



**APPENDIX 4E**  
**UNAUDITED PRELIMINARY**  
**FINAL REPORT**  
**YEAR ENDING 30 JUNE 2020**



**ABN 25 110 150 005**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

Consolidated	30 June 2020 \$'000	30 June 2019 \$'000	Movement \$'000	Movement %
Revenue from ordinary activities:	143,448	204,722	(61,274)	(30%)
Loss from ordinary activities after tax attributable to members:	(80,340)	(116,969)	36,629	31%
Net (loss)/profit attributable to members:	(80,340)	(116,969)	36,629	31%

**NET TANGIBLE ASSETS PER SHARE**

Consolidated	30 June 2020	30 June 2019
Net tangible assets per share:	\$0.06	\$0.15

**DIVIDEND INFORMATION**

No dividends are proposed and no dividends were declared or paid during the current or prior period

**RESULTS OF OPERATIONS**

**Tin Division**

- Revenue from the 50% owned Renison Tin Operation (**Renison**) was \$73,243,000 (2019: \$85,276,000). The revenue was lower than the previous year as a result of lower tin prices.
- The cost of sales was \$70,329,000 (2019: \$78,580,000). The costs were higher in the previous period due to the drawdown of the large low grade ore stockpile developed prior to the construction of the ore sorter in 2019.
- During the period there was a review of the environmental obligations associated with the Mt Bischoff Project, which resulted in an increase in the Consolidated Entity's 50% share in the provision for rehabilitation of \$8,360,000 (2019: Nil) to \$8,710,000 (2019: \$350,000).

**Performance of the Tin Division (50% share) is summarised below:**

		30 June 2020	30 June 2019
<b>Physical Summary</b>	<b>Units</b>		
UG Ore Mined	t	424,453	398,990
UG Grade Mined	% Sn	1.18%	1.21%
Ore Processed	t	344,591	372,592
Head Grade	% Sn	1.42%	1.32%
Recovery	% Sn	73.56%	72.36%
Tin Produced	t	3,591	3,562
Tin Sold	t	3,412	3,445
Tin Price	A\$/t	24,511	27,913
Realised Tin Price (net of Tc/Rc charges)	A\$/t	21,466	24,754
Tin Sales Revenue (net of Tc/Rc charges)	A\$'000	73,243	85,276
Cost of sales	A\$'000	(70,329)	(78,580)

**Copper Division**

- On 26 November 2019 the Company suspended mining operations at the Nifty Copper Operations (**Nifty**) and subsequently placed the mine into care and maintenance. During the period the Company incurred care and maintenance costs of \$24,744,000 (2019: Nil), which included costs of placing the operation into suspension of \$10,120,000 (2019: Nil).
- During the period, an impairment assessment of Nifty was conducted which resulted in an impairment loss of \$15,363,000 (2019: \$64,200,000).
- Revenue from Nifty was \$70,206,000 (2019: \$119,446,000).
- The cost of sales was \$95,840,000 (2019: \$159,567,000).

**RESULTS OF OPERATIONS (CONTINUED)**

Performance of the Copper Division is summarised below:

		30 June 2020	30 June 2019
<b>Physical Summary</b>	<b>Units</b>		
UG Ore Mined	t	409,653	1,321,032
UG Grade Mined	% Cu	1.30	1.43
Ore Processed	t	476,007	1,254,879
Head Grade	% Cu	1.33	1.45
Recovery	% Cu	91.79	92.58
Copper Produced	t	6,023	16,913
Copper Sold	t	9,095	15,776
Copper Price	A\$/t	8,511	8,579
Realised Copper Price (net of Tc/Rc charges)	A\$/t	7,677	7,571
Copper Sales Revenue (net of Tc/Rc charges)	A\$'000	70,206	119,446
Cost of sales	A\$'000	(95,840)	(159,567)

**FINANCIAL POSITION**

During the financial year, net assets of the Company and its controlled entities (the **Consolidated Entity**) decreased by \$49,803,000 to \$51,790,000 (2019: \$101,593,000). The decrease was mainly due to asset impairments (\$15,363,000), Nifty care and maintenance costs (\$24,744,000), Mt Bischoff rehabilitation costs (\$8,360,000) and operating losses and administration expenses (\$31,873,000), which was offset by a capital raise of \$30,401,000 (after costs) in September and October 2019.

**SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

**Asia Cheer Finance Facility**

On 27 July 2020, the Company entered into a loan facility with Asia Cheer Trading Limited (**ACT**) for a \$26,000,000 unsecured term loan facility (**ACT Loan**). The funds from the ACT Loan were applied to the repayment of the amount outstanding pursuant to the finance facility with Citibank N.A. (**Citi Facility**). Draw down of the ACT Loan was subject to the contemporaneous close out of the Citi Facility. The Loan was fully drawn down on 31 July 2020.

The key terms of the Loan are as follows:

Loan term: Until 31 January 2021

Interest and charges: Establishment fee of 3.5%. Interest rate is BBSY plus 1.0%, approximate total rate of 4.5%.

Key terms: The net proceeds from the sale of the Copper Assets or any capital raising undertaken by the Company during the loan term must be paid to the lender in permanent reduction of the Principal Amount.

**Citi Finance Facility Repayment**

Under the Citi Facility the Company was required to remain within certain financial covenants which are measured for compliance at the end of each calendar quarter. For the quarter ending 30 June 2020 the Company did not meet the Forecast Cash Flow Cover Ratio (**Forecast CFCR**) nor the Forward Debt Service Cover Ratio (**Forecast DSCR**). The principal reason for the Forecast CFCR and the Forward DCR were not met was the decision to proceed with the Area 5 development with its capital expenditure for the Consolidated Entity's 50% share being \$25 – \$27.5 million over the next two years.

On 27 July 2020, the Company entered into the ACT Loan detailed above. The funds from the ACT Loan were applied to the repayment of the amount outstanding pursuant to the Citi Facility.

On 31 July 2020, the Company paid out the principal and interest sum of the Citi Facility and the Company settled and closed out the associated hedge contracts. As a result of the pay out of the Citi Facility, the final condition was satisfied with regard to the ACT Loan and the Company drew down the full A\$26,000,000.

**AUDIT**

This preliminary financial report is based on accounts which are in the process of being audited. No disputes or qualifications are likely to occur. As the Consolidated Entity is currently reliant on future funding to continue as a going concern, an emphasis of matter paragraph, which is not a qualification, regarding going concern may be included in the audit report.

Consolidated Statement of Comprehensive Income for the year ended 30 June 2020

	2020 \$'000	2019 \$'000
<b>Continuing operations</b>		
Revenue	143,449	204,722
Cost of sales	(166,170)	(238,147)
<b>Gross loss</b>	<b>(22,721)</b>	<b>(33,425)</b>
Other income	671	935
Administration expenses	(6,659)	(6,747)
Gain/(loss) on derivative instruments	1,219	4,387
Finance costs	(1,992)	(1,472)
Fair value change in financial assets	(83)	(4,422)
Share-based payments	(137)	(694)
Fair value loss on provisionally priced trade receivables	(2,066)	(4,761)
Care and maintenance costs	(24,744)	-
Rehabilitation provision	(8,360)	-
Impairment loss on assets	(15,363)	(64,200)
Exploration and evaluation expenditure written off	(105)	(6,570)
<b>Loss before income tax from continuing operations</b>	<b>(80,340)</b>	<b>(116,969)</b>
Income tax expense	-	-
<b>Loss for the period from continuing operations</b>	<b>(80,340)</b>	<b>(116,969)</b>
<b>Loss attributable to:</b>		
Members of the parent	(80,340)	(116,969)
	<b>(80,340)</b>	<b>(116,969)</b>
<b>Total comprehensive loss attributable to:</b>		
Members of the parent	(80,340)	(116,969)
	<b>(80,340)</b>	<b>(116,969)</b>
<b>Loss per share for the loss attributable to the ordinary equity holders of the parent (cents per share)</b>		
Basic loss per share	(9.45)	(17.17)
Diluted loss per share	(9.45)	(17.17)

## Consolidated Statement of Financial Position as at 30 June 2020

	2020 \$'000	2019 \$'000
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	14,095	11,364
Trade and other receivables	6,153	16,545
Inventories	20,328	45,860
Prepayments	885	2,454
Derivative financial instruments	1,532	-
<b>Total current assets</b>	<b>42,993</b>	<b>76,223</b>
<b>NON-CURRENT ASSETS</b>		
Other financial assets	9,978	10,772
Derivative financial instruments	-	45
Financial assets at fair value through profit and loss	50	243
Property, plant and equipment	43,315	46,466
Mine properties and development costs	39,633	42,547
Exploration and evaluation expenditure	13,993	10,179
<b>Total non-current assets</b>	<b>106,969</b>	<b>110,252</b>
<b>TOTAL ASSETS</b>	<b>149,962</b>	<b>186,475</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	7,518	25,442
Provisions	3,680	7,818
Interest bearing loans and borrowings	33,108	5,043
<b>Total current liabilities</b>	<b>44,306</b>	<b>38,303</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	51,397	42,269
Interest bearing loans and borrowings	2,468	4,310
<b>Total non-current liabilities</b>	<b>53,865</b>	<b>46,579</b>
<b>TOTAL LIABILITIES</b>	<b>98,171</b>	<b>84,882</b>
<b>NET ASSETS</b>	<b>51,791</b>	<b>101,593</b>
<b>EQUITY</b>		
Issued capital	332,406	302,005
Accumulated losses	(308,796)	(228,456)
Share based payments reserve	28,181	28,044
<b>TOTAL EQUITY</b>	<b>51,791</b>	<b>101,593</b>

Consolidated Statement of Cash Flows for the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	147,468	201,635
Interest received	441	816
Other income	230	97
Payments to suppliers and employees	(167,549)	(217,168)
Interest paid	(461)	(541)
<b>Net cash flows used in operating activities</b>	<b>(19,871)</b>	<b>(15,161)</b>
<b>INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(9,452)	(10,846)
Payments for mine properties and development	(18,230)	(34,516)
Payments for exploration and evaluation	(3,919)	(5,506)
Proceeds from sale of property, plant and equipment	(634)	15
Proceeds from sale of equity instruments	155	4,543
<b>Net cash flows used in investing activities</b>	<b>(32,080)</b>	<b>(46,310)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	35,000	-
Borrowing costs	(1,273)	-
Repayment of borrowings	(4,814)	-
Payment of finance lease liabilities	(5,369)	(5,352)
Payments for dividends	(58)	(6)
Proceeds from share issue	32,731	50,000
Payments for share issue costs	(2,330)	(2,582)
Payments for performance bond facility	-	(460)
Proceeds from performance bond facility	795	-
<b>Net cash flows from financing activities</b>	<b>54,682</b>	<b>41,600</b>
Net increase/(decrease) in cash and cash equivalents	2,731	(19,871)
Cash and cash equivalents at the beginning of the financial period	11,364	31,235
<b>Cash and cash equivalents at the end of the period</b>	<b>14,095</b>	<b>11,364</b>

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2020

	Issued capital \$'000	Accumulated losses \$'000	Share based payments reserve \$'000	Fair value reserves \$'000	Total Equity \$'000
<b>2019</b>					
<b>At 1 July 2018 as previous stated</b>	<b>254,587</b>	<b>(115,249)</b>	<b>27,350</b>	<b>3,762</b>	<b>170,450</b>
New accounting standards adjustment to opening balances (note 2(e))	-	3,762	-	(3,762)	-
<b>Restated at 1 July 2019</b>	<b>254,587</b>	<b>(111,487)</b>	<b>27,350</b>	<b>-</b>	<b>170,450</b>
Loss for the year	-	(116,969)	-	-	(116,969)
Other comprehensive income, net of tax	-	-	-	-	-
<b>Total comprehensive (loss)/profit for the year net of tax</b>	<b>-</b>	<b>(116,969)</b>	<b>-</b>	<b>-</b>	<b>(116,969)</b>
<b>Transactions with owners in their capacity as owners</b>					
Share based payments	-	-	694	-	694
Issue of share capital	50,000	-	-	-	50,000
Share issue costs	(2,582)	-	-	-	(2,582)
<b>At 30 June 2019</b>	<b>302,005</b>	<b>(228,456)</b>	<b>28,044</b>	<b>-</b>	<b>101,593</b>
<b>2020</b>					
<b>At 1 July 2019</b>	<b>302,005</b>	<b>(228,456)</b>	<b>28,044</b>	<b>-</b>	<b>101,593</b>
Loss for the year	-	(80,340)	-	-	(80,340)
Other comprehensive income, net of tax	-	-	-	-	-
<b>Total comprehensive (loss)/profit for the year net of tax</b>	<b>302,005</b>	<b>(308,796)</b>	<b>28,044</b>	<b>-</b>	<b>21,253</b>
<b>Transactions with owners in their capacity as owners</b>					
Share based payments	-	-	137	-	137
Issue of share capital	32,731	-	-	-	32,731
Share issue costs	(2,330)	-	-	-	(2,330)
<b>At 30 June 2020</b>	<b>332,406</b>	<b>(308,796)</b>	<b>28,181</b>	<b>-</b>	<b>51,791</b>

**NOTE 1. BASIS OF PREPARATION**

The financial information included in this document for the year ended 30 June 2020 is unaudited. The financial information does not constitute the Consolidated Entity's full financial statements for the year ended 30 June 2020, which will be approved by the Board, reported on by the Auditors and lodged with the ASX. The Consolidated Entity's full financial statements will be prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (the **AASB**).

The financial information in this document for the year ended 30 June 2020 has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 30 June 2019 financial statements contained within the 2019 Annual Report of the Consolidated Entity. As required and unless stated otherwise, comparative financial information for the Consolidated Entity has been presented for the 2019 financial year. Comparative figures have been prepared on the same basis as the current year figures.

The amounts contained in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated (where rounding is applicable) under the option available to the Consolidated Entity under ASIC Corporations (Rounding in Financial Report) Instrument 2016/191.

The Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current year, including AASB Interpretation 23 and AASB 16.

AASB Interpretation 23 *Uncertainty over Income Tax Treatment* - the Consolidated Entity applies significant judgement in identifying uncertainties over income tax treatments. The Consolidated Entity assessed that the interpretation has not had an impact on the consolidated financial statements of the Consolidated Entity.

AASB 16 Leases - the Consolidated Entity adopted AASB 16 as of 1 July 2019. The Consolidated Entity adopted the new standard using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117. Lease liabilities are measured at the present value of future payments on the initial date of application, being 1 July 2019. The Consolidated Entity applied the practical expedient allowing the application of a single discount rate to a portfolio of leases with similar characteristics. The Consolidated Entity also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option, and lease contracts for which the underlying asset is of low value.

On transition to AASB 16, the Consolidated Entity recognised an additional \$775,771 of right-of use assets and lease liabilities. When measuring lease liabilities, the Consolidated Entity discounts lease payments using its incremental borrowing rate at 1 July 2019. The weighted average incremental borrowing rate applied was 5.2%.

	<b>\$'000</b>
Operating lease commitment at 30 June 2019 as disclosed in the Consolidated Entity's financial statements	832
Discounted using the incremental borrowing rate	(43)
Recognition exemption for short term leases	(14)
Finance lease liabilities recognised as at 30 June 2019	9,354
<b>Lease liabilities recognised at 1 July 2019</b>	<b>10,129</b>

The impact on cash flows on the adoption of AASB 16 is the payment of principal for operating leases, previously classified as operating activities, is now classified as financing activities in the statement of cash flow.

**NOTE 2. SEGMENTS**

For management purposes, the Consolidated entity is organised into operating segments determined by the similarity of the mineral being mined or explored, as these are the sources of the Consolidated Entity's major risks and have the most effect on rates of return.

The Consolidated Entity comprises the following reportable segments:

- Renison Tin Operation: Mining, treatment and marketing of tin concentrate.
- Mt Bischoff Tin Project: Tin project under care and maintenance.
- Nifty Copper Operation: Mining, treatment and marketing of copper concentrate.
- Maroochydore Copper Project: Exploration and development of copper assets.
- Wingellina Nickel Project: Exploration and development of nickel assets.

Executive management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Inter-segment revenues are eliminated upon consolidation. All other adjustments and eliminations are part of the detailed reconciliations presented further below.

During the year, the Consolidated Entity has reviewed the basis of segmentation and identified the Mt Bischoff Tin Project as a separate segment from the Renison Tin Project. The comparatives have been adjusted to comply with the current period reporting.



NOTE 2. SEGMENTS (Continued)

The following table presents revenue and profit information for reportable segments for the year ended 30 June 2020.

Year ended 30 June 2020	Renison Tin Operation	Mt Bischoff Tin Project	Nifty Copper Operation	Maroochydore Copper Project	Wingellina Nickel Project	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>						
External customers	73,243		70,206	-	-	143,449
<b>Total revenue</b>	<b>73,243</b>	<b>-</b>	<b>70,206</b>	<b>-</b>	<b>-</b>	<b>143,449</b>
<b>Results</b>						
Depreciation and amortisation	(13,690)	-	(9,552)	-	-	(23,242)
Exploration and evaluation expenditure written off	-	-	(105)	-	-	(105)
Impairment of assets	-	-	(15,363)	-	-	(15,363)
<b>Segment profit</b>	<b>2,913</b>	<b>(8,360)</b>	<b>(67,913)</b>	<b>-</b>	<b>-</b>	<b>(73,360)</b>
<b>Total assets</b>	<b>86,866</b>	<b>-</b>	<b>27,494</b>	<b>6,994</b>	<b>3,575</b>	<b>124,929</b>
<b>Total liabilities</b>	<b>(45,239)</b>	<b>(8,710)</b>	<b>(42,213)</b>	<b>-</b>	<b>(99)</b>	<b>(96,261)</b>
<b>Other disclosures</b>						
Capital expenditure	(13,750)	-	(15,400)	(1,061)	(1,340)	(31,551)

NOTE 2. SEGMENTS (Continued)

The following table presents revenue and profit information for reportable segments for the year ended 30 June 2019.

Year ended 30 June 2019	Renison Tin Operation	Mt Bischoff Tin Project	Nifty Copper Operation	Maroochydore Copper Project	Wingellina Nickel Project	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>						
External customers	85,276	-	119,446	-	-	204,722
<b>Total revenue</b>	<b>85,276</b>	<b>-</b>	<b>119,446</b>	<b>-</b>	<b>-</b>	<b>204,722</b>
<b>Results</b>						
Depreciation and amortisation	(14,758)	-	(20,134)	-	(57)	(34,949)
Exploration and evaluation expenditure written off	-	-	(6,558)	(11)	-	(6,569)
Impairment of assets	-	-	(64,200)	-	-	(64,200)
<b>Segment profit</b>	<b>6,696</b>	<b>-</b>	<b>(115,640)</b>	<b>(11)</b>	<b>-</b>	<b>(108,955)</b>
<b>Total assets</b>	<b>84,750</b>	<b>-</b>	<b>67,326</b>	<b>5,929</b>	<b>2,357</b>	<b>160,362</b>
<b>Total liabilities</b>	<b>(13,768)</b>	<b>(350)</b>	<b>(68,683)</b>	<b>-</b>	<b>(69)</b>	<b>(82,870)</b>
<b>Other disclosures</b>						
Capital expenditure	(9,034)	-	(39,599)	(900)	(1,188)	(50,721)

NOTE 3. EARNINGS PER SHARE

	2020 \$'000	2019 \$'000
<b>(a) Earnings used in calculating earnings per share</b>		
<b>For basic earnings per share:</b>		
Loss attributable to continuing operations	(80,340)	(116,969)
<b>Loss attributable to ordinary equity holders of the parent</b>	<b>(80,340)</b>	<b>(116,969)</b>
<i>Basic loss per share (cents)</i>	<i>(9.45)</i>	<i>(17.17)</i>
<b>For diluted earnings per share:</b>		
Loss attributable to continuing operations	(80,340)	(116,969)
<b>Loss attributable to ordinary equity holders of the parent</b>	<b>(80,340)</b>	<b>(116,969)</b>
<i>Fully diluted loss per share (cents)</i>	<i>(9.45)</i>	<i>(17.17)</i>
<b>(b) Weighted average number of shares</b>		
Weighted average number of ordinary shares for basic earnings per share	849,818	681,263
Effect of Dilution:		
Share Options	-	-
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<b>849,818</b>	<b>681,263</b>

Share options on issue are excluded from the calculation of diluted earnings per share for the current financial period because they are considered contingently issuable shares and anti-dilutive.

NOTE 4. INTEREST IN JOINT OPERATIONS

**RENISON TIN PROJECT**

Subsidiary Bluestone Mines Tasmania Pty Ltd has a 50% interest and participating share in the Renison Tin Project, which is operated and managed by Bluestone Mines Tasmania Joint Venture Pty Ltd. The Consolidated Entity is entitled to 50% of the production. The Renison Tin Project is located in Tasmania.