as an asset acquisition rather than a business combination.

The deemed consideration was the issue of 33,300,000 fully paid ordinary shares and cash consideration to the value of $500,000. On initial recognition, the fair value of the shares issued has been determined by reference to the public offer price $0.013 on the day the acquisition was completed.

Details of the purchase consideration and fair value of the assets and liabilities acquired through the acquisition are as follows:

Total purchase consideration comprises:

I) 33,300,000 Consideration Shares;

II) $575,000 cash consideration; and

III) Deferred consideration:

A part of the consideration for the 100% acquisition of Queensland Pacific Metals Pty Ltd is the contingent consideration to the shareholders of Queensland Pacific Metals Pty Ltd;

Notes to the Consolidated Financial Statements

NOTE 17 ACQUISITION CONTINUED

Group A
116,630,000 Milestone shares to be issued at a price of $0.013 per share on the achievement of at least 5Mt JORC inferred resource at 1% Ni equivalent defined at the Eden Garry Project or; Completion of positive pre-feasibility study that demonstrates an IRR >20% and EBITDA of no less than A$50M per annum which is verified in writing by PM1's independently engaged expert within 9 months from the date of settlement. Which have been settled during the year.

Group B
83,330,000 milestone shares to be issued at a price of $0.013 per share 24 months from the date of settlement on the achievement of at least 10MT JORC inferred resource at 1% NI equivalent defined at the Eden Garry Project or Completion of positive definitive bankable feasibility study which demonstrates an IRR>20% and EBITDA of no less than A$50m per annum.

Group C
83,330,000 milestone shares to be issued at a price of $0.013 per share 36 months from the date of settlement on the achievement of first commercial mining of ore obtained at the Eden Garry Project or PM1 obtaining all regulatory approvals required to construct a nickel-cobalt processing plant.

Group D
83,330,000 milestone shares to be issued at a price of $0.013 per share 42 months from the date of settlement on the achievement of the final investment decision by the PM1 Board to construct a nickel-cobalt processing plant.

The remaining milestones above are now recognised as a contingent liability as disclosed within note 20 of the report. While the achievement of these milestones is possible, it is currently not probable and therefore no value has been ascribed to them and that these will be reassessed at each period end.

	2019 $
Value of Share Consideration issued	**432,900**
Cash consideration	**128,335**
Cash consideration[(i)]	**371,665**
Deposit paid	**75,000**
Deferred consideration[(ii)]	**-**
	1,007,900

(i) Cash consideration was paid 1 & 2 July 2019.
(ii) Fair value is nil due to probability assessment on initial recognition, refer to note 20.

On initial recognition, the fair value of the shares issued has been determined by reference to the public offer price $0.013 on the day the acquisition was completed.

Details of the fair value of the assets and liabilities acquired on 15 May 2019 through the acquisition of Queensland Pacific Metals Pty Ltd are as follows:

	2019 $
Net assets	-
Exploration assets	**1,014,958**
Net assets/(liabilities) acquired	**(7,058)**
Net assets acquired	**1,007,900**

Notes to the Consolidated Financial Statements

NOTE 18 NON-CONTROLLING INTERESTS

The consolidated financial statements include the assets, liabilities and results of the principal subsidiaries listed in note 22, in accordance with the accounting policy noted in note 1(d).

The table below sets out the summarised financial information for each subsidiary that has a non-controlling interest that is material to the Group. The amounts disclosed are before any intercompany eliminations.

Summarised statement of financial position for Mineral Developments Pty Ltd	**2020 $**	2019 $
Current assets	**10**	10
Non-current assets	**-**	-
Total Assets	**10**	10
Current Liabilities	**-**	-
Non-current liabilities	**-**	-
Total Liabilities	**-**	-
Net assets	**10**	10
Accumulated Non-controlling interest	**-**	-

Summarised statement of profit or loss and other comprehensive income for Mineral Developments Pty Ltd

	2020 $	2019 $
Loss for the year	-	(200,000)
Other comprehensive loss	-	-
Total comprehensive loss	-	-
Losses allocated to Non-controlling interest	-	(40,000)
Summarised cash flows		
cash flows from operating activities	-	-
cash flows from investing activities	-	-
cash flows from financing activities	-	-
Net increase in cash and cash equivalents	-	-
Transactions with non-controlling interests		
Carrying amount of non-controlling interest acquired	-	-

Notes to the Consolidated Financial Statements

NOTE 19 COMMITMENTS

Exploration commitments	2020 $	2019 $
Within one year	**113,000**	351,819
Later than one year but not later than five years	**-**	431,652
Later than five years	**-**	-
	113,000	783,471

NOTE 20 CONTINGENCIES

During the year, the Group acquired a tenement in Sewa Bay, the contingent consideration is as follows.

- $50,000 in cash or PM1 shares upon the delineation of a JORC 2012 Resource greater than 10mMt @ 1.2% nickel;
- $100,000 in cash or PM1 shares upon the delineation of a JORC 2012 Resource greater than 10mMt @ 1.2% nickel; and
- 5% trailing royalty on future FOB revenue.

The conditions on the acquisition are

- PNG Miniser approving the transfer of Sewa Bay from Highlands to PM1 under section 118 of the Mining Act; and
- PNG Registrar registering in the register the transfer of Sewa Bay from Highlands to PM1 in accordance with the Mining Act.

During the prior year the Group acquired Queensland Pacific Metals Pty Ltd ('QPM') as a part of the consideration payable. The contingent consideration comprised of:

Group B

83,330,000 milestone shares to be issued at a price of $0.013 per share 24 months from the date of settlement on the achievement of at least 10MT JORC inferred resource at 1% NI equivalent defined at the Eden Garry Project or Completion of positive definitive bankable feasibility study which demonstrates an IRR>20% and EBITDA of no less than A$50m per annum.

Group C

83,330,000 milestone shares to be issued at a price of $0.013 per share 36 months from the date of settlement on the achievement of first commercial mining of ore obtained at the Eden Garry Project or PM1 obtaining all regulatory approvals required to construct a nickel-cobalt processing plant.

Group D

83,330,000 milestone shares to be issued at a price of $0.013 per share 42 months from the date of settlement on the achievement of the final investment decision by the PM1 Board to construct a nickel-cobalt processing plant.

While the achievement of these milestones is possible, it is currently not probable and so no value has been ascribed to them and that these will be reassessed at each period end.

During the year the Group reassessed the probabilities of the contingent consideration being payable with respect to the asset acquisition of Pure Manganese Pty Ltd occurring on 31 July 2017. The contingent consideration comprised of:

25 million Milestone 2 shares to be issued at price of $0.02 per share to the Pure Manganese Pty Ltd (or their nominees) on the satisfaction of:

i. The completion of a Positive Feasibility Study at any of the Tenement acquired by the Company at settlement of the Acquisition agreement, MDV Agreement or Lake Blanche Agreement; and
ii. The 20 day VWAP of the shares being equal to or greater than $0.06, within 54 months of settlement

During the prior year Milestone 1 shares lapsed and were not achieved resulting in the reversal of the previously recognised balances, further it has been determined by the Group that the Milestone 2 contingent consideration is now not 'probable' and as such the initial recognition of the contingent consideration has been reversed. The contingent consideration for Milestone 2 shares is now recognised as a contingent liability.

Notes to the Consolidated Financial Statements

NOTE 21 AUDITOR'S REMUNERATION

	2020 $	2019 $
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
Audit and review of the annual and half-year financial report	**32,726**	28,349
Other services – BDO Corporate Taxation (WA) Pty Ltd	**18,390**	7,140
	51,116	35,489

NOTE 22 INVESTMENT IN CONTROLLED ENTITIES

	Principal Activities	Country of Incorporation	Ownership interest 2020 %	Ownership interest 2019 %
Pure Manganese Pty Ltd	Exploration	Australia	**100**	100
Queensland Pacific Metals Pty Ltd	Exploration & Tech Project	Australia	**100**	100
Anroca Pty Ltd	Exploration	Australia	**100**	100
Mineral Developments Pty Ltd	Exploration	Australia	**80**	80
Ozark Mineral Resources INC	Exploration	USA	**100**	100

NOTE 23 PARENT ENTITY

	2020 $	2019 $
Assets		
Current assets	**542,564**	2,756,026
Non-current assets	**883,907**	1,335,080
Total assets	**1,426,471**	4,091,106
Liabilities		
Current liabilities	**504,765**	765,231
Total liabilities	**504,765**	765,231
Equity		
Contributed equity	**14,640,839**	12,158,510
Reserves	**3,995,047**	3,995,047
Accumulated losses	**(17,714,180)**	(12,817,126)
Total equity	**921,706**	3,325,656
Loss for the year	**(4,886,498)**	(2,349,365)
Total comprehensive loss	**(4,886,498)**	(2,349,365)

Notes to the Consolidated Financial Statements

NOTE 24 EVENTS AFTER THE REPORTING DATE

On 15 July 2020 Andrew Matheson resigned from the board as a Non-Executive Director.

On 21 July 2020 Dr Stephen Grocott joined Pure Minerals Limited as Chief executive officer. On the same date the Company announced it would issue 38,500,000 performance rights to Dr Stephen Grocott dependent upon meeting the milestones set. Please refer to the ASX announcement on 21 July 2020 for the details around the performance rights milestones.
On 8 September 2020 the Company issued 377,650 ordinary shares to Dr Stephen Grocott in lieu of cash for services provided.

On 18 August 2020 The Company drew down on tranche b of the R&D Incentive Facility loan with Metamor Capital Pty Ltd amounting to $222,240.

On 21 September 2020, The Company received firm commitments from institutional and sophisticated investors to raise $4.4 million before costs via a share placement of 293,333,334 fully paid ordinary shares at an issue price of $0.015 per share.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The Company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during 2020.

Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2020 financial year.

Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Company's results of future operations, financial position, and liquidity in fiscal year 2020.

There has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.

Directors' Declaration

In the Directors' opinion:

a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
   i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date.

b) The financial statements and notes comply with International Financial Reporting Standards as described in Note 1 to the financial statements.

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

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

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

John Downie
Managing Director

24 September 2020

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INDEPENDENT AUDITOR'S REPORT

To the members of Pure Minerals Limited

Report on the Audit of the Financial Report

Opinion

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

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report 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. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
At 30 June 2020 the Group held a significant carrying value of Exploration and Expenditure Assets. As the carrying value of these Exploration and Evaluation Assets represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources.	Our procedures included, but were not limited to: • Obtaining from management a schedule of areas of interest held by the Group and assessing whether rights to tenure of those areas of interest remained current at the reporting period end date; • Holding discussions with management as to the status of ongoing exploration programmes in the respective areas of interest; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; • Confirming the appropriateness and calculation of the impairment recognised; and • Assessing the adequacy of the related disclosures in notes 2 and 10 to the financial statements.

Other information

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 13 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Pure Minerals Limited, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 24 September 2020

Corporate Governance Statement

The Board of Directors of Pure Minerals Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 3rdEdition ("the ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, are in place.

Further information on the Company's corporate governance policies and practices can be found on the Company's website

www.pureminerals.com.au

ASX Additional information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 16 September 2020.

TWENTY LARGEST SHAREHOLDERS

1	MRS LILY MAH <MJ A/C>	41,000,000	6.52
2	MR JOHN CHARLES DOWNIE	38,482,033	6.12
3	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	34,160,021	5.43
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	32,153,338	5.12
5	MR ROBERT ASHLEY PEARCE	29,935,034	4.76
6	MR ANDREW MARTIN MATHESON	29,935,033	4.76
7	SHRIVER NOMINEES PTY LTD	26,987,400	4.29
8	AVELA ASSET MANAGEMENT PTE LTD	21,450,000	3.41
9	EXPONENTIAL GROWTH INVESTMENTS PTY LTD <INTEGRITY A/C>	11,689,938	1.86
10	MR MARIO MENELAOU + MS MARIA SUSAN MENELAOU <ISM SUPERANNUATION FUND A/C>	11,653,808	1.85
11	MR ANDREW MARTIN MATHESON	10,584,170	1.68
12	DRAB INVESTMENTS PTY LTD <DRABA SUPER FUND A/C>	8,878,185	1.41
13	MUSTANG CUSTODIAN PTY LTD <HONEYBUNCH PENSION FUND A/C>	8,547,000	1.36
14	LYCOPODIUM MINERALS PTY LTD	8,333,333	1.33
15	MS XIAODAN WU	7,795,188	1.24
16	MR XI ZHAO	7,666,888	1.22
17	DR RAMAN DEEP SINGH	7,500,000	1.19
18	MR JOHN KAY JIN KHOO	7,496,500	1.19
19	MR JOHN KHOO	6,984,828	1.11
20	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	6,445,862	1.03
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		357,678,559	56.91

ASX Additional information

DISTRIBUTION OF EQUITY SECURITIES

(i) Ordinary share capital

The number of shareholders, by size of holding, is:

Range	Total holders	Units	% of Issued Capital
1 - 1,000	75	11,067	0.00
1,001 - 5,000	260	579,606	0.09
5,001 - 10,000	61	450,789	0.07
10,001 - 100,000	360	19,393,607	3.09
100,001 Over	361	608,114,374	96.75
Total	1,117	628,549,443	100.00

(i) Unlisted Options

- 30,000,000 unquoted options with an exercise price of $0.03 and an expiry date of 21 December 2022.
- 25,000,000 unquoted options with an exercise price of $0.03 and an expiry of 21 May 2022; and
- 15,000,000 unquoted options with an exercise price of $0.03

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Holding Balance	% of Issued Capital
MRS LILY MAH <MJ A/C>	41,000,000	6.52
MR JOHN DOWNIE	38,482,033	6.12
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	34,160,021	5.43
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	32,153,338	5.12

RESTRICTED SECURITIES

There were no restricted securities.

UNMARKETABLE PARCELS

There were 452 holders of less than a marketable parcel of ordinary shares, which as at 16 September 2020 was 2,079,678.

ON-MARKET BUY-BACK

There is no current on-market buy-back.

ACQUISITION OF VOTING SHARES

No issues of securities have been approved for the purposes of Item 7 of Section 611 of the Corporations Act 2001.

ASX Additional information

TAX STATUS
The Company is treated as a public company for taxation purposes.

FRANKING CREDITS
The Company has no franking credits.

STATEMENT IN ACCORDANCE WITH ASX LISTING RULE 4.10.19

The Company confirms in the period from admission to the official list of the ASX to 28 September 2018, that it used its cash and assets in a form readily convertible to cash, in a manner consistent with its business objectives.

TENEMENT TABLE

Tenement ID	Status	Applic. Date	Granted Date	Expiry Date	Holding	Name	Registered Co.
EPM27035	GRANTED	28-Aug-2018	12-Feb-19	12-Feb-21	100%	Serpentinite Ridge	Queensland Pacific Metals Pty ltd