

Alpha **HPA**

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

ASX: **A4N**  
ASX Announcement  
28 February 2024  
(35 pages)

## HALF YEAR REPORTS

In accordance with Listing Rule 4.2A, I attach the Company's Appendix 4D and Interim Financial Report for the half year ended 31 December 2023. This Interim Financial Report should be read in conjunction with the Company's 30 June 2023 Annual Report.

Yours sincerely

Richard Edwards  
Company Secretary

pjn12095

# Appendix 4D

## Half Year Report

Name of entity

ALPHA HPA LIMITED

ABN or equivalent company  
reference

79 106 879 690

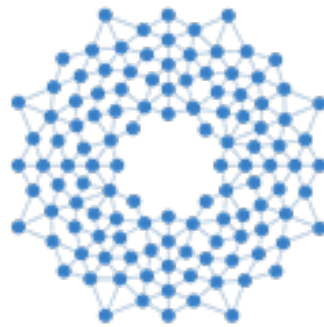
Financial year ended ('current period')

31 DECEMBER 2023

Results for announcement to the market

Revenues from ordinary activities	Up	193.9%	to	25,259
Loss from ordinary activities after tax attributable to members	Up	90.5%	to	8,541,306
Net loss for the period attributable to members	Up	90.5%	to	8,541,306
<b>Dividends (distributions)</b>		Amount per security		Franked amount per security
Final dividend		Nil¢		Nil¢
Interim dividend		Nil¢		Nil¢
Previous corresponding period				
Final dividend		Nil¢		Nil¢
Interim dividend		Nil¢		Nil¢
Record date for determining entitlements to the dividend.		N/A		
Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
NTA backing		Current period		Previous corresponding period
Net tangible asset backing per ordinary security		0.095 cents		0.08 cents

The attached Half Year Report which forms part of this Appendix 4D has been audited.



Alpha **HPA**

ABN 79 106 879 690

**Alpha HPA Limited**  
and its controlled entities  
**Interim Financial Report**

**for the half-year ended 31 December 2023**

# Corporate Information

**ABN 79 106 879 690**

## **Directors**

Norman Seckold - Chairman  
Rimas Kairaitis - Managing Director  
Peter Nightingale – Finance Director  
Robert Williamson – Director and COO  
Dr Regan Crooks - Non-Executive Director  
Annie Liu - Non-Executive Director  
Marghanita Johnson - Non-Executive Director  
Anthony Sgro - Non-Executive Director

## **Company Secretary**

Richard Edwards

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

Level 2, 66 Hunter Street  
Sydney NSW 2000  
Australia

## **Auditors**

KPMG  
Level 11, Heritage Lanes  
80 Ann Street  
Brisbane QLD 4000

## **Share Registry**

Computershare Investor Services Pty Limited  
Level 3, 60 Carrington Street  
SYDNEY NSW 2000

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# Alpha HPA Limited and its controlled entities

## Directors' Report

The Directors of Alpha HPA Limited (**Alpha** or **the Company**) and its subsidiaries (**the Group**) submit their report for the half-year ended 31 December 2023 and the Auditor's Review report thereon.

### Directors

The names of the Directors of the Company in office during the half-year period and until the date of this report were:

- Norman Seckold – Director since 30 November 2009
- Peter Nightingale – Director since 30 November 2009
- Rimantas Kairaitis – Director since 1 November 2017
- Mr Robert Williamson – Director since 1 May 2023
- Dr Regan Crooks – Director since 6 September 2022
- Annie Liu – Director since 14 December 2023
- Marghanita Johnson – Director since 15 January 2024
- Anthony Sgro – Director since 1 November 2017
- Cameron Peacock – Director from 3 February 2021 to 2 November 2023
- Justin Werner – Director from 23 December 2010 to 2 November 2023

### Results

The loss of the Group for the half-year after providing for income tax amounted to \$8,541,306 (2022 - loss of \$4,483,610).

### Company Overview

Alpha is an ASX-listed specialty metals and technology company focused on the delivery of the HPA First and Alpha Sapphire Projects, in Gladstone, Queensland, each representing the commercialisation and production of critical high purity aluminium products driving de-carbonisation utilising the Company's proprietary aluminium purification and refining technology.

These projects will deliver a range of ultra-high purity aluminium products that are critical materials to the supply chains of key de-carbonising high-technology sectors including:

- LED lighting;
- Lithium-ion batteries;
- Semi-conductors; and
- Sapphire glass for smartwatches/smartphones screens and wafers for micro-LED technology.

# Alpha HPA Limited and its controlled entities

## Directors' Report

### Review of Operations

The half-year saw a number of material achievements in advancing both the HPA First Project and Alpha Sapphire. Highlights during the half included:

- Continued production of 5N (>99.999%) purity aluminium nitrate (Al-nitrate), with cumulative production reaching ~258 tonnes of 5N purity.
- Final deployment of the Federal Government's \$15.5M Critical Minerals Development Program (**CMDP**) to finalise the installation and commissioning of equipment for the Stage 1 HPA circuit which will expand the facility's production to cover the full suite of the Company's high purity aluminium product range.
- Ongoing expansion of product marketing and product development activities of the Company's suite of ultra-high purity precursor and alumina products.
- Implementation of the Company's collaboration with the Ebner-Fametec Group to accelerate the Company's staged entry into the downstream production of synthetic sapphire glass including securing funding support from the QIC Critical Minerals and Battery Technology Fund (**QCMBTF**) and several strategic shareholders.
- Advancing the multiple workstreams related to completing Project financing discussions with Government lending agencies to facilitate a Final Investment Decision (**FID**) for the full scale, Stage 2 of the HPA First Project.

### HPA First Project – Stage 1

#### HPA circuit expansion

During the half year, the Company completed the deployment of the \$15.5 million grant awarded under the Critical Minerals Development Program (CMDP) to install a small-scale commercial high-purity aluminas (HPA) circuit within Stage 1 and expand the capability of the Stage 1 PPF to include Alpha's full high purity aluminium product range.

All major equipment orders were delivered and installed, with final commissioning activities underway.

By the end of the half, the HPA circuit expansion was close to fully commissioned, and will facilitate:

- between 15-40 tpa additional capacity of HPA production;
- Nano HPA production to service end-users in the semi-conductor/chemical mechanical polishing (CMP) sector;
- the capability to produce up to an additional 10tpa of high purity boehmite;
- the capacity to produce 15-25tpa of high purity alumina-trihydrate (ATH);
- the expansion of Stage 1 PPF production capacity of aluminium nitrate and aluminium sulphate; and
- the production of HPA tablets as feedstock for synthetic sapphire glass growth.

#### HPA circuit commissioning – production now at ~30kg/day

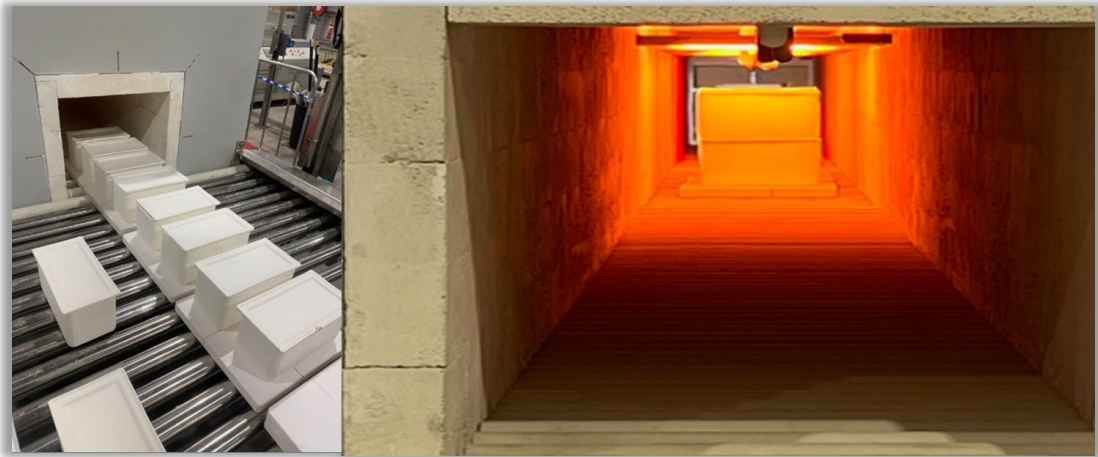
Across the half year, Alpha made good progress on the commissioning of both the HPA rotary kilns and HPA tunnel kiln calcination circuits, which are now operating at circa 30kg HPA production per day (combined). The Company is continuing to advance production rates, with the intention of maximising saleable HPA and to provide HPA tablet feedstock for synthetic sapphire production by both Ebner-Fametec and Alpha Sapphire.

# Alpha HPA Limited and its controlled entities

## Directors' Report



*HPA rotary kilns – in final commissioning*



*HPA tunnel kiln – in final commissioning*

### **Rotary dryer installed and under commissioning**

The HPA dryer unit has been installed, and commissioning commenced. This will be utilised by both the HPA and ATH production circuits.



*HPA dryer installed into Stage 1 and in commissioning*



# Alpha HPA Limited and its controlled entities

## Directors' Report

### Sinter oven delivered and installation commenced

The HPA tablet sinter oven, a key piece of equipment to accelerate production capacity of HPA tablets for sapphire glass also arrived on site, has completed installation and is now in commissioning.



*Sinter oven for HPA tablets – installed and in commissioning*

### Jet mill delivered and installation commenced

The jet mill, being the final piece of major equipment outstanding for the HPA circuit, was delivered, is now installed and in commissioning.



*Jet mill unit (LHS) installed into the soundproof enclosure (RHS)*

# Alpha HPA Limited and its controlled entities

## Directors' Report

### Boehmite and alumina tri-hydrate circuit (ATH) under commissioning

The high purity boehmite ( $\text{Al-O-OH}$ ) and high-purity alumina trihydrate ( $\text{Al(OH)}_3$ ) circuit (Area 1270) is now fully installed and undergoing commissioning.

This circuit includes the spray drying equipment, which will be used to manufacture spherical boehmites and spherical gamma alumina powders.



*Area 1270 (high-purity boehmite and alumina trihydrate) circuit – under commissioning.*

### Stage 1 production

Stable production of high purity Al-nitrate precursor has continued, with cumulative Al-nitrate production having now reached approximately 258 tonnes at the target 5N (99.999%) purity level.

To date approximate 25 tonnes of Al-Nitrate have been despatched as test samples or converted to high-purity aluminas and alumina tri-hydrate for sales and testwork orders.

Approximately 50% of the Al-nitrate production will be dedicated to conversion into HPA once the Stage 1 HPA circuit is fully commissioned. The remainder is being allocated for sales once final contracts are concluded.

Over December 2023 – February 2024, Alpha has paused production of Al-Nitrate to allow for the Stage 1 PPF crews to focus on training and production from the newly installed HPA circuit.

# Alpha HPA Limited and its controlled entities

## Directors' Report

### Product Marketing

Across the period Alpha continued to service a wide range of product orders across a number of high-technology sectors, namely:

- **Lithium-ion battery (LiB) sector:** With a focus on cathode coating & dopants and anode coatings
- **LED Lighting sector:** With a focus on HPA for synthetic sapphire LED substrates and LED phosphors
- **Semi-conductor sector:** With a focus on materials for Chemical Mechanical Polishing (CMP) and thermal interface materials for semi-conductor packaging

Alpha is utilising capacity in both the Stage 1, Precursor Production Facility (PPF) in Gladstone, QLD and the Company's product development facility in Brisbane to service various stages of its expanding market outreach, which includes:

- servicing existing sales orders;
- delivering into tonnage scale orders for end-user production testwork;
- servicing technical qualification, usually involving multiple test orders; and
- delivering initial production scale orders to demonstrate product suitability.

### HPA sales to South Korean Semiconductor sector brought forward

Since July 2023 Alpha has been delivering small scale sales of a bespoke HPA powder to an end-user in the South Korean semiconductor sector for a sales price of ~US\$35/kg. These sales have been completed under a Letter of Intent (LOI) which includes sales expansion to:

- 1 tonne per month from January 2024; and
- up to 1,000tpa by 2026.

In consideration of the positive progress on the Stage 1 HPA circuit commissioning, sales of this custom HPA product were brought forward to include a 220kg sales order in December.

### USA marketing

During the period Alpha completed a USA marketing trip off the back of the Company's participation in the Australian Critical Minerals Delegation to Washington DC.

The delegation coincided with a State visit by the Australian Prime Minister and with the recent announcement of the Australia-United States Climate, Critical Minerals, and Clean Energy Transformation Compact (**the Compact**).

End-user visits substantially advanced a number of large volume negotiations with key USA based end users, most notably:

- the accelerated testing and potential >1,000tpa supply of custom HPA's to a key supplier to the US semiconductor sector;
- the larger volume supply of custom high purity alumina hydroxides to a manufacturer of high purity catalysts; and,
- the potential supply of a high purity alumina hydroxide precursor to an existing manufacturer of high purity aluminas to the technical ceramics sector.

A number of further test orders were generated from the trip which are now being manufactured between Alpha's Stage 1 facility in Gladstone and the Brisbane product development centre.

# Alpha HPA Limited and its controlled entities

## Directors' Report

### Certification of Product Carbon Footprint (PCF) by CarbonChain

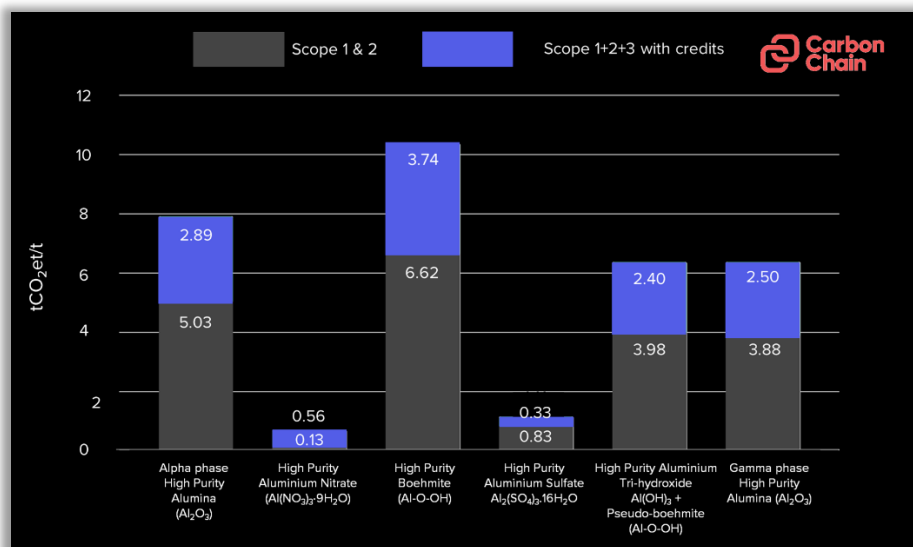
During the half year Alpha completed third party modelling of cradle-to-gate, product carbon footprint (PCF) analysis of each of its high purity aluminium products.

The modelling is inclusive of Scope 1, 2 & 3 emissions and credits received for the recycling of key reagents.

The PCF results by each product are represented graphically below.

Alpha considers each of these are likely to be sector leading in each product category. The very low carbon footprint results are enabled by:

- Alpha not using any (high embodied carbon) aluminium metal as process feedstock, unlike competing processes
- Alpha using 100% renewable electricity; and
- Alpha recycling close to 100% of its process reagents.



CarbonChain PCF modelling across Alpha's high purity aluminium product range

### Third party research confirmation of safety benefits of Ultra-Coat process

Over the last several months Alpha has enjoyed very wide engagement across the LiB anode sector for the testing of Al-oxide coated graphite anode materials using ultra high purity Al-Nitrate precursors (Alpha's 'UltraCoat' process), with testing underway with 13 different end-users. The UltraCoat process provides for higher capacity, faster cycling LiB cells, and replaces the traditional carbon-pitch coat which represents the incumbent graphite anode coating process.

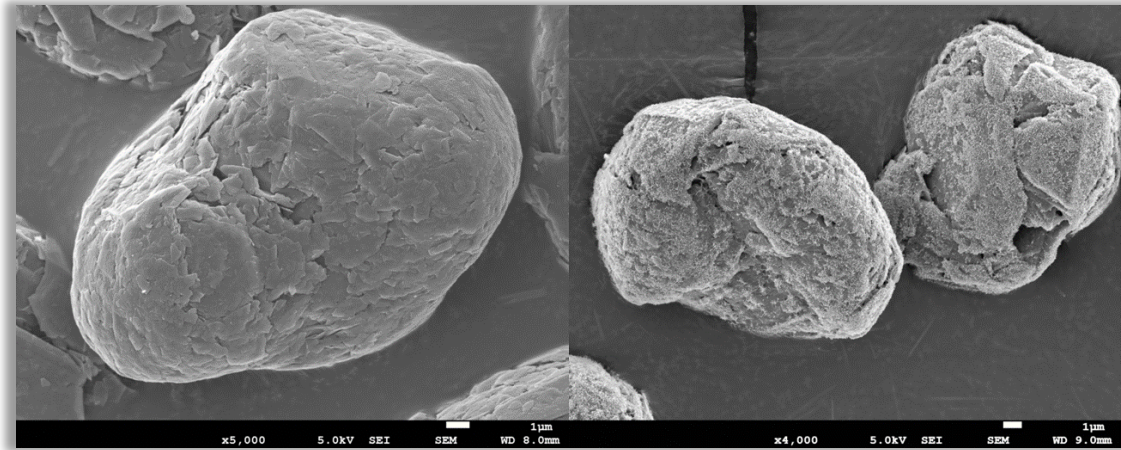
In significant part, the interest is being driven by the well described benefits of the process with respect to improved electrochemical performance.

More recently, Alpha has also been able to validate the very significant safety benefits of the Al-oxide coating. A key technical paper published by the leading anode manufacturer (BTR New Materials Group) confirms the process provides a **100% reduction in thermal runaway (battery fires) under nail-penetration testing**.

The nail penetration test is the industry standard test for battery safety under short circuit/trauma.

# Alpha HPA Limited and its controlled entities

## Directors' Report



*SEM imagery showing raw graphite anode particles (LHS) and Ultra-coated particles (RHS)*

## STAGE 2 – FULL SCALE PROJECT

### Stage 2 DFS near complete

The Definitive Feasibility Study (**DFS**) for full scale, Stage 2 of HPA First Project is now in final draft and due for release during Q1 2024.

The updated DFS incorporates an updated production profile of Alpha's high purity aluminium products and represents the final financial case under negotiation with Project lenders (see below).

### Project Finance process nearing completion

In parallel with the finalisation of the DFS, Alpha and its advisors continue to progress a Project Finance debt facility to be jointly funded by the following Australian Government financing agencies ('Lenders'):

- The Northern Australia Infrastructure Facility (NAIF), and;
- Export Finance Australia (EFA)

During the December quarter Alpha received:

- A Letter of Support (LOS) from EFA and;
- Strategic Assessment Phase (SAP) approval from the NAIF.

Alpha is now in the final stages of due diligence and approvals with the Lenders in respect of a debt facility.

# Alpha HPA Limited and its controlled entities

## Directors' Report

### About Export Finance Australia

EFA is Australia's export credit agency (ECA). EFA provides commercial finance for export trade and overseas infrastructure development. From small and medium sized enterprises (SMEs) to large corporates, foreign Governments and infrastructure projects, EFA helps Australian businesses take on the world. In doing so, EFA finance supports Australia's economic security and regional resilience.

EFA administers the Australian Government's National Interest Account, which currently includes the Critical Minerals Facility, the Defence Export Facility and lending for the Australian Infrastructure Financing Facility for the Pacific.

### About NAIF

The Northern Australia Infrastructure Facility (NAIF) is a Commonwealth Government development financier, investing for impact in Northern Australia. NAIF's primary purpose is to accelerate infrastructure development and thereby drive transformational growth in northern Australia by innovative financing that:

- Generates public benefit including that outside of what is captured by the project proponent.
- Encourages longer term growth in the economy and population of northern Australia.
- Encourages private sector participation in the financing of northern Australia's infrastructure needs; and Facilitates sustainable Indigenous participation, procurement, and employment outcomes.

The Company is now in the mature phases of market outreach and project financing with respect to the full scale Stage 2 HPA First Project, with the expectation of positioning Stage 2 to Final investment Decision.

### Government Grants

Over the period Alpha continued its work with the Grant administrators to align key milestone dates of the announced Government Grants with the Project Financing timetable.

- \$21.7M QLD Govt IPP Grant – FID date has been extended to on or before 30 June 2024
- \$45M Federal Govt MMI-C Grant – application submitted to extend FID date.

# Alpha HPA Limited and its controlled entities

## Directors' Report

**ALPHA SAPPHIRE**



### Background

In March 2023, Alpha entered agreements with Ebner-Fametec, to provide for the staged entry by Alpha into the production and sale of synthetic sapphire glass utilising Ebner-Fametec sapphire growth technology and utilising Alpha's custom high purity alumina (**HPA**) tablets as feedstock.

Alpha has agreed with Ebner to purchase and roll-out sapphire growth units in the following phases:

- **Phase A:** Purchase and installation of an initial 2 synthetic sapphire growth units: *Now Underway*
- **Phase B:** Purchase and installation of a further 48 synthetic sapphire growth units: *Total 50*
- **Phase C:** Purchase and installation of a further 50 synthetic sapphire growth units: *Total 100*

In June 2023, the agreement between Alpha and Ebner-Fametec was expanded to include a Letter of Intent to work co-operatively on an additional, large-scale expansion of the Australia based sapphire growth installation, to be referred to as the '**Nova Phase**'. The Nova Phase LOI contemplates the purchase, construction, installation and operation of up to an additional 1,000 synthetic sapphire growth units.

### Completion of \$40M Strategic Placement to accelerate Alpha Sapphire

In November the Company announced it had received binding commitments from Australian Super, Orica Limited and other large shareholders to raise \$40 million (before costs) through the issue of approximately 54.8 million new fully paid ordinary shares in the Company representing 6.2% of Alpha's existing shares on issue, at an offer price of \$0.73 per share (**Strategic Placement**).

The Strategic Placement provides matching funding to the \$30 million funding from the QIC Critical Minerals and Battery Technology Fund (**QCMETF**), as well as general working capital.

With the completion of the all conditions precedent to the drawing of both tranches of the QCMETF facility (refer below), a total of \$60M funding is now available to fully fund Phases A and B of the roll-out of the Alpha Sapphire Project (in total, the first 50 sapphire growth units). Phases A and B of the Alpha Sapphire Project are projected to generate sufficient future cashflows to fund the future expansion through to completion of Phase C (being a further 50 sapphire growth units, taking the total number of sapphire growth units to 100).

Dependent on final production rates from Alpha's existing HPA First Project Stage 1 facility in Gladstone, Alpha Sapphire Phases A and B are expected to be either wholly or substantially supplied with HPA tablet feedstock from the Company's HPA First Project Stage 1.

The Strategic Placement is a strong endorsement of Alpha Sapphire and a significant corporate milestone in funding the Alpha Sapphire business through to positive cash flow.

# Alpha HPA Limited and its controlled entities

## Directors' Report

### Completion of \$30M Alpha Sapphire funding from QCMBTF

The Company executed binding transaction documentation for the provision of up to \$30 million of project funding from the QIC Critical Minerals and Battery Technology Fund (**QCMBTF**) for the Company's 100% owned subsidiary, Alpha Sapphire Pty Ltd (**Alpha Sapphire**).

Proceeds from the QCMBTF project funding will be applied to accelerate the roll-out of the initial 50 sapphire growth units (Phases A and B) contemplated in the LOI announced with Austrian technology partner Ebner Industrieofenbau GmbH (**Ebner**) and Ebner subsidiary Fametec GmbH (**Fametec**).

#### *Summary of key terms*

<b>Financier</b>	Trustee of the QIC Critical Minerals and Battery Technology Fund (QCMBTF).
<b>Commitment</b>	\$30 million.
<b>1<sup>st</sup> Financial Close</b>	\$3 million (PAID)
<b>2<sup>nd</sup> Financial Close</b>	\$27 million.
<b>Availability</b>	Up to 31 December 2024.
<b>Key Conditions Precedent to 1<sup>st</sup> Financial Close</b>	Definitive documentation and other customary conditions, including final due diligence and internal investor approvals. <b>(NOW COMPLETE)</b>
<b>Key Conditions Precedent to 2<sup>nd</sup> Financial Close</b>	Final Investment Decision ( <b>FID</b> ) by Alpha Sapphire on Phase B (48 growth units) and matched funding from Alpha.  Other customary conditions, including final due diligence and internal investor approvals.
<b>Repayment Amount</b>	4.35% of gross revenue (less power costs) generated from Alpha Sapphire from sapphire product sales, on the first 2,500 tonnes of sapphire product sales. However, the greater of the actual Repayment Amount (based on the formula above) and the total commitment (\$30 million) becomes repayable in prescribed circumstances (including events of default).
<b>Security</b>	First ranking security over shares in Alpha Sapphire and its assets, subject to agreed exceptions.
<b>Special Conditions relating to Facility</b>	Phase B and Phase C (100 growth units) sapphire growth facility to be located within the state of Queensland.

Alpha Sapphire was advised by McGrathNicol and Ashurst. QIC was advised by e BurnVair Corporate Finance and Allens.

### Successful sapphire growth testing at Ebner-Fametec's Austrian Facility

During the period Ebner-Fametec's Austrian facility reported further successful sapphire growth testing with the most recent HPA tablets delivered from the HPA First Project.

The most recent sapphire growth results recorded a clean, c-axis boule with good colour and low imperfections. This boule is now being processed into sapphire blanks and wafers for final end user testing. The most recent sapphire growth assayed <2ppm total impurities (99.999% purity).

Alpha has recently shipped 100kg of additional HPA tablets for follow-on testing in the multi-growth sapphire units in Austria.



# Alpha HPA Limited and its controlled entities

## Directors' Report

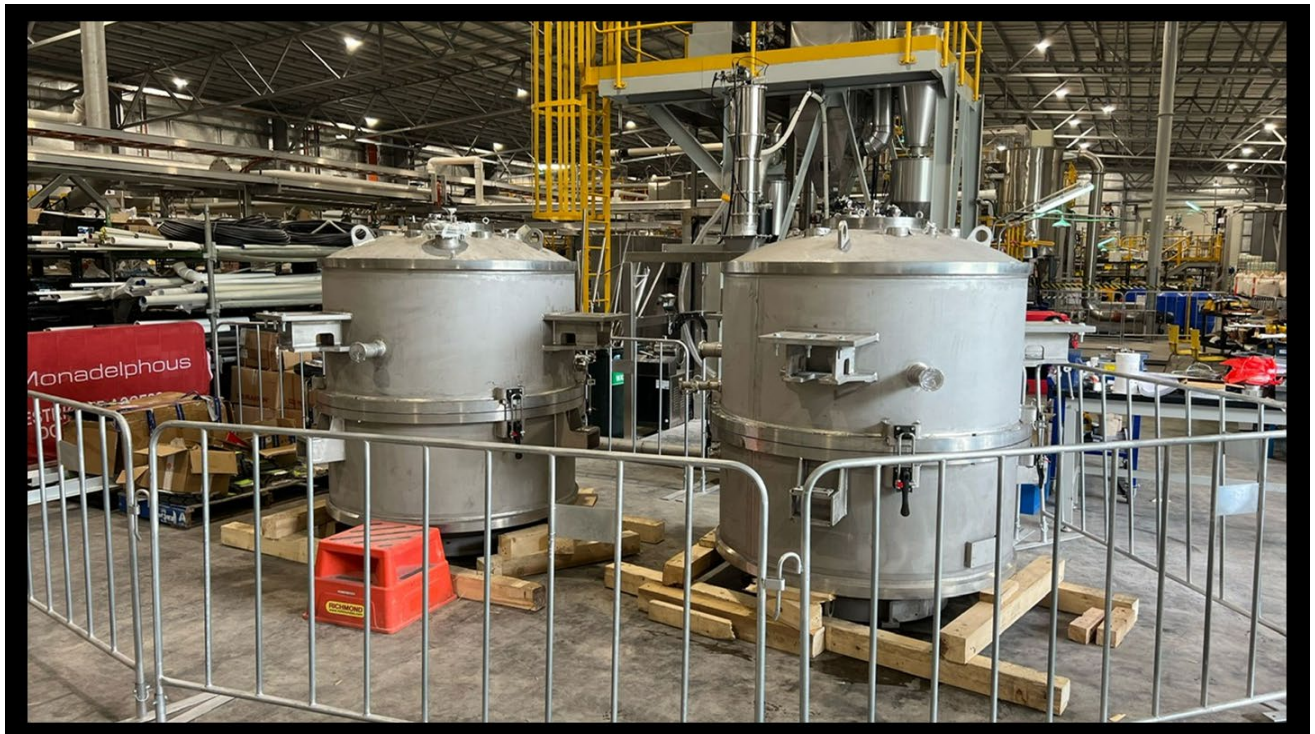


*Pre-melt crucible packed with Alpha HPA tablets (LHS). Completed, single crystal sapphire boule (RHS).  
(scale approx. 20cm diameter)*

### Installation of Phase A sapphire growth utilities complete

Subsequent to the end of the half year Alpha announced that the support infrastructure and utilities for the first two synthetic sapphire growth units (Phase A) is complete and ready for commissioning at the Company's HPA facility in Gladstone, QLD.

The synthetic sapphire framing and furnace bodies have also arrived on site, with installation now underway.



*Sapphire grower shells, delivered and ready for installation*

# Alpha HPA Limited and its controlled entities

## Directors' Report

### Successful development of custom, circular HPA tablet

Alpha has now successfully developed the equipment design and manufacturing process for a custom, circular, sintered HPA tablet as a bespoke feedstock for the Ebner-Fametec sapphire furnaces.

The larger, approximately 1kg tablets have been successfully manufactured at the Stage 1 facility in Gladstone and sintered to an ultra-high density of 3.7 – 3.8 g/cm<sup>3</sup>. By providing a custom, high density feedstock, these tablets are expected to improve materials handling, crucible charging and increase the yield per sapphire crystal run.

Manufacture of these tablets will now be scaled up and tested in sapphire growth units at Ebner-Fametec in Austria to confirm quality and implied higher sapphire yield.



*Sintered high-density circular HPA tablets – custom designed for the Ebner-Fametec growth units*

### Site selection for Phases B and C

Alpha has short listed a handful of properties as potentially suitable locations for the Alpha Sapphire expansions, being:

- **Phase B** (48 additional sapphire units) and
- **Phase C** (50 additional sapphire units).

Live discussions with power distribution networks are ongoing to ensure ability to supply total power connection requirements for both phases with formal enquiries in progress. Alpha continues to progress renewable power discussions with relevant energy providers in Queensland.

The engineering team are progressing site layouts in parallel with site selection to ensure proper fit and operability which will include feed preparations, sapphire growing and sapphire boule mapping and processing within the facility.

# Alpha HPA Limited and its controlled entities

## Directors' Report

### CORPORATE

#### Expansion of IP Licensing Rights

During the period the Company announced it had satisfied all of the conditions to expand and consolidate its Intellectual Property (IP) rights to the aluminium extraction and refining technology on which the HPA First Project process flow sheet has been developed.

Under the expanded License conditions:

- Alpha has secured the exclusivity of the process IP License for the production of all aluminium bearing products *and*;
- Alpha has secured the right to apply the IP globally (previously limited to Australian and North American production centres).

The original term of the Licence remains unchanged (20 years from 1 June 2018) with the ability to extend thereafter by 5 years at the Company's election.

In consideration for securing these expanded IP rights the Company completed the following cash and share based payments:

- \$2.0M cash (plus GST), and
- \$1.0M (plus GST) as fully paid ordinary shares at a price of \$1.1326 per share.

The Company is also obliged to continue paying the licensor an annual, CPI adjusted, licence fee of \$100,000 and a quarterly royalty equal to 2% of gross revenue prior to practical completion of the full-scale Gladstone plant and reducing to 1% thereafter.

#### CFO Appointment

In October 2023 it was announced that Mr Craig Jones will be joining the Company as Chief Financial Officer (CFO).

Craig has been working closely with Alpha as advisor to Alpha in respect of the Project Financing of the HPA First Project since April 2020, and has a strong working understanding of the Company and its business.

Craig has nearly 25 years of experience in a wide variety of banking, corporate and financial advisory roles. He spent 18 years in various structured lending teams within leading commercial banks, including ANZ Bank where he worked for 12 years in Sydney, Singapore, Brisbane and London. For the past 5 years, Craig has been a Director in KPMG's Corporate Finance team and responsible for arranging and structuring finance for projects in the energy and natural resources sectors, with a particular focus on critical minerals.

Craig commenced in the role in January 2024, based in Alpha's Brisbane office.

Current CFO Peter Nightingale has assumed the role as Finance Director.

#### Admittance to S&P ASX 300 Index

During the period the Company was admitted to the S&P ASX 300 index.

# Alpha HPA Limited and its controlled entities

## Directors' Report

### Board Changes

In November 2023 Justin Werner and Cameron Peacock retired as Directors of the Company.

With its recent inclusion into the ASX300 and the substantial progress towards establishing significant production scale across the Company's HPA First Project and Alpha Sapphire businesses, the Company set a target to restructure the Board composition with a wider representation of more independent, non-executive Directors.

In fulfilling this objective, the Company was pleased to announce firstly the appointment of Annie Liu and then subsequent to the end of the period Marghanita Johnson as Independent, Non-Executive Directors.

Annie is a seasoned executive, having spent 20+ years in building and leading teams across stages from product incubation to rapid growth and scale-up in mature markets. Annie was the Executive Director at Ford (Model E) from 2022 to 2023. Prior to her role at Ford, Annie forged and managed Tesla's multi-billion-dollar strategic partnerships and sourcing portfolios that support Tesla's Energy and Battery business units including Battery, Battery Raw Material, Energy Storage, Solar and Solar Glass, including raw materials sourcing efforts such as lithium for battery cells.

Marghanita has been the Chief Executive Officer of the Australian Aluminium Council since 2019. She has over 25 years' experience in the Australian mining and manufacturing sectors, predominantly within the aluminium industry. Prior to joining the Council she led government engagement and advocacy on behalf of Rio Tinto's Pacific Aluminium assets and prior to that held key climate and sustainability roles at Rio Tinto.

Marghanita has Environmental Engineering and Chemistry degrees from the University of Western Australia. She is currently Chair of the Australian Industry Greenhouse Network and a director of the Energy Users Association of Australia.

### R&D Claim

The Company lodged a material R&D claim during the period, which accesses the ATO's Temporary Full Expensing (TFE) rules as they relate to qualifying capital investment. The Company is expecting a rebate under the claim of approximately \$6.2 million. Currently the claim remains under review.

### Subsequent Events

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.

### LEAD AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Lead Auditor's Independence Declaration on page 19 as required under Section 307C of the Corporations Act 2001 is attached to, and forms part of the Directors' Report for the half-year ended 31 December 2023.

Signed in accordance with a resolution of the Directors.



Norman A. Seckold  
Chairman  
Sydney, 28 February 2024



# 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 review of Alpha HPA Limited for the half-year ended 31 December 2023 there have been:

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

KPMG

Stephen Board  
*Partner*

Brisbane  
28 February 2024

**Alpha HPA Limited and its controlled entities**  
**Condensed Consolidated Interim Statement of Profit or Loss and**  
**Other Comprehensive Income**  
**for the half-year ended 31 December 2023**

	<b>31 December 2023 \$</b>	<b>31 December 2022 \$</b>
<b>Continuing operations</b>		
Sales revenue	25,259	8,595
Cost of sales	(27,235)	(5,369)
Other income – research and development rebate	6,192,415	-
Unrealised (loss)/gain on investments	4 (2,536,286)	3,330,244
Administration and consultants' expenses	(7,433,669)	(4,590,131)
Audit, legal and other professional fees	(118,972)	(123,165)
Depreciation	(614,647)	(116,605)
Director and company secretarial fees	(506,400)	(409,419)
Share based payments	8 (272,254)	(1,217,802)
Research and development expenses	(186,903)	(887,270)
Marketing and market outreach costs	(327,459)	(562,608)
Project operational expenses	(3,213,650)	-
<b>Operating loss before financing income</b>	<b>(9,019,801)</b>	<b>(4,573,530)</b>
Finance income	486,555	100,306
Finance expense	(8,060)	(10,386)
<b>Net finance income</b>	<b>478,495</b>	<b>89,920</b>
<b>Loss before income tax</b>	<b>(8,541,306)</b>	<b>(4,483,610)</b>
Income tax expense	-	-
<b>Loss for the period</b>	<b>(8,541,306)</b>	<b>(4,483,610)</b>
<b>Other comprehensive income for the period</b>		
<b>Items that may be classified subsequently to profit or loss</b>	-	-
<b>Total other comprehensive income</b>	-	-
<b>Total comprehensive loss for the period</b>	<b>(8,541,306)</b>	<b>(4,483,610)</b>
<b>Earnings per share</b>		
Basic and diluted loss per share attributable to ordinary equity holders (cents per share)	(1.03)	(0.55)

The above statement should be read in conjunction with the accompanying notes.

**Alpha HPA Limited and its controlled entities**  
**Condensed Consolidated Interim Statement of Financial Position**  
**as at 31 December 2023**

	Note	31 December 2023 \$	30 June 2023 \$
<b>Current assets</b>			
Cash and cash equivalents		36,074,696	20,588,748
Trade and other receivables	3	8,224,002	1,582,127
Prepayments		546,173	412,758
Inventory		2,604,430	1,109,636
<b>Total current assets</b>		<b>47,449,301</b>	<b>23,693,269</b>
<b>Non-current assets</b>			
Property, plant and equipment	5	44,763,091	37,545,020
Right-of-use-assets		210,373	290,197
Investments	4	2,767,374	5,303,660
Deposits		226,401	279,557
Intellectual Property Licence Rights	6	4,038,320	-
<b>Total non-current assets</b>		<b>52,005,559</b>	<b>43,418,434</b>
<b>Total assets</b>		<b>99,454,860</b>	<b>67,111,703</b>
<b>Current liabilities</b>			
Trade and other payables		3,268,129	5,392,579
Deferred consideration	6	98,695	-
Deferred grant recognition		3,436,323	5,364,668
Lease liability		219,335	206,434
<b>Total current liabilities</b>		<b>7,022,482</b>	<b>10,963,681</b>
<b>Non-Current liabilities</b>			
Deferred consideration	6	882,703	-
Lease liability		33,817	132,381
Borrowings	9	3,000,000	-
<b>Total Non-Current liabilities</b>		<b>3,916,520</b>	<b>132,381</b>
<b>Total liabilities</b>		<b>10,939,002</b>	<b>11,096,062</b>
<b>Net assets</b>		<b>88,515,858</b>	<b>56,015,641</b>
<b>Equity</b>			
Issued capital	7	175,055,720	127,756,651
Reserves		2,180,146	8,437,692
Accumulated losses		(88,720,008)	(80,178,702)
<b>Total equity</b>		<b>88,515,858</b>	<b>56,015,641</b>

The above statement should be read in conjunction with the accompanying notes.

**Alpha HPA Limited and its controlled entities**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**for the half-year ended 31 December 2023**

	Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
Balance as at 1 July 2022		101,716,126	9,650,781	(64,497,994)	46,868,913
<b>Total comprehensive income for the period</b>					
Loss for the period		-	-	(4,483,610)	(4,483,610)
Total comprehensive loss for the year		-	-	(4,483,610)	(4,483,610)
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Issue of shares	7	23,332,511	-	-	23,332,511
Cost of issue		(49,206)	-	-	(49,206)
Options exercised during the period		2,551,266	(2,551,266)	-	-
Share based payments		-	1,217,802	-	1,217,802
Total contributions by and distributions to owners		25,834,571	(1,333,464)	-	24,501,107
Balance at 31 December 2022		127,550,697	8,317,317	(68,981,604)	66,886,410
Balance as at 1 July 2023		<b>127,756,651</b>	<b>8,437,692</b>	<b>(80,178,702)</b>	<b>56,015,641</b>
<b>Total comprehensive income for the period</b>					
Loss for the period		-	-	(8,541,306)	(8,541,306)
Total comprehensive loss for the year		-	-	(8,541,306)	(8,541,306)
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Issue of shares	7	<b>44,750,000</b>	-	-	<b>44,750,000</b>
Cost of issue	7	<b>(1,980,731)</b>	-	-	<b>(1,980,731)</b>
Options exercised during the period	7	<b>4,529,800</b>	<b>(4,529,800)</b>	-	-
Transaction with option holder			<b>(2,000,000)</b>	-	<b>(2,000,000)</b>
Share based payments	8	-	<b>272,254</b>	-	<b>272,254</b>
Total contributions by and distributions to owners		<b>47,299,069</b>	<b>(6,257,546)</b>	-	<b>41,041,523</b>
Balance at 31 December 2023		<b>175,055,720</b>	<b>2,180,146</b>	<b>(88,720,008)</b>	<b>88,515,858</b>

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



**Alpha HPA Limited and its controlled entities**  
**Condensed Consolidated Interim Statement of Cash Flows**  
**for the half-year ended 31 December 2023**

	Note	31 December 2023 \$	31 December 2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		32,101	2,208
Cash payments in the course of operations		(15,007,223)	(3,359,003)
Interest received		345,965	100,184
Government grants and incentives		-	2,001,120
		<u>(14,629,157)</u>	<u>(1,255,491)</u>
<b>Net cash used in operating activities</b>			
<b>Cash flows from investing activities</b>			
Payments for research and development expenditure		(1,288,535)	(1,731,241)
Payments for plant and equipment		(9,908,155)	(14,942,601)
Payments for security deposits		-	(34,471)
Payments for intellectual property rights expansion		(2,000,000)	-
Government grants and incentives		736,250	6,200,000
		<u>(12,460,440)</u>	<u>(10,508,313)</u>
<b>Net cash used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares	7	43,650,000	23,332,511
Transaction costs on the issue of shares	7	(1,980,731)	(49,206)
Payment to option holder		(2,000,000)	-
Receipt of funds from borrowings		3,000,000	-
Repayment of lease liability		(85,663)	(103,252)
		<u>42,583,606</u>	<u>23,180,053</u>
<b>Net cash from financing activities</b>			
<b>Net increase in cash and cash equivalents</b>		<b>15,494,009</b>	<b>11,416,249</b>
<b>Cash and cash equivalents at 1 July</b>		<b>20,588,748</b>	<b>16,831,134</b>
<b>Effect of exchange rate adjustments on cash held</b>		<b>(8,061)</b>	<b>11,422</b>
		<u>36,074,696</u>	<u>28,258,805</u>
<b>Cash and cash equivalents at 31 December</b>			

The above statement should be read in conjunction with the accompanying notes.

# Alpha HPA Limited and its controlled entities

## Notes to the Condensed Consolidated Interim Financial Statements for the half-year ended 31 December 2023

### 1. REPORTING ENTITY

Alpha HPA Limited ('the Company') is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the half-year ended 31 December 2023 comprise the Company and its controlled entities (together referred to as 'the Group').

The Group is a for-profit entity developing the HPA First Project, to produce high purity aluminum products for the battery, LED and semi-conductor markets, as well as synthetic sapphire glass.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2023 is available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at [www.alphahpa.com.au](http://www.alphahpa.com.au).

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 'Interim Financial Reporting'.

The condensed consolidated interim financial statements do not include full disclosures of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

These condensed consolidated interim financial statements were authorised for issue by the Directors on 28 February 2024.

#### (b) Estimates

The preparation of the condensed consolidated interim 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 expense. Actual results may differ from these estimates.

The significant judgements made by management in applying Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the consolidated annual financial report for the year ended 30 June 2023. These were:

- 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 period.
- Share Based Payments.
- Unrecognised Deferred Tax Assets.
- Intellectual Property Licensing Rights
- Accounting for QIC Borrowings

#### (c) Changes in accounting policies

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023 and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

#### (d) 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 \$8,541,306 (2022 - \$4,483,610), and had net cash outflows from operating and investing activities, \$27,089,597 (2022 - \$11,763,084) for the half year ended 31 December 2023.

## Alpha HPA Limited and its controlled entities

### Notes to the Condensed Consolidated Interim Financial Statements for the half-year ended 31 December 2023

The Group's main activity is development of the HPA First Project and as such it does not presently have a material 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 January 2024 to 31 March 2025 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 half year ended 31 December 2023 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.

	<b>As at 31 December 2023</b>	<b>As at 30 June 2023</b>
	<b>\$</b>	<b>\$</b>
<b>3. TRADE AND OTHER RECEIVABLES</b>		
<i>Current</i>		
GST receivable	1,084,311	-
R&D rebate receivable	6,182,415	-
Government grant receivable*	813,750	1,550,000
Other receivables	143,526	32,127
	<b>8,224,002</b>	<b>1,582,127</b>

\* Relates to Federal Government grant funding of \$15.5 million under the Critical Minerals Development Program (CMDP), of which \$736,250 was received during the period.

#### **4. INVESTMENTS**

<i>Current</i>		
Opening balance	5,303,660	5,328,802
Unrealised loss	(2,536,286)	(25,142)
Closing balance	<b>2,767,374</b>	<b>5,303,660</b>

At 31 December 2023 the Company held the following shares in ASX listed entities:

- 17,125,000 shares in Far East Gold Limited, the fair value of which was \$2,226,250;
- 20,000,000 shares in Helix Resources Limited the fair value of which was \$80,000; and
- 456,558 shares in Santana Minerals Limited, the fair value of which was \$461,124.

Fair value is based on the closing market value of the shares on the last day of trading on ASX prior to 31 December 2023. The fair value measurements for the Group's investments have been categorised as Level 1 fair values based on quoted prices in an active market for identical assets.

**Alpha HPA Limited and its controlled entities**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**for the half-year ended 31 December 2023**

	<b>As at 31 December 2023 \$</b>	<b>As at 30 June 2023 \$</b>
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Construction in progress	<b>18,141,036</b>	5,513,279
Plant and equipment*	<b>10,311,362</b>	15,651,714
Building	<b>13,267,874</b>	13,425,858
Land	<b>2,648,851</b>	2,648,851
Office equipment	<b>63,177</b>	25,424
Lap equipment	<b>241,467</b>	235,417
Motor vehicles	<b>33,900</b>	38,520
Furniture and fittings	<b>55,424</b>	5,957
	<b>44,763,091</b>	37,545,020

\* \$1,139,902 of government grant income was offset against the carrying value of the precursor plant facility during the period.

**6. INTELLECTUAL PROPERTY RIGHTS**

During the period the Company signed an amendment and restatement deed to the sublicense agreement that expanded and consolidated its Intellectual Property (IP) rights to the aluminium extraction and refining technology on which the HPA First Project process flow sheet has been developed.

In consideration for securing these expanded IP rights the Company completed the following cash and share based payments:

- \$2.0M cash (plus GST), and
- \$1.0M (plus GST) as fully paid ordinary shares at a price of \$1.1326 per share.

The Company is also obliged to continue paying the licensor an annual, CPI adjusted, licence fee of \$100,000 for the remaining term and a quarterly royalty equal to 2% of gross revenue prior to practical completion of the full-scale Gladstone plant and reducing to 1% thereafter.

The amount recognised as an intangible asset on the balance sheet comprises the cash and share based consideration paid for the expanded IP rights as well as an amount equalling the net present value of the future annual licence fees over remaining term.

	<b>As at 31 December 2023 \$</b>	<b>As at 30 June 2023 \$</b>
<b>7. ISSUED CAPITAL</b>		
<b>Issued and paid up capital</b>		
933,799,090 ordinary shares fully paid (30 June 2023 – 857,806,079)	<b>175,055,720</b>	127,756,651

**Ordinary shares**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	<b>N° of shares</b>	<b>\$</b>	<b>N° of shares</b>	<b>\$</b>
Balance at the beginning of the period	<b>857,806,079</b>	<b>127,756,651</b>	795,486,624	101,716,126
Issue of shares	<b>55,765,738</b>	<b>41,100,000</b>	45,057,980	19,863,011
Exercise of options	<b>20,227,273</b>	<b>8,179,800</b>	17,261,475	6,230,466
Costs of issue	-	<b>(1,980,731)</b>	-	(52,952)
Balance at the end of the period	<b>933,799,090</b>	<b>175,055,720</b>	857,806,079	127,756,651

**Alpha HPA Limited and its controlled entities**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**for the half-year ended 31 December 2023**

**7. ISSUED CAPITAL (continued)**

**6 months to 31 December 2023**

In July 2023 the Company issued 971,217 shares to its IP Licensor for global exclusive Licensee rights to the process IP. The value of the shares granted, based on a 5 day VWAP was \$1.1326 per share, equating to consideration of \$1,100,000. Share costs totalled \$6,033.

Additionally, the Company issued 10,428,571 shares at \$0.35 each for cash totalling \$3,650,000, following the exercise of 10,428,571 \$0.30 options. The grant date fair value of the share options exercised transferred from reserves to share capital was \$2,096,286. Share costs totalled \$28,382.

Additionally, the Company issued 9,798,702 shares following the cashless conversion of 14,371,429 \$0.35 options. The grant date fair value of the share options exercised transferred from reserves to share capital was \$2,433,514.

In November 2023 the Company issued 54,794,521 shares at \$0.73 each, to sophisticated investors, for cash totalling \$40,000,000. Share costs totalled \$1,946,317.

**6 months to 31 December 2022**

During the period ended 31 December 2022, the Company issued 11,800,000 shares at \$0.30 each for cash totalling \$3,540,000, following the exercise of 11,800,000 \$0.30 options. The grant date fair value of the share options exercised transferred from reserves to share capital was \$1,268,289. Share costs totalled \$18,281.

Additionally, the Company issued 4,950,000 shares following the cashless conversion of 19,800,000 \$0.30 options. The grant date fair value of the share options exercised transferred from reserves to share capital was \$1,282,977.

In November 2022 the Company issued 44,982,980 shares at \$0.44 each, to Orica Investments Pty Ltd, for cash totalling \$19,792,511. Share costs totalled \$30,925.

**8. SHARE BASED PAYMENTS**

No options were issued during the half-year ended 31 December 2023.

During the half-year ended 31 December 2022, the following options were issued:

- The Company issued 3,000,000 \$0.90 options for no consideration with a grant date of 23 November 2022 and an expiry date of 31 August 2025, to Director Dr Regan Crooks. 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 \$789,000. The Black-Scholes formula model inputs were the Company's share price of \$0.595 at the grant date, a volatility factor of 85% (based on historical share price performance), a risk-free interest rate of 3.27% and a dividend yield of 0%. One third of the options vested on grant date, 1/3 vest on 31 August 2023 and 1/3 vest on 31 August 2024. A share based payment expense of \$132,823 was taken up during the half-year ended 31 December 2023.

At 31 December 2023, unissued ordinary shares of the Company under option are:

Number of options	Exercise price	Expiry date	Expense recognised
8,960,000	\$0.90	30 April 2025	139,431
3,000,000	\$0.90	31 August 2025	132,823

**Alpha HPA Limited and its controlled entities**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**for the half-year ended 31 December 2023**

**9. BORROWINGS**

During the period, the Group secured a debt facility of upto \$30m from QIC Critical Minerals and Battery Technology Fund (**QCMBTF**). The project funding facility will be applied to the roll-out of the initial 50 sapphire growth units in two phases:

- Phase A - \$3m drawable to re-imburse investment in the first two growth units
- Phase B - \$27m drawable (to reimburse or progressively fund) from Final Investment Decision ('FID') until December 2024.

The Group has drawn the first \$3m at 31 December 2023. The debt facility has a sales based repayment mechanism being 4.35% of the gross revenue (less power costs) capped to the first 2,500 tonnes of production, and is secured by a first ranking charge over shares in Alpha Sapphire Pty Ltd and its assets, subject to agreed exceptions.

**10. SEGMENT REPORTING**

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 half-year ended 31 December 2023, the Group had two segments, being development of the HPA First Project and the Alpha Sapphire Project.

	<b>HPA First Project \$</b>	<b>Alpha Sapphire Project \$</b>	<b>Total \$</b>
<b>31 December 2023</b>			
Revenue	<b>25,259</b>	-	<b>25,259</b>
Reportable segment loss before tax	<b>(4,896,256)</b>	<b>(862)</b>	<b>(4,895,394)</b>
Reportable segment assets	<b>51,491,269</b>	<b>3,163,637</b>	<b>54,654,906</b>
Reportable segment liabilities	<b>6,092,020</b>	<b>3,564,071</b>	<b>9,656,090</b>
<b>31 December 2022</b>			
Revenue	<b>8,595</b>	-	<b>8,595</b>
Reportable segment loss before tax	<b>(5,449,795)</b>	-	<b>(5,449,795)</b>
Reportable segment assets	<b>40,768,198</b>	-	<b>40,768,198</b>
Reportable segment liabilities	<b>10,545,161</b>	-	<b>10,545,161</b>

**Alpha HPA Limited and its controlled entities**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**for the half-year ended 31 December 2023**

**10. SEGMENT REPORTING (continued)**

	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliations of reportable segment revenues and profit or loss</b>		
<b>Profit or loss</b>		
Total loss for reportable segments	(4,895,394)	(5,449,795)
Unallocated amounts:		
Interest income	486,555	100,306
Net other corporate income/(expenses)	(4,132,467)	865,879
Consolidated loss before tax	<u>(8,541,306)</u>	<u>(4,483,610)</u>
 <b>Reconciliations of reportable assets and liabilities</b>		
<b>Assets</b>		
Total assets for reportable segments	54,654,906	40,768,198
Unallocated corporate assets	44,799,954	37,777,361
Consolidated total assets	<u>99,454,860</u>	<u>78,545,559</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	9,656,090	10,545,161
Unallocated corporate liabilities	1,282,912	1,113,988
Consolidated total liabilities	<u>10,939,002</u>	<u>11,659,149</u>

**11. RELATED PARTIES**

**Key management personnel and Director transactions**

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities.

These entities transacted with the Group during the half-year as follows:

- During the half-year year ended 31 December 2023, Norman Seckold and Peter Nightingale held a controlling interest in an entity, MIS Corporate Pty Ltd, which provided full administration services to the Group, including rental accommodation, administrative, accounting and investor relations staff both, services and supplies. Fees charged by MIS Corporate Pty Ltd during the half-year amounted to \$150,000 (31 December 2022 - \$192,500). At 31 December 2023 there was nil outstanding (31 December 2022 - \$42,000).

**12. FINANCIAL INSTRUMENTS**

**Financial risk management**

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated annual financial report as at and for the year ended 30 June 2023.

**Carrying amounts versus fair values**

The carrying amounts of financial assets and financial liabilities included in the balance sheet approximate fair values.

**Alpha HPA Limited and its controlled entities**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**for the half-year ended 31 December 2023**

**13. SUBSEQUENT EVENTS**

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.



## Alpha HPA Limited and its controlled entities Directors' Declaration

In accordance with a resolution of the Directors of Alpha PHA Limited, I state that:

In the opinion of the Directors:

- (a) the interim financial report and notes set out on pages 20 to 30 are in accordance with the *Corporations Act 2001* including:
  - (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and
- (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.

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 half year ended 31 December 2023.

Signed in accordance with a resolution of the Directors.



Norman A. Seckold  
Chairman

Sydney, 28 February 2024



# Independent Auditor's Review Report

To the shareholders of Alpha HPA Limited

## Report on the Interim Financial Report

### Conclusion

We have reviewed the accompanying **Interim Financial Report** of Alpha HPA Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Alpha HPA Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated interim statement of financial position as at 31 December 2023
- Condensed consolidated interim statement of profit or loss and other comprehensive income, Condensed consolidated interim statement of changes in equity and Condensed consolidated interim statement of cash flows for the half-year ended on that date
- Notes 1 to 13 including selected explanatory notes
- The Directors' Declaration.

The **Group** comprises Alpha HPA Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half-year.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

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



## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Stephen Board  
Partner

Brisbane  
28 February 2024