

Peak Minerals Limited

(Formerly known as Pure Alumina Limited)

ABN 74 072 692 365

Annual Report - 30 June 2021

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Contents
30 June 2021

Corporate directory	2
Directors' report	3
Auditor's independence declaration	23
Statement of profit or loss and other comprehensive income	24
Statement of financial position	25
Statement of changes in equity	26
Statement of cash flows	27
Notes to the financial statements	28
Directors' declaration	57
Independent auditor's report to the members of Peak Minerals Limited	58
Shareholder information	62

For personal use

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Corporate directory
30 June 2021

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Peak Minerals Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

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

- Robert Boston (Non-Executive Chairman)
- Oonagh Malone (Non-Executive Director) - appointed 11 May 2021
- Mathew O'Hara (Non-Executive Director) - appointed 21 June 2021
- Ernest Thomas Eadie (formerly Non-Executive Chairman) - resigned 14 December 2020
- David Leavy (Non-Executive Director) - resigned 11 May 2021
- Wayne Loxton (Managing Director) - appointed 14 December 2020, resigned 21 June 2021

Principal activities

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

- pursuing its strategy to acquire suitable gold and base metal exploration projects;
- carrying out exploration activities on gold and copper projects; and
- executing the acquisition of copper tenements to expand its copper exploration portfolio.

Dividends

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

Review of operations

Highlights

The 2021 year was a transformative one for the Company, with the follow key events occurring:

- Name change from Pure Alumina Limited to Peak Minerals Limited;
- Completion of the acquisition of Greenrock Metals Pty Ltd (Greenrock Metals) in December 2020, which saw the Company acquire a total of four copper projects located in Western Australia; with two located in the Kimberley region and two located in the Meekatharra region. Since acquisition, the Company has been actively carrying out exploration work;
- Execution of an agreement to acquire CU 2 WA Pty Ltd (CU 2) in May 2021. CU 2 holds a portfolio of pending and granted base and precious metals tenements and has earn-in agreements over another two tenements with this acquisition to complement the Greenrock Metals projects. Shareholder approval for the acquisition was received in July 2021 with completion to occur shortly;
- Board changes including the retirement of Non-Executive Chairman Tom Eadie who was replaced by existing Non-Executive Director Robert Boston and the resignations of David Leavy and Wayne Loxton who were replaced by Oonagh Malone and Mathew O'Hara;
- The appointment of Jennifer Neild as Chief Executive Officer and Barbara Duggan as Principal Geologist; and
- Announcement of the intention to divest the Company's gold assets by way of a spin out to a newly-created subsidiary company, Vertex Minerals Limited (Vertex), to be followed by an in-specie distribution of the equity in Vertex to the Company's existing shareholders.

Corporate

In August 2020, the Company changed its name from Pure Alumina Limited to Peak Minerals Limited following receipt of shareholder approval. The name change represents the Company's focus towards mineral exploration.

The Company saw a number of changes to the Board and its senior management. Non-Executive Chairman Tom Eadie retired from the Board during December 2020, with existing Non-Executive Director Robert Boston replacing him as Chair. David Leavy also ceased as Managing Director in December 2020 and resigned from the Board in May 2021. Wayne Loxton was appointed as Managing Director in December 2020 and resigned in June 2021. The Company thanks Mr Eadie, Mr Leavy and Mr Loxton for their contributions. Non-Executive Directors Oonagh Malone and Mathew O'Hara were appointed to the Board in May 2021 and June 2021 respectively

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

Following the acquisition of Greenrock Metals in December 2020 and the focus toward copper exploration in Western Australia, the Company employed Barbara Duggan as Principal Geologist and in August 2021 announced the appointment of Jennifer Neild, an experienced resources executive, geophysicist, and geologist, as Chief Executive Officer.

On 22 December 2020, the Company's acquisition of Greenrock Metals was completed following the finalisation of all contractual conditions. Greenrock Metals holds several highly prospective projects in Western Australia which have significant potential for world scale copper mineralisation in addition to gold and base metal mineralisation. In consideration for the acquisition, the Company issued 67,000,000 fully paid ordinary shares to the vendors of Greenrock Metals. These shares were issued at a deemed issue price of \$0.03 each.

On 5 May 2021, the Company announced the signing of an exclusive option agreement to acquire 100% of the shares in CU 2 WA Pty Ltd. CU 2 owns a 100% interest in a portfolio of 31 pending and granted tenements, and two Earn-in Agreements on two additional tenements, E51/1818 and E51/1832, with the owners KOP Ventures Pty Ltd and Taruga Minerals Limited, respectively. The acquisition of CU 2 provides Peak with control over a previously unidentified copper province. In consideration for the acquisition, the Company issued 100,000,000 fully paid ordinary shares and 100,000,000 unquoted options (exercisable at \$0.05 on or before 31 December 2023) to the vendors of CU 2. It was agreed that 50% of all consideration securities will be voluntary escrowed for a 12-month period. The issue of the consideration securities was approved by shareholders in July 2021 with completion to occur shortly.

On 12 August 2021, the Company announced its intention to divest the Hill End and Hargraves gold assets to Vertex Minerals Limited (**Vertex**), a newly created company set to list on the ASX via an initial public offer (**IPO**) in the coming months. Vertex will have an independent Board and management team to Peak.

Subject to shareholder approval, and the satisfaction of certain conditions precedent, Peak shareholders will receive an in-specie distribution of 15 million shares in Vertex. It is intended that Peak shareholders will also be given a priority entitlement to subscribe for up to 7.5 million shares under the Vertex IPO. Peak will also be reimbursed a total of \$792,500 from IPO funds raised, \$207,500 for historical development expenditure on the Hill End and Hargraves gold assets and \$585,000 for rehabilitation security bonds paid by Peak.

Review of Exploration Activities

During the financial year ended 30 June 2021, the Company has entered into agreements to acquire a number of base metal exploration projects, with a strong copper focus, within Western Australia. The Company now holds a strong portfolio of greenfields assets with an exploration strategy to systematically explore these to define a new magmatic sulphide province.



Figure 1: Overview of Peak Minerals projects

Copper projects - Western Australia

The Western Australian copper projects consist of four key assets being, Green Rocks project, Earahedy project, Kimberly South project and Carson project.

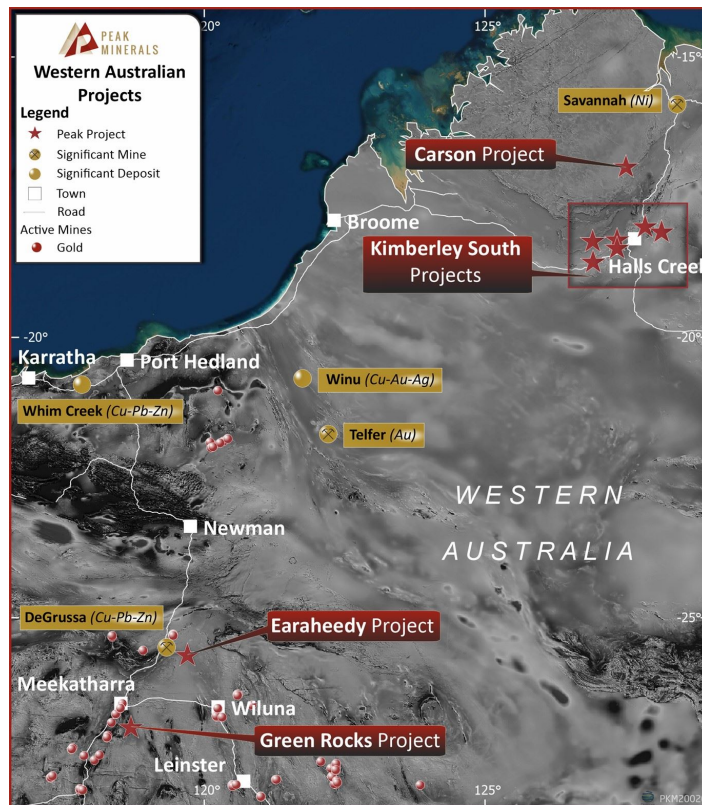


Figure 2: WA projects location map

Green Rocks Project

The Green Rocks project is the consolidation of an emerging magmatic copper province with acquisition of additional 31 pending and granted tenements and two earn-in agreements on two additional tenements giving rise to 234 km² of contiguous landholding. The greater Green Rocks project incorporates the Company's existing Copper Hills and Lady Alma prospects.

The Green Rocks project lies within the Greenstone belt which is located southeast of Meekatharra. The tenure contains a mineralised shear that extends for over 22 km. The Company has completed a reverse circulation drill program, downhole electromagnetic survey, mapping and rock chip programs to further understand the geology at the greater Green Rocks Project, which encompasses Copper Hills, Lady Alma and the recent acquisition of the 225km² portfolio from CU 2.

The Lady Alma and Copper Hills prospects form part of a large 6 km long intrusive complex that is showing evidence of magmatic sulphide mineralization. The Lady Alma complex is one of the multiple intrusive complexes along a 22 km significantly endowed shear zone predominantly controlled by Peak and forms part of the Green Rocks project. Follow-up RC drilling at the Copper Hills prospect commenced in May 2021, however the program was hindered by inclement weather and subsequent drill rig commitments. Five holes were drilled, one at Tal Val North and four at Copper Hills with the drilling at Copper Hills designed to follow up on disseminated copper mineralisation. Drilling confirmed mineralisation over 600 m strike, with

- **20m @ 0.65% Cu and 0.34 g/t Au from 86m**, including
 - o 11m @ 1.25% Cu; and
 - o 9m @ 0.94% Cu and 0.52 g/t Au.

A large reconnaissance and rock chip program undertaken identified new magmatic copper targets across the Green Rocks project, including;

- Rixon: 9.7% Cu, 11.25% Cu and 14.4% Cu
- Tal Val North: 3.25% Cu; and
- Lannister: 5.77% Cu.

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

The newly discovered Rixon target, 1km northeast of Lady Alma, is defined by 3 high grade copper samples mapped over an area untested by drilling that extends over 155m.

Earaheedy Project

The Earraheedy project covers an area of 62 km² and only 28 km south east of Sandfire's DeGrussa Copper-Gold Mine and 80km west of Rumble Resources Chinook Project. The Cork Tree prospect was discovered by WMC (BHP) in the 1970's and drilled by CRA (Rio Tinto) in the 1990's. There has been no drilling since.

A field reconnaissance trip was undertaken at the Earraheedy Project recently to confirm the proposed location of aircore drill lines for the Cork Tree and Merah Prospects followed by a 26 hole drill program for 1,279m. The Cork Tree Prospect has historical copper mineralisation extending over a 50m x 500m area.

Results of rock chip samples and the aircore drilling are pending.

Kimberley South Project

The Kimberly South project consists of 5 individual projects targeting magmatic copper and nickel sulphides along with sediment hosted copper mineralisation. Reconnaissance field work activities have been undertaken recently with the tenements held considered prospective for copper and nickel sulphide mineralisation.

Carson Project

The Carson project is a large sediment hosted copper target over 250km strike in the Kimberley region. The project covers an area of 800 km² with approximately 250 km of prospective strike. Significant historic drill results include:

- **26.49m at 1.05% Cu from 23.8m**
 - o Including 3.05m at 2.12% Cu
- **3.81m at 1.92% Cu from 56.39m**
- **10.42m at 0.98% Cu from 115.46m**
- **6.04m at 0.9% Cu from 42.67m**

Hill End and Hargraves Gold Projects – New South Wales

As noted earlier, on 12 August 2021 the Company announced its intention to divest the Hill End and Hargraves gold assets to Vertex. During the year the Company completed a geological review of the Hill End Project with the aim of identifying opportunities to delineate additional resources. The review formulated a revised geological model that was based off the extensive drilling database and results from the trial mining program undertaken in 2008-10. However, further material work was put on hold as the Company directed its resources to its recently acquired copper projects and any additional work is currently on hold pending the finalisation of the Vertex IPO.

High Purity Alumina Project (HPA) – Victoria

In July 2020, the Company was advised by the Victorian Mines Department that the Retention License application covering the Yendon kaolin resource (RL6734) had been approved. The Yendon HPA Project remains on hold following the prioritisation of the Company's efforts towards its recently acquired copper projects, and pending developments in the HPA market. No material work was carried out, although the Company continues to keep the tenements in good order.

During the year ended 30 June 2021, the Board reviewed the Yendon HPA Project and its financial statements carrying value and concluded that, in light of the current status of the Project, it was prudent to write down the carrying value. Accordingly, an impairment loss of approximately \$1.5 million was recognised in the consolidated entity's profit and loss for the period, with the carrying value being written down to \$100,000.

TENEMENT SCHEDULE AT 30 JUNE 2021

Project	Tenement	Grant / Application Date	Expiry Date	Area
Hill End (NSW)	Exploration Licence No 5868 (1992)	18/06/2001	Renewal pending	16 units
Hill End (NSW)	Gold Lease No 5846 (1906)	15/02/1968	7/12/2024	2.044 hectares
Hill End (NSW)	Mining Lease No 1116 (1973)	28/03/1984	16/10/2024	15.71 hectares
Hill End (NSW)	Mining Lease No 1541 (1992)	17/10/2003	16/10/2024	279.20 hectares
Hill End (NSW)	Mining Lease No 315 (1973)	8/12/1976	7/12/2024	6.671 hectares
Hill End (NSW)	Mining Lease No 316 (1973)	8/12/1976	7/12/2024	8.846 hectares
Hill End (NSW)	Mining Lease No 317 (1973)	8/12/1976	7/12/2024	7.00 hectares
Hill End (NSW)	Mining Lease No 49 (1973)	30/07/1975	7/12/2024	1.618 hectares
Hill End (NSW)	Mining Lease No 50 (1973)	30/07/1975	7/12/2024	3.02 hectares
Hill End (NSW)	Mining Lease No 913 (1973)	20/01/1981	19/01/2023	22.00 hectares
Hill End (NSW)	Mining Lease No 914 (1973)	20/01/1981	19/01/2023	21.69 hectares
Hill End (NSW)	Mining Lease No 915 (1973)	4/02/1981	3/02/2023	13.27 hectares
Hargraves (NSW)	Exploration Licence No 6996 (1992)	21/12/2007	21/12/2021	6 units
Chambers Creek (NSW)	Exploration Licence No 8289 (1992)	24/3/2014	20/08/2023	1 Units
Yendon (Vic)	Exploration Licence No 5457	10/09/2013	Renewal pending	41 Graticules ²
Yendon (Vic)	Exploration Licence No 6428	22/12/2017	21/12/2025	34 Graticules ²
Yendon (Vic)	Retention Licence app No RL6734	03/07/2020	03/07/2025	225.2 hectares
Copper Hills (WA)	Exploration Licence No E51/1716	27/07/2016	26/07/2021	3 BL ³
Cork Tree (WA)	Exploration Licence No E52/3751 ¹	5/05/2020	4/05/2025	20 BL ³
Kimberley South (WA)	Exploration Licence No E80/5442 ¹	9/12/2019	Application	4 BL ³
Kimberley South (WA)	Exploration Licence No E80/5283 ¹	9/06/2020	8/06/2025	25 BL ³
Kimberley South (WA)	Exploration Licence No E80/5271 ¹	17/07/2019	16/07/2024	6 BL ³
Kimberley South (WA)	Exploration Licence No E80/5371 ¹	26/11/2020	25/11/2025	9 BL ³
Kimberley South (WA)	Exploration Licence No E80/5340 ¹	8/01/2020	7/01/2025	11 BL ³
Kimberley South (WA)	Exploration Licence No E80/5081 ¹	3/04/2018	2/04/2023	4 BL ³
Carson (WA)	Exploration Licence No E80/5580 ⁴	06/04/2021	Application	28 BL ³
Carson (WA)	Exploration Licence No E80/5581 ⁴	06/04/2021	Application	194 BL ³
Carson (WA)	Exploration Licence No E80/5582 ⁴	06/04/2021	Application	147 BL ³
Carson (WA)	Exploration Licence No E80/5583 ⁴	06/04/2021	Application	95 BL ³
Carson (WA)	Exploration Licence No E80/5625 ⁴	12/05/2021	Application	72 BL ³
Carson (WA)	Exploration Licence No E80/5626 ⁴	12/05/2021	Application	119 BL ³
Carson (WA)	Exploration Licence No E80/5627 ⁴	12/05/2021	Application	132 BL ³
Carson (WA)	Exploration Licence No E80/5628 ⁴	12/05/2021	Application	44 BL ³

For personal use only

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

Notes to Tenement Schedule:

- (1) The transfer of the Tenement's/Application's registered ownership to Greenrock Metals Pty Ltd/CU WA Pty Ltd (controlled entities of Peak Minerals Limited) is currently being processed by the Western Australia Department of Mines, therefore the current recorded holder of the tenement/application for tenement is a third party.
- (2) A graticule is essentially 1 sq. km or part thereof
- (3) BL = "Block" as defined by the *Mining Act 1978 (WA)*
- (4) Application lodged by Peak Minerals Limited consolidated entity during June 2021 quarter

Financial performance

The loss for the consolidated entity after providing for income tax for the year ended 30 June 2021 was \$9,368,482 (30 June 2020: \$2,904,273).

A significant amount of this loss was attributable to the following non recurrent expense items, totalling approximately \$5.49m:

- \$2,239,932 expense item relating to the expensing of tenement acquisition costs recognised upon the acquisition of Greenrock Metals by the consolidated entity in December 2020;
- a \$1,735,717 impairment expense arising on the write down of the consolidated entity's gold projects; and
- a \$1,515,495 impairment expense arising on the write down of the consolidated entity's Yendon HPA project.

Financial position

The net assets of the consolidated entity decreased to \$3,698,952 at 30 June 2021 (30 June 2020: \$7,170,482). This was mainly due to the operating loss outlined above, partially offset by capital raisings during the year.

Exploration and evaluation assets decreased by approximately \$3.26m as a result of impairment writedowns to the gold projects (\$1.74m) and Yendon HPA project (\$1.52m).

Significant changes in the state of affairs

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

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

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

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

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

On 4 August 2020, the Company:

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

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

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

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

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

On 21 September 2020, the Company announced:

- the proposed acquisition of Greenrock Metals Pty Ltd (Greenrock Metals) and its portfolio of four WA copper projects;
- the proposed appointment of Mr Wayne Loxton as Managing Director of the Company, upon completion of the Greenrock Metals acquisition; and
- a \$2 million capital raising via a placement with professional and sophisticated investors (September Placement), comprising the issue of 80,000,000 shares and 16,000,000 free attaching options.

On 28 September 2020, the Company issued 80,000,000 fully paid ordinary shares to professional and sophisticated investors pursuant to the placement announced on 21 September 2020. The shares were issued at an issue price of \$0.025 per share.

On 2 October 2020 the Company issued 20,000,000 listed options at \$0.00001 per option as consideration for services rendered by the Lead Manager of the September Placement. The options are exercisable at \$0.025 and expire on 30 December 2022.

On 6 October 2020, the Company issued 2,859 fully paid ordinary shares at \$0.025 per share, on the exercise of 2,859 PUAOD listed options.

On 19 October 2020 the Company issued 5,280,000 fully paid ordinary shares at \$0.00001 per share as consideration for services rendered by the Lead Manager of the September Placement.

On 3 November 2020, the Company issued 53,716 fully paid ordinary shares at \$0.025 per share, on the exercise of 53,716 PUAOD listed options.

On 14 December 2020:

- Chairman Tom Eadie stepped down from the Company's Board;
- Robert Boston as appointed as Non-Executive Chairman of the Company;
- Wayne Loxton was appointed as Managing Director of the Company, replacing David Leavy;
- at the Company's Annual General Meeting, the Company's shareholders approved the issue of shares by the Company to the vendors of Greenrock Metals as consideration for the Company's acquisition of Greenrock Metals.

On 17 December 2020 the Company issued 16,000,000 listed options in relation to the shares issued from the September Placement, as announced on 21 September 2020. The options are exercisable at \$0.025 and expire on 30 December 2022.

On 21 December 2020, the Company issued 40,000,000 unlisted options to newly-appointed Managing Director Wayne Loxton as an incentive, as approved by shareholders on 14 December 2020. The options are exercisable at \$0.05 and expire on 21 December 2023.

On 22 December 2020, the Company issued 15,000,000 unlisted options to a service provider as consideration for the provision of services. The options are exercisable at \$0.05 and expire on 31 December 2023.

On 22 December 2020, the Company's acquisition of Greenrock Metals, as announced on 21 September 2020, was completed following the finalisation of all contractual conditions. These included the issue by the Company, on 22 December 2020, of 67,000,000 fully paid ordinary shares to the vendors of Greenrock Metals as consideration for the Company's acquisition of Greenrock Metals. The shares were issued at a deemed issue price of \$0.03 per share.

On 3 February 2021, the Company issued 2,256 fully paid ordinary shares at \$0.025 per share, on the exercise of 2,256 PUAOD listed options.

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

On 4 February 2021, the Company issued 5,000,000 unlisted performance rights to an employee as an incentive. The performance rights will vest upon the achievement of applicable performance targets, have a nil conversion price and expire on 4 January 2024.

On 5 May 2021 the Company announced the signing of an exclusive option agreement to acquire 100% of the shares in CU2 WA Pty Ltd (CU2). CU2 owns a 100% interest in a portfolio of 31 pending and granted tenements, and two Earn-in Agreements on two additional tenements, E51/1818 and E51/1832, with the owners KOP Ventures Pty Ltd (KOP) and Taruga Minerals Limited (Taruga), respectively.

The consideration for the acquisition would comprise the issue of the following securities ("CU2 Consideration Securities") to the CU2 vendors:

- 100,000,000 fully paid ordinary shares in the Company at a deemed issue price of A\$0.025 each (50% voluntary escrowed for 12 months); and
- 100,000,000 unquoted options to acquire Peak Shares with an exercise price of A\$0.05 each and an expiry date of 31 December 2023 (50% voluntary escrowed for 12 months).

On 11 May 2021, the Company announced the resignation of Mr David Leavy as Non-Executive Director and the appointment of Ms Oonagh Malone as a Non-Executive Director.

On 24 May 2021, the Company announced the signing of a binding agreement to acquire 100% of the shares in CU2 WA Pty Ltd (CU2), following the Company's successful completion of due diligence reviews on CU2 and on terms referred to in the previous announcement on 5 May 2021. The completion of the acquisition would be subject to the completion of contractual formalities and shareholder approval of the issue of the CU2 Consideration Securities.

On 21 June 2021, the Company announced the resignation of Mr Wayne Loxton as Managing Director. Mr Mathew O'Hara was appointed as Non-Executive Director on 21 June 2021.

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

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

Matters subsequent to the end of the financial year

On 12 August 2021, the Company announced the spinout of its non-core gold assets. The Company intends to divest the Hill End and Hargraves gold assets to Vertex Minerals Limited (Vertex) in consideration for 15,000,000 fully paid ordinary shares in Vertex and \$207,500 cash, both post IPO. The Company announced the intention, subject to regulatory approvals, to undertake an in-specie distribution of the Vertex shares back to the Company's shareholders.

Furthermore, it is proposed that the Company's shareholders will be provided a priority offer to participate in Vertex's IPO of up to 7,500,000 fully paid ordinary shares of \$1,500,000.

On 18 August 2021, the Company announced the appointment of Ms Jennifer Neild as Chief Executive Officer, effective 30 August 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

Environmental regulation

The consolidated entity is required to carry out the exploration and evaluation of their Western Australia exploration tenements in accordance with various Commonwealth and State Government Acts and Regulations. In regard to environmental considerations, the Company and its controlled entities are required to obtain approval from various State regulatory authorities before any exploration requiring ground disturbance is carried out. It is normally a condition of such regulatory approval that any area of ground disturbed during the Company's activities is rehabilitated in accordance with various guidelines. The Company considers it and its controlled entities have complied with all applicable regulations when carrying out exploration work.

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

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

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

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

Information on directors

Name:	Robert Boston
Title:	Non-Executive Chairman - appointed 14 December 2020 (previously Non-executive Director)
Qualifications:	B.Comm, B.LLB, Grad Dip App.Fin, Dip Man
Experience and expertise:	Mr Boston is has more than 15 years in the mining industry. An experienced resources executive, having held positions in legal, business development, strategy, marketing and commercial roles with in BHP Billiton Limited, Rio Tinto Limited and Poseidon Nickel Limited and continues to advise a number of junior resources companies. Mr Boston has multi commodity expertise in exploration, early stage resource development, M&A, joint ventures and marketing. Prior to this Mr Boston worked for national law firms Freehills and Mallesons Stephen Jaques in their Corporate, Projects and Finance areas and is admitted to the Supreme Court of Western Australia and High Court of Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	1,333,641 fully paid ordinary shares
Interests in options:	250,057 listed options 8,000,000 unlisted options

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

Name: Oonagh Malone
Title: Non-Executive Director - appointed 11 May 2021
Experience and expertise: Oonagh Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. As well as a number of previous ASX non-executive directorships, she has over 10 years' experience in administrative and company secretarial roles for listed companies. Ms Malone is a member of the Governance Institute of Australia. She currently acts as company secretary for ASX-listed companies Aston Minerals Limited, Benz Mining Corp, Caprice Resources Ltd, Carbine Resources Ltd, Hawkstone Mining Limited, RareX Ltd and Riversgold Ltd.
Other current directorships: None
Former directorships (last 3 years): Hawkstone Mining Limited (ASX:HWK) (resigned 9 March 2020), Carbine Resources Limited (ASX: CRB) (resigned 15 July 2021)
Interests in shares: None
Interests in options: None

Name: Mathew O'Hara
Title: Non-Executive Director - appointed 21 June 2021
Experience and expertise: Mr O'Hara is a Chartered Accountant with extensive professional experience in capital markets, financing, financial accounting and governance and has been employed by, and acted as Director, Company Secretary and Chief Financial Officer of several listed companies, predominantly in the resources sector.

Mr O'Hara is currently a director of Benz Mining Corp (TSXV: BZ, ASX: BNZ), African Gold Limited (ASX: A1G) and Huntsman Exploration (TSXV: HMAN). Prior to these roles, he spent more than a decade working as an associate director at an international accounting firm in both the Corporate Finance/Advisory and Audit divisions, gaining significant experience with publicly listed clients across a diverse range of industries, including mining & metals, oil & gas, technology and infrastructure. He had a particular focus in audit, M&A, valuations, financial modelling, due diligence and financial reporting

Other current directorships: Benz Mining Corp (TSXV: BZ, ASX: BNZ), African Gold Limited (ASX: A1G), Huntsman Exploration (TSXV: HMAN)
Former directorships (last 3 years): Carbine Resources Limited (ASX: CRB) (resigned 15 July 2021)
Interests in shares: 1,842,500
Interests in options: None
Contractual rights to shares: 2,000,000

Name: Ernest Thomas Eadie
Title: Non-Executive Chairman (resigned 14 December 2020)
Experience and expertise: Non-Executive Chairman appointed 3 July 2018. Geologist and mining executive with over 20 years' experience in the resources industry with many significant mineral discoveries to his name. Former Executive Chairman of Copper Strike, founding Chairman of Syrah Resources and previously Executive General Manager – Exploration and Technology at Pasminco. Past board member of the Australasian Institute of Mining and Metallurgy and the Australian Mineral Industry Research Association.
Other current directorships: Not applicable - no longer a director of the Company at the date of this report
Former directorships (last 3 years): Not applicable - no longer a director of the Company at the date of this report
Interests in shares: Not applicable - no longer a director of the Company at the date of this report

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

Name: Wayne Loxton
Title: Managing Director (appointed 14 December 2020, resigned 21 June 2021)
Experience and expertise: Mr Loxton is an experienced mining engineer with a broad range of experience, focused predominantly on the resources sector and including formulating strategy, completing feasibility studies, commercialisation and entrepreneurial start-ups, commercial and strategic due diligence, capital raising and M&A. His resource experience has incorporated assignments in North America, South Africa, South Korea, DRC, Mexico, Canada, Togo, Nigeria, Ghana, Philippines, Indonesia, Papua New Guinea, Zimbabwe and Fiji.
Other current directorships: Not applicable - no longer a director of the Company at the date of this report
Former directorships (last 3 years): Not applicable - no longer a director of the Company at the date of this report
Interests in shares: Not applicable - no longer a director of the Company at the date of this report

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

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

Company secretary

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

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

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

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Robert Boston	13	13
Oonagh Malone (i)	3	3
Wayne Loxton (ii)	6	6
Ernest Thomas Eadie (iii)	6	6
David Leavy (iv)	10	10

- (i) Oonagh Malone was appointed on 12 May 2021
- (ii) Wayne Loxton was appointed on 14 December 2020 and resigned on 21 June 2021
- (iii) Ernest Thomas Eadie resigned on 14 December 2020
- (iv) David Leavy resigned on 11 May 2021

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

Remuneration report (audited)

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

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

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

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

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

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

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

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

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

Non-executive directors remuneration

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

The Company may issue options to non-executive directors, subject to shareholder approval, in circumstances where it determines this to be appropriate, including where this is a non-cash method of compensating Directors in line with current market practices aligned with Shareholder interests. In July 2021, shareholders approved the issue of options to non-executive directors in recognition of additional services provided by them beyond the scope of normal non-executive director duties, for which no additional cash remuneration had been received.

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

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

Executive remuneration

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

The executive remuneration and reward framework has up to four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration. Not all components may be implemented at any one time for a particular executive.

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

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

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

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

Consolidated entity performance and link to remuneration

Remuneration is not currently directly linked to the performance of the consolidated entity, except to the extent that the entity's performance is reflected by its share price. Options issued to the Managing Director during the year ended 30 June 2021 included vesting conditions linked to the share price of the Company.

Voting and comments made at the Company's 14 December 2020 Annual General Meeting ('AGM')

At the 14 December 2020 AGM, 96.22% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

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

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

- Robert Boston (Non-Executive Chairman) - appointed Chairman 14 December 2020
- Oonagh Malone (Non-Executive Director) - appointed 11 May 2021
- Mathew O'Hara (Non-Executive Director) - appointed 21 June 2021
- Wayne Loxton (Managing Director) - appointed 14 December 2020, resigned 21 June 2021
- David Leavy (formerly Executive and Non-Executive Director) - ceased as Executive Director 22 January 2022; resigned as Non-Executive Director 11 May 2021
- Ernest Thomas Eadie (formerly Non-Executive Chairman) - resigned 14 December 2020

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Termination payment	Non-monetary	Super-annuation	Long service leave	Equity-settled	
30 June 2021	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Robert Boston	50,000	-	-	4,750	-	26,960	81,710
Ms Oonagh Malone (i)	5,484	-	-	548	-	-	6,032
Mathew O'Hara (ii)	1,000	-	-	100	-	-	1,100
Ernest Thomas Eadie (iii)	35,000	-	-	3,325	-	13,480	51,805
<i>Executive Directors:</i>							
Wayne Loxton (iv)	119,163	54,795	-	16,784	-	184,856	375,598
David Leavy (v)	165,520	201,003	-	13,266	-	26,960	406,749
	<u>376,167</u>	<u>255,798</u>	<u>-</u>	<u>38,773</u>	<u>-</u>	<u>252,256</u>	<u>922,994</u>

(i) Appointed 11 May 2021

(ii) Appointed 21 June 2021

(iii) Resigned 14 December 2020

(iv) Appointed 14 December 2020, resigned 21 June 2021

(v) Ceased as Executive Director 22 January 2022; resigned as Non-Executive Director 11 May 2021. Mr Leavy's remuneration includes \$25,855 of cash fees in respect of consulting services rendered to the Consolidated Entity.

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

(i) Resigned 24 December 2019

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

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

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Non-Executive Directors:						
Robert Boston	67%	100%	-	-	33%	-
Ms Oonagh Malone	100%	-	-	-	-	-
Mathew O'Hara	100%	-	-	-	-	-
Ernest Thomas Eadie	74%	100%	-	-	26%	-
Executive Directors:						
Wayne Loxton	51%	-	-	-	49%	-
David Leavy	93%	100%	-	-	7%	-
Martin McFarlane	-	100%	-	-	-	-

Service agreements

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

Name: Jennifer Neild
Title: Chief Executive Officer (appointed 30 August 2021)
Agreement commenced: 30 August 2021
Term of agreement: No fixed term
Details: Ms Neild's annual remuneration is \$220,000 inclusive of superannuation.

The following termination provisions apply:

- the Company or Ms Neild may terminate the agreement by giving three months' written notice, or payment in lieu of the notice period;
- Statutory entitlement will be paid as required by law.

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

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021.

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:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
17 August 2020	17 August 2020	30 December 2022	\$0.0331	\$0.0034
14 December 2020	14 December 2020	21 December 2023*	\$0.0500	\$0.0125
14 December 2020	Upon meeting vesting condition	21 December 2023*	\$0.0500	\$0.0122
14 December 2020	Upon meeting vesting condition	21 December 2023*	\$0.0500	\$0.0117
14 December 2020	Upon meeting vesting condition	21 December 2023*	\$0.0500	\$0.0110

* Original expiry date upon issue. Mr Loxton's options actually expired on 30 June 2021 following the cessation of his employment.

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Ernest Thomas Eadie	4,000,000	17 August 2020	17 August 2020	30 December 2022	\$0.0331	\$0.0034
David Leavy	8,000,000	17 August 2020	17 August 2020	30 December 2022	\$0.0331	\$0.0034
Robert Boston	8,000,000	17 August 2020	17 August 2020	30 December 2022	\$0.0331	\$0.0034
Wayne Loxton	10,000,000	14 December 2020	14 December 2020	21 December 2023 ^(a)	\$0.0500	\$0.0125
Wayne Loxton	10,000,000	14 December 2020	Upon meeting vesting condition ^(b)	21 December 2023 ^(a)	\$0.0500	\$0.0122
Wayne Loxton	10,000,000	14 December 2020	Upon meeting vesting condition ^(c)	21 December 2023 ^(a)	\$0.0500	\$0.0117
Wayne Loxton	10,000,000	14 December 2020	Upon meeting vesting condition ^(d)	21 December 2023 ^(a)	\$0.0500	\$0.0110

(a) Original expiry date upon issue. Mr Loxton's options actually expired on 30 June 2021 following the cessation of his employment.

(b) Options to vest when the 15-day volume weighted average price per Share traded on the ASX exceeded \$0.08 (8 cents)

(c) Options to vest when the 15-day volume weighted average price per Share traded on the ASX exceeded \$0.10 (10 cents)

(d) Options to vest when the 15-day volume weighted average price per Share traded on the ASX exceeded \$0.12 (12 cents)

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Number of options granted during the year 30 June 2021	Number of options granted during the year 30 June 2020	Number of options vested during the year 30 June 2021	Number of options vested during the year 30 June 2020
Ernest Thomas Eadie	4,000,000	-	4,000,000	-
David Leavy	8,000,000	-	8,000,000	-
Robert Boston	8,000,000	-	8,000,000	-
Wayne Loxton*	40,000,000	-	10,000,000	-

* Mr Loxton's options expired on 30 June 2021 following the cessation of his employment

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
Ernest Thomas Eadie	13,480	-	-	26%
David Leavy	26,960	-	-	7%
Robert Boston	26,960	-	-	33%
Wayne Loxton*	474,000	-	-	49%

* Mr Loxton's options expired on 30 June 2021, following the cessation of his employment

Performance rights

There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2021.

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Additional disclosures relating to key management personnel

Shareholdings

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Robert Boston (i)	833,526	-	500,115	-	1,333,641
Oonagh Malone	-	-	-	-	-
Mathew O'Hara (ii)	-	-	1,842,500	-	1,842,500
Ernest Thomas Eadie (iii)	8,993,217	-	1,695,800	(10,689,017)	-
Wayne Loxton (iv)	-	-	7,700,000	(7,700,000)	-
David Leavy (v)	1,798,526	-	1,079,115	(2,877,641)	-
	<u>11,625,269</u>	<u>-</u>	<u>12,817,530</u>	<u>(21,266,658)</u>	<u>3,176,141</u>

(i) Robert Boston Additions are shares acquired via Entitlement Offer.

(ii) Mathew O'Hara appointed 21 June 2021. Additions are shares held at appointment date.

(iii) Tom Eadie Additions are shares acquired via Entitlement Offer. Resigned 14 December 2020. Disposals/other represent holdings on date of resignation.

(iv) Wayne Loxton appointed 14 December 2020, resigned 21 June 2021. Additions are: shares held at appointment date (1,000,000); shares issued for Greenrocks consideration (6,700,000). Disposals/other represent holdings on date of resignation.

(v) David Leavy Additions are shares acquired via Entitlement Offer. Resigned 11 May 2021. Disposals/other represent holdings on date of resignation.

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

Option holdings

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

	Balance at the start of the year	Granted as part of remuneration	Additions	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Robert Boston (i)	-	8,000,000	250,057	-	8,250,057
Oonagh Malone	-	-	-	-	-
Mathew O'Hara	-	-	-	-	-
Ernest Thomas Eadie (ii)	200,000	4,000,000	847,900	(5,047,900)	-
Wayne Loxton (iii)	-	40,000,000	200,000	(40,200,000)	-
David Leavy (iv)	-	8,000,000	539,557	(8,539,557)	-
	<u>200,000</u>	<u>60,000,000</u>	<u>1,837,514</u>	<u>(53,787,457)</u>	<u>8,250,057</u>

(i) Robert Boston Additions are options acquired via Entitlement Offer.

(ii) Tom Eadie Additions are options acquired via Entitlement Offer. Resigned 14 December 2020. Disposals/other represent holdings on date of resignation.

(iii) Wayne Loxton appointed 14 December 2020, resigned 21 June 2021. Additions are placement options. Disposals/other represent holdings on date of resignation.

(iv) David Leavy Additions are options acquired via Entitlement Offer. Resigned 11 May 2021. Disposals/other represent holdings on date of resignation.

Other transactions with key management personnel and their related parties

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

This concludes the remuneration report, which has been audited.

Shares under option

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

Grant date	Expiry date	Exercise price	Number under option
7 July 2020	30 December 2022	\$0.0250	48,867,261
10 July 2020	30 December 2022	\$0.0250	27,579,777
4 August 2020	30 December 2022	\$0.0250	86,632,061
17 August 2020	30 December 2022	\$0.0331	20,000,000
18 August 2020	30 December 2022	\$0.0465	1,000,000
2 October 2020	30 December 2022	\$0.0250	20,000,000
7 December 2020	30 December 2022	\$0.0250	16,000,000
22 December 2020	31 December 2023	\$0.0500	15,000,000
			<u>235,079,099</u>

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

Shares under performance rights

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

Grant date	Expiry date	Exercise price	Number under rights
4 February 2021	4 February 2024	\$0.0000	5,000,000

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

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

Shares issued on the exercise of options

The following ordinary shares of Peak Minerals Limited were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
7 July 2020	\$0.0250	60,376

Shares issued on the exercise of performance rights

There were no ordinary shares of Peak Minerals Limited issued on the exercise of performance rights during the year ended 30 June 2021 and up to the date of this report.

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the Company

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

Non-audit services

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

Officers of the Company who are former partners of Moyes Yong & Co

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

Auditor's independence declaration

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

Auditor

The Board of the Company has granted approval under section 324DAA of the Corporations Act 2001 ("the Act") for Mr Bill Moyes to play a significant role in the audit of the Company for a further period of two years, being the financial years ending 30 June 2021 and 30 June 2022. The reasons for this approval were that the Board was satisfied that:

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' report
30 June 2021

- this approval was consistent with maintaining the quality of the audit provided to the Company, as Mr Moyes had in the past demonstrated the ability to provide audits of the appropriate quality due to his technical expertise, experience with the Company and the resources available to his firm;
- the approval would not give rise to a conflict of interest situation (as defined in section 324CD of the Act); and
- no relationships as set out in subsection 324CD of the Act existed or were expected to exist.

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

On behalf of the directors



Robert Boston
Chairman

29 September 2021



Moyes Yong + Co Partnership
ABN 36 528 219 967

Suite 1301, Level 13
115 Pitt Street
Sydney NSW 2000

GPO Box 4393,
Sydney NSW 2001

T: (02) 8256 1100

F: (02) 8256 1111

info@moyesyong.com.au

AUDITOR'S INDEPENDENCE DECLARATION

To the directors of Peak Minerals Limited

In accordance with Section 307C of the Corporations Act 2001, as lead audit partner for the audit of Peak Minerals Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

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

Moyes Yong & Co Partnership
Chartered Accountants



William M Moyes – Partner
Dated: 29 September 2021



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Liability limited by a scheme approved under Professional Standards Legislation



Tax agent
7289009

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 30 June 2021 \$	30 June 2020 \$
Other income	5	22,689	201,843
Interest revenue		1,295	5,879
Other Expenses	6	(2,361,042)	(389,549)
Tenement acquisition expenditure upon acquisition of Greenrock Metals	7	(2,239,932)	-
Impairment of assets	14	(3,251,212)	-
Loss on surrender of tenement	14	-	(1,402,398)
Administration		(1,536,321)	(1,318,631)
Finance costs		(3,959)	(1,417)
Loss before income tax expense		(9,368,482)	(2,904,273)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Peak Minerals Limited	23	(9,368,482)	(2,904,273)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Peak Minerals Limited		<u>(9,368,482)</u>	<u>(2,904,273)</u>
		Cents	Cents
Basic earnings per share	35	(1.69)	(1.29)
Diluted earnings per share	35	(1.69)	(1.29)

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Statement of financial position
As at 30 June 2021

		Consolidated	
	Note	30 June 2021	30 June 2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	9	474,879	484,659
Trade and other receivables	10	229,523	49,724
Total current assets		<u>704,402</u>	<u>534,383</u>
Non-current assets			
Other financial assets	11	615,000	636,750
Property, plant and equipment	12	121,588	145,892
Right-of-use assets	13	89,163	102,132
Exploration and evaluation	14	3,185,911	6,437,123
Total non-current assets		<u>4,011,662</u>	<u>7,321,897</u>
Total assets		<u>4,716,064</u>	<u>7,856,280</u>
Liabilities			
Current liabilities			
Trade and other payables	15	616,773	238,887
Lease liabilities	16	36,761	28,227
Employee benefits	17	11,067	30,749
Total current liabilities		<u>664,601</u>	<u>297,863</u>
Non-current liabilities			
Lease liabilities	18	55,320	74,294
Employee benefits	19	1,255	6,261
Other provisions	20	295,936	307,380
Total non-current liabilities		<u>352,511</u>	<u>387,935</u>
Total liabilities		<u>1,017,112</u>	<u>685,798</u>
Net assets		<u>3,698,952</u>	<u>7,170,482</u>
Equity			
Issued capital	21	90,445,889	84,940,191
Reserves	22	506,754	200,848
Accumulated losses	23	<u>(87,253,691)</u>	<u>(77,970,557)</u>
Total equity		<u>3,698,952</u>	<u>7,170,482</u>

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Statement of changes in equity
For the year ended 30 June 2021

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	84,672,745	200,848	(75,066,284)	9,807,309
Loss after income tax expense for the year	-	-	(2,904,273)	(2,904,273)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(2,904,273)	(2,904,273)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued during the year	267,446	-	-	267,446
Balance at 30 June 2020	<u>84,940,191</u>	<u>200,848</u>	<u>(77,970,557)</u>	<u>7,170,482</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	84,940,191	200,848	(77,970,557)	7,170,482
Loss after income tax expense for the year	-	-	(9,368,482)	(9,368,482)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(9,368,482)	(9,368,482)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 21)	5,390,198	-	-	5,390,198
Share-based payments (note 36)	-	-	-	-
- Employee options	-	84,733	-	84,733
- Service provider options	-	422,021	-	422,021
Expiry of options	115,500	(200,848)	85,348	-
Balance at 30 June 2021	<u>90,445,889</u>	<u>506,754</u>	<u>(87,253,691)</u>	<u>3,698,952</u>

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Statement of cash flows
For the year ended 30 June 2021

	Note	Consolidated 30 June 2021 \$	30 June 2020 \$
Cash flows from operating activities			
Payments to suppliers and employees		(3,652,220)	(1,650,826)
Interest received		1,295	5,879
Other revenue		22,689	40,535
Interest and other finance costs paid		(3,959)	(1,417)
R&D tax incentive		-	234,229
Option fee for Greenrock		(80,000)	-
		<u> </u>	<u> </u>
Net cash used in operating activities	34	(3,712,195)	(1,371,600)
Cash flows from investing activities			
Payment for purchase of subsidiary, net of cash acquired		1,364	-
Payments for exploration and evaluation	14	-	(32,209)
Refunds/(payments) for exploration bonds		21,750	-
Proceeds from disposal of property		-	290,000
		<u> </u>	<u> </u>
Net cash from investing activities		23,114	257,791
Cash flows from financing activities			
Proceeds from issue of shares	21	3,737,483	299,377
Share issue transaction costs		(25,598)	(31,931)
Repayment of lease liabilities		(32,584)	(28,529)
		<u> </u>	<u> </u>
Net cash from financing activities		3,679,301	238,917
		<u> </u>	<u> </u>
Net decrease in cash and cash equivalents		(9,780)	(874,892)
Cash and cash equivalents at the beginning of the financial year		484,659	1,359,551
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial year	9	<u>474,879</u>	<u>484,659</u>

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 1. General information

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

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

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

Going concern

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

The cash balance as at 30 June 2021 was \$474,879 (30 June 2020: \$484,659).

The consolidated entity made a loss after tax of \$9,368,482 during the year ended 30 June 2021 (30 June 2020: loss of \$2,904,273) and the net cash used in operating activities was \$3,712,195 (30 June 2020: \$1,371,600 net outflow).

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

- the ability of the consolidated entity to scale back parts of its operations and reduce costs if required;
- the Board is of the opinion that the consolidated entity has, or shall have access to, sufficient funds to meet the planned corporate activities and working capital requirements; and
- as the Company is an ASX-listed entity, the consolidated entity has the ability to raise additional funds if required.

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

Basis of preparation

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 2. Significant accounting policies (continued)

Historical cost convention

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

Critical accounting estimates

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

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Peak Minerals Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Peak Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

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

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

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Note 2. Significant accounting policies (continued)

Interest

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

Other revenue

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

Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Current and non-current classification

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

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

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

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

Investments and other financial assets

Financial assets at amortised cost

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

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets

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

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

Goods and Services Tax ('GST') and other similar taxes

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

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

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

Impairment

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

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

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

Estimates of reserve quantities

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

Exploration and evaluation costs

In accordance with accounting standard *AASB 6 Exploration for and Evaluation of Mineral Resources* the consolidated entity decides, for each area of interest, whether expenditures incurred in the exploration for and evaluation of mineral resources in that area of interest shall be either:

- (a) expensed as incurred; or
- (b) partially or fully capitalised, and recognised as an exploration and evaluation asset if the relevant requirements of paragraph Aus7.2 of AASB 6 are satisfied.

For areas of interest where the consolidated entity decides to capitalise exploration and evaluation costs, these 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.

Business combinations

Business combinations are accounted for using the acquisition method. Significant judgment required to determine if a transaction can be recognised as business combination. To recognise the transaction as a business combination, the acquisition of a business should meet qualitative and quantitative criteria of a business as defined by *AASB 3 Business Combinations*, in particular the following as per AASB 3.B7;

- Inputs – an economic resource (e.g. non-current assets, intellectual property) that creates outputs when one or more processes are applied to it;
- Process – a system, standard, protocol, convention or rule that when applied to an input or inputs, creates outputs (e.g. strategic management, operational processes, resource management);
- Output – the result of inputs and processes applied to those inputs.

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

If a transaction does not meet the definitions of a business combination, it is accounted as an asset acquisition under AASB 3.2 (b). Under this method all identifiable assets and liabilities of the company acquired and value of the purchase consideration are accounted at their fair values.

On 22 December 2020, the consolidated entity acquired 100% of the issued capital of Greenrock Metals Pty Ltd (Greenrock Metals), which owns interests in copper projects in Western Australia. As Greenrock Metals had only been recently incorporated, and had only recently commenced exploration activities, in the absence of proven or probable reserves or a plan for site development, the Company concluded that this acquisition did not meet the definition of a business under AASB 3 and therefore initially recognised the transaction as an asset acquisition, the relevant asset being tenement acquisition expenditure for the tenements controlled by Greenrock Metals.

Following the acquisition, the consolidated entity determined that, for the Greenrock Metals areas of interest, the relevant requirements of paragraph Aus7.2 of AASB 6 were not satisfied, in particular as Greenrock Metals' exploration activities were at a very early stage, and it was not possible to determine whether the expenditure could be recouped through successful development and exploitation of the areas of interest, or by their sale. Therefore that expenditure was expensed as incurred in accordance with the consolidated entity's accounting policy as set out in the *Exploration and evaluation costs* section above.

Further information regarding this acquisition and the expensing of the tenement acquisition expenditure is contained in note 7 to the financial statements.

Coronavirus (COVID-19) pandemic

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

Note 4. Operating segments

Identification of reportable operating segments

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

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

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

Accounting policy for operating segments

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 5. Other income

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
COVID 19 Incentive	22,239	37,065
Research and development tax incentive	-	164,243
Other	450	535
	<u>22,689</u>	<u>201,843</u>

Other income

Note 6. Other Expenses

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Depreciation	59,418	62,212
Hill End site expenses	415,700	311,394
HPA project expenses	21,508	15,943
Greenrock Project expenses	1,784,416	-
Option fee for Greenrock acquisition	80,000	-
	<u>2,361,042</u>	<u>389,549</u>

Note 7. Tenement acquisition expenditure upon acquisition of Greenrock Metals

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Tenement acquisition expenditure expensed	<u>2,239,932</u>	<u>-</u>

On 22 December 2020, the consolidated entity acquired 100% of the issued capital of Greenrock Metals Pty Ltd (Greenrock Metals), which owns interests in copper projects in Western Australia (the **Acquisition**).

In consideration for the Acquisition, the Company issued 67,000,000 fully paid ordinary shares in the capital of the Company (**Vendor Shares**) at a deemed issue price of \$0.03 (3 cents) per share, in accordance with the relevant share sale contract. The Acquisition was completed on 22 December 2020 on which date the Vendor Shares were issued. The Company has determined that the contractual value 3 cents per share was an appropriate measure of the fair value of the Vendor Shares issued as consideration for the acquisition, as this value was not materially different from the 15-day volume weighted average price of the Company's shares (3.01 cents) at the date of the issue of the Vendor Shares.

The Company, at the time of acquisition, assessed that, as Greenrock Metals had only been recently incorporated, and had only recently commenced exploration activities, and in the absence of proven or probable reserves or a plan for site development, this acquisition did not meet the definition of a business under AASB 3 and therefore was initially recognised and accounted for the transaction as an asset acquisition, the relevant asset being tenement acquisition expenditure for the tenements controlled by Greenrock Metals.

The value of this was determined as follows:

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 7. Tenement acquisition expenditure upon acquisition of Greenrock Metals (continued)

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Fair value of purchase consideration (Vendor Shares) - 67,000,000 shares x \$0.03/share:	2,010,000	-
Plus: excess of fair value of Greenrock Metals liabilities over assets at acquisition date	<u>229,932</u>	<u>-</u>
Tenement acquisition expenditure	<u><u>2,239,932</u></u>	<u><u>-</u></u>

Following the acquisition, the consolidated entity determined that, for the Greenrock Metals areas of interest, the relevant requirements of paragraph Aus7.2 of AASB 6 were not satisfied, in particular as Greenrock Metals' exploration activities were at a very early stage, and it was not possible to determine whether the expenditure could be recouped through successful development and exploitation of the areas of interest, or by their sale. Therefore the tenement acquisition expenditure was expensed through profit and loss as incurred in accordance with the consolidated entity's accounting policy as set out in the Exploration and evaluation costs section in Note 3.

Note 8. Income tax expense

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	<u>(9,368,482)</u>	<u>(2,904,273)</u>
Tax at the statutory tax rate of 26% (2020: 27.5%)	(2,435,805)	(798,675)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	40,756	-
R&D tax incentive received	-	(45,167)
Non-deductible tenement acquisition cost	582,382	-
Non-taxable Government grants received	(5,782)	(10,193)
Non-deductible loss on disposal of assets	-	4,509
Deduction for equity raising costs recorded in equity	<u>(35,405)</u>	<u>(38,410)</u>
	(1,853,854)	(887,936)
Current year tax losses not recognised	994,215	499,023
Current year temporary differences not recognised	<u>859,639</u>	<u>388,913</u>
Income tax expense	<u><u>-</u></u>	<u><u>-</u></u>

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	<u>69,500,758</u>	<u>65,676,855</u>
Potential tax benefit @ 25% (2020: 26%)	<u>17,375,190</u>	<u>17,075,982</u>

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 8. Income tax expense (continued)

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Non-deductible amounts as temporary differences	135,279	123,436
Capital raising costs	103,496	106,259
Accelerated deductions for book compared to tax	<u>2,131,841</u>	<u>1,858,081</u>
Total deferred tax assets not recognised	<u><u>2,370,616</u></u>	<u><u>2,087,776</u></u>

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

Note 9. Current assets - cash and cash equivalents

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Cash at bank	<u><u>474,879</u></u>	<u><u>484,659</u></u>

Accounting policy for cash and cash equivalents

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

Note 10. Current assets - Trade and other receivables

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Other receivables	32,792	31,015
Prepayments	27,681	18,709
GST receivable	<u>169,050</u>	<u>-</u>
	<u><u>229,523</u></u>	<u><u>49,724</u></u>

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 10. Current assets - Trade and other receivables (continued)

Accounting policy for trade and other receivables

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

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

Impairment

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

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 11. Non-current assets - other financial assets

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Performance guarantee bonds (HPA assets)	30,000	30,000
Performance guarantee bonds (gold assets)	585,000	606,750
	<u>615,000</u>	<u>636,750</u>

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

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Real Property - at cost	114,608	114,608
Plant and equipment - at cost	2,172,779	2,129,352
Less: Accumulated depreciation	<u>(2,165,799)</u>	<u>(2,098,885)</u>
	6,980	30,467
Motor vehicles - at cost	-	46,783
Less: Accumulated depreciation	-	<u>(45,966)</u>
	-	817
	<u>121,588</u>	<u>145,892</u>

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

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

Reconciliations

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

Consolidated	Real Property \$	Plant & equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2019	-	815	-	815
Transfers in/(out)	114,608	62,947	817	178,372
Depreciation expense	-	(33,295)	-	(33,295)
Balance at 30 June 2020	114,608	30,467	817	145,892
Depreciation expense	-	(23,487)	(817)	(24,304)
Balance at 30 June 2021	<u>114,608</u>	<u>6,980</u>	<u>-</u>	<u>121,588</u>

Accounting policy for property, plant and equipment

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

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

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

Impairment

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

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

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

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

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

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$	\$
Land and buildings - right-of-use	153,194	131,049
Less: Accumulated depreciation	<u>(64,031)</u>	<u>(28,917)</u>
	<u>89,163</u>	<u>102,132</u>

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

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

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

Reconciliations

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

Consolidated	Land and buildings \$
Balance at 1 July 2019	-
Additions	131,049
Depreciation expense	(28,917)
Balance at 30 June 2020	102,132
Depreciation expense	(12,969)
Balance at 30 June 2021	<u>89,163</u>

Accounting policy for right-of-use assets

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

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

Note 14. Non-current assets - exploration and evaluation

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Exploration and evaluation - Gold assets - at cost	39,920,139	39,920,143
Less: Impairment	(36,834,228)	(35,098,515)
	<u>3,085,911</u>	<u>4,821,628</u>
Exploration and evaluation - Yendon Alumina project - at cost	1,615,495	1,615,495
Less: Impairment	(1,515,495)	-
	<u>100,000</u>	<u>1,615,495</u>
	<u>3,185,911</u>	<u>6,437,123</u>

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

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

Reconciliations

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

Consolidated	High Purity Alumina project \$	Gold tenements \$	Total \$
Balance at 1 July 2019	3,055,670	-	3,055,670
Additions	32,209	-	32,209
Re-classified from held-for-sale assets	-	4,821,628	4,821,628
Write off tenement costs on surrender of tenement	(1,402,398)	-	(1,402,398)
R&D tax incentive offset	(69,986)	-	(69,986)
Balance at 30 June 2020	1,615,495	4,821,628	6,437,123
Impairment of assets	(1,515,495)	(1,735,717)	(3,251,212)
Balance at 30 June 2021	<u>100,000</u>	<u>3,085,911</u>	<u>3,185,911</u>

Impairment - High Purity Alumina project

During the year ended 30 June 2021 the consolidated entity recorded an impairment expense of \$1,515,495 arising on the write down of the consolidated entity's Yendon High Purity Alumina (HPA) project. The Board noted that this project remained on hold following the prioritisation of the consolidated entity's efforts towards its copper and gold projects, and pending developments in the HPA market, and determined that it was therefore not likely that the consolidated entity would progress the project in the short term.

Accordingly, the Board reviewed the project's financial statements carrying value and concluded that, in light of the current status of the project, it was prudent to write down its carrying value to its estimated recoverable amount, which the Board determined to be \$100,000. Accordingly, an impairment loss of \$1,515,495 was recognised in the consolidated entity's profit and loss for the period.

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

Impairment - Gold tenements

During the year ended 30 June 2021 the consolidated entity recorded an impairment expense of \$1,735,717 arising on the write down of the consolidated entity's gold tenements, following a re-assessment of the tenements' estimated recoverable amounts as at 30 June 2021.

Accounting policy for exploration and evaluation assets

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

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

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

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

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

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

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

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

Note 15. Current liabilities - trade and other payables

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Trade payables	536,959	225,165
Other payables	79,814	13,722
	<u>616,773</u>	<u>238,887</u>

Refer to note 24 for further information on financial instruments.

Accounting policy for trade and other payables

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

Note 16. Current liabilities - lease liabilities

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Lease liability	<u>36,761</u>	<u>28,227</u>

Refer to note 24 for further information on financial instruments.

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 17. Current liabilities - employee benefits

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Annual leave	<u>11,067</u>	<u>30,749</u>

Accounting policy for employee benefits

Short-term employee benefits

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

Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Note 18. Non-current liabilities - lease liabilities

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Lease liability	<u>55,320</u>	<u>74,294</u>

Refer to note 24 for further information on financial instruments.

Accounting policy for lease liabilities

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

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 19. Non-current liabilities - employee benefits

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Long service leave	<u>1,255</u>	<u>6,261</u>

Accounting policy for other long-term employee benefits

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

Note 20. Non-current liabilities - other provisions

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Provision for site rehabilitation	<u>295,936</u>	<u>307,380</u>

Note 21. Equity - issued capital

	Consolidated			
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>614,702,652</u>	<u>255,024,947</u>	<u>90,445,889</u>	<u>84,940,191</u>

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 21. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	221,760,824		84,672,745
Shares issue through placement	29 May 2020	33,264,123	\$0.0090	299,377
Cost of share issues		-	\$0.0000	(31,931)
Balance	30 June 2020	255,024,947		84,940,191
Entitlement offer share issue	6 July 2020	97,855,414	\$0.0090	880,699
Entitlement offer shortfall shares issue	10 July 2020	55,159,554	\$0.0090	496,436
Option exercise	3 August 2020	195	\$0.0250	5
Issue of shares to joint lead managers & underwriter	4 August 2020	14,322,361	\$0.0090	129,020
Placement - Tranche 2 shares	4 August 2020	40,000,000	\$0.0090	360,000
Option exercise	1 September 2020	1,350	\$0.0250	34
Placement	28 September 2020	80,000,000	\$0.0250	2,000,000
Option exercise	6 October 2020	2,859	\$0.0250	71
Issue of shares to lead manager	19 October 2020	5,280,000	\$0.0250	132,053
Option exercise	3 November 2020	53,716	\$0.0250	1,343
Greenrock vendor shares	22 December 2020	67,000,000	\$0.0300	2,010,000
PUA fully paid ordinary shares	3 February 2021	2,256	\$0.0250	56
Cost of share issues		-	\$0.0000	(620,741)
Reversal of previously recorded share issue cost due	29 May 2020	-	\$0.0000	116,722
Balance	30 June 2021	<u>614,702,652</u>		<u>90,445,889</u>

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

Share buy-back

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

Capital risk management

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

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

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

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

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

The capital risk management policy remains unchanged from the 2020 Annual Report.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 21. Equity - issued capital (continued)

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

Note 22. Equity - reserves

Consolidated
30 June 2021 30 June 2020
\$ \$

Options reserve	506,754	200,848
-----------------	---------	---------

Options reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Options reserve \$	Total \$
Consolidated		
Balance at 1 July 2019	200,848	200,848
Balance at 30 June 2020	200,848	200,848
Issues of options to service providers	422,021	422,021
Employee share-based payments	84,733	84,733
Expiry of options	(200,848)	(200,848)
Balance at 30 June 2021	506,754	506,754

Note 23. Equity - accumulated losses

Consolidated
30 June 2021 30 June 2020
\$ \$

Accumulated losses at the beginning of the financial year	(77,970,557)	(75,066,284)
Loss after income tax expense for the year	(9,368,482)	(2,904,273)
Transfer from options reserve	85,348	-
Accumulated losses at the end of the financial year	(87,253,691)	(77,970,557)

Note 24. Financial instruments

Financial risk management objectives

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

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

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

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Financial assets		
Cash at bank	474,879	484,659
Trade and other receivables	229,523	49,724
Total financial assets	<u>704,402</u>	<u>534,383</u>
Financial liabilities		
Trade and other payables	616,773	238,887
Lease liabilities	92,081	102,521
Total financial liabilities	<u>708,854</u>	<u>341,408</u>

Market risk

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

Credit risk

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

Liquidity risk

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

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 24. Financial instruments (continued)

Remaining contractual maturities

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

Consolidated - 30 June 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	536,959	-	-	-	536,959
Other payables	-	79,814	-	-	-	79,814
<i>Interest-bearing - fixed rate</i>						
Lease liability	5.50%	40,920	42,966	14,553	-	98,439
Total non-derivatives		657,693	42,966	14,553	-	715,212

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

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

Fair value of financial instruments

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

Note 25. Fair value measurement

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 26. Key management personnel disclosures

Directors

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

Robert Boston
 Oonagh Jane Malone (appointed 11 May 2021)
 Mathew James O'Hara (appointed 21 June 2021)
 Ernest Thomas Eadie (resigned 14 December 2021)
 Wayne Loxton (appointed 14 December 2020, resigned 21 June 2021)
 David Leavy (resigned 11 May 2021)

Compensation

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

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Short-term employee benefits	631,965	638,205
Post-employment benefits	38,773	39,573
Long-term benefits	-	2,545
Share-based payments	252,256	-
	<u>922,994</u>	<u>680,323</u>

Note 27. Remuneration of auditors

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

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
<i>Audit services - Moyes Yong & Co</i>		
Audit or review of the financial statements	<u>35,000</u>	<u>34,000</u>

Note 28. Contingent liabilities

Hargraves Tenement

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 28. Contingent liabilities (continued)

First Tiffany

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

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

HPA Project

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

On completion of a Feasibility Study the Company is required to pay a success fee of \$1.5 million settled by the issue of shares. If the Feasibility Study is not completed within 2 years of the completion date of the acquisition (i.e. 28 August 2019) the Company is required to pay the vendors \$8,333 per month until the earlier of the completion of the Feasibility Study or 30 June 2022. The amount of the success fee arising in the period up to and including 30 June 2021 has been recognised as an expense in the consolidated statement of profit and loss for the year ended 30 June 2021.

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

Note 29. Commitments

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$	\$
<i>Lease commitments</i>		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	40,920	31,443
One to five years	57,519	79,423
	<hr/>	<hr/>
Total commitment	98,439	110,866
Less: Future finance charges	(6,358)	(8,345)
	<hr/>	<hr/>
Net commitment recognised as liabilities	<u>92,081</u>	<u>102,521</u>

Commitments relating to tenements

As a condition of its tenements the consolidated entity has minimum annual expenditure commitments. These minimum commitments totalled \$1,022,516 as at 30 June 2021 (30 June 2020: \$368,500). This balance fluctuates based on the expiration and renewal of tenements.

Note 30. Related party transactions

Parent entity

Peak Minerals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 32.

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 30. Related party transactions (continued)

Key management personnel

Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Consulting fees*	25,855	-

* During the year the Company made payments to Cologne Capital, a related entity of Mr David Leavy, who was a director of the Company at the relevant time. The entity provided consulting services to the Company and the Consolidated Entity on normal commercial terms. This amount is included in "Cash Salary and Fees" in the "Amounts of remuneration" table in the Remuneration Report.

Receivable from and payable to related parties

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

Loans to/from related parties

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

Terms and conditions

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

Note 31. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2021	30 June 2020
	\$	\$
Loss after income tax	<u>(7,501,735)</u>	<u>(1,431,474)</u>
Total comprehensive income	<u>(7,501,735)</u>	<u>(1,431,474)</u>

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 31. Parent entity information (continued)

Statement of financial position

	Parent	
	30 June 2021	30 June 2020
	\$	\$
Total current assets	2,045,359	3,724,088
Total assets	7,937,022	9,980,492
Total current liabilities	490,950	894,214
Total liabilities	843,461	1,282,149
Equity		
Issued capital	90,445,889	84,940,191
Options reserve	506,754	200,848
Accumulated losses	(83,859,082)	(76,442,696)
Total equity	<u>7,093,561</u>	<u>8,698,343</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 (30 June 2020: nil).

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 (30 June 2020: nil).

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 (30 June 2020: nil).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 32. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2021	30 June 2020
		%	%
Yendon HPA Pty Ltd	Australia	100.00%	100.00%
HEGL Investments Pty Ltd	Australia	100.00%	100.00%
Greenrocks Metal Pty Ltd	Australia	100.00%	-
CU WA Pty Ltd	Australia	100.00%	-
Vertex Minerals Ltd	Australia	100.00%	-

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 33. Events after the reporting period

On 12 August 2021, the Company announced the spinout of its non-core gold assets. The Company intends to divest the Hill End and Hargraves gold assets to Vertex Minerals Limited (Vertex) in consideration for 15,000,000 fully paid ordinary shares in Vertex and \$207,500 cash, both post IPO. The Company announced the intention, subject to regulatory approvals, to undertake an in-specie distribution of the Vertex shares back to the Company's shareholders.

Furthermore, it is proposed that the Company's shareholders will be provided a priority offer to participate in Vertex's IPO of up to 7,500,000 fully paid ordinary shares of \$1,500,000.

On 18 August 2021, the Company announced the appointment of Ms Jennifer Neild as Chief Executive Officer, effective 30 August 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 34. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$	\$
Loss after income tax expense for the year	(9,368,482)	(2,904,273)
Adjustments for:		
Depreciation and amortisation	59,418	62,212
Share-based payments	156,754	-
Impairment of assets	3,251,211	-
Tenement acquisition costs (non-cash)	2,010,000	-
Loss on relinquishment of tenement	-	1,402,398
R&D tax incentive receipt capitalised on balance sheet but treated as operating cash inflow	-	69,986
Change in operating assets and liabilities:		
Increase in trade and other receivables	(170,826)	(7,468)
Increase in prepayments	(8,972)	(18,709)
Increase in trade and other payables	377,884	17,863
Increase/(decrease) in other provisions	(19,182)	6,391
Net cash used in operating activities	<u>(3,712,195)</u>	<u>(1,371,600)</u>

Note 35. Earnings per share

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$	\$
Loss after income tax attributable to the owners of Peak Minerals Limited	<u>(9,368,482)</u>	<u>(2,904,273)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>553,883,351</u>	<u>224,677,131</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>553,883,351</u>	<u>224,677,131</u>

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 35. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(1.69)	(1.29)
Diluted earnings per share	(1.69)	(1.29)

Accounting policy for earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Note 36. Share-based payments

Shares and options issued to employees and third parties in return for services

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

During the current year 2021, the Company made the following share based payments:

- issues of options to directors as remuneration, as approved by shareholders in general meetings;
- issue of performance rights to an employee as remuneration;
- issue of options to a contractor as remuneration;
- issues of shares and options to service providers as payment for services.

During the year ended 30 June 2020 no share-based payments were made by the Company.

An overview of the share-based payments is as follows:

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Options issued to directors as remuneration	67,400	-
Performance rights issued to employee as remuneration	17,333	-
Options issued to contractor as remuneration	5,840	-
Options issued to corporate advisor as remuneration	66,181	-
Share-based payments recorded in statement of profit or loss and other comprehensive income	<u>156,754</u>	<u>-</u>
Shares issued to service providers as consideration for capital raising services	243,921	-
Options issued to service providers as consideration for capital raising services	350,000	-
Share-based payments recorded in equity as share issue costs	<u>593,921</u>	<u>-</u>
	<u><u>750,675</u></u>	<u><u>-</u></u>

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 36. Share-based payments (continued)

(a) Options

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

	Number of options 30 June 2021	Weighted average exercise price 30 June 2021	Number of options 30 June 2020	Weighted average exercise price 30 June 2020
Outstanding at the beginning of the financial year	10,000,000	\$0.0750	10,000,000	\$0.0750
Granted	146,000,000	\$0.0357	-	\$0.0000
Expired	(50,000,000)	\$0.0550	-	\$0.0000
Outstanding at the end of the financial year	<u>106,000,000</u>	\$0.0303	<u>10,000,000</u>	\$0.0750
Exercisable at the end of the financial year	<u>91,000,000</u>	\$0.0270	<u>10,000,000</u>	\$0.0750

30 June 2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
12/06/2019	30/07/2020	\$0.0750	10,000,000	-	-	(10,000,000)	-
04/08/2020	30/12/2022	\$0.0250	-	50,000,000	-	-	50,000,000
17/08/2020	30/12/2022	\$0.0331	-	20,000,000	-	-	20,000,000
17/08/2020	30/12/2022	\$0.0465	-	1,000,000	-	-	1,000,000
02/10/2020	30/12/2022	\$0.0250	-	20,000,000	-	-	20,000,000
14/12/2020	30/06/2021	\$0.0500	-	40,000,000	-	(40,000,000)	-
22/12/2020	31/12/2023	\$0.0500	-	15,000,000	-	-	15,000,000
			<u>10,000,000</u>	<u>146,000,000</u>	<u>-</u>	<u>(50,000,000)</u>	<u>106,000,000</u>

Weighted average exercise price \$0.0750 \$0.0357 \$0.0000 \$0.0550 \$0.0270

30 June 2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
12/06/2019	30/07/2020	\$0.0750	10,000,000	-	-	-	10,000,000
			<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>

Weighted average exercise price \$0.0750 \$0.0000 \$0.0000 \$0.0000 \$0.0750

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	30 June 2021 Number	30 June 2020 Number
12/06/2019	30/07/2020	-	10,000,000
04/08/2020	30/12/2022	50,000,000	-
17/08/2020	30/12/2022	21,000,000	-
02/10/2020	30/12/2022	20,000,000	-
		<u>91,000,000</u>	<u>10,000,000</u>

The weighted average share price during the financial year was \$0.0281 (30 June 2020: \$0.0189).

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 36. Share-based payments (continued)

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.64 years (30 June 2020: 0.08 years).

(b) Performance Rights

During the year ended 30 June 2021, the Company issued performance rights to an employee. These were issued in three tranches, each with a vesting condition based on the announcement of specified copper discoveries, as follows:

- 1,000,000 performance rights to convert into Shares upon the announcement by the Company of drilling a 10m intercept of Cu at 1.5% (or Cu equivalent).
- 2,000,000 performance rights to convert into Shares upon the announcement by the Company of a JORC compliant resource (inferred or better) of 150,000t of Cu at 1% (or Cu equivalent).
- 2,000,000 performance rights to convert into Shares upon the announcement by the Company of a JORC compliant resource (inferred or better) of 300,000t of Cu at 1% (or Cu equivalent).

Set out below are summaries of performance rights granted and on issue at the end of the financial year:

	Number of rights 30 June 2021	Weighted average exercise price 30 June 2021	Number of rights 30 June 2020	Weighted average exercise price 30 June 2020
Outstanding at the beginning of the financial year	-	\$0.0000	-	\$0.0000
Granted	5,000,000	\$0.0000	-	\$0.0000
Outstanding at the end of the financial year	<u>5,000,000</u>	\$0.0000	<u>-</u>	\$0.0000

30 June 2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
04/02/2021	04/02/2024	\$0.0000	-	5,000,000	-	-	5,000,000
			-	5,000,000	-	-	5,000,000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 2.6 years (30 June 2020: not applicable).

(c) Valuation inputs

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
04/08/2020	30/12/2022	\$0.0130	\$0.0250	0.50%	-	0.25%	\$0.0014
17/08/2020	30/12/2022	\$0.0210	\$0.0331	0.50%	-	0.27%	\$0.0034
17/08/2020	30/12/2022	\$0.0320	\$0.0465	0.50%	-	0.26%	\$0.0058
02/10/2020	30/12/2022	\$0.0160	\$0.0250	0.50%	-	0.26%	\$0.0026
14/12/2020	30/06/2021	\$0.0330	\$0.0500	0.75%	-	0.11%	\$0.0125
14/12/2020	30/06/2021	\$0.0330	\$0.0500	0.75%	-	0.22%	\$0.0122
14/12/2020	30/06/2021	\$0.0330	\$0.0500	0.75%	-	0.11%	\$0.0117
14/12/2020	30/06/2021	\$0.0330	\$0.0500	0.75%	-	0.11%	\$0.0110
22/12/2020	31/12/2023	\$0.0270	\$0.0500	0.75%	-	0.10%	\$0.0086
22/12/2020	31/12/2023	\$0.0270	\$0.0500	0.75%	-	0.10%	\$0.0082
22/12/2020	31/12/2023	\$0.0270	\$0.0500	0.75%	-	0.10%	\$0.0076

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Notes to the financial statements
30 June 2021

Note 36. Share-based payments (continued)

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
04/02/2021	04/02/2020	\$0.0260	\$0.0000	0.75%	-	0.11%	\$0.0260

Accounting policy for share-based payments

Equity-settled share-based compensation benefits are provided to employees.

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

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

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

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

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

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

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

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

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Directors' declaration
30 June 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors



Robert Boston
Chairman

29 September 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Peak Minerals Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Peak Minerals Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the financial position of the Group as at 30 June 2021 and of its' financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates the Group had incurred a loss after tax of \$9,368,482 for the year ended 30 June 2021 and the net cash used in operating activities was \$3,712,195. At balance date the Group had a cash balance of \$474,879. As stated in the Note, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

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



For personal use only

Valuation of non-current assets - exploration and evaluation

Why Significant	How our audit addressed the key audit matter:
<p>Gold Assets</p> <p>On 12 August 2021, the Group announced the spinout of its non-core gold assets. This involved the Group divesting the interest it holds in the Hill End and Hargraves gold assets to Vertex Minerals Limited in consideration for 15 million fully paid ordinary shares in Vertex and \$207,500 cash, both to be finalised post IPO. The Group also intends, subject to regulatory approvals, to undertake an in-specie distribution of the equity stake back to its shareholders as well as providing the shareholders with a priority offer to participate in Vertex' IPO of up to 7.5 million Vertex shares or \$1.5 million.</p> <p>Although the Group has assessed the status of the gold assets as viable, they have also considered the need for the carrying value of those assets to be adjusted to reflect the expected value of the gold assets at spin out date based on an arm's length transaction between the group and its shareholders as previously announced. Therefore, although the spin out was decided upon and announced after 30 June 2021, it is regarded as an adjusting event after the reporting period and as such it was concluded that the spin out consideration provided evidence of the recoverable amount of the gold assets at balance date. All the above resulted in an impairment of the gold assets of \$1,735,717 to reflect the final value of the gold assets in the amount of \$3,085,628. This amount corresponds with the spin out consideration of 15 million shares at 20 cents (\$3,000,000 plus a cash payment of \$207,500 less the property and plant and equipment of \$121,872)</p> <p>The assessment of indicators of impairment is complex and highly judgemental. It includes modelling a range of assumptions and estimates that are impacted on by the expected future performance and market conditions. Accordingly, this matter was considered to be a key audit matter.</p>	<p>Our audit procedures comprised of mainly but not limited to the following:</p> <ul style="list-style-type: none"> Assessing the current status of holding for all the Group's tenements and review of documentation to substantiate the renewal of expired licences. Reviewed the Group's accounting records and supporting documentation to ensure the valuation of the gold assets reflects the expected value of the gold assets at spin out date. Evaluation of the valuation methodology and other relevant factors applied in determining the recoverable amount, the appropriate level of impairment and impairment indicators. Review of the criteria and assumptions applied by management in assessing the valuation.

For personal use only

Why Significant	How our audit addressed the key audit matter:
<p>Yendon Alumina Project</p> <p>During the half year to 31 December 2020 the Group identified indicators of impairment relating to the alumina project as a consequence of the focus being on the copper and gold projects.</p> <p>Based on this assessment it was determined that it was not likely the Group would progress the project in the short term. It was therefore concluded that the carrying value be reduced to an estimated recoverable amount which was assessed to be \$100,000.</p> <p>The assessment of indicators of impairment and reversal of impairment is complex and highly judgemental. It includes modelling a range of assumptions and estimates that are impacted on by the expected future performance and market conditions. Accordingly, this matter was considered to be a key audit matter.</p>	<p>Our audit procedures comprised of mainly but not limited to the following:</p> <ul style="list-style-type: none"> • Reviewed the Group's accounting policy to ensure it met the requirements of AASB 6 – Exploration for and Evaluation of Mineral Resources. • Assessed the currency of holding for all the Group's tenements. • Evaluation of the valuation methodology and other relevant factors applied in determining the recoverable amount, the appropriate level of impairment and impairment indicators. • Review of the criteria and assumptions applied by management in assessing the valuation and challenging the director's assumptions that supported the evaluation of impairment indicators.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report.

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

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

For personal use only

Auditor's responsibility for the audit of the financial report

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

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

Report on the audit of the remuneration report


Opinion on the remuneration report

We have audited the remuneration report included on pages 14 to 20 of the Directors' Report for the year ended 30 June 2021. In our opinion, the remuneration report of Peak Minerals for the year ended 30 June 2021 complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Group are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Moyes Yong & Co Partnership
Chartered Accountants



William M Moyes – Partner
Dated: 29 September 2021



Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Shareholder information
30 June 2021

The shareholder information set out below was applicable as at 22 September 2021.

Corporate governance statement

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

Current on-market buy-back

There is no current on-market buy-back.

Distribution of equity securities

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

	Number of holders of unlisted options No.	Percentage of total unlisted options held by holders in this range %	Number of holders of listed options No.	Percentage of total listed options held by holders in this range %	Number of holders of ordinary shares No.	Percentage of ordinary shares held by holders in this range %
1 to 1,000	-	-	166	0.03	167	0.01
1,001 to 5,000	-	-	116	0.14	123	0.05
5,001 to 10,000	-	-	46	0.17	70	0.08
10,001 to 100,000	-	-	165	3.44	885	6.83
100,001 and over	5	100.00	144	96.23	751	93.03
	5	100.00	637	100.01	1,996	100.00
Holding less than a marketable parcel	-	-	-	-	696	-

In addition to the above equity securities, the Company has also on issue 5,000,000 unlisted performance rights, 100% of which are held by one holder.

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Shareholder information
30 June 2021

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
KITARA INVESTMENTS PTY LTD	47,760,001	7.77
KINGSLANE PTY LTD (CRANSTON SUPERANNUATION A/C)	20,000,001	3.25
SUNSET CAPITAL MANAGEMENT PTY LTD (SUNSET SUPERFUND A/C)	18,000,000	2.93
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,860,668	2.42
DC & PC HOLDINGS PTY LTD (DC & PC NEESHAM SUPER A/C)	14,000,000	2.28
MR ROBERT ANDREW JEWSON	10,385,000	1.69
COBRA INVESTMENTS PTY LTD	10,385,000	1.69
KENDALI PTY LTD	10,336,667	1.68
MR PETER ROMEO GIANNI	10,000,000	1.63
MOUBRAY PTY LTD (ROBERT HALLAS SF A/C)	8,498,500	1.38
CELTIC CAPITAL PTY LTD (THE CELTIC CAPITAL A/C)	7,000,000	1.14
AUSTRALIAN EXECUTOR TRUSTEES LIMITED (NO 1 ACCOUNT)	6,700,000	1.09
SISU INTERNATIONAL PTY LTD	6,379,251	1.04
CIRCE POINT PTY LTD (J R CRANSTON FAMILY A/C)	5,200,000	0.85
MR ANDREW NEIL TAYLOR	4,690,000	0.76
MONEX BOOM SECURITIES (HK) LTD (CLIENTS ACCOUNT)	4,392,320	0.71
B DAVID NOMINEES PTY LTD (NEVER SATISFIED S/F A/C)	4,160,000	0.68
MR YI GANG PAN	3,525,864	0.57
BLU BONE PTY LTD (THE SHARE TRADING A/C)	3,500,000	0.57
THEA MANAGEMENT PTY LTD (THEA FAMILY A/C)	3,500,000	0.57
	<u>213,273,272</u>	<u>34.70</u>

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Shareholder information
30 June 2021

	Options over ordinary shares - exercise price 2.5 cents; expiring 30 December 2022	Options over ordinary shares - exercise price 2.5 cents; expiring 30 December 2022
	Number held	% of quoted options issued
KITARA INVESTMENTS PTY LTD (KUMOVA #1 FAMILY A/C)	26,990,001	13.56
DC & PC HOLDINGS PTY LTD (DC & PC NEESHAM SUPER A/C)	16,232,061	8.15
KINGSLANE PTY LTD (CRANSTON SUPERANNUATION A/C)	10,000,001	5.02
ALITIME NOMINEES PTY LTD (HONEYHAM FAMILY A/C)	9,000,000	4.52
ANGKOR IMPERIAL RESOURCES PTY LTD (TURKISH BREAD S/F A/C)	8,404,996	4.22
SUNSET CAPITAL MANAGEMENT PTY LTD (SUNSET SUPERFUND A/C)	7,210,000	3.62
KENDALI PTY LTD	5,793,334	2.91
BLU BONE PTY LTD (THE SHARE TRADING A/C)	4,833,334	2.43
VALENCE HOLDINGS PTY LTD THE PW & CM STINTON (SUPERANNUATION FUND A/C)	4,044,000	2.03
FREYABEAR FHMN PTY LTD	4,035,000	2.03
HONEYBEE ANHM PTY LTD	4,035,000	2.03
HUNTERLAND HJDN PTY LTD	4,035,000	2.03
QUATTRO STAGIONE PTY LTD	4,035,000	2.03
CG NOMINEES (AUSTRALIA) PTY LTD	4,000,000	2.01
CIRCE POINT HOLDINGS PTY LTD (CIRCE POINT SUPER A/C)	4,000,000	2.01
CELTIC CAPITAL PTY LTD (THE CELTIC CAPITAL A/C)	3,840,000	1.93
MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN (MJ BAHEN SUPER FUND A/C)	3,333,334	1.67
RICHSHAM NOMINEES PTY LTD	3,000,000	1.51
FLORENTICUS PTY LTD	2,539,166	1.28
THE 5TH ELEMENT MCTN PTY LTD	2,300,000	1.16
	<u>131,660,227</u>	<u>66.15</u>

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued - exercise price \$0.0331, expiring 30 December 2022	20,000,000	3
Options over ordinary shares issued - exercise price \$0.0465, expiring 30 December 2022	1,000,000	1
Options over ordinary shares issued - exercise price \$0.05, expiring 31 December 2023	15,000,000	1
Performance rights - expiring 4 February 2024	5,000,000	1

The following person holds 20% or more of unquoted equity securities:

Name	Class	Number held
CG Nominees (Australia) Pty Ltd	Options over ordinary shares issued - exercise price \$0.05, expiring 31 December 2023	15,000,000

Peak Minerals Limited
(Formerly known as Pure Alumina Limited)
Shareholder information
30 June 2021

Substantial holders

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

	Ordinary shares Number held
Tolga Kumova and associated entities	45,339,252

Voting rights

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

Ordinary shares

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

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

Tenements

Description	Tenement number	Interest owned %
Hill End	Exploration Licence No 5868 (1992)	100
Hill End	Gold Lease No 5846 (1906)	100
Hill End	Mining Lease No 1116 (1973)	100
Hill End	Mining Lease No 1541 (1992)	100
Hill End	Mining Lease No 315 (1973)	100
Hill End	Mining Lease No 316 (1973)	100
Hill End	Mining Lease No 317 (1973)	100
Hill End	Mining Lease No 49 (1973)	100
Hill End	Mining Lease No 50 (1973)	100
Hill End	Mining Lease No 913 (1973)	100
Hill End	Mining Lease No 914 (1973)	100
Hill End	Mining Lease No 915 (1973)	100
Hargraves	Exploration Licence No 6996 (1992)	100
Chambers Creek	Exploration Licence No 8289 (1992)	100
Yendon	Exploration Licence No 5457	100
Yendon	Exploration Licence No 6428	100
Yendon	Retention Licence No RL6734	100
Copper Hills (WA)	Exploration Licence No E51/1716	100
Cork Tree (WA)	Exploration Licence No E52/3751	100
Kimberley South (WA)	Exploration Licence No E80/5442 (Application)	100
Kimberley South (WA)	Exploration Licence No E80/5283	100
Kimberley South (WA)	Exploration Licence No E80/5271	100
Kimberley South (WA)	Exploration Licence No E80/5371	100
Kimberley South (WA)	Exploration Licence No E80/5340	100
Kimberley South (WA)	Exploration Licence No E80/5081	100
Carson (WA)	Exploration Licence No E80/5580 (Application)	100
Carson (WA)	Exploration Licence No E80/5581 (Application)	100
Carson (WA)	Exploration Licence No E80/5582 (Application)	100
Carson (WA)	Exploration Licence No E80/5583 (Application)	100
Carson (WA)	Exploration Licence No E80/5625 (Application)	100
Carson (WA)	Exploration Licence No E80/5626 (Application)	100
Carson (WA)	Exploration Licence No E80/5627 (Application)	100
Carson (WA)	Exploration Licence No E80/5628 (Application)	100