

Alpha **HPA**

The Manager Companies - ASX Limited  
20 Bridge Street  
Sydney NSW 2000

**ASX: A4N**  
ASX Announcement  
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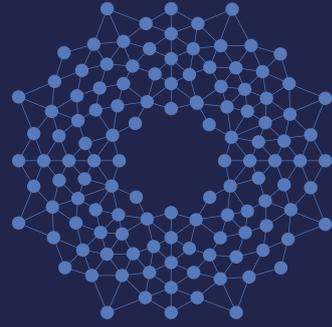
## **ANNUAL REPORT AND NOTICE OF AGM**

I attach the Company's Annual Report for the year ended 30 June 2022 and a copy of the Company's Notice of Annual General Meeting to be held on Wednesday, 23 November 2022 at 11.00am as being sent to shareholders today.

By the order of the Board.

Richard Edwards  
Company Secretary

pjn11406



Alpha **HPA**



**ANNUAL  
REPORT  
2022**

Alpha HPA Limited  
ABN 79 106 879 690

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# Chairman's Letter



Dear Fellow Shareholders

The last 12 months has seen another period of tremendous progress for the Company, with our vision of becoming a pre-eminent global pure aluminium materials business moving closer to reality.

In June last year we had just completed a \$50 million capital raising to fund the development of our Stage 1 Precursor Production Facility ('PPF'), a strategy designed to fast-track the delivery of our ultra-high purity precursor products to the global market. Just over a year later, our PPF facility is at lock-up stage and on schedule to commence commercial production of our aluminium nitrates and sulfates, to be sold into the Li-ion battery, sapphire glass, specialty ceramics and LED markets. The upcoming delivery of the Stage 1 PPF will represent a significant milestone in the Company's evolution and an achievement we can all be proud of.

With covid-related travel restrictions having eased in recent months, the Company has recently conducted marketing trips to Europe, the USA and Japan to further advance its growing number of maturing discussions with potential end-user offtake customers. Pleasingly, these discussions have seen many of our products being recognised as "best in class" in terms of purity with associated testwork delivering superior performance compared to incumbent products. We have also been encouraged that the establishment of new critical material supply chains are increasingly showing a preference for partners from Tier-1 jurisdictions with industry-leading low carbon footprints, both key thematic areas that will undoubtedly assist Alpha as it continues to present its products.

The technologies underwriting demand for Alpha's products will be key contributors to decarbonisation, with demand expected to build as global governments and industries increasingly recognise climate risks and support for Paris Agreement emission targets, which we support.

Not only is the Company receiving strong endorsements from potential end-users across our product range for the reasons outlined above, our project has attracted strong Federal Government grant support having been the successful applicant for \$45 million of funding assistance from the Modern Manufacturing Initiative and a further \$15.5 million from the Critical Minerals Accelerator Initiative. These grants reflect the future importance our project's products to the important trend of decarbonisation and the Company's commitment to contributing to the global emission reduction targets in the Paris Agreement.

With our PPF facility nearing completion and our product marketing providing strong encouragement for establishing a portfolio of high quality end-user customers, we head into the second half of 2022 with much to look forward to. Once again, I would like to extend my gratitude to our team led by Managing Director Rimas Kairaitis for their tireless efforts in advancing all facets of our business and to our loyal shareholders who continue to share our vision for what the HPA First Project can deliver to a decarbonising world.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Norman A. Seckold'.

Norman A. Seckold  
Chairman

# Review of Operations

## OVERVIEW

The Directors of Alpha HPA Limited ('Alpha' or 'the Company') and its subsidiaries ('the Group') submit their report for the year ended 30 June 2022 and the Auditor's report thereon.

Alpha is an ASX-listed specialty metals and technology company focused on commercialising its proprietary licenced solvent extraction ('SX') and refining technology to produce High Purity Alumina ('HPA') and related products for use in the burgeoning lithium-ion battery ('Li-B') and light emitting diode ('LED') lighting markets. The Company intends to commercialise its technology through the delivery of its HPA First Project within the Gladstone State Development Area in Queensland, Australia.

The year under review saw the Company make significant progress across a number of key workstreams critical to the successful development of its HPA First Project. Key milestones and achievements include:

- ▶ Binding, definitive agreements signed with Orica Australia Pty Ltd ('Orica') for supply of chemical reagents and sale of by-products to/from the HPA First Project in Gladstone with the agreement covering an initial 10 year term with optional 10 year term by mutual agreement.
- ▶ Term sheet executed for feedstock supply with Rio Tinto Aluminium ('RTA').
- ▶ Amended Queensland State Government approval received for both the Stage 1 PPF and Stage 2 full scale facility on the same site.
- ▶ Land acquisition settlement for the HPA First Project finalised.
- ▶ Environmental Authority ('EA') approval from the Queensland Government; issued for both Stage 1 and Stage 2.
- ▶ FEED study progressed by Worley and multiple equipment supply contracts awarded.
- ▶ Statement of co-operation signed with the Queensland Government and other manufacturing-industry participants towards net zero emissions.
- ▶ REACH registration process commenced for imports to the European Union.
- ▶ Stage 1 PPF construction well advanced ahead of anticipated commencement of commissioning in 2022.
- ▶ Multiple product orders received covering the full spectrum of the Company's high purity aluminium products.
- ▶ Multiple small scale commercial sales orders received covering the full spectrum of the Company's high purity aluminium products.
- ▶ Government grant support - \$45 million from the Modern Manufacturing Initiative for capital expenditure towards the full scale commercial facility of the HPA First Project and \$15.5 million from the Critical Minerals Accelerator Initiative for the immediate expansion of the product range and production capacity in the Stage 1 PPF.
- ▶ NAIF strategic assessment approval received and overall Project funding materially advanced.
- ▶ Lender due diligence advanced.
- ▶ Reclassification approved to the 'Commodity Chemicals' subgroup of the broader ASX 'Materials Sector'.
- ▶ Divestment of the Company's interests in both the Collierina and Wonogiri exploration projects.

## HPA FIRST PROJECT: STAGE 1 - PPF

Over the course of full year under review, the Company continued to make substantial progress on the Stage 1 PPF component of the HPA First Project. Following a successful capital raising in June 2021 the PPF is fully funded to production and represents the acceleration of commercial production and cashflows through the Company's ultra-high purity aluminium precursors.

At year end, significant progress was made across multiple workstreams as detailed below.

### Facility building at lock-up stage

Cladding and roofing of the PPF building is complete with roller door access installed.

### All major mechanical process equipment on site and installed

Filter presses, raw material feed equipment, aluminium nitrate product bagging station and all production modules are installed. The control room was delivered to site and is currently being installed.

### Piping connections underway and solution pumps in place

All process modules pipework progressing well. Solvent extraction ('SX') piping is 80% complete and pumps are in place. Reagent pumping and pipework installation is on track.

### First phase electrical installation near completion

Interior and exterior lighting is installed and operating. Wiring of the main switchboard to the motor controls centres is underway and the CCTV contract has been awarded.

### Landscaping and civil works near completion

All bitumen and concrete roads are in place, stormwater swales are operational and working as intended. Basic landscaping works are now complete.

### Administrative and laboratory building fabrication near completion

The main administration and laboratory building was installed in August 2022.

### Ancillary contracts awarded

Contracts were awarded for flue duct fabrication, cable trays, concrete coating, filter cloths, chemical hoses, mobile fleet and insulation boards.

### Operational readiness activities ramping up

The PPF operations leadership team, initially based in Brisbane for training, have commenced relocation to Gladstone. Hiring of operations staff has received a strong response from local applicants and operating procedures and training documentation is well underway.



► Stage 1 PPF building at lockup stage

# Review of Operations



► Stage 1 PPF - preliminary earthworks



► Interior lighting installed and energised with process equipment deliveries continuing



► Completed mechanical installation of solvent extraction (SX) circuits



► Installation of PPF reagent tanks

## Potable water connection in place

The site has now been connected to potable water under the supply contract with the Gladstone Area Water Board.

## Upscaled PPF throughput

In advancing the Stage 1 PPF design and construction, Alpha identified and elected to capture a number of opportunities through the PPF design and fabrication stages to materially upscale the capacity of the PPF. This decision was based on marketing feedback suggesting larger volumes on Al-nitrate precursor could be placed into the market if available. Changes adopted to increase throughput include:

- increased tank sizes;
- large diameter hard piping; and
- upgraded process control system.

As a result of these changes, the capacity of the PPF will be expanded by approximately 75% and is expected to be in excess of 350 tonnes per annum ('tpa') on an Al-nitrate basis, scaled up from 200tpa.

## Common infrastructure

Alpha also decided to take the opportunity to upscale key infrastructure installation to allow for common use of this infrastructure with both the Stage 1 PPF and the future Stage 2 facility. Common infrastructure installations include:

- high performance fibre optics data link;
- firewater tankage, pumping and piping;
- septic facilities;
- potable water connections; and
- grid power connections.

## PPF budget update

As a result of the above decisions, Alpha increased the PPF capital expenditure ('CapEx') budget by approximately \$7.9M to accommodate the following:

- upscaled tankage, piping and process control systems to allow for PPF capacity increase;
- additional engineering hours to allow for increased PPF capacity; and
- increased earthworks and civils budget, to allow for larger volumes of clean fill and concrete.

The advancement and completion of many of these workstreams now sees the PPF on track for commissioning in 2022. Furthermore, following the Company's approval for grant funding under the Federal Government Critical Minerals Accelerator Initiative, the PPF will have scope to further expand its production capacity across a mix of precursor and alumina products.



## HPA FIRST PROJECT: STAGE 2 - FULL SCALE PROJECT

In parallel with the PPF, the 2022 financial year saw the Company maintain a number of workstreams directed at completing the remaining conditions precedent to the full scale HPA First Project final investment decision.

Material developments to the advancement of the full scale project are outlined below.

### Definitive agreements signed with Orica

In August 2021, the Company executed binding, definitive agreements with Orica Australia Pty Ltd ('Orica') which describe the commercial terms and technical obligations of both Orica and Alpha on the supply of process reagents and the offtake of process by-product to/from Alpha's HPA First Project and Orica's Yarwun manufacturing facility within the Gladstone State Development Area.

The nature of the HPA First Project process is such that the utilisation of reagents and the manufacture of by-product is highly complementary to the existing processes in operation at the Orica Yarwun facility. The agreements secure the commitment from both Orica and Alpha to leverage the process synergies to unlock the value from both companies' projects.

In summary, the agreements comprise:

- ▶ **A Project Implementation Agreement ('PIA'):** The PIA describes the capital investment obligations of the parties and the scope for project commissioning and reagent and by-product validation trials. The parties' capital investment obligations include:
  - ▶ Alpha: The construction of the full scale HPA First Project.
  - ▶ Orica: The construction of the piping, tankage and process controls required to deliver reagents to, and receive by-product from, the HPA First Project.

- ▶ **A Supply and Offtake Agreement ('SOA'):** The SOA describes the pricing, volume and product delivery of the process reagents and the process by-product, as well as the technical details of by-product management and quality assurance and control protocols.

The agreements confirm a 10 year initial term with an optional extension of 10 years by mutual agreement.

### FEED study

During the year, Alpha appointed Worley to progress the Front-End Engineering and Design ('FEED') process for the full scale HPA First Project, with key tasks including:

- ▶ risk assessment;
- ▶ CapEx review of Orica interface;
- ▶ constructability review;
- ▶ schedule review;
- ▶ cost range and contingency analysis;
- ▶ schedule risk analysis; and
- ▶ review of key equipment packages including crystalliser and dryer/calciner.

The FEED study was based off the March 2021 Definitive Feasibility Study, with study outputs under review ahead of a scenario modelling exercise based on a range of updated product mixes informed by the Company's marketing activities.

# Review of Operations

## Long lead items – vendor engineering

Alpha has progressed the commencement of vendor engineering with preferred vendors of the key long lead items with respect to the HPA First Project, namely:

- ▶ the solvent extraction area;
- ▶ the HPA drying and calcining package; and
- ▶ the by-product concentration area.

## Term sheet executed for feedstock supply

Alpha signed a term sheet with Rio Tinto Aluminium ('RTA') for the supply of aluminium bearing feedstock to the HPA First Project from the RTA owned and operated Yarwun Alumina Refinery in Gladstone. Alpha and RTA are now working on the feedstock supply agreement for both the Stage 1 PPF and the full scale HPA First Project.

## NAIF strategic assessment approval received

In September 2021, the Northern Australia Infrastructure Facility ('NAIF') advised that the HPA First Project had successfully completed the Strategic Assessment Phase. Accordingly, the NAIF has committed further resources to detailed Project due diligence with Alpha currently working with NAIF to provide the required information to complete this process.

## Final draft ITE (Bankers' Engineers) reports received

During November 2021, Alpha received final draft reports from the Independent Technical Expert ('ITE' or 'Bankers' Engineers') as a key component to the lender due diligence.

## Lender due diligence advanced

Alpha continues to advance the lender due diligence process. Following the completion of technical Independent Technical Engineer ('ITE') reports and the third party, independent Environment & Social ('E&S') reports, Alpha has now provided lenders with third party CO<sub>2</sub> modelling data and updated Project marketing status.

## Product optimisation

Alpha has substantially progressed a study on the full scale facility to accommodate marketing feedback and indicative product demand. The optimised Project will include higher volumes of aluminium precursors and capacity to deliver specific products to the sapphire glass, Li-B, LED and catalyst sectors. The reconfigured HPA First Project product scenarios will form the final basis for Project financing.

## FEDERAL GOVERNMENT GRANT FUNDING SUPPORT

### Modern Manufacturing Initiative

In March 2022, the Commonwealth Department of Industry, Science, Energy and Resources approved the Company's application for grant funding under the Modern Manufacturing Initiative - Collaboration Stream ('MMI-C').

The MMI-C grant will see \$45 million of grant funding applied toward the capital expenditure of the full scale HPA First Project. Alpha was the lead applicant, with the grant application supported by Orica Australia Pty Ltd ('Orica') as joint applicant. The business collaboration between Alpha and Orica forms a part of the HPA First Project and complementary and 10% of the grant proceeds will flow to Orica to offset their capital expenditure required to support the HPA First Project.

### Critical Minerals Accelerator Initiative

In April 2022, Alpha was approved for further grant funding of up to \$15.5 million under the Critical Minerals Accelerator Initiative ('CMAI') program.

The \$15.5 million CMAI grant, which is distinct from the \$45 million MMI-C grant, will be applied toward immediately expanding and accelerating the production capability of the Stage 1 PPF.

Specifically, this CMAI grant funding will be directed towards:

- ▶ further expanding PPF production capacity of high purity aluminium precursors;
- ▶ facilitating up to 10tpa of additional capacity of HPA production;
- ▶ facilitating up to 10tpa of additional capacity of High Purity Boehmite production;
- ▶ facilitating the addition of tableting capacity to produce HPA tablets for sapphire glass growth; and
- ▶ installation of a large rooftop solar array and battery storage capacity.

## PRODUCT MARKETING

Throughout the 2022 financial year, Alpha continued a highly active product marketing program with end-users including a number of engagements to mature commercial negotiations.

The Company undertook a series of marketing trips to existing and prospective customers in the EU, USA and Japan. These trips provided for direct interface with purchasing and R&D teams and the collection of product testwork, accelerating end-user engagement.

### Key market outreach and product marketing themes

A number of dominant themes have emerged from Alpha's market outreach and product marketing, which have reaffirmed Alpha's competitive advantages and are highly constructive to securing product sales and offtake agreements, including:

- ▶ Critical material supply chains are being re-organised in response to COVID-19 supply shocks, geo-political tensions and a greater end-user focus on ethical and low-carbon supply.
- ▶ Alpha's products have been recognised by a number of end-users as "best in-class" purity. Three of Alpha's products (Boehmite, Al-nitrate and Al-sulfate) are considered best in class purity with the Company's HPA equivalent to the highest purity materials available. Additionally, in nearly all cases where testwork has been completed, Alpha's higher purity materials are delivering superior performance in testwork results.
- ▶ Re-shoring of critical manufacturing, particularly electronics, semiconductors and lithium-ion battery manufacturing to the EU and the USA.
- ▶ An industry-leading low CO<sub>2</sub> footprint with Alpha's CO<sub>2</sub> modelling showing a +60% reduction on CO<sub>2</sub> emissions per unit of HPA when measured against the incumbent HPA production process (the alkoxide process). Most end-user counterparties with which Alpha is interfacing have stated commitments to lower carbon or zero carbon supply chains by 2030.
- ▶ Having the Stage 1 PPF in construction phase and the availability of Al-precursors in calendar 2022 followed by commercial volumes in 2023 is proving a key catalyst for end-users to accelerate product testing and commercial engagement with Alpha.
- ▶ The increasing trends of geographic supply chain diversification and preferences for partners in Tier-1 jurisdictions continues to assist Alpha in presenting its product offering.
- ▶ Recent Federal Government support via the \$45 million MMI-C and \$15.5 million CMAI grants is providing strong validation of the HPA Project and its ultra-high purity products ability to contribute to the global trend of decarbonisation.



# Review of Operations

## Product Marketing Summary

A summary of Alpha's product marketing status and highlights at year end is presented below:

### Product orders

As the Company expands its marketing reach and progresses through product qualification through key end-users it continues to manufacture and distribute test samples across the full range of our product offering. This process validates the continued operation of Alpha's Brisbane facility and the Company's commitment to product development.

- ▶ Over 55 sample orders received and/or delivered during the year.
- ▶ End user testing included the following applications:
  - ▶ Sapphire glass, for optics and LED lighting applications
  - ▶ Li-B separator coatings
  - ▶ Li-B cathode synthesis
  - ▶ Li-B anode coatings
  - ▶ LED phosphor synthesis
  - ▶ Powders for semi-conductor wafer polishing
  - ▶ Specialty ceramics
  - ▶ Micro-LED phosphor synthesis
  - ▶ Specialty catalysts
  - ▶ Coatings for tube lighting
  - ▶ Synthesis of medical laser crystals

## Product sales

A component of product marketing also includes small volume product sales to facilitate potential for larger volumes by specific end users and/or chemical catalogue businesses. Sales include:

- ▶ 25kg of 5N aluminium-nitrate precursor (US\$50/kg) to clients of Rhineland Specialties, USA.
- ▶ 19kg Al-nitrate precursor (US\$310/kg) for sales into a global research chemical web catalogue. In reaching this arrangement, Alpha is now well placed to receive bulk orders generated from research work from this catalogue.
- ▶ 30kg ultrafine HPA powders (A\$40/kg) for an Australian domestic customer. A successful application of this order is also expected to generate longer term, high value product orders.
- ▶ 50kg of 5N aluminium-nitrate precursor (US\$50/kg) for medical laser crystal manufacture.

## Product supply bids

As product testwork progresses through qualification testing by end users, Alpha is progressively supplying pricing bids and delivery terms for negotiation.



## PRODUCT DEVELOPMENT

Throughout the 2022 financial year, Alpha continued to receive inbound end-user requests for new product development. Alpha's process flexibility and continuous operation of the Brisbane demonstration facility provides the opportunity to rapidly adjust process conditions to deliver new product specifications.

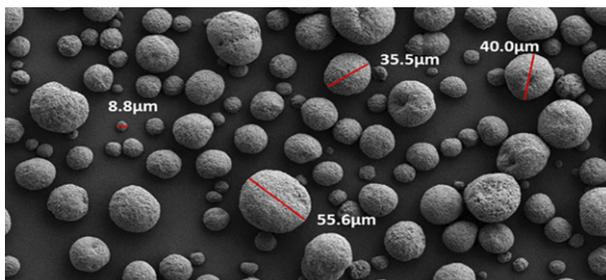
### New products developed

Alpha's technical team continues to expand its range of high purity aluminium products following a product development phase and interface with end-users and research groups. The expanded high purity offering is now forming part of the Company's continued market outreach and further demonstrates the capacity of Alpha's process flexibility.

New product development over the course of the 2022 financial years include:

#### Low surface area aluminas and boehmites

Alpha successfully developed low surface area (spherical) ultra-high purity boehmites following a high-volume inbound enquiry from a large European manufacturing business. Alpha has since translated this process to high purity alpha aluminas.



► Scanning electron microscope (SEM) image of spherical boehmite powder

#### Ultra-high purity, high dispersible boehmites

Alpha has developed ultra-high purity (>99.995%) boehmites with very high dispersibility (>98%). This product has been developed from inbound demand from several potential customers.

High dispersible boehmites are used in sol-gel applications in the manufacture of high value, specialty aluminas, including nano-aluminas and alumina for translucent ceramics.



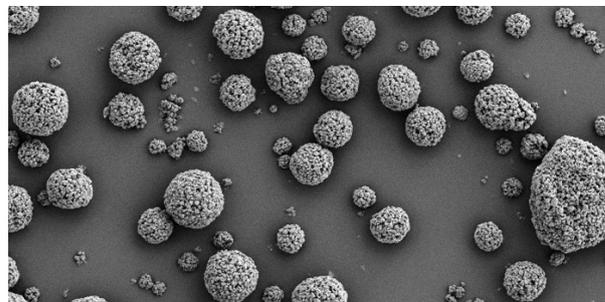
► Sol-gel formation from high dispersible boehmite

Alpha is very selective on new product development requests and is careful to allocate product development resources only in circumstances where there is a clear commercial benefit on a successful outcome.

#### Spherical gamma alumina for catalysts

Alpha has developed a new spherical gamma alumina powder product in response to both inbound demand and research organizations.

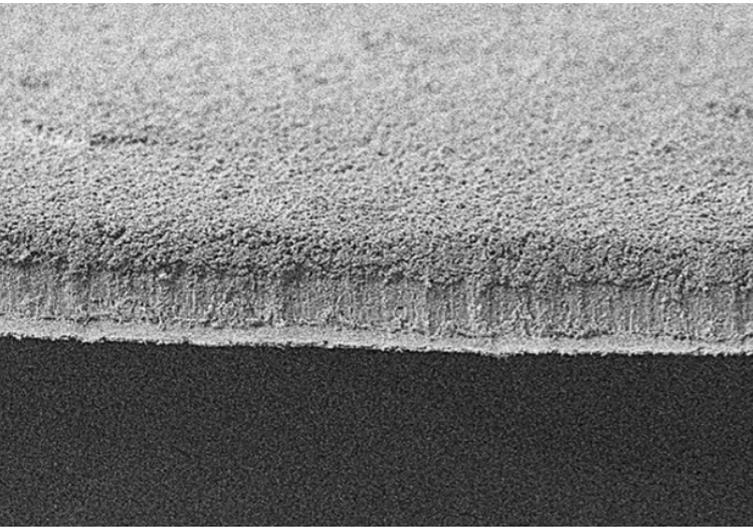
Gamma alumina is a very high surface area alumina used as a medical and petrochemical catalyst. Product test samples have been dispatched to Germany and Japan for testwork. Like a number of other Alpha's product offerings, the Company is not aware of any higher purity gamma alumina products.



► SEM image of Alpha's spherical gamma alumina



# Review of Operations



▶ Alpha's HPA coated separator (courtesy FBICRC)

## High purity nano-alumina process confirmed

Following extended product development work, Alpha has confirmed a process for the manufacture of ultra-fine high-purity 'nano'-alumina, with a p50 particle sizing of 300-500 nanometres. The process was developed following multiple end-user requests, predominantly for the use in manufacturing CMP polishing (semi-conductors), micro-LED phosphors and lithium-ion battery electrode (cathode and anode) particle coatings.

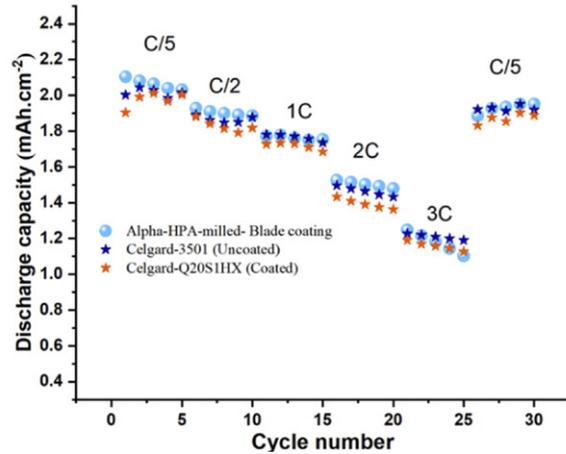
Alpha has shipped seven samples of high-purity nano-alumina, with a further seven product test orders under manufacture in Brisbane.

## Alpha's products delivering outperformance in testwork

Alpha's product marketing continues to collect positive feedback from various end-user product testwork, building validation for the company's products and process.

End-user and research feedback includes:

- ▶ Successful synthesis of nano-phosphors for micro-LED's using Alpha's high purity Al-nitrates. The development of cheap, nano scale LED phosphors is a technology pre-requisite for the wide market adoption of micro-LEDs. Testing by a leading EU based lighting technology group has shown nano-phosphors synthesised using Alpha's Al-nitrate materials are outperforming phosphors made with comparison materials.
- ▶ High transparency coatings on tube lights using Alpha's high purity aluminas. Testwork by a leading EU based lighting OEM has shown Alpha's materials delivering superior performance in comparison to incumbent raw materials.



▶ Alpha's HPA coated separator - improved cycling performance (courtesy FBICRC) against industry benchmark (Celgard)

In each case, completion of next stage testwork has good potential for high value future demand.

Sapphire glass end-users have confirmed the quality of glass grown from Alpha's HPA feedstock meets their highest quality standards. Beyond the standing product orders, Alpha remains in discussions with sapphire glass growers to accelerate its ability to supply sintered HPA pellets to this market following significant supply disruption in Russia.

Alpha is also strongly encouraged by early stage testwork from the Australian based Future Battery Industries Cooperative Research Centre ('FBICRC'), showing electrochemical performance of lithium-ion battery separators coated with Alpha's HPA's are matching or slightly outperforming recognised industry standards.

## CORPORATE ACTIVITIES

### Industry Reclassification

During the year, the Company was reclassified to sit within the 'Commodity Chemicals' subgroup of the broader ASX Materials Sector, changing its Industry classification within the Materials Industry Group from Metals and Mining to Chemicals.

Having announced the divestment of its interests in its Collierina Project tenements in NSW, and no longer having any metals or mining related business interests, the Company received approval from S&P Global Ratings for its revised reclassification. The ASX uses the Global Industry Classification Standard method of categorising companies.

### FBICRC Cathode Precursor Pilot Plant

During the year, the FBICRC announced that it had signed contracts with a consortium of leading local, national and international companies, the WA Government, contractors and academic institutions to design and commission a Cathode Precursor Production Pilot Plant in Western Australia.

The Company is one of 19 participant groups alongside internationally recognised names such as BASF, BHP and IGO to be working within the FBICRC program to advance the creation of the Australian lithium-ion battery materials industry.

Alpha is a financial participant as well as the supplier of high purity aluminium-sulphate precursors to the FBICRC cathode pilot plant.

### Statement of co-operation with the Queensland Government

In November 2021 the Company became a signatory to the Statement of Co-operation with respect to the Queensland Government and Central Queensland industries co-operating toward net zero emission manufacturing.

The Statement of Co-operation is designed to secure the future competitiveness of Queensland, adding value to a natural energy advantage to drive employment and economic outcomes for Queensland by focusing on three areas:

- ▶ Committing to industry by establishing certainty for current and future industry participants and growing demand.
- ▶ Delivering a globally competitive energy solution that is centred around firm, low-carbon electricity for industry.
- ▶ Growing the industries of the future in Central Queensland by creating an enabling regulatory environment, strengthening regional skills and employment to lower capital intensity, and planning for the infrastructure to enable industry development.

Alpha joined existing industry signatory Rio Tinto, and new signatory Orica on the Statement of Co-operation.

### Brisbane Facility

In March 2022, Alpha's Demonstration facility in Brisbane was impacted by flooding following a period of extended heavy rainfall. The Brisbane facility produces a range of products for end-user qualification testwork, small scale product sales and vendor testwork.

The majority of the process equipment was either unaffected by the flood or recoverable, however, some items of process equipment were lost and required replacement at an estimated cost of approximately \$250,000.

Most of the Company's high purity product stockpiles were unaffected, with Alpha retaining the following product inventory to service product marketing enquiries:

- ▶ 93kg of 5N purity Al-nitrate precursor.
- ▶ 46kg of 4N+ purity alpha alumina.
- ▶ 33.5kg of 4N+ purity gamma alumina.
- ▶ 65kg of 4N+ purity intermediate products.

Following the flooding event the Company made the decision to relocate its Demonstration facility. New premises have now been secured with operations having been successfully re-established at the new location. The larger premises house both Alpha's Brisbane based operations and commercial teams.

### REACH registration process commenced for imports to the EU

During the year, the Company commenced the REACH registration process required for the import of specialty chemicals, including aluminium precursors and alumina, into the European Union. The registration process is administered by the European Chemical Agency and is expected to complete prior to the end of CY22.

### Collierina Project divestment

During the year, the Company completed the divestment of the Company's interest in the Collierina Project tenements in NSW to ASX listed Helix Resources Ltd ('Helix').

Under the terms of the binding letter, Helix acquired Alpha's interests in EL8768 and EL8703 ('the Tenements') from Alpha's 100%-owned subsidiary Solindo Pty Ltd ('Solindo').

Consideration for the divestment was the issue to Alpha of 20 million Helix shares and Helix granting Alpha a 1.0% Net Smelter Return Royalty on all metals from the Tenements.

# Review of Operations

## Wonogiri Project divestment

During the year, the Company completed the divestment of its 45% interest in the Wonogiri Project to ASX listed Far East Gold ('FEG'). Consideration for the divestment was 17.1 million FEG shares and \$50,000 cash.

## Grant of Options

In May 2022, the Company granted 12 million options to key operations employees, each exercisable to acquire one fully paid ordinary share for \$0.90 at any time post vesting up to 30 April 2025. One third of the options vested on grant date, one third will vest on 30 April 2023 and one third will vest on 30 April 2024.

## FY21 R&D rebate of \$2.0 million received

Subsequent to the end of the year, the Company received a \$2.0 million R&D rebate, for activities related to the HPA First Project in the 2021 financial year.

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Alpha accepts the science of climate change and are committed to contributing to the decarbonisation of the Australian/Global economy. The technologies underwriting demand for Alpha's products will be key contributors to decarbonisation, with demand expected to build as global governments and industries increasingly recognise climate risks and support for Paris Agreement emission targets.

Our business model and the demand for our product is complementary to the global movement toward decarbonisation. As such, consideration of climate change has driven the development of our business model. We have a heightened awareness of the climate risks and opportunities which are central to our business case and will report in line with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD').

To support our first TCFD disclosure, we have completed a high level review of our practices and the current alignment of disclosures with the TCFD recommendations. Our approach includes benchmarking using high level risk assessment and management review and identification of potential climate related risks and opportunities.

We understand, as we begin our journey to better assess and integrate climate related risk that this is a dynamic process, requiring evolution and re-iteration. This initial, high level review has identified a range of opportunities to further develop and strengthen our approach to climate change risks in going forward.

## Strategy

To further understand the impact that climate change could have on our business, we have performed a high level assessment of the impact of 2°C and 4°C global warming scenarios on our current business model.

Under a 2°C scenario, our key risks include reputational and legal risks associated with a lack of climate risk disclosure, as well as financial risks due to energy use and carbon pricing.

Under a 4°C scenario, key aspects of the risks relate to impacts on key suppliers, supply chain disruptions and health impacts on our staff.

In response, Alpha has already moved proactively to secure an MOU with renewable energy provider CleanCo, to secure up to 100% renewable energy supply to both the Stage 1 PPF and the Stage 2 full scale Project.

## Risk Management

We aim to ensure that our risk management process is dynamic and that the top climate change risks and emerging risks, as they evolve, are identified, managed and incorporated into our existing risk management processes.

Alpha recognises the risk of climate change to society and the inherent need to decarbonise the economy as a key step to mitigating its worst impacts.

Our risk management process and governance appropriately consider these risks and informs the Company's decarbonisation strategy.

## Metrics and Targets

Using external consultants, Alpha has completed a detailed assessment of the CO<sub>2</sub> emissions profile of the HPA First Project, incorporating the terms of a Memorandum of Understanding with CleanCo in which up to 100% of renewable energy supply will be provided to Alpha.

The carbon footprint for the HPA First Project - process baseline is 9.54t CO<sub>2</sub> per tonne of HPA produced, representing a 45% reduction in CO<sub>2</sub> emissions per tonne of HPA produced compared to the incumbent HPA manufacturing process (Alkoxide process) which emits 17.13t CO<sub>2</sub> per tonne of HPA produced.

Using 100% renewable energy, the HPA First Project is 5.04t CO<sub>2</sub> per tonne of HPA produced, representing a 70.5% reduction in CO<sub>2</sub> emissions per tonne of HPA produced compared to the incumbent HPA manufacturing process (Alkoxide process) which emits 17.13t CO<sub>2</sub>e per tonne of HPA produced.

## CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders. The Company has reviewed its corporate governance practises against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2022 Corporate Governance Statement is dated as at 31 August 2022 and reflects the corporate governance practises throughout the 2022 financial year. The 2022 Corporate Governance Statement was approved by the Board on 31 August 2022. A description of the Company's current corporate governance practises is set out in the Company's Corporate Governance Statement which can be viewed at: [www.alphahpa.com.au/index.cfm/about-us/](http://www.alphahpa.com.au/index.cfm/about-us/)



# Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising of Alpha HPA Limited ('Alpha' or 'the Company'), and its controlled entities for the financial year ended 30 June 2022 and the Auditor's report thereon.

## Directors

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

Norman Seckold	-	Chairman
Rimas Kairaitis	-	Managing Director
Peter Nightingale	-	Director and CFO
Cameron Peacock	-	Non-Executive Director
Anthony Sgro	-	Non-Executive Director
Justin Werner	-	Non-Executive Director

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

## Company Secretary

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

## Principal Activities

The Company's principal focus over the last 12 months has been advancing the commercialisation of its proprietary solvent extraction and refining technology to produce a range of high purity aluminium products for sale into the lithium-ion battery and LED battery markets.

During the 12 months, a significant change in the nature of these activities was the decision to commit to the construction of a Precursor Production Facility to help fast-track the production of the HPA First Project's two ultra-high purity aluminium precursor products, being aluminium nitrate and aluminium sulfate.

## Financial Results

The loss of the Group for the financial year after providing for income tax amounted to \$7,359,124 (2021 - \$16,317,100 loss).

## Review of Operations

A review of the Group's operations for the year ended 30 June 2022 is set out in the Review of Operations.

## Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend in respect of the financial year ended 30 June 2022. No dividends have been paid or declared during the financial year (2021 - \$nil).

## Environmental Regulations

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

## Significant Changes in State of Affairs

In the opinion of the Directors, significant changes in the state of affairs of the Group that occurred during the year ended 30 June 2022 were as follows:

- ▶ Binding, definitive agreements signed with Orica Australia Pty Ltd for supply of chemical reagents and sale of by-products to/from the HPA First Project in Gladstone. The agreement covers an initial 10 year term with optional 10 year term by mutual agreement.
- ▶ Reclassification approved to the 'Commodity Chemicals' subgroup of the broader ASX Materials Sector.
- ▶ In February 2022, the Company increased the throughput capacity of the PPF by approximately 75% and is expected to be in excess of 350tpa on an AL-nitrate basis, scaled up from 200tpa.
- ▶ Government grant support - \$45 million from the Modern Manufacturing Initiative for capital expenditure towards the full scale commercial facility of the HPA First Project and \$15 million from the Critical Minerals Accelerator Initiative for the immediate expansion of the product range and production capacity in the Stage 1 PPF.
- ▶ The Company completed the divestment of the Wonogiri and Collierina projects, with the Company receiving 171 million shares in Far East Gold Limited and \$50,000 cash as consideration for its interest in the Wonogiri project and 20 million Helix Resources Limited shares and a 1.0% Net Smelter Return Royalty on all metals from the Collierina tenements as consideration for its interest in the Collierina project.

## After Balance Date Events

In August 2022, the Company received a \$2.0 million R&D rebate for activities related to the HPA First Project in the 2021 financial year.

Other than the matters outlined above, no matters or circumstances have arisen since the end of the reporting period, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

# Directors' Report

## Information on Directors



**Norman Alfred Seckold**  
Chairman

Director since 30 November 2009.

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney and has spent more than 35 years in the full time management of natural resource companies, both in Australia and overseas.

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

Mr Seckold is currently Chairman of ASX listed Sky Metals Limited and Santana Minerals Ltd and Deputy Chairman of ASX listed Nickel Industries Limited.

**Other current listed company directorships:** Nickel Industries Limited, Santana Minerals Ltd and Sky Metals Limited.

**Former directorships in the last three years:** None.

**Interests in shares and options:** 67,291,194 shares indirectly held as at the date of this report.



**Rimas Kairaitis**  
Managing Director

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

Mr Kairaitis is a geologist with over 24 years' experience in minerals exploration and project development in gold, base metals and industrial minerals. In his most recent role, Mr Kairaitis was founding Managing Director and CEO of Aurelia Metals (ASX: AMI), which he steered from a junior exploration company IPO to a profitable NSW based gold and base metals producer.

Mr Kairaitis led the geological field teams to the discovery of the Tomingley and McPhillamy's gold deposits in NSW and steered the Hera gold-lead-zinc Project from discovery through to successful commissioning and commercial production.

Mr Kairaitis is a member of the Nomination Committee and the Remuneration Committee.

**Other current listed company directorships:** Sky Metals Limited.

**Former directorships in the last three years:** Great Western Exploration Ltd.

**Interests in shares and options:** 9,200,000 shares directly held and 660,000 shares indirectly held and 10,000,000 \$0.35 31 July 2023 unlisted options held directly as at the date of this report.



**Peter James Nightingale**  
Director and Chief Financial Officer

Director since 30 November 2009.

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

As a director or company secretary Mr Nightingale has, for more than 35 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia and the including Bolnisi Gold N.L. and Nickel Mines Limited (now Nickel Industries Limited). Mr Nightingale is currently a director of ASX listed Prospech Limited.

**Other current listed company directorships:** Prospech Limited.

**Former directorships in the last three years:** Nickel Industries Limited.

**Interests in shares and options:** 18,487,500 shares indirectly held and 3,000,000 \$0.35 31 July 2023 unlisted options held directly as at the date of this report.



**Anthony Sgro**  
Non-Executive Director

Director since 1 November 2017.

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

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

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

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

Mr Sgro serves as Chair of the Nomination and Remuneration Committees and is a member of the Audit and Risk Committee.

**Other current listed company directorships:** None.

**Former directorships in the last three years:** None.

**Interests in shares and options:** 3,750,000 shares directly held, 155,297 shares indirectly held and 3,000,000 \$0.35 31 July 2023 unlisted options held directly as at the date of this report.

# Directors' Report



**Justin Charles Werner**  
Non-Executive Director

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

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

Indonesia which was acquired by Padiham resources from Robust Resources Limited in November 2014.

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

Mr Werner is a member of the Audit and Risk Committee.

**Other current listed company directorships:** Far East Gold Limited and Nickel Industries Limited.

**Former directorships in the last three years:** None.

**Interests in shares and options:** 13,816,835 shares indirectly held and 3,000,000 \$0.35 31 July 2023 unlisted options held directly as at the date of this report.



**Cameron Peacock**  
Non-Executive Director

Director since 3 February 2021.

Cameron Peacock holds a Bachelor of Commerce Degree from the University of Western Australia, a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia and a Masters of Applied Finance from the University of Melbourne. Mr Peacock has more than 20 years' experience in numerous finance focused roles across banking,

private equity and equity capital markets. In his more recent roles as an Investor Relations and Business Development executive across several resource companies, he has been deeply involved in the preparation and execution of numerous large scale primary and secondary capital market transactions. He has an established network across the global resources and generalist investment funds and a well-established track record in assisting companies build and manage their institutional and retail investor bases.

Mr Peacock serves as Chair of the Audit and Risk Committee and is a member of the Nomination and Remuneration Committees.

**Other current listed company directorships:** None.

**Former directorships in the last three years:** None.

**Interests in shares and options:** 6,500,000 shares indirectly held and 2,000,000 \$0.35 31 July 2023 unlisted options held directly as at the date of this report.

## Company Secretary

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

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

## Meetings of Directors

Directors	Directors' Meetings		Audit and Risk Committee Meetings		Nomination Committee Meetings		Remuneration Committee Meetings	
	N° eligible to attend	N° eligible to attend	N° eligible to attend	N° eligible to attend	N° eligible to attend	N° eligible to attend	N° eligible to attend	N° eligible to attend
Norman Seckold	15	15	-	-	-	-	-	-
Rimas Kairaitis	15	15	-	-	2	2	-	-
Peter Nightingale	15	15	-	-	-	-	-	-
Cameron Peacock	15	15	1	1	2	2	1	1
Anthony Sgro	15	15	1	1	2	2	1	1
Justin Werner	15	15	1	1	-	-	1	1

## Directors' Interests

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

	Directly held	Indirectly held
Norman Seckold	-	67,291,194
Rimas Kairaitis	9,200,000	660,000
Peter Nightingale	-	18,487,500
Cameron Peacock	-	6,500,000
Anthony Sgro	3,750,000	155,297
Justin Werner	-	13,816,835
<b>Total</b>	<b>12,950,000</b>	<b>106,910,826</b>

# Directors' Report

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

	Directly held	Indirectly held
Norman Seckold	-	-
Rimas Kairaitis	10,000,000	-
Peter Nightingale	3,000,000	-
Cameron Peacock	2,000,000	-
Anthony Sgro	3,000,000	-
Justin Werner	3,000,000	-
<b>Total</b>	<b>21,000,000</b>	-

## Unissued Shares Under Option

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

Number of options	Exercise price	Expiry date
26,000,000	\$0.35	31 July 2023
5,000,000	\$0.35	30 September 2023
11,440,000*	\$0.90	30 April 2025

\* Subsequent to the end of the year 560,000 unvested options forfeited following an employee ceasing employment with the Company.

## Shares Issued on Exercise of Options

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

Number of Shares	Amount paid on each share
16,800,000	\$0.30

In addition, a further 201,653 shares were issued in January 2022 following a share based payment modification through a cashless conversion of options and subsequent to the end of the financial year a further 4,950,000 shares were issued in a further share based modification through a cashless conversion of options.

## Indemnification of Officers and Auditor

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

## Proceedings on Behalf of the Company

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

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

## Non-audit Services

During the year ended 30 June 2022 KPMG, the Company's auditor, has performed other services in addition to their statutory audit duties.

	2022 \$	2021 \$
Auditors of the Company - KPMG:		
Audit of annual and review of interim financial reports - KPMG	137,614	111,750
R&D incentive claim services	36,225	35,000
Debt advisory services	193,277	258,273
Other services fees	133,316	-
	500,432	405,023

The Directors are satisfied that the provision of non-audit services, during the 2022 year, by the auditor, or by another person or firm on the auditor's behalf, is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001 (Cth)*.

The Directors are of the opinion that these services, do not compromise the external auditor's independence for the following reasons:

- ▶ all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- ▶ none of the services undermine the general principles relating to auditor independence, as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

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

The lead auditor's independence declaration is set out on page 26 as required under section 307C of the *Corporations Act 2001 (Cth)*.

## Remuneration Report - (Audited)

### Principles of Compensation - (Audited)

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

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

There were no remuneration consultants used by the Group during the year ended 30 June 2022, or in the prior year.

# Directors' Report

## Details of Remuneration for the Year Ended 30 June 2022 - (Audited)

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

Key management personnel	Year	Short term	Post-employment	Other benefits	Termination benefit	Share based payments	Total	Proportion of remuneration performance related %	Value of options as a % of remuneration
		Salary and fees \$	Super-annuation \$			Options \$			
Norman Seckold	2022	90,000	-	-	-	-	90,000	-	-
	2021	90,000	-	-	-	-	90,000	-	-
Rimas Kairaitis	2022	492,000	-	-	-	495,571	987,571	-	50.18
	2021	462,000	-	-	-	1,713,883	2,175,883	-	78.77
Peter Nightingale	2022	90,000	-	-	-	148,671	238,671	-	62.29
	2021	90,000	-	-	-	514,165	604,165	-	85.10
Cameron Peacock <sup>1</sup>	2022	40,000	-	-	-	48,669	88,669	-	54.89
	2021	16,667	-	-	-	86,335	103,002	-	83.82
Anthony Sgro	2022	40,000	-	-	-	148,671	188,671	-	78.80
	2021	40,000	-	-	-	514,165	554,165	-	92.78
Justin Werner	2022	40,000	-	-	-	148,671	188,671	-	78.80
	2021	40,000	-	-	-	514,165	554,165	-	92.78
Robert Williamson	2022	315,833	31,583	48,244	-	295,375	691,035	-	42.74
	2021	294,999	28,025	22,692	-	273,240	618,956	-	44.15
Total	2022	1,107,833	31,583	48,244	-	1,285,628	2,473,288	-	51.98
	2021	1,033,666	28,025	22,692	-	3,615,953	4,700,336	-	76.93

<sup>1</sup> Appointed as Director 3 February 2021

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

## Consequences of Performance on Shareholder Wealth - (Audited)

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

	2022	2021	2020	2019	2018
Loss attributable to owners of the Company	\$7,359,124	\$16,274,742	\$9,345,494	\$10,054,498	\$1,770,554
Dividends paid	Nil	Nil	Nil	Nil	Nil
Change in share price	(\$0.140)	\$0.380	\$0.060	\$0.016	\$0.077
Return on capital employed <sup>(1)</sup>	(15%)	(32%)	(90%)	(242%)	(17%)

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

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

## Movement in Shares - (Audited)

No shares were granted to key management personnel during the reporting period as compensation in 2022 or 2021. The movement during the reporting period in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Key management personnel	Held at 1 July 2021	Purchased	Sales	Held at 30 June 2022
Norman Seckold	67,291,194	-	-	67,291,194
Rimas Kairaitis	7,160,000	-	-	7,160,000
Peter Nightingale	16,612,500	-	-	16,612,500
Cameron Peacock	5,400,000	200,000	-	5,600,000
Anthony Sgro	3,155,297	-	-	3,155,297
Justin Werner	12,316,835	-	-	12,316,835

Key management personnel	Held at 1 July 2020	Purchased / Option Conversion	Sales	Held at 30 June 2021
Norman Seckold	67,291,194	-	-	67,291,194
Rimas Kairaitis	3,100,000	10,060,000	(6,000,000)	7,160,000
Peter Nightingale	16,612,500	-	-	16,612,500
Cameron Peacock*	5,100,000	300,000	-	5,400,000
Anthony Sgro	3,155,297	-	-	3,155,297
Justin Werner	12,316,835	-	-	12,316,835

# Directors' Report

## Movement in Options - (Audited)

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

	Held at 1 July 2021	Granted/ Purchased	Exercised	Expired	Held at 30 June 2022	Vested and Exercisable at 30 June 2022
Rimas Kairaitis	20,000,000	-	-	-	20,000,000	16,666,667
Peter Nightingale	6,000,000	-	-	-	6,000,000	5,000,000
Cameron Peacock	4,000,000	-	-	-	4,000,000	3,333,333
Anthony Sgro	6,000,000	-	-	-	6,000,000	5,000,000
Justin Werner	6,000,000	-	-	-	6,000,000	5,000,000
Robert Williamson	3,000,000	2,040,000	-	-	5,040,000	2,680,000

	Held at 1 July 2020	Granted/ Purchased	Exercised	Expired	Held at 30 June 2021	Vested and exercisable at 30 June 2021
Rimas Kairaitis	20,000,000	10,000,000	10,000,000	-	20,000,000	10,000,000
Peter Nightingale	3,000,000	3,000,000	-	-	6,000,000	3,000,000
Cameron Peacock	4,000,000 <sup>(1)</sup>	2,000,000 <sup>(1)</sup>	2,000,000 <sup>(1)</sup>	-	4,000,000	2,000,000
Anthony Sgro	3,000,000	3,000,000	-	-	6,000,000	3,000,000
Justin Werner	3,000,000	3,000,000	-	-	6,000,000	3,000,000
Robert Williamson	-	3,000,000	-	-	3,000,000	1,000,000

<sup>(1)</sup> Options held, granted and exercised prior to appointment as a Director.

## Options granted as compensation - (Audited)

Details of options granted as compensation to each key management person during the year ended 30 June 2022:

Key Management Person	Grant Date	Number of Options Granted	Total Fair Value at Grant Date	Option Terms (Exercise Price and Term)
Robert Williamson	06/05/2022	2,040,000	\$550,800	\$0.90 at any time post vesting to 30/04/2025

The Company issued 12,000,000 \$0.90 options for no consideration with a grant date of 6 May 2022 and an expiry date of 30 April 2025 to employees including key management personnel of the Company. The fair value of the options granted was measured using a Black-Scholes formula. The model inputs of the options issued were the Company's share price of \$0.60 at the grant date, a volatility factor of 82.66% based on historical share price performance, a risk-free interest rate of 3.02% and no dividends paid.

The number of options that vested to key management personnel during the year ended 30 June 2022 is 15,680,000 (2021 – 15,000,000). No options lapsed during 2022 financial year (2021 - nil). Options issued to date at the discretion of the Board that have not yet vested have service conditions attached to them, which can be waived at the discretion of the Board.

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

No terms of equity-settled share-based payment transactions (including options granted as compensation to a key management person) have been altered or modified by the Company during the 2022 financial year.

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

There were no loans made to key management personnel or their related parties during the 2022 and 2021 financial years and no amounts were outstanding at 30 June 2022 (2021 - \$nil).

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

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

### Options granted

Director	Number	Date	% vested at year end	% forfeited at year end	Financial year in which grant vests
Rimas Kairaitis	10,000,000	28 November 2019	100%	-	1/3 in years 2020, 2021 and 2022
	10,000,000	19 November 2020	66.67%	-	1/3 in years 2021, 2022 and 2023
Peter Nightingale	3,000,000	28 November 2019	100%	-	1/3 in years 2020, 2021 and 2022
	3,000,000	19 November 2020	66.67%	-	1/3 in years 2021, 2022 and 2023
Anthony Sgro	3,000,000	28 November 2019	100%	-	1/3 in years 2020, 2021 and 2022
	3,000,000	19 November 2020	66.67%	-	1/3 in years 2021, 2022 and 2023
Justin Werner	3,000,000	28 November 2019	100%	-	1/3 in years 2020, 2021 and 2022
	3,000,000	19 November 2020	66.67%	-	1/3 in years 2021, 2022 and 2023
Cameron Peacock <sup>(1)</sup>	2,000,000 <sup>(1)</sup>	16 October 2019	100%	-	1/3 in years 2020, 2021 and 2022
	2,000,000 <sup>(1)</sup>	17 August 2020	66.67%	-	1/3 in years 2021, 2022 and 2023
Robert Williamson	3,000,000	17 August 2020	66.67%	-	1/3 in years 2021, 2022 and 2023
	2,040,000	6 May 2022	33.33%	-	1/3 in years 2022, 2023 and 2024

<sup>(1)</sup> Options were issued prior to appointment as a Director.

## Other transactions with key management personnel - (Audited)

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

Norman Seckold and Peter Nightingale hold a controlling interest in an entity, MIS Corporate Pty Limited (MIS<sup>1</sup>), which provided full administrative services, including administrative, accounting and investor relations staff both within Australia and Indonesia, rental accommodation, services and supplies, to the Group during the year. Fees charged by MIS during the year amounted to \$393,375 (2021 - \$389,750) which includes a monthly fee of \$25,000 per month, and reimbursement of consultant expenses incurred by MIS on behalf of the Group. At 30 June 2022, \$8,500 (2021 - \$7,563) was outstanding.

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

Signed at Sydney this 31st day of August 2022 in accordance with a resolution of the Board of Directors.



Rimas Kairaitis  
Managing Director

# Lead Auditor's Independence Declaration



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

To the Directors of Alpha HPA Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Alpha HPA Limited for the financial year ended 30 June 2022 there have been:

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

A handwritten signature of 'KPMG' in black ink.

KPMG

A handwritten signature of 'Stephen Board' in black ink.

Stephen Board  
*Partner*

Brisbane  
31 August 2022

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Notes	Consolidated	
		2022 \$	2021 \$
<b>Continuing operations</b>			
Sales revenue		38,739	-
Cost of sales		(25,773)	-
Other income	5	2,001,120	967,688
Gain on disposal of exploration projects	14	3,475,000	-
Gain/(loss) on investments	14	1,526,364	(26,480)
Administration and consultant expenses		(3,265,500)	(1,099,756)
Audit and legal fees	7	(341,367)	(450,938)
Depreciation expenses	7	(152,659)	(47,194)
Directors' and company secretarial fees		(393,333)	(700,667)
Share based payments	17	(2,456,097)	(4,840,835)
Research and development expenses		(7,740,653)	(7,301,886)
Exploration and evaluation expenditure		(1,575)	(58,299)
Impairment losses - exploration and evaluation expenditure	13	(40,000)	(2,187,625)
Loss on deconsolidation of Wonogiri project		-	(477,005)
<b>Operating loss before financing income</b>		<b>(7,375,734)</b>	<b>(16,222,997)</b>
Finance income	6	37,939	10,833
Finance expense	6	(21,329)	(104,936)
Net financing income/(expense)		16,610	(94,103)
<b>Loss before income tax expense</b>		<b>(7,359,124)</b>	<b>(16,317,100)</b>
Income tax expense	8	-	-
<b>Loss after income tax expense</b>		<b>(7,359,124)</b>	<b>(16,317,100)</b>
<b>Other comprehensive income for the year</b>			
<b>Items that may be classified subsequently to profit or loss</b>			
Foreign currency translation		-	(10,734)
<b>Total other comprehensive loss</b>		<b>-</b>	<b>(10,734)</b>
<b>Total comprehensive loss for the year</b>		<b>(7,359,124)</b>	<b>(16,327,834)</b>
<b>Loss is attributable to:</b>			
Owners of the Company		(7,359,124)	(16,274,742)
Non-controlling interest		-	(42,358)
<b>Loss for the year</b>		<b>(7,359,124)</b>	<b>(16,317,100)</b>
<b>Total comprehensive loss is attributable to:</b>			
Owners of the Company		(7,359,124)	(16,281,220)
Non-controlling interest		-	(46,614)
<b>Total comprehensive loss for the year</b>		<b>(7,359,124)</b>	<b>(16,327,834)</b>
<b>Earnings per share</b>			
<b>Basic and diluted loss per share (cents)</b>	9	<b>(0.93)</b>	<b>(2.34)</b>

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

# Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	Consolidated	
		2022 \$	2021 \$
<b>Current assets</b>			
Cash and cash equivalents	10	16,831,134	50,344,366
Trade and other receivables	11	3,153,883	538,888
Prepayments		241,959	122,127
Inventory		10,935	-
<b>Total current assets</b>		<b>20,237,911</b>	<b>51,005,381</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	28,295,635	293,916
Right-of-use-assets	12	493,946	52,949
Exploration and evaluation expenditure	13	-	380,000
Investments	14	5,328,802	37,438
Deposits		205,482	200,758
<b>Total non-current assets</b>		<b>34,323,865</b>	<b>965,061</b>
<b>Total assets</b>		<b>54,561,776</b>	<b>51,970,442</b>
<b>Current liabilities</b>			
Trade and other payables	15	7,155,272	1,630,479
Lease liability	12	213,573	54,243
<b>Total current liabilities</b>		<b>7,368,845</b>	<b>1,684,722</b>
<b>Non-Current liabilities</b>			
Lease liability	12	324,018	2,365
<b>Total current liabilities</b>		<b>324,018</b>	<b>2,365</b>
<b>Total liabilities</b>		<b>7,692,863</b>	<b>1,687,087</b>
<b>Net assets</b>		<b>46,868,913</b>	<b>50,283,355</b>
<b>Equity</b>			
Issued capital	16	101,716,126	99,799,748
Reserves	16	9,650,781	7,622,477
Accumulated losses		(64,497,994)	(57,138,870)
<b>Total equity attributable to equity holders of the Company</b>		<b>46,868,913</b>	<b>50,283,355</b>
Non-controlling interest		-	-
<b>Total equity</b>		<b>46,868,913</b>	<b>50,283,355</b>

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

# Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

Attributable to equity holders of the Group	Notes	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$	Non-controlling interest \$	Total equity \$
<b>Balance at 1 July 2020</b>		<b>48,038,551</b>	<b>3,807,438</b>	<b>(40,864,128)</b>	<b>10,981,861</b>	<b>(544,117)</b>	<b>10,437,744</b>
<b>Total comprehensive income for the year</b>							
Loss for the year		-	-	(16,274,742)	(16,274,742)	(42,358)	(16,317,100)
Total other comprehensive income		-	(6,478)	-	(6,478)	(4,256)	(10,734)
Total comprehensive loss for the year		-	(6,478)	(16,274,742)	(16,281,220)	(46,614)	(16,327,834)
<b>Transactions with owners recorded directly in equity</b>							
<b>Contributions by and distributions to owners of the Company</b>							
Issue of shares	16	53,400,000	-	-	53,400,000	-	53,400,000
Costs of issue	16	(2,635,835)	-	-	(2,635,835)	-	(2,635,835)
Fair value of options exercised during the period		997,032	(997,032)	-	-	-	-
Deconsolidation of subsidiaries		-	(22,286)	-	(22,286)	573,633	551,347
Share based payments	17	-	4,840,835	-	4,840,835	-	4,840,835
Contribution from non-controlling interest		-	-	-	-	17,098	17,098
<b>Balance at 30 June 2021</b>		<b>99,799,748</b>	<b>7,622,477</b>	<b>(57,138,870)</b>	<b>50,283,355</b>	<b>-</b>	<b>50,283,355</b>
<b>Balance at 1 July 2021</b>		<b>99,799,748</b>	<b>7,622,477</b>	<b>(57,138,870)</b>	<b>50,283,355</b>	<b>-</b>	<b>50,283,355</b>
Total comprehensive income for the year							
Loss for the year		-	-	(7,359,124)	(7,359,124)	-	(7,359,124)
Total comprehensive loss for the year		-	-	(7,359,124)	(7,359,124)	-	(7,359,124)
<b>Transactions with owners recorded directly in equity</b>							
<b>Contributions by and distributions to owners of the Company</b>							
Issue of shares	16	1,500,000	-	-	1,500,000	-	1,500,000
Costs of issue	16	(11,415)	-	-	(11,415)	-	(11,415)
Fair value of options exercised during the period	16	427,793	(427,793)	-	-	-	-
Share based payments	17	-	2,456,097	-	2,456,097	-	2,456,097
<b>Balance at 30 June 2022</b>		<b>101,716,126</b>	<b>9,650,781</b>	<b>(64,497,994)</b>	<b>46,868,913</b>	<b>-</b>	<b>46,868,913</b>

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

# Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Notes	Consolidated	
		2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Cash payments in the course of operations		(3,780,430)	(2,596,365)
Interest received		37,939	10,833
Interest paid		(20,612)	(5,368)
Advanced Manufacturing Growth Centre rebate		-	89,500
Government grants and incentive		-	872,266
<b>Net cash used in operating activities</b>	18	<b>(3,763,103)</b>	<b>(1,629,134)</b>
<b>Cash flows from investing activities</b>			
Payments for capital works in progress		(19,663,051)	(93,546)
Payments for research and development		(8,849,040)	(6,496,620)
Payments for plant and equipment		(28,834)	(139,178)
Payments for purchase of land		(2,648,851)	-
Proceeds from sale of Wonogiri Project		50,000	-
<b>Net cash used in investing activities</b>		<b>(31,139,776)</b>	<b>(6,729,344)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	16	1,500,000	53,400,000
Transaction costs on share issue		(11,415)	(2,558,750)
Repayment of lease liabilities		(98,221)	(40,465)
Contribution by non-controlling interest		-	17,098
<b>Net cash provided by financing activities</b>		<b>1,390,364</b>	<b>50,817,883</b>
<b>Net (decrease)/increase in cash held</b>		<b>(33,512,515)</b>	<b>42,459,405</b>
<b>Cash and cash equivalents at 1 July</b>		<b>50,344,366</b>	<b>7,984,529</b>
<b>Effect of exchange rate adjustments on cash held</b>		<b>(717)</b>	<b>(99,568)</b>
<b>Cash and cash equivalents at 30 June</b>	10	<b>16,831,134</b>	<b>50,344,366</b>

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

# Notes to the Consolidated Financial Statements

## 1 REPORTING ENTITY

Alpha HPA Limited (the 'Company') is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is a for-profit entity developing the HPA First Project, to produce High Purity Alumina for the battery and LED markets.

## 2 BASIS OF PREPARATION

### Statement of compliance

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

The consolidated financial statements were authorised for issue by the Directors on 31 August 2022.

### Basis of measurement

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

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

### Functional and presentation currency

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

### Use of estimates and judgements

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

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

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

- ▶ Note 2 Accounting for research and development activities, which involves distinguishing between research and development activities in accordance with AASB 138. Management have determined that the criteria to capitalise development costs for the full scale HPA First plant has not been met during the 2022 financial year.
- ▶ Note 8 Unrecognised deferred tax assets.
- ▶ Note 17 Share Based Payments

# Notes to the Consolidated Financial Statements

## 2 BASIS OF PREPARATION (CONT.)

### Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a loss after tax of \$7,359,124 (2021 - \$16,317,100), and had net cash outflows from operating activities, construction of the precursor plant facility and research and development expenditure of \$32,275,195 (2021 - \$8,219,300) for the year ended 30 June 2022.

The Group's main activity is development of the HPA First Project and as such it does not presently have a source of operating income, rather it is reliant on equity raisings or funds from other external sources to fund its activities.

The Directors have prepared cash flow projections for the period from 1 July 2022 to 31 August 2023 that support the ability of the Group to continue as a going concern. These cash flow projections assume net cash outflows from operating and investing activities will continue and the operational expenditures are maintained within available funding levels. In addition, the cash flow projections indicate sufficient funds are available for the Group to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the consolidated financial statements.

Accordingly, the consolidated financial statements for the year ended 30 June 2022 have been prepared on a going concern basis as, in the opinion of the Directors, the Group will be in a position to continue to meet its planned activities and operating costs and pay its debts as and when they fall due for at least twelve months from the date of this report.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by all entities in the Group.

### Basis of consolidation

#### Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### Non-controlling interest

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions.

#### Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Where a controlled entity issues shares to minority interests which does not result in loss of control by the Group, any gain or loss arising on the Group's interest in the controlled entity is recognised directly in equity.

#### Investments in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### Finance income and finance costs

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

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

### Exploration, evaluation and expenditure

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

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

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

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

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

### Research and development expenditure

Research related expenditure is expensed as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Otherwise, development expenditure is recognised in profit or loss when incurred.

# Notes to the Consolidated Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### Property, plant and equipment

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

#### Depreciation

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

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

Class of fixed asset	Depreciation rate	Depreciation basis
Office equipment	50%	Straight line

#### Construction in progress

The Group recognises plant construction in progress costs at cost in a construction in progress account. Once construction has been completed and the plant is in services, costs recognised as construction in progress will be transferred to the appropriate assets category within property, plant and equipment and depreciation charges will commence.

#### Government grants

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

#### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single measurement recognition and approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group's exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### *Financial instruments*

#### *Non-derivative financial assets*

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

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

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

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

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

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

# Notes to the Consolidated Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

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

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

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

### *Subsequent measurement and gains and losses*

**Financial assets at amortised cost** These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Equity instruments at FVOCI** These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

**Financial assets at FVTPL** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

### *Non-derivative financial liabilities*

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

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

Other financial liabilities comprise trade and other payables.

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### Tax

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

#### *Current tax*

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

#### *Deferred tax*

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

- ▶ temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- ▶ temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; or
- ▶ taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

#### **Cash and cash equivalents**

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

# Notes to the Consolidated Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### Goods and services tax (GST)

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

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

### Impairment

#### Financial instruments

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

- ▶ Financial assets measured at amortised cost;

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

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

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

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

#### Foreign currency transactions

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

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

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

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### Foreign operations

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

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

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

### Segment reporting

#### *Determination and presentation of operating segments*

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

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

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

### Employee benefits

#### *Short-term employee benefits*

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

#### *Share-based payment transactions*

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

# Notes to the Consolidated Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### Provisions

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

### Site restoration

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

### New standards and interpretations not yet 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 Group for the annual reporting period ended 30 June 2021. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

A number of new standards, amendments to standards and interpretations are able to be early adopted for annual periods beginning after 1 July 2022 and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

## 4 DETERMINATION OF FAIR VALUES

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

### Equity securities

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

### Share-based payment transactions

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

# Notes to the Consolidated Financial Statements

## 5 OTHER INCOME

	Consolidated	
	2022 \$	2021 \$
R&D tax rebate	2,001,120	852,266
AMGC credit	-	89,500
Cash boost stimulus	-	20,000
Other	-	5,922
	<b>2,001,120</b>	<b>967,688</b>

## 6 FINANCE INCOME AND FINANCE COSTS

### Recognised in profit or loss

Interest income on cash deposits	37,939	10,833
Interest expense – lease liability	(20,612)	(5,368)
Foreign exchange gain/(loss)	(717)	(99,568)
Net finance income/(expense) recognised in profit or loss	<b>16,610</b>	<b>(94,103)</b>

## 7 LOSS FOR THE YEAR

### Loss before income tax expense has been determined after:

Depreciation of non-current assets		
- Plant and equipment	14,452	3,070
- Right of use asset	138,207	44,124
Depreciation expense	<b>152,659</b>	<b>47,194</b>
Audit of annual and review of interim financial statements	137,614	111,750
Legal fees	203,753	339,188
Audit and legal fees	<b>341,367</b>	<b>450,938</b>

# Notes to the Consolidated Financial Statements

## 8 INCOME TAX

### Current tax expense

	Consolidated	
	2022 \$	2021 \$
Current year	(1,163,792)	(860,872)
Tax losses not recognised	1,163,792	860,872
	-	-

### Numerical reconciliation of income tax expense to prima facie tax payable:

Loss before tax	(7,359,124)	(16,317,100)
Prima facie income tax benefit at the Australian tax rate of 25%(2021- 26%)	(1,839,781)	(4,242,446)
Increase in income tax expense due to:		
Non-deductible expenses	115,720	1,034,029
Tax losses not recognised	1,163,792	860,872
Effect of net deferred tax assets not brought to account	560,269	2,347,545
Income tax expense	-	-

### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Taxable temporary differences (net)	2,081,875	2,763,711
Tax losses	5,669,233	4,207,093
Net	7,751,108	6,970,084

Deferred tax assets have not been recognised in respect of these items because it is not considered probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. All tax losses relate to Australia and do not expire. To utilise these tax losses, the Group must meet requirements in relation to continuity of ownership or same business.

# Notes to the Consolidated Financial Statements

## 9 LOSS PER SHARE

Basic and diluted loss per share have been calculated using:

Net loss for the year attributable to equity holders of the Company

Consolidated	
2022	2021
\$	\$

**(7,359,124)** (16,274,742)

Weighted average number of ordinary shares (basic and diluted)

- Issued ordinary shares at the beginning of the year
- Effect of shares issued on 20 October 2020
- Effect of shares issued on 29 October 2020
- Effect of shares issued on 4 June 2021
- Effect of shares issued on 9 June 2021
- Effect of shares issued on 22 June 2021
- Effect of shares issued on 13 July 2021
- Effect of shares issued on 29 September 2021
- Effect of shares issued on 4 January 2022
- Effect of shares issued on 6 January 2022

N° of shares N° of shares

<b>790,284,971</b>	680,375,880
-	1,391,781
-	6,712,329
-	147,945
-	5,479,452
-	123,288
<b>1,934,247</b>	-
<b>753,425</b>	-
<b>98,340</b>	-
<b>964,384</b>	-
<b>794,035,366</b>	694,230,675

Weighted average number of shares at the end of the year

As the Group is loss making, none of the potentially dilutive securities are currently dilutive. Details on the 84,600,000 options on issue are set out in Note 16.

## 10 CASH AND CASH EQUIVALENTS

Cash at bank

**16,831,134** 50,344,366

Cash and cash equivalents in the statement of cash flows

**16,831,134** 50,344,366

## 11 TRADE AND OTHER RECEIVABLES

Current

GST receivable

**1,113,876** 502,189

R&D rebate receivable

**2,001,120** -

Other receivables

**38,887** 36,699

**3,153,883** 538,888

Consolidated	
2022	2021
\$	\$

# Notes to the Consolidated Financial Statements

## 12 PROPERTY, PLANT AND EQUIPMENT & LEASE

### PROPERTY, PLANT AND EQUIPMENT

#### Furniture and fittings

	Consolidated	
	2022 \$	2021 \$
Furniture and fittings - cost	46,601	17,767
Accumulated depreciation	(18,953)	(4,501)
Net book value	<u>27,648</u>	<u>13,266</u>

#### Construction in progress

Construction in progress - cost	25,619,136	280,650
Net book value	<u>25,619,136</u>	<u>280,650</u>

#### Land

Land - cost	2,648,851	-
Net book value	<u>2,648,851</u>	<u>-</u>

#### Total property, plant and equipment

	<u>28,295,635</u>	<u>293,916</u>
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Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below.

#### Furniture and fittings

Carrying amount at the beginning of the year	13,266	3,137
Additions	28,834	13,199
Depreciation	(14,452)	(3,070)
Net book value	<u>27,648</u>	<u>13,266</u>

#### Construction in progress

Carrying amount at the beginning of the year	280,650	-
Additions	27,987,337	280,650
Net book value	<u>28,267,987</u>	<u>280,650</u>

Construction in progress expenditure relates to the construction of the Precursor Production Facility.

# Notes to the Consolidated Financial Statements

## 12 PROPERTY, PLANT AND EQUIPMENT & LEASE (CONT.)

### Land

Carrying amount at the beginning of the year

- -

Additions

**2,648,851** -

Net book value

**2,648,851** -

### LEASE

#### Right of use assets

Right of use assets

Right of use assets - cost

**676,277** 97,073

Accumulated depreciation

**(182,331)** (44,124)

Net book value

**493,946** 52,949

#### Right of use assets

Carrying amount at the beginning of the year

**52,949** -

Additions

**579,204** 97,073

Depreciation

**(138,207)** (44,124)

Net book value

**493,946** 52,949

#### Lease liability

Current

**213,573** 54,243

Non-current

**324,018** 2,365

Total lease liability

**537,591** 56,608

# Notes to the Consolidated Financial Statements

Consolidated	
2022 \$	2021 \$

## 13 EXPLORATION AND EVALUATION EXPENDITURE

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

New South Wales – opening balance	<b>380,000</b>	2,556,925
Additions	-	10,700
Provision for impairment	<b>(80,000)</b>	(2,187,625)
Reversal of impairment	<b>40,000</b>	-
Disposal of the Collerina project	<b>(340,000)</b>	-
Net book value	-	380,000

During the year the Company completed the divestment of the Collerina project to Helix Resources Limited ('Helix'). Consideration was 20,000,000 Helix shares and Helix granting the Company a 1.0% Net Smelter Return Royalty on all metals from EL8768 and EL8703. Given the inherent uncertainty in value the Net Smelter Return Royalty, which is contingent upon the future development of the project, the Directors determined that the carrying value of the Collerina project at 30 June 2021 would be impaired to the level of the Helix shares to be granted on the date of signing the conditional agreement on 1 September 2021, given this was the best estimate of the recoverable amount of the project at 30 June 2021. Subsequently at 31 December 2021, with the divestment not yet complete an \$80,000 impairment charge was recognised based on the value of 20,000,000 Helix shares at that date, \$40,000 of which was reversed when the disposal was finalised.

## 14 INVESTMENTS - SHARES AT FAIR VALUE

Opening balance	<b>37,438</b>	63,918
Share consideration received for disposal of the Collerina Project	<b>340,000</b>	-
Share consideration received for disposal of the Wonogiri Project	<b>3,425,000</b>	-
Unrealised gain/(loss)	<b>1,526,364</b>	(26,480)
Closing balance	<b>5,328,802</b>	37,438

In February 2022 the divestment of the Collerina project to Helix was completed (see Note 13 for additional information).

In March 2022, following the successful initial public offering of Far East Gold Limited ('FEG'), the divestment of the Company's 45% interest in the Wonogiri project to FEG was completed. As consideration Alpha received 17,125,000 shares in FEG, value at \$3,425,000 at the FEG IPO offer price and \$50,000 in cash.

## 15 TRADE AND OTHER PAYABLES

### Current

Trade creditors	<b>4,969,956</b>	1,387,268
Sundry creditors and accruals	<b>2,185,316</b>	243,211
	<b>7,155,272</b>	1,630,479

# Notes to the Consolidated Financial Statements

Consolidated	
2022	2021
\$	\$

## 16 CAPITAL AND RESERVES

### Share capital

795,486,624 (2021 - 790,284,971) fully paid ordinary shares **101,716,126** 99,799,748

Ordinary shares	2022		2021	
	N° of shares	\$	N° of shares	\$
Balance at the beginning of the year	<b>790,284,971</b>	<b>99,799,748</b>	680,375,880	48,038,551
Issue of shares	-	-	90,909,091	50,000,000
Exercise of options	<b>5,201,653</b>	<b>1,927,793</b>	19,000,000	4,397,032
Costs of issue	-	<b>(11,415)</b>	-	(2,635,835)
Balance at the end of the year	<b>795,486,624</b>	<b>101,716,126</b>	790,284,971	99,799,748

### 2021/2022

During the year ended, the Company issued 5,000,000 shares at \$0.30 each for cash totalling \$1,500,000, following the exercise of 5,000,000 \$0.30 options. The grant date fair value of the share options exercised transferred from reserves to share capital was \$400,054. Share issue costs totalled \$10,024.

Additionally the Company issued 201,653 shares following the cashless conversion of 400,000 \$0.30 options. The grant date fair value of the share options exercised transferred from reserves to share capital was \$27,739. Share issue costs totalled \$1,391.

### 2020/2021

In June 2021 the Company issued 90,909,091 shares at \$0.55 each for cash totalling \$50,000,000. There were no amounts unpaid on the shares issued. Share issue costs totalled \$2,617,232.

In June 2021 the Company issued 2,000,000 shares at \$0.30 each for cash totalling \$600,000 following the exercise of 2,000,000 \$0.30 options, and 5,000,000 shares at \$0.20 each for cash totalling \$1,000,000 following the exercise of 5,000,000 \$0.20 options. The grant date fair value of the share options exercised transferred from reserves to share capital was \$466,432. Share issue costs totalled \$10,382.

In October 2020 the Company issued 12,000,000 shares at \$0.15 each for cash totalling \$1,800,000, following the exercise of 12,000,000 \$0.15 options. The grant date fair value of the share options exercised transferred from reserves to share capital was \$530,600. Share issue costs totalled \$8,221.

### Terms and conditions - shares

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

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

# Notes to the Consolidated Financial Statements

## 16 CAPITAL AND RESERVES (CONT.)

### Nature and purpose of reserves

#### Option premium reserve

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

#### Foreign currency translation reserve

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

	Consolidated	
	2022 \$	2021 \$
Option premium reserve	9,631,502	7,603,198
Foreign currency translation reserve	19,279	19,279
	<b>9,650,781</b>	<b>7,622,477</b>
<b>Movements during the period</b>		
<b>Option premium reserve</b>		
Balance at beginning of period	7,603,198	3,759,395
Share options issued – share based payments	2,456,097	4,840,835
Exercise of options	(427,793)	(997,032)
Balance at end of period	9,631,502	7,603,198
<b>Foreign currency translation reserve</b>		
Balance at beginning of period	19,279	48,043
Currency translation differences	-	(28,764)
Balance at end of period	19,279	19,279
<b>Non-controlling interests</b>		
Balance at beginning of period	-	(544,117)
Current period loss	-	(42,358)
Share of foreign currency translation reserve	-	18,030
Contribution by non-controlling interest	-	17,098
Deconsolidation of PT Alexis Perdana Mineral	-	551,347
Balance at end of period	-	-

# Notes to the Consolidated Financial Statements

## 16 CAPITAL AND RESERVES (CONT.)

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

Exercise Period	Exercise Price	Opening Balance 1 July 2021 Number	Options Issued Number	Options (Expired/Exercised) Number	Closing Balance 30 June 2022 Number
On or before 31 July 2022	\$0.20	10,000,000	-	(5,400,000)	4,600,000
On or before 31 July 2022	\$0.30	37,000,000	-	-	37,000,000
On or before 31 July 2023	\$0.35	26,000,000	-	-	26,000,000
On or before 30 September 2023	\$0.35	5,000,000	-	-	5,000,000
On or before 30 April 2025	\$0.90	-	12,000,000	-	12,000,000

Exercise Period	Exercise Price	Opening Balance 1 July 2020 Number	Options Issued Number	Options (Expired/Exercised) Number	Closing Balance 30 June 2021 Number
On or before 31 October 2020	\$0.15	12,000,000	-	(12,000,000)	-
On or before 31 July 2022	\$0.20	10,000,000	-	-	10,000,000
On or before 30 June 2021	\$0.20	5,000,000	-	(5,000,000)	-
On or before 31 July 2022	\$0.30	39,000,000	-	(2,000,000)	37,000,000
On or before 31 July 2023	\$0.35	-	26,000,000	-	26,000,000
On or before 30 September 2023	\$0.35	-	5,000,000	-	5,000,000

## 17 SHARE BASED PAYMENTS

During the year ended 30 June 2022, 5,400,000 \$0.30 options were exercised. In addition, the following options were issued:

- ▶ The Company issued 12,000,000 \$0.90 options for no consideration with a grant date of 6 May 2022 and an expiry date of 30 April 2025, to employees of the Company. The fair value of the options granted is measured using a Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. The fair value of the options granted was \$3,240,000. The Black-Scholes formula model inputs were the Company's share price of \$0.60 at the grant date, a volatility factor of 82.66% (based on historical share price performance), a risk-free interest rate of 3.02% and a dividend yield of 0%. One third of the options vested on grant date, 1/3 vest on 30 April 2023 and 1/3 vest on 30 April 2024. A share based payment expense of \$1,330,391 was taken up during the year ended 30 June 2022.

During the year ended 30 June 2021, 12,000,000 \$0.15 options, 5,000,000 \$0.20 options and 2,000,000 \$0.30 options were exercised. In addition, the following options were issued:

- ▶ The Company issued 5,000,000 \$0.35 options for no consideration with a grant date of 17 August 2020 and an expiry date of 30 September 2023, to key consultants of the Company. The fair value of the options granted is measured using a Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. The fair value of the options granted was \$600,000. The Black-Scholes formula model inputs were the Company's share price of \$0.22 at the grant date, a volatility factor of 101.84% (based on historical share price performance), a risk-free interest rate of 0.27% and a dividend yield of 0%. The options vested on grant date.
- ▶ The Company issued 7,000,000 \$0.35 options for no consideration with a grant date of 17 August 2020 and an expiry date of 31 July 2023, to key consultants and employees of the Company. The fair value of the options granted is measured using a Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. The fair value of the options granted was \$812,000. The Black-Scholes formula model inputs were the Company's share price of \$0.22 at the grant date, a volatility factor of 101.84% (based on historical share price performance), a risk-free interest rate of 0.27% and a dividend yield of 0%. One third of the options vested on grant date, 1/3 vest on 31 July 2021 and 1/3 vest on 31 July 2022. A share based payment expense of \$162,671 was taken up during the year ended 30 June 2022.

# Notes to the Consolidated Financial Statements

## 17 SHARE BASED PAYMENTS (CONT)

- ▶ The Company issued 19,000,000 \$0.35 options for no consideration with a grant date of 19 November 2020 and an expiry date of 31 July 2023, to directors of the Company, following shareholder approval at the Company's Annual General Meeting. The fair value of the options granted is measured using a Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. The fair value of the options granted was \$3,857,000. The Black-Scholes formula model inputs were the Company's share price of \$0.34 at the date at which shareholder approval for the grant was received, a volatility factor of 102.72% (based on historical share price performance), a risk-free interest rate of 0.11% and a dividend yield of 0%. One third of the options vested on grant date, 1/3 vest on 31 July 2021 and 1/3 vest on 31 July 2022. A share based payment expense of \$915,019 was taken up during the year ended 30 June 2022.

Consolidated	
2022	2021
\$	\$

## 18 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

### Cash flows from operating activities

Loss from ordinary activities after income tax	<b>(7,359,124)</b>	(16,317,100)
Adjustments for:		
Depreciation	<b>152,659</b>	47,194
Exploration & evaluation expenses	<b>1,575</b>	58,299
Revaluation of investment	<b>(1,526,364)</b>	26,480
Loss on deconsolidation	-	477,005
Impairment losses – E&E	<b>40,000</b>	2,187,625
Gain on disposal of projects	<b>(3,475,000)</b>	-
Share based payments	<b>2,456,097</b>	4,840,835
Development expenses	<b>7,940,020</b>	7,301,886
Effect of exchange rate adjustments	<b>716</b>	99,568
Changes in assets and liabilities:		
Trade and other receivables	<b>(2,619,718)</b>	(420,849)
Prepayments	<b>(60,717)</b>	(25,622)
Trade and other payables	<b>686,753</b>	95,545
Net cash used in operating activities	<b>(3,763,103)</b>	(1,629,134)

## 19 AUDITOR'S REMUNERATION

Auditors of the Company - KPMG:

Audit of annual and review of interim financial reports - KPMG	<b>137,614</b>	111,750
R&D incentive claim services	<b>36,225</b>	35,000
Debt advisory services	<b>193,277</b>	258,273
Other services fees	<b>133,316</b>	-
	<b>500,432</b>	405,023

# Notes to the Consolidated Financial Statements

## 20 FINANCIAL INSTRUMENTS

### Financial risk management objectives and policies

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

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

### Risk management framework

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

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

### Climate related risks

Alpha acknowledges that climate related risks have the potential to impact existing and proposed business operations of the Company. These risks include energy pricing risks, related to energy transition, and the input costs of key materials and labour related to climate impacts in key suppliers.

### Market risks

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

### Interest rate risk

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

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

	Consolidated	
	2022 \$	2021 \$
<i>Financial assets</i>		
Cash and cash equivalents	<u>16,831,134</u>	<u>50,344,366</u>

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

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

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

For the year ended 30 June 2022, if the interest rates had moved, as illustrated in the table below, with all other variables held constant, the post-tax loss and equity would have been affected as follows:

Judgement of reasonable possible movements:

# Notes to the Consolidated Financial Statements

## 20 FINANCIAL INSTRUMENTS (CONT.)

	Post tax loss (Higher)/Lower 2022 \$	Post tax loss (Higher)/Lower 2021 \$	Total equity (Higher)/Lower 2022 \$	Total equity (Higher)/Lower 2021 \$
+ 1% higher interest rate	<b>335,877</b>	291,644	<b>335,877</b>	291,644
- 0.5% lower interest rate	<b>(167,939)</b>	(145,822)	<b>(167,939)</b>	(145,822)

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

### Currency risk

The Groups functional currency is Australian dollars. The Group holds some cash in US\$ and some trade receivables/payables denominated in US\$.

The Group's gross financial position exposure to foreign currency risk at 30 June 2022 is as follows:

- ▶ US\$149,446 (A\$216,902) cash at bank;
- ▶ US\$12,982 (A\$18,842) of trade and other receivables/payables.

The Group's gross financial position exposure to foreign currency risk at 30 June 2021 is as follows:

- ▶ US\$2,214 (A\$2,953) cash at bank;
- ▶ IDR 491,858,247 (A\$45,256) cash at bank;
- ▶ IDR 10,000,000 (A\$920) of trade and other payables.

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2022	2021	2022	2021
AUD				
IDR	-	10,732	-	10,868
USD	<b>0.7226</b>	0.747	<b>0.6890</b>	0.7498

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

For the year ended 30 June 2022, if the exchange rate between the Australian dollar to the United States dollar had moved, as illustrated in the table below, with all other variables held constant, the post-tax loss and equity would have been affected as follows:

Judgement of reasonable possible movements:

	Post tax loss (Higher)/Lower 2022 \$	Post tax loss (Higher)/Lower 2021 \$	Total equity (Higher)/Lower 2022 \$	Total equity (Higher)/Lower 2021 \$
+ 10% higher AUD to USD exchange rate	<b>(23,029)</b>	(268)	<b>(23,029)</b>	(268)
+ 10% higher AUD to IDR exchange rate	-	(4,031)	-	(4,031)

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

# Notes to the Consolidated Financial Statements

## 20 FINANCIAL INSTRUMENTS (CONT.)

### Price risk

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

	Post tax loss (Higher)/Lower 2022 \$	Post tax loss (Higher)/Lower 2021 \$	Total equity (Higher)/Lower 2022 \$	Total equity (Higher)/Lower 2021 \$
+ 10% higher of the share price	532,880	3,744	532,880	3,744

### Liquidity risk

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

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

At balance date, the Group has available funds of \$16,831,134 for its immediate use.

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

Financial liabilities	Carrying amount \$	Contractual cash flows \$	Less than 6 months \$	6 to 12 months \$	1 to 5 years \$	More than 5 years \$
<b>30 June 2022</b>						
Trade and other payables	7,155,272	7,155,272	7,155,272	-	-	-
Lease liabilities	537,591	595,331	123,877	126,100	345,354	-
	<b>7,692,863</b>	<b>7,750,603</b>	<b>7,279,149</b>	<b>126,100</b>	<b>345,354</b>	<b>-</b>
Financial liabilities	Carrying amount \$	Contractual cash flows \$	Less than 6 months \$	6 to 12 months \$	1 to 5 years \$	More than 5 years \$
<b>30 June 2021</b>						
Trade and other payables	1,630,479	1,630,479	1,630,479	-	-	-
Lease liabilities	56,608	58,978	28,233	28,380	2,365	-
	<b>1,687,087</b>	<b>1,689,457</b>	<b>1,658,712</b>	<b>28,380</b>	<b>2,365</b>	<b>-</b>

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

# Notes to the Consolidated Financial Statements

## 20 FINANCIAL INSTRUMENTS (CONT.)

### *Credit risk*

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

	Carrying amount	
	2022 \$	2021 \$
Cash and cash equivalents	16,831,134	50,344,366
Trade and other receivables	3,153,883	538,888
Investment in Far East Gold Limited	4,880,625	-
Investment in Helix Resources Limited	140,000	-
Investment in Santana Minerals Limited	308,177	37,438
Other financial assets	205,482	200,759
	<b>25,519,301</b>	<b>51,121,451</b>

Other financial assets for the year ended 30 June 2022 and 30 June 2021 represent environmental bonds held with Government Departments, and deposit for purchase of land.

All financial assets and liabilities are current, with the exception of bonds totalling \$205,482 and \$5,328,802 of Investments. The receivables primarily relate to GST and R&D rebates which are owed by the Australian government and represents minimal credit risk. All other financial assets are not past due or impaired and the Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group except for the Australian government and cash and cash equivalents described below.

The cash and cash equivalents are held with an Australian banks, which is rated Aa2, based on rating agency Moody's Investor Service ratings.

### **Capital management**

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

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

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

# Notes to the Consolidated Financial Statements

## 21 RELATED PARTIES

### Parent and ultimate controlling party

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

### Key management personnel compensation

Information regarding individual key management personnel's compensation and some equity instruments disclosures as required by the *Corporations Act* and *Corporations Regulations 2M.3.03* are provided in the Remuneration Report section of the Directors' Report. Compensation paid to key management personnel during the year is set out in the table below. At 30 June 2022 there were \$76,833 of fees outstanding (2021 - \$51,061).

	2022 \$	2021 \$
Primary fees/salary	1,107,833	1,033,666
Share based payments	1,285,628	3,615,953
Superannuation	31,583	28,025
Other benefit	48,244	22,692
	<b>2,473,288</b>	<b>4,700,336</b>

### Key management personnel and Director transactions

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

Norman Seckold and Peter Nightingale hold a controlling interest in an entity, MIS Corporate Pty Limited ('MIS'), which provided full administrative services, including administrative, accounting and investor relations staff both within Australia and Indonesia, rental accommodation, services and supplies, to the Group during the year. Fees charged by MIS during the year amounted to \$393,375 (2021 - \$398,750) which includes a monthly fee of \$25,000 per month and reimbursement of consultant expenses incurred by MIS on behalf of the Group. At 30 June 2022, \$8,500 (2021 - \$7,563) remained outstanding and was included in the creditor's balance.

## 22 SEGMENT INFORMATION

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

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

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

For the year ended 30 June 2022, the Group had two segments, being development of the HPA First Project and minerals exploration and evaluation.

# Notes to the Consolidated Financial Statements

## 22 SEGMENT INFORMATION (CONT)

The Group has two reportable segments as follows:

	HPA First Project \$	Exploration and Evaluation \$	Total \$
<b>30 June 2022</b>			
Revenue	38,739	-	38,739
Other income	2,039,859	-	2,039,859
Reportable segment loss before tax	(9,830,805)	(17,654)	(9,848,459)
Depreciation and amortisation	(144,912)	-	(144,912)
Reportable segment assets	28,980,400	-	28,980,400
Reportable segment liabilities	6,934,318	-	6,934,318
<b>30 June 2021</b>			
Other income	858,188	-	858,188
Reportable segment loss before tax	(6,992,738)	(556,135)	(7,548,873)
Depreciation and amortisation	(44,124)	-	(44,124)
Reportable segment assets	458,599	514,963	973,562
Reportable segment liabilities	1,294,982	920	1,295,902

Consolidated	
2022 \$	2021 \$

### Reconciliations of reportable segment revenues and profit or loss

#### Profit or loss

Total loss for reportable segments	(9,848,459)	(7,548,873)
Unallocated amounts:		
Interest income	37,939	10,833
Other income	-	109,500
Depreciation	(7,747)	(3,070)
Net other corporate income/(expenses)	2,459,143	(8,885,490)
Consolidated loss before tax	(7,359,124)	(16,317,100)

### Reconciliations of reportable assets and liabilities

#### Assets

Total assets for reportable segments	28,980,400	973,562
Unallocated corporate assets	25,581,376	50,996,880
Consolidated total assets	54,561,776	51,970,442

# Notes to the Consolidated Financial Statements

## 22 SEGMENT INFORMATION (CONT.)

### Liabilities

	Consolidated	
	2022 \$	2021 \$
Total liabilities for reportable segments	<b>6,934,318</b>	1,295,902
Unallocated corporate liabilities	<b>758,545</b>	391,185
Consolidated total liabilities	<b>7,692,863</b>	1,687,087

## 23 COMMITMENTS AND CONTINGENCIES

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

At balance date the Group had capital commitments of \$2,593,196 related to construction of the Precursor Production Facility.

The Group may have an obligation to decommission the site of its Precursor Production Facility and restore the site at the end of the assets useful life. Management are currently assessing what obligations may exist and it is not practical to estimate any liability at balance date. In the event a liability is recorded a corresponding depreciable asset will also be recorded.

## 24 PARENT ENTITY DISCLOSURES

As at and throughout the financial year ended 30 June 2022 the parent and ultimate controlling entity of the Group was Alpha HPA Limited.

	2022 \$	2021 \$
<b>Result of the parent entity:</b>		
Net loss	<b>(6,803,250)</b>	(15,962,177)
Other comprehensive loss	-	-
Total comprehensive loss	<b>(6,802,250)</b>	(15,962,177)
<b>Financial position of the parent entity:</b>		
Current assets	<b>18,755,967</b>	51,070,286
Non-current assets	<b>28,644,690</b>	486,463
Total assets	<b>47,400,657</b>	51,556,749
<b>Current liabilities</b>	<b>332,034</b>	1,629,559
Total non-current liabilities	-	-
Total liabilities	<b>332,034</b>	1,629,559
Net assets	<b>47,068,623</b>	49,927,190
<b>Total equity of the parent entity:</b>		
Share capital	<b>101,716,126</b>	99,799,748
Option premium reserve	<b>9,631,501</b>	7,603,196
Accumulated losses	<b>(64,279,004)</b>	(57,475,754)
Total equity	<b>47,068,623</b>	49,927,190

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

The Company had no capital commitments at the balance date.

# Notes to the Consolidated Financial Statements

## 25 EVENTS SUBSEQUENT TO REPORTING DATE

In August 2022 the Company received a \$2.0 million R&D rebate, for activities related to the HPA First Project in the 2021 financial year.

Other than the matters outlined above, no matters or circumstances have arisen since the end of the reporting period, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## 26 GROUP ENTITIES

Particulars in relation to material controlled entities:

	Country of incorporation	Company interest in ordinary shares	
		2022 %	2021 %
<b>Parent entity</b>			
Alpha HPA Limited	Australia		
<b>Controlled entities</b>			
Augur Investments Pty Limited	Australia	100	100
Bugis Pty Ltd	Australia	100	100
Goron Pty Ltd	Australia	100	100
PT Alexis Perdana Mineral	Indonesia	-	45
Solindo Pty Ltd	Australia	100	100
Wonogiri Pty Ltd	Australia	-	100

1. In the opinion of the Directors of Alpha HPA Limited (the Company):
  - (a) the consolidated financial statements and notes thereto, set out on pages 27 to 58, and the Remuneration Report in the Directors Report, as set out on pages 21 to 25, are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
    - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2022

Signed at Sydney this 31st day of August 2022 in accordance with a resolution of the Board of Directors.



Rimas Kairaitis  
Managing Director

# Independent Auditor's Report



## Independent Auditor's Report

To the shareholders of Alpha HPA Limited

### Report on the audit of the Financial Report

#### Opinion

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

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

- giving a true and fair view of the **Group's** financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2022;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

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

#### Basis for opinion

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

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

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

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## Key Audit Matters

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

- Research and development expenditure; and
- Property, plant and equipment.

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

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

Research and development expenditure - \$7,740,653	
Refer to the Consolidated Statement of Profit or Loss and Other Comprehensive Income	
The key audit matter	How the matter was addressed in our audit
<p>Research and development expenditure is a key audit matter due to the significance of the amount (being 54% of total expenses) and the audit effort associated with assessing the completeness, existence and accuracy of the amounts recorded by the Group.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• We assessed the Group's accounting policy for research and development expenditure against the requirements of the accounting standards.</li> <li>• We selected a statistical sample of items recorded as research and development expenditure and checked the: <ul style="list-style-type: none"> <li>▪ Expenditure amount recorded for consistency to invoices from third parties or other underlying documentation; and</li> <li>▪ Classification of the expenditure as research and development expenditure for consistency with its nature, obtained from invoices from third parties or other underlying documentation, in accordance with the Group's accounting policy.</li> </ul> </li> <li>• We tested the completeness of research and development expenditure recorded in the year by inspecting the underlying documentation of a sample of payments recorded by the Group since year end and unprocessed invoices at year end for evidence of the timing of the related expenditure.</li> </ul>

# Independent Auditor's Report



Property, plant and equipment - \$28,295,635	
Refer to the Consolidated Statement of Financial Position and note 12	
The key audit matter	How the matter was addressed in our audit
<p>Property, plant and equipment is a key audit matter due to the significance of the amount (being 52% of total assets) and the audit effort associated with assessing the completeness, existence and accuracy of the amounts recorded by the Group.</p> <p>The majority of the property, plant and equipment balance represents the costs incurred during the year for the construction of the Stage 1 Precursor Production Facility ("PPF") which is construction in progress at balance date.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• We assessed the Group's accounting policy for property, plant and equipment against the requirements of the accounting standards.</li> <li>• We selected a statistical sample of items recorded as property, plant and equipment and checked the:               <ul style="list-style-type: none"> <li>▪ Expenditure amount recorded for consistency to invoices from third parties or other underlying documentation; and</li> <li>▪ Classification of the expenditure as property plant and equipment for consistency with its nature, obtained from invoices from third parties or other underlying documentation, in accordance with the Group's accounting policy.</li> </ul> </li> <li>• We tested the completeness of property plant and equipment expenditure recorded in the year by inspecting the underlying documentation of a sample of payments recorded by the Group since year end and unprocessed invoices at year end for evidence of the timing of the related expenditure.</li> </ul>



## Other Information

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

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

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

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

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

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

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our Auditor's Report.

# Independent Auditor's Report



## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of Alpha HPA Limited for the year ended 30 June 2022, complies with *Section 300A* of the *Corporations Act 2001*.

### Directors' responsibilities

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

### Our responsibilities

We have audited the Remuneration Report included in pages **21 to 25** of the Directors' report for the year ended 30 June 2022.

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

KPMG

Stephen Board  
Partner

Brisbane  
31 August 2022

## Additional ASX Information

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 31 July 2022.

### Distribution of Equity Securities

ORDINARY SHARES		
Range	Number of Holders	Number of Shares
1 - 1,000	297	180,396
1,001 - 5,000	1,176	3,458,742
5,001 - 10,000	742	6,077,907
10,001 - 100,000	1,494	53,956,206
100,001 - 9,999,999	456	748,563,373
<b>Total</b>	<b>4,165</b>	<b>812,236,624</b>

The number of shareholders holding less than a marketable parcel is 383.

### Twenty Largest Shareholders

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

N°	ORDINARY SHARES SHAREHOLDER	N° OF SHARES	TOTAL %
1	Permgold Pty Ltd	67,291,194	8.28
2	Citicorp Nominees Pty Ltd	47,617,415	5.86
3	CS Fourth Nominees Pty Limited <HSBC Cust Nom Au Ltd 11 A/C>	46,716,842	5.75
4	BT Portfolio Services Limited <Warrell Holdings S/F A/C>	40,000,000	4.92
5	UBS Nominees Pty Ltd	39,029,397	4.81
6	Palmer Bookmaking Pty Limited	38,317,004	4.72
7	JP Morgan Nominees Australia Pty Ltd	18,443,658	2.27
8	Budworth Capital Pty Ltd <Rolling Hills Capital A/C>	16,800,000	2.07
9	Rosignol Pty Ltd <Nightingale Family A/C>	13,612,500	1.68
10	Ninan Pty Ltd	12,171,678	1.50
11	All-States Finance Pty Limited	10,704,545	1.32
12	BNP Paribas Noms Pty Ltd <DRP>	10,652,456	1.31
13	AMP Racing Pty Limited	10,392,341	1.28
14	MRP Racing Pty Limited	10,391,776	1.28
15	GAP Bookmaking Pty Limited	10,391,767	1.28
16	Brispot Nominees Pty Limited <house Head Nominee A/C>	10,332,251	1.27
17	National Nominees Limited	9,847,013	1.21
18	Warbont Nominees Pty Ltd <Unpaid Entrepot A/C>	9,589,922	1.18
19	HSBC Custody Nominees (Australia) Limited	8,251,764	1.02
20	Mr Robert Simeon Lord	8,000,000	0.98
<b>Total</b>		<b>438,553,523</b>	<b>53.99</b>

There are no current on-market buy backs.

# Additional ASX Information

## Substantial Shareholders

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

Shareholder	N° of Shares Held
Permgold Pty Ltd	67,291,194
Credit Suisse Holdings (Australia) Limited	61,433,863
Regal Funds Management Pty Ltd (RFM)	59,084,368

## Class of Shares and Voting Rights

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

**Directors:**

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

**Company Secretary:**

Mr Richard J. Edwards

**Principal Place of Business and Registered Office:**

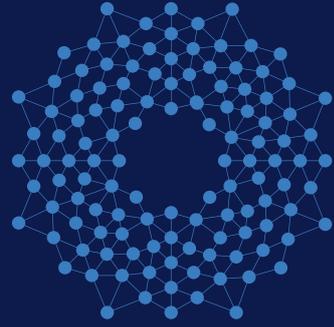
Level 2, 66 Hunter Street  
SYDNEY NSW 2000  
Phone: 61-2 9300 3310  
Fax: 61-2 9221 6333  
Homepage: [www.alphahpa.com.au](http://www.alphahpa.com.au)

**Auditors:**

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

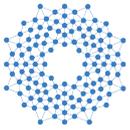
**Share Registrar:**

Computershare Investor Services Pty Limited  
Level 4, 60 Carrington Street  
SYDNEY NSW 2000  
Phone: 1300 787 272  
Overseas Callers: 61-3 9415 4000  
Fax: 61-3 9473 2500



Alpha **HPA**

Alpha HPA Limited  
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Alpha **HPA**

## Notice of Annual General Meeting

Notice is given that the 2022 Annual General Meeting of Alpha HPA Limited (the 'Company') will be held at Computershare Investor Services Pty Ltd, Level 3, 60 Carrington Street, Sydney, NSW, on Wednesday, 23 November 2022 at 11.00am Australia Eastern Daylight Saving Time (AEDT).

Shareholders unable to attend the AGM in person will be able to view a webcast of the meeting at: <https://webcast.openbriefing.com/9224/>

Shareholders are encouraged to lodge a directed proxy and submit written questions in advance of the meeting. Instructions on doing so are set out in the Notice and Access Letter sent to Shareholders along with the Notice of Meeting.

### AGENDA

#### Financial Statements

To receive and consider the Company's Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2022.

To consider and, if thought fit, to pass the following resolutions, with or without amendment:

**Ordinary Resolution 1.            Approval of Remuneration Report**

'That the Remuneration Report for the year ended 30 June 2022 be and is hereby adopted.'

**Ordinary Resolution 2.            Re-election of Mr Norman Seckold as a Director**

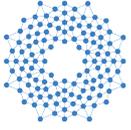
'That Mr Norman Seckold be and is hereby re-elected as a Director.'

**Ordinary Resolution 3.            Re-election of Dr Regan Crooks as a Director**

'That Dr Regan Crooks be and is hereby re-elected as a Director.'

**Ordinary Resolution 4.            Approval to issue 3 million options to Dr Regan Crooks  
– Listing Rule 10.14**

'That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 3 million Options to a director, Dr Regan Crooks and/or her nominee under the terms of the Company's Option Incentive Plan, on the terms and conditions in the Explanatory Memorandum.'



Alpha **HPA**

To transact any other business that may be brought forward in accordance with the Company's Constitution.

By order of the Board

A handwritten signature in black ink, appearing to read 'R Edwards', enclosed in a thin black rectangular border.

Richard Edwards  
Company Secretary

19 October 2022

pjn11371



## **Explanatory Memorandum to the Notice of Annual General Meeting to be held on 23 November 2022**

This Explanatory Memorandum has been prepared to assist members to understand the business to be put to members at the Annual General Meeting to be held at Level 3, 60 Carrington Street, Sydney, NSW, on Wednesday, 23 November 2022 at 11.00am (AEDT).

### **Financial Report**

The Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2022 will be laid before the meeting. There is no requirement for shareholders to approve these reports, however, the Chairman of the meeting will allow a reasonable opportunity to ask about the content of the Annual Report.

### **Resolution 1**

The Remuneration Report, which can be found as part of the Directors' Report in the Company's 2022 Annual Report, contains certain prescribed details, sets out the policy adopted by the Board of Directors and discloses the payments to key management personnel, Directors and senior executives.

In accordance with section 250R of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to the vote. This resolution is advisory only and does not bind Directors.

The Chairman will allow a reasonable opportunity for shareholders as a whole to ask about or make comments on the Remuneration Report.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the key management personnel of the Company's consolidated group (at the date of the meeting or whose remuneration is disclosed in the remuneration report) ("KMP") and their closely related parties (such as close family members and controlled companies), unless the vote is cast:

- as a proxy for a person entitled to vote in accordance with a direction on the proxy appointment; or
- by the Chairman of the Meeting as a proxy for a person entitled to vote and the proxy appointment expressly authorises the Chairman of the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of KMP.

**The Directors recommend that you vote IN FAVOUR of advisory Resolution 1.**

**The Chairman of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 1.**

### **Resolution 2**

Pursuant to Article 10.1(c) of the Company's Constitution and the Corporations Act, Norman Seckold retires by rotation and, being eligible, offers himself for re-election.

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney and has spent more than 35 years in the full time management of natural resource companies, both in Australia and overseas.

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

Mr Seckold is an executive, non-independent director.

**Date appointed Director:** 30 November 2009

**Other current listed company directorships:** Nickel Industries Limited, Santana Minerals Ltd and Sky Metals Limited

**Former listed directorships in the last three years:** None  
**Interests in shares and options:** 67,291,194 shares indirectly held

**The Directors recommend that you vote IN FAVOUR of Resolution 2.**  
**The Chairman of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 2.**

### **Resolution 3**

Pursuant to Article 10.5(b) of the Company's Constitution and the Corporations Act, Dr Regan Crooks, who was appointed as a Director on 6 September 2022, is required to retire as a Director and, being eligible, offers herself for re-election.

Dr Regan Crooks - PhD is a Chemical Engineer with 20+ years experience in commercialisation, with an early career in the chemicals market commercialising products in the USA and Europe. Most recently she has been consulting CEO for private companies, securing numerous international licensing and collaboration partnerships and bringing technologies to market in Australia and globally.

The Board considers that Dr Crook's experience in commercialising new and innovative technologies on the global stage and working alongside international collaboration partners will be of significant strategic benefit to the Company as it progresses the commercialisation phase of its suite of world-leading aluminium products.

Appropriate background checks were completed before Dr Crooks was appointed to the Board. The Board considers Dr Crooks to be a non-executive, independent director.

**Date appointed Director:** 6 September 2022.  
**Other current listed company directorships:** None.  
**Former listed directorships in the last three years:** None  
**Interests in shares and options:** Nil.

**The Directors recommend that you vote IN FAVOUR of Resolution 3.**  
**The Chairman of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 3.**

## Resolution 4

Resolution 4 seeks shareholder approval in accordance with Listing Rule 10.14 for the grant of 3,000,000 Options to Dr Regan Crooks (or her nominees) as soon as practicable after the date of this Annual General Meeting, and in any event, within 12 months of the date of this Annual General Meeting for the purposes of ASX Listing Rule 10.14. If approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

In accordance with Listing Rule 10.14, the Company must not permit a Director and any of his/her associates to acquire securities under an employee incentive scheme unless it obtains shareholder approval.

Pursuant to Listing Rule 7.2, exception 14, as shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required.

Information as required under Listing Rule 10.15 is provided below for the purposes of obtaining Shareholder approval:

1. Dr Regan Crooks is a related party of the Company by virtue of being a Director and is within the category of persons in Listing Rule 10.14.1.

2. The maximum number of Employee Options to be issued is 3 million, terms of the options are as below;

- Names of allottees: Dr Regan Crooks or her nominee.
- Issue price: \$nil.
- Option Terms: Exercisable at any time after the vesting date before the expiry date to acquire 1 fully paid ordinary shares ranking pari passu with existing shares.
- Exercise price per option: At a price to be set on grant date, such that the closing share price on the day prior to the grant date was in the range of 65% to 70% of the exercise price per option. e.g. should the closing share price on the day prior be \$0.45, the exercise price of the option would be in the range of \$0.643 to \$0.692.
- Value per option: A precise value per option cannot be given prior to Grant date, given key inputs for a Black-Scholes valuation can only be finalised on grant Date. However given the valuation assumptions below an estimate of \$0.20 per option is calculated.  
  
*Black-Scholes valuation assumptions:*  
Share price - \$0.45  
Exercise price - \$0.65  
Term – 2.77 years  
Volatility – 82.66%  
Risk-free interest rate – 3.02%
- Grant date: As soon as practicable after the date of this Annual General Meeting, and in any event, within 12 months of the date of this Annual General Meeting (subject to shareholder approval). It is anticipated this would be 24 November 2022.
- Vesting Date:
  - 1/3<sup>rd</sup> of the options immediately upon grant
  - 1/3<sup>rd</sup> of the options on 31 August 2023
  - 1/3<sup>rd</sup> of the options on 31 August 2024.
- Expiry date: The earlier of 31 August 2025 and the date which is 2 months after the date of ceasing to be an officer of the Company (other than due to the occurrence of a Special Circumstance as defined by the Employee Option Plan).

3. No options have previously been issued to Dr Regan Crooks under the Employee Option Plan.
4. The persons referred to in Listing Rule 10.14 who are entitled to participate in the plan are all Directors, with the exception of the Chairman Norman Seckold, being, as at the date of the Notice, Rimas Kairaitis, Peter Nightingale, Anthony Sgro, Justin Werner, Cameron Peacock and Dr Regan Crooks.
5. Dr Crooks current remuneration packages is \$85,000 per annum. She has not previously been issued options under the scheme.
6. No loan is being provided in respect of the issue of the employee options to Dr Regan Crooks.
7. In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:
  - any director of the Company who is eligible to participate in the Plan; or
  - an associate of any director who is eligible to participate in the Plan.

However the Company will not disregard a vote in favour of Resolution 4 if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person Chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides: or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - • the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - • the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Board agreed to grant these options, subject to shareholder approval, as part of Dr Crooks remuneration package. The Board believes that the issuance of options to Directors and key employees is a cost effective long term incentive method, which aligns the interests of optionholders with shareholders to growth in the Company's share price.

By obtaining shareholder approval for Resolution 4 as required by ASX Listing Rule 10.14, the Company will satisfy the requirements of Exception 14 of ASX Listing Rule 7.2 and thereby not require shareholder approval for these issues under Listing Rule 7.1.

The options issued under Resolution 4 allow for the rights of the optionholder to be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation. The optionholder cannot participate in new issues without exercising the options.

The Company may change the exercise price of the Options or the number of shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than bonus issue) in accordance with Listing Rule 6.22.2A.

Details of any securities issued under the scheme will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14. Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

**The Directors recommend that you vote IN FAVOUR of Resolution 4**  
**The Chairman of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 4**

Shareholders may lodge questions to the Company that are relevant to the business of the meeting, or questions to the auditor relating to the content of the auditor's report or the conduct of the audit, in advance of the AGM by emailing questions to redwards@alphahpa.com.au by 5.00pm (AEDT) on 18 November 2022. The Company will endeavour to address as many of the relevant questions as possible during the course of the meeting. Please note that individual responses will not be sent to Shareholders.



Alpha HPA

ACN 106 879 690

A4N

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEDT) on Monday, 21 November 2022.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Alpha HPA Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Alpha HPA Limited to be held at Computershare Investor Services Pty Ltd, Level 3, 60 Carrington Street, Sydney, NSW 2000 on Wednesday, 23 November 2022 at 11:00am (AEDT) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 4 by marking the appropriate box in step 2.

### Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Norman Seckold as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Dr Regan Crooks as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue 3 million options to Dr Regan Crooks - Listing Rule 10.14	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

A 4 N

2 9 3 9 6 5 A



Computershare

