ALTURA MINING LIMITED
ABN 39 093 391 774
AND CONTROLLED ENTITIES

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

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Corporate Directory

DIRECTORS

James Brown – Managing Director
Paul Mantell – Executive Director
Allan Buckler – Non-Executive Director
Dan O'Neill – Non-Executive Director
Beng Teik Kuan – Non-Executive Director

COMPANY SECRETARIES

Noel Young
Damon Cox

REGISTERED OFFICE

Building 8, 22 Magnolia Drive
BROOKWATER QLD 4300

Telephone: +61 7 3814 6900
Facsimile: +61 7 3814 6911

Email: cosec@alturamining.com
Website: www.alturamining.com

AUDITORS

Crowe Horwath Perth
Level 6, 256 St. Georges Terrace
PERTH WA 6000

SHARE REGISTRY

Link Market Services Limited
Level 15, 324 Queen Street
BRISBANE QLD 4000

AUSTRALIAN SECURITIES EXCHANGE

Code: AJM

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2013

Your directors have pleasure in presenting the annual financial report of Altura Mining Limited ("Altura" or "the Company") and its controlled entities ("the Group") for the financial year ended 30 June 2013.

DIRECTORS

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

Mr James Brown
Mr Paul Mantell
Mr Allan Buckler
Mr Dan O'Neill
Mr Beng Teik Kuan

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial year were:

- Mining and production of coal;
- Provision of mining services, including drilling and geologging services; and
- Exploration for coal, iron ore, lithium, garnet, uranium and other minerals, principally within Australia and Indonesia.

OPERATING AND FINANCIAL REVIEW

Overview

Altura Mining Limited is an ASX listed entity with significant coal, iron ore and lithium projects in Indonesia and Australia, a diverse minerals exploration portfolio, and a profitable mining services arm that provides drilling, geophysical and project development services.

The main focus of the Group during the 2013 financial year was coal production at the Delta coal mine, exploration activities at the Tabalong coal project, the progression of the Mt Webber DSO joint venture to a decision to mine stage, and further exploration activities at the Pilgangoora lithium project.

Operating results

The consolidated entity's operating loss after providing for income tax and minority equity interests for the year ended 30 June 2013 was $979,641 (2012: loss $1,919,347). Both revenue and net profit from the drilling services business were lower due to a slowdown in the industry, which was partially offset by lower Group administration expenses including employee costs. The operating result was assisted by a contribution from the Delta coal operation, and a significantly lower Australian dollar at year end resulted in a higher foreign exchange gain.

Strategy

The Company's objective is to create shareholder value through the development of profitable coal mining operations, and other mining activities that deliver strong cashflows for the Group.

Altura is focussed on expanding production at the Delta coal mine to 2 million tonnes per annum, construction and operation of the Tabalong coal project (subject to final approvals), further coal exploration at the Tabalong coal project and in The Philippines, development and operation of the 3 million tonne per annum Mt Webber DSO joint venture with Atlas Iron Limited, and completing pre-feasibility work at the Pilgangoora lithium project.

Coal Production

During the year, Altura purchased a one third interest in the Delta operating coal mine on the island of Kalimantan in Indonesia. The purchase price for the one third equity interest was US$25 million with half the purchase price paid during the 2013 year, and the remaining half to be paid during the next 3 years.

In the 6 months to 30 June 2013 that Altura held its one third interest in the Delta coal mine, the operation produced 519,255 tonnes (AJM share 173,085 tonnes) and sold 601,807 tonnes (AJM share 200,602 tonnes). The operations were adversely affected by both seasonal and unseasonal rain, with 103 rainfall affected days and 1,418 millimetres of rain during the 6 months.

Mt Webber DSO Joint Venture (Altura 30%)

Altura continued discussions with its joint venture partner Atlas Iron during the year culminating in a decision to proceed to mine being made in early July 2013. It is anticipated that mining operations will commence in the December 2013 quarter with ore shipments from the June 2014 quarter onwards. Altura's contribution to the capital costs of construction of the mine will be $5 million approximately, which will be funded by a loan provided by Atlas Iron.

Exploration activities

The group continued exploration for coal at its Tabalong project during the year, which included the purchase of another two tenements near to its existing areas. Exploration work also continued on the Group's Pilgangoora lithium project with an initial scoping study completed including some metallurgical test work.

Financial position

The net assets of the consolidated group are similar to the 2012 year, with funds on hand at June 2013 being lower than in 2012 due to the payments of $12.8 million for the purchase of the Delta mine during the year and expenditure on exploration activities of $4 million during the period.

Borrowings are higher at year end with future payments for the Delta coal purchase of $12.7 million being payable over the next 3 years, and a loan from Atlas Iron for the final exploration works and feasibility study of $4.2 million.

Risk

Altura is subject to movements in international commodity prices currently coal and in the future iron ore, and being an Australian based company, foreign exchange movements. Development of its Tabalong coal project is currently subject to receipt of final government approvals in Indonesia, and the Company has no control over the timing of such approvals. Any decision to construct future mining operations will be subject to the Group being able to properly finance the project.

While the Company has agreed with its joint venture partner, Atlas Iron Limited, to build the Mt Webber mine, as a minority partner in the project Altura has no control over the timing of completion of construction and commencement of operations of the mine.

DIVIDENDS

There were no dividends paid or declared during the year ended 30 June 2013 (2012: Nil).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year Altura purchased a one third interest in the Delta coal mine, a 1.5 million tonne per annum operating mine on the island of Kalimantan in Indonesia.

There were no other significant changes in the nature of the consolidated entity's principal activities during the financial year, other than as discussed in the financial report and elsewhere in this Directors Report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

In July 2013 Altura, together with its joint venture partner Atlas Iron Limited, made a decision to proceed with the development of the 3 million tonne per annum Mt Webber DSO Iron Ore Project in the Pilbara, Western Australia.

No other matters have arisen since the end of the financial year which have 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 subsequent financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Group will focus on the development of its coal assets including the expansion of the Delta coal mine to 2 million tonnes per annum, commencement of mining at the Tabalong coal project subject to receipt of final approvals, and exploration of its other coal tenements in Indonesia and the Philippines.

Altura will continue with the development of the Mt Webber DSO project, the pre-feasibility of the Pilgangoora lithium project and exploration of its tenements in Western Australia and the Northern Territory. The Group will also continue to actively seek out coal and other mineral opportunities in South East Asia.

ENVIRONMENTAL PERFORMANCE

The Group is committed to achieving a high standard of environmental performance. The Board of Directors is responsible for regular monitoring of environmental exposures and compliance with environmental regulations. The Group complied with its environmental performance obligations during the year.

INFORMATION ON DIRECTORS

Mr James Brown (Managing Director)

Qualifications
Graduate Diploma in Mining from University of Ballarat

Experience
Mr Brown is a mining engineer with more than 25 years' experience in the coal mining industry in Australia and Indonesia, including 22 years at New Hope Corporation. He was appointed as Managing Director of Altura in September 2010 and was previously Altura's Group General Manager since December 2008. His coal development and operations experience includes the New Acland and Jeebropilly mines in South East Queensland, the Adaro and Multi Harapan Utama operations in Indonesia and Blair Athol in the Bowen Basin in Central Queensland.

Other current directorships in listed entities
Sayona Mining Limited

Former directorships in last 3 years
None

Special responsibilities
None

Interests in shares and options
3,718,300 ordinary shares in Altura Mining Limited
2,000,000 options over ordinary shares in Altura Mining Limited

Mr Paul Mantell (Executive Director)

Qualifications
Bachelor of Commerce from the University of Queensland and a Fellow of CPA Australia

Experience
Mr Mantell is an accountant with more than 30 years corporate experience in the mining and associated industries. He has been involved in all aspects of accounting and finance, financial reporting, taxation and administration, including the responsibilities of an ASX listed entity. His responsibilities have included arranging finance for mining and infrastructure projects both in Australia and Indonesia and for setting up corporate, administrative and financial systems to support new and expanding mining operations. He was appointed a director on 25 May 2009.

Other current directorships in listed entities
None

Former directorships in last 3 years
None

Special responsibilities
None

Interests in shares and options
9,233,083 ordinary shares in Altura Mining Limited
2,000,000 options over ordinary shares in Altura Mining Limited

INFORMATION ON DIRECTORS (continued)

Mr Allan Buckler (Non Executive Director)

Qualifications
Certificate in Mine Surveying and Mining, First Class Mine Managers Certificate and a Mine Surveyor Certificate issued by the Queensland Government's Department of Mines

Experience
Mr Buckler has over 35 years experience in the mining industry and has taken lead roles in the establishment of several leading mining and port operations in both Australia and Indonesia. Significant operations such as PT Adaro Indonesia, PT Indonesia Bulk Terminal and New Hope Coal Australia have been developed under his leadership. Mr Buckler was appointed a director on 18 December 2008.

Other current directorships in listed entities
Interra Resources Limited
Sayona Mining Limited

Former directorships in last 3 years
None

Special responsibilities
Member of the Audit Committee

Interests in shares and options
82,146,845 ordinary shares in Altura Mining Limited
1,000,000 options over ordinary shares in Altura Mining Limited

Mr Dan O'Neill (Non Executive Director)

Qualifications
Bachelor of Science in geology from the University of Western Australia

Experience
Mr O'Neill was appointed a director on 18 December 2008. He has held positions with a number of Australian and multinational exploration companies and has managed exploration programs in a diverse range of environments and locations including Botswana, North America, South East Asia, North Africa and Australasia. During his 30 years experience he has held executive management positions with ASX listed companies and has worked on a range of commodities including diamonds, gold, base metals, coal, oil and gas.

Other current directorships in listed entities
Sayona Mining Limited (formerly DiamonEx Limited)

Former directorships in last 3 years
None

Special responsibilities
Chairman of the Remuneration & Nomination Committee

Interests in shares and options
1,166,668 ordinary shares in Altura Mining Limited
1,000,000 options over ordinary shares in Altura Mining Limited

INFORMATION ON DIRECTORS (continued)

Mr Beng Teik Kuan (Non Executive Director)

Qualifications
Bachelor of Engineering (University of Malaya)

Experience
Mr Kuan is an engineer with considerable experience in bulk handling and terminal operations, including responsibility for the development and management of the Pulau Laut Coal Terminal in South Kalimantan, Indonesia. He also has experience in Indonesia, Malaysia and Singapore with tin dredging operations, managing rubber, palm oil and cocoa processing factories, and managing palm oil bulk terminals. He was appointed a director on 28 November 2007.

Other current directorships in listed entities
None

Former directorships in last 3 years
None

Special responsibilities
Chairman of the Audit Committee
Member of the Remuneration & Nomination Committee

Interests in shares and options
1,882,968 ordinary shares in Altura Mining Limited
1,000,000 options over ordinary shares in Altura Mining Limited

COMPANY SECRETARIES

Mr Noel Young
Mr Young is a Fellow of the Institute of Public Accountants. He has over 25 years experience in the mining industry and holds the dual role of Group Financial Controller and Company Secretary.

Mr Damon Cox
Mr Cox is a Chartered Secretary, and a CPA. He has over 25 years experience in various roles including corporate governance, compliance, treasury and strategic policy advice.

REMUNERATION REPORT (Audited)

This report details the nature and amount of remuneration for directors and other key management personnel.

Remuneration Policy

The Company's policy is to remunerate fairly and in line with companies of similar size, operations and in the same industry. Individual remuneration decisions are made by the Remuneration & Nomination Committee taking into account the following factors:

- The responsibility of the role;
- Experience of the employee;
- Past performance and future expectations; and
- Industry conditions and trends.

In order to retain and attract key management personnel of sufficient calibre to facilitate the efficient and effective management of the Company's operations, the Remuneration & Nomination Committee may seek the advice of external advisors in connection with the structure of remuneration packages.

Remuneration packages may contain the following key elements:

a) Primary benefits – salary/fees, bonuses and non monetary benefits including the provision of a motor vehicle;
b) Post-employment benefits – including superannuation and prescribed retirement benefits; and
c) Equity – share options granted under the Employee Share Option Plan as disclosed in Note 23 to the financial statements.

None of the Company's personnel remuneration packages are linked directly to the Company's profitability or other measure of performance. The Company maintains an Employee Share Option Plan under which employees may be granted options which vest subject to service conditions being met. Directors may also be allocated options as an incentive that could be realised if the Company's share price increases.

Performance-based remuneration

The Company currently has no performance based remuneration in place.

Company Performance, Shareholder Wealth and Director and Executive Remuneration

The Company has recorded the following earnings over the last five years:

	2013	**2012**	**2011**	**2010**	**2009**
Revenues	7,370,049	10,424,210	9,047,665	10,067,199	14,768,403
EBITDA *	(535,167)	(1,719,227)	(997,721)	835,909	(1,206,055)
NPBT *	(1,044,269)	(1,580,280)	(1,235,695)	(198,719)	(5,062,253)
NPAT *	(979,641)	(1,919,347)	(1,773,079)	(914,326)	(5,833,243)
Dividends paid	-	-	-	-	-
W. Av. No. of Shares on issue	454,272,181	429,586,620	301,125,914	168,235,764	126,913,765
EPS *	(0.22)	(0.45)	(0.59)	(0.54)	(4.60)

* Definitions: EBITDA = Earnings before interest, tax, depreciation and amortisation
NPBT = Net profit before tax
NPAT = Net profit after tax & minority interest
EPS = Earnings per share (calculated based on the weighted average number of shares on issue)

Key Management Personnel Remuneration Policy

The Remuneration & Nomination Committee reviews the remuneration packages of all directors and key management personnel on an annual basis. Remuneration packages are reviewed and determined with due regard to relevant market conditions and individual's experience and qualification and are benchmarked against comparable industry salaries.

Payment of bonuses and share based compensation benefits is discretionary.

REMUNERATION REPORT (Audited) (continued)

Employment Contracts of Key Management Personnel

Contracts of employment are given to key management personnel at time of employment. Details are as follows:

James Brown, Managing Director - the agreement is of no fixed term and allows for payment of a monthly cash salary in US dollars, reviewed each year. The agreement includes provision of a motor vehicle and other non cash allowances including housing, travel and dependent children's education. Three months notice of termination by either party is required, with a separation allowance equivalent to one year's salary and entitlements to be paid if employment is terminated by the Company.

Paul Mantell, Executive Director - the agreement is of no fixed term and allows for payment of an annual cash salary, reviewed each year, and superannuation. Provision of a motor vehicle or equivalent allowance and other non cash benefits is included. Three months notice of termination by either party is required, with a separation allowance equivalent to one year's gross salary to be paid if employment is terminated by the Company.

Noel Young, Group Financial Controller & Company Secretary - the agreement is of no fixed term and allows for payment of an annual cash salary, reviewed each year, and superannuation. Provision of a motor vehicle is included. One month's notice of termination by either party is required, with a separation allowance equivalent to three month's gross salary to be paid if employment is terminated by the Company.

Damon Cox, Company Secretary - the agreement is of no fixed term and allows for payment of an annual cash salary, reviewed each year, and superannuation. Provision of a motor vehicle is included. One month's notice of termination by either party is required.

Key Management Personnel Remuneration

2013	Short-term benefits			Post employment	Long-term benefits	Share based payments	Termination payments		
Name	**Cash salary and fees $**	**Bonus $**	**Non-monetary benefits $**	**Super-annuation $**	**Long service leave $**	**Options $**	**$**	**Total $**	**Options as a percentage of total %**
Non-executive directors									
A Buckler	55,000	-	-	4,950	-	33,610	-	93,560	35.9
D O'Neill	67,000	-	-	6,030	-	33,610	-	106,640	31.5
B Kuan	40,400	-	-	25,000	-	33,610	-	99,010	33.9
Sub total non-executive directors	162,400	-	-	35,980	-	100,830	-	299,210	
Managing directors									
J Brown *	325,827	-	84,236	-	-	67,220	-	477,283	14.1
Executive directors									
P Mantell	321,280	-	11,706	25,000	-	67,220	-	425,206	15.8
Other key management personnel									
N Young	137,500	-	21,953	12,375	-	10,409	-	182,237	5.7
D Cox	125,000	-	15,837	11,250	-	10,409	-	162,496	6.4
Total for key management personnel compensation	909,607	-	133,731	48,625	-	155,258	-	1,247,221	
Total compensation	**1,072,007**	**-**	**133,731**	**84,605**	**-**	**256,088**	**-**	**1,546,431**	

* No superannuation is applicable as Mr Brown is based in Indonesia.

REMUNERATION REPORT (Audited) (continued)

2012	Short-term benefits			Post employment	Long-term benefits	Share based payments	Termination payments		
Name	Cash salary and fees $	Bonus ** $	Non-monetary benefits $	Super-annuation $	Long service leave $	Options $	$	Total $	Options as a percentage of total %
Non-executive directors									
A Buckler	45,000	-	-	4,050	-	33,610	-	82,660	40.7
D O'Neill	54,000	78,196	-	4,860	-	33,610	-	170,666	19.7
B Kuan	39,000	78,196	-	19,860	-	33,610	-	170,666	19.7
Sub total non-executive directors	138,000	156,392	-	28,770	-	100,830	-	423,992	23.8
Managing directors									
J Brown *	282,319	156,392	69,760	-	-	67,220	-	575,691	11.7
Executive directors									
P Mantell	255,727	117,294	28,298	50,000	-	67,220	-	518,539	13.0
Other key management personnel									
N Young	132,549	39,098	24,011	12,038	-	10,409	-	218,105	4.8
D Cox	122,500	39,098	16,525	11,025	-	10,409	-	199,557	5.2
Total for key management personnel compensation	793,095	351,882	138,594	73,063	-	155,258	-	1,511,892	10.3
Total compensation	**931,095**	**508,274**	**138,594**	**101,833**	**-**	**256,088**	**-**	**1,935,884**	**13.2**

*No superannuation is applicable as Mr Brown is based in Indonesia.
** The bonus was paid by way of the issue of company shares.

Shares

There were no new shares issued to directors and key management personnel during the year ended 30 June 2013.

Options

There were no new options issued to directors and key management personnel as part of their remuneration for the year ended 30 June 2013.

The following options were on issue to directors and key management personnel as at 30 June 2013:

	Granted number	Grant date	Value per option at grant date $	Vested number	Exercise price $	First exercise date	Last exercise date
J Brown	2,000,000	13/12/10	0.0942	-	0.20	01/10/13	30/09/15
P Mantell	2,000,000	13/12/10	0.0942	-	0.20	01/10/13	30/09/15
A Buckler	1,000,000	13/12/10	0.0942	-	0.20	01/10/13	30/09/15
D O'Neill	1,000,000	13/12/10	0.0942	-	0.20	01/10/13	30/09/15
BT Kuan	1,000,000	13/12/10	0.0942	-	0.20	01/10/13	30/09/15
N Young	350,000	01/10/10	0.0893	-	0.20	01/10/13	30/09/15
D Cox	350,000	01/10/10	0.0893	-	0.20	01/10/13	30/09/15
	7,700,000			Nil			

MEETINGS OF DIRECTORS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year there were 5 Directors' meetings, 4 Audit Committee meetings and 2 Remuneration and Nomination Committee meetings held.

	Directors' Meetings		Audit Committee		Remuneration & Nomination Committee	
	Number eligible to attend	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**
J Brown	5	5	-	-	-	-
P Mantell	5	5	-	-	-	-
A Buckler	5	5	4	4	-	-
D O'Neill	5	5	-	-	2	2
B Kuan	5	5	4	4	2	2

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into Deeds of Indemnity with all of its directors in accordance with the Company's Constitution. During the financial year the Company paid a premium to insure the directors, officers and managers of the Company and its controlled entities. The insurance contract requires that the amount of the premium paid is kept confidential.

OPTIONS

At the date of signing this report, the unissued ordinary shares of Altura Mining Limited under option are as follows:

Issue Date	Date of Expiry	Exercise Price $	Number under Option
1 October 2010	30 September 2015	0.20	2,200,000
13 December 2010	30 September 2015	0.20	7,000,000
23 December 2011	22 December 2016	0.20	375,000
			9,575,000

During the year ended 30 June 2013, no ordinary shares of Altura Mining Limited were issued on the exercise of options.

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

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the 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 party to any such proceedings during the year.

NON-AUDIT SERVICES

The Company's auditor, Crowe Horwath Perth, did not provide any non-audit services to the Company during the year ended 30 June 2013.

ROUNDING OF AMOUNTS

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2013 has been received and is included on page 12 of the annual report.

Signed in accordance with a resolution of the directors made pursuant to Section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors,

BT Kuan
Director

Signed at Perth this 11th day of September 2013

Crowe Horwath™

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Altura Mining Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Horwath Perth

CROWE HORWATH PERTH

SEAN MCGURK
Partner

Signed at Perth, 11 September 2013

Corporate Governance Statement

This report sets out the key corporate governance practices of the Company during the Reporting Period, providing disclosure to the extent recommended by the ASX in accordance with its "Corporate Governance Principles and Recommendations with 2010 Amendments 2nd Edition" (the "ASX Principles").

The Company has followed the Recommendations to the extent the board considered was practicable and likely to genuinely improve the Company's internal processes and accountability to external stakeholders.

The Company's practices for each of the ASX principles are discussed in detail below, with any departures from the Recommendations separately reported.

ASX CORPORATE GOVERNANCE PRINCIPLES

Principle 1 Lay solid foundations for management and oversight

The Company has a Statement of Board and Management Functions which sets out the roles and responsibilities of the board, the non-executive directors, the Managing Director and management generally. The Statement also addresses materiality thresholds and the organisation of the board.

It is the role of the board to protect and enhance long-term shareholder value, provide strategic direction for the Company, establish goals for management and monitor the achievement of those goals.

The board's responsibilities include:

- Supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed;
- Ensuring the Company is properly managed;
- Approving of the annual budget, major capital expenditure, capital management, and acquisitions and divestments;
- Monitoring the financial performance of the Company;
- Approving and monitoring financial and other reporting;
- Liaising with the Company's external auditors and Audit Committee; and
- Monitoring the environmental and the occupational health and safety performance of the Company.

In addition, the non-executive directors are responsible for reviewing and challenging executive performance.

The Managing Director is responsible for running the affairs of the Company under delegated authority from the board and to implement the policies and strategy set by the board. The role of management is to support the Managing Director and implement the running of the general operations and financial business of the Company.

The Remuneration & Nomination Committee undertakes an annual review of the performance of senior executive staff.

Principle 2 Structure the board to add value

The Company places a high priority on having the requisite mix of skills and experience amongst its directors to enable it to properly undertake its duties and responsibilities.

The Company considers that it has the necessary collective expertise in exploration, mine development, mine management, infrastructure development and operation, finance and organisational management to enable it to develop projects from exploration through to production.

Details of the skills, experience and term of office of each director are contained in their respective profiles in the Directors' Report.

At this point in the Company's evolution, it is not considered necessary to have a permanent board chairman, with the role at board meetings being rotated between the non-executive directors.

The Company has a Remuneration & Nomination Committee with its own established charter. The Committee undertakes an annual review of the composition and performance of the board prior to the nomination for election of directors at the annual general meeting.

If a director considers it necessary to obtain independent professional advice in order to properly discharge their responsibility as a director then, provided the director first obtains approval for incurring such expense from the other directors, the Company will pay the reasonable expenses associated with obtaining such advice.

Principle 3 Promote ethical and responsible decision making

The Company has a code of conduct designed to promote ethical business conduct, compliance with laws and regulations, high standards of professional behaviour and avoid conflicts of interest.

The code applies to directors, managers and employees. It covers compliance with the law, conflicts of interest, corporate opportunities, confidentiality, intellectual property, safe work practices, alcohol and drug usage, equal opportunity and outside employment.

Whilst there is no separate policy on diversity, the code of conduct recognises the diversity of the Company's workforce and the commitment to equal opportunity for its employees. The code further supports diversity through its statements on discrimination and harassment.

The Company has a total of twelve (12) employees in Australia, of which three (3) are women. The Company does not currently have any women on the board or in senior executive positions.

In addition to the ASX Corporate Governance requirements, the Company has an Anti Corruption Policy. This policy was developed to promote compliance with the *Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999*, which creates an offence of bribery.

Principle 4 Safeguard integrity in financial reporting

The Company has an Audit Committee comprising BT Kuan (Chairman) and Allan Buckler. Details on the number of meetings held and the attendance at those meetings can be found in the Directors' Report.

The Audit Committee has a charter which sets out its objectives, composition, responsibilities, functions and powers. The Committee's responsibilities include reviewing and evaluating the external audit function, the Company's financial reporting, the internal control system, the assessment of risk and compliance with legislation.

The Committee has the power to communicate directly with the appointed auditor, the right to meet the auditors without management being present and the authority to take independent professional advice as it considers necessary.

Principle 5 Make timely and balanced disclosure

The Company has an approved Policy for Compliance with Continuous Disclosure Requirements. This policy is supported by internal processes to review information in order to ensure that the Company complies with its continuous disclosure obligations.

Principle 6 Respect the rights of shareholders

The Company has a Corporate Communications Strategy which covers shareholder communications through the publication of ASX announcements and research reports on the Company's website, the provision of an email information update service, participation at annual general meetings and direct mail to shareholders.

The policy also covers the processes for the handling of investor, media and broker communications and other shareholder queries.

Principle 7 Recognise and manage risk

The Company has policies and processes in place to address the material business risks arising from its exploration and mining services operations. The Company also has an appropriate internal control framework to govern the management of financial risk.

The board's Audit Committee has the prime responsibility for the oversight of the risk management and internal control environment.

The board through the Audit Committee has received the written declarations from the Managing Director and the Executive Director under section 295A of the Corporations Act that the Company's financial reports are founded on a sound system of risk management, internal compliance and control, and that the system is operating efficiently and effectively in all material aspects.

Principle 8 Remunerate fairly and responsibly

The Company has a Remuneration & Nomination Committee with its own established charter.

The Committee comprises Dan O'Neill (Chairman) and BT Kuan. Details on the number of meetings held and the attendance at those meetings can be found in the Directors' Report.

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms part of the Directors' Report.

DEPARTURES FROM BEST PRACTICE RECOMMENDATIONS

As at the end of the Reporting Period, there were six (6) Recommendations that the Company did not follow during the Reporting Period. These are:

Recommendation 2.1	**A majority of the board shall be independent directors.**
Notification of departure:	During the reporting period two (2) of the five (5) directors were independent, and as such, this does not constitute an absolute majority.
Explanation for departure:	Three (3) of the five (5) current directors are non-executive directors, and the board considers that it has an appropriate balance between executive and non-executive directors as well as a complementary mix of skills and experience.
Recommendation 2.2	**The chair should be an independent director.**
Notification of departure:	The Company does not have a permanent chairman, with the role at board meetings being rotated between the non-executive directors on a meeting by meeting basis.
Explanation for departure:	The board considers that this arrangement is appropriate in the context of the current structure of the board and that the board is able to function effectively and efficiently on this basis.
Recommendation 3.2	**Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress towards achieving them.**
Notification of departure:	The Company has not established a diversity policy.
Explanation for departure:	Given the Company's size and stage of development, the implementation of a specific policy on diversity is not considered appropriate. The Company will continue to recruit and manage employees on the basis of competence and performance, irrespective of their backgrounds and individual circumstances.
Recommendation 3.3	**Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.**
Notification of departure:	The Company has not established a diversity policy.
Explanation for departure:	Given the Company's size and stage of development, the implementation of a specific policy on diversity is not considered appropriate. The Company will continue to recruit and manage employees on the basis of competence and performance, irrespective of their backgrounds and individual circumstances.
Recommendation 4.2	**The audit committee should be structured so that it:** • **consists only of non-executive directors** • **consists of a majority of independent directors** • **is chaired by an independent, who is not chair of the board** • **has at least three members.**
Notification of departure:	The Audit Committee did not meet the requirements for composition during the Reporting Period.
Explanation for departure:	The Committee comprises two (2) non-executive directors of which one (1) is an independent director. Given the current size of the board, it is considered that this arrangement is appropriate.

Recommendation 8.2	**The remuneration committee should be structured so that it:** • **consists of a majority of independent directors** • **is chaired by an independent chair** • **has at least three members.**
Notification of departure:	The Remuneration & Nomination Committee did not meet the requirements for composition during the Reporting Period.
Explanation for departure:	The Committee comprises two (2) non-executive directors, both of whom are independent. Given the current size of the Board, it is considered that this arrangement is appropriate.

DISCLOSURE ON COMPANY WEBSITE

The following corporate governance policies can be found on the Company's website at www.alturamining.com

- Audit Committee Charter
- Remuneration & Nomination Committee Charter
- Statement of Board and Management Functions
- Code of Conduct
- Anti Corruption Policy
- Policy on Trading in Company Securities
- Policy for Compliance with Continuous Disclosure Requirements
- Corporate Communication Strategy
- Statement on Risk Management Practices

Consolidated Income Statement

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $'000	2012 $'000
Continuing operations			
Revenue	5(a)	7,042	9,443
Cost of sales	5(c)	(5,886)	(6,688)
Operating profit		1,156	2,755
Other income	5(b)	328	982
Expenses			
Administration costs	5(g)	(2,435)	(2,606)
Employee benefits expense	5(f)	(1,862)	(2,376)
Other expenses	5(d)	(114)	(509)
Foreign exchange movement		1,771	216
Financing costs	5(e)	(135)	(42)
Share of net profit of associates and joint venture partnership accounted for using the equity method		246	-
Profit / (loss) before income tax		(1,045)	(1,580)
Income tax (expense) / benefit	7(a)	104	(255)
Profit / (loss) for the year		**(941)**	**(1,835)**
Profit / (loss) attributable to:			
Owners of Altura Mining Limited		(980)	(1,919)
Non-controlling interest		39	84
		(941)	(1,835)

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income / (Loss)

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $'000	2012 $'000
Profit / (loss) for the year		(941)	(1,835)
Other comprehensive income / (loss)			
Changes in the fair value of available-for-sale financial assets		(174)	-
Exchange differences on translation of foreign controlled entities		337	251
Other comprehensive income / (loss) for the year, net of tax		163	251
Total comprehensive income / (loss) for the year		(778)	(1,584)
Total comprehensive income / (loss) attributable to:			
Members of the parent entity		(908)	(1,641)
Non-controlling interest		130	57
		(778)	(1,584)
Earnings per share for profit / (loss) from continuing operations			
Basic earnings / (loss) per share (cents per share)	6	(0.22)	(0.45)
Diluted earnings / (loss) per share (cents per share)	6	(0.22)	(0.45)

The above Consolidated Statement of Comprehensive Income / (Loss) should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

AS AT 30 JUNE 2013

	Note	2013 $'000	2012 $'000
Current assets			
Cash and cash equivalents	8	1,831	17,221
Trade and other receivables	9	2,475	2,797
Held to maturity investments	11	1,609	6,375
Inventories	10	3	8
Current tax prepaid	21(a)	439	-
Other current assets	12	514	457
Total current assets		6,871	26,858
Non-current assets			
Receivables	9	2,519	-
Available-for-sale financial assets	13	356	-
Property, plant and equipment	14	3,349	3,409
Exploration and evaluation	15	33,170	27,276
Investments accounted for using the equity method	16	26,515	-
Intangible assets	17	4,529	4,529
Deferred tax asset	21(b)	10,036	8,052
Total non-current assets		80,474	43,266
Total assets		**87,345**	**70,124**
Current liabilities			
Trade and other payables	18	1,263	3,004
Borrowings	19	4,123	69
Current tax payable	21(a)	-	53
Short term provisions	20	708	485
Total current liabilities		6,094	3,611
Non-current liabilities			
Borrowings	19	12,841	21
Deferred tax liability	21(a)	9,698	7,772
Total non-current liabilities		22,539	7,793
Total liabilities		**28,633**	**11,404**
Net assets		**58,712**	**58,720**
Equity			
Contributed equity	22	74,562	74,517
Option reserve		794	518
Change in fair value – market valuation		(174)	-
Foreign currency translation reserve		(388)	(716)
Accumulated losses		(16,853)	(15,874)
Capital and reserves attributable to owners of Altura Mining Limited		57,941	58,445
Non-controlling interest		771	275
Total equity		**58,712**	**58,720**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Altura Mining Limited and Controlled Entities

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2013

	Contributed equity $'000	Accumulated losses $'000	Option reserve $'000	Change in fair value - market valuation $'000	Foreign currency translation reserve $'000	Non-controlling interests $'000	Total $'000
Balance as at 30 June 2011	**55,239**	**(14,069)**	**308**	**-**	**(967)**	**391**	**40,902**
Total comprehensive income for the year	**-**	**(1,920)**	**-**	**-**	**251**	**85**	**(1,584)**
Transactions with owners in their capacity as owners:							
Issue of shares	19,278	-	-	-	-	-	19,278
Dividend paid to minority shareholder from subsidiary	-	-	-	-	-	(201)	(201)
Option reserve on recognition of bonus element of options	-	-	325	-	-	-	325
Transfer from option reserve on expiry of options	-	115	(115)	-	-	-	-
Sub-Total	19,278	(1,805)	210	-	251	(116)	17,818
Balance as at 30 June 2012	**74,517**	**(15,874)**	**518**	**-**	**(716)**	**275**	**58,720**
Balance as at 30 June 2012	**74,517**	**(15,874)**	**518**	**-**	**(716)**	**275**	**58,720**
Total comprehensive income for the year	**-**	**(979)**	**-**	**(174)**	**328**	**496**	**(329)**
Transactions with owners in their capacity as owners:							
Issue of shares	-	-	-	-	-	-	-
Dividend paid to minority shareholder from subsidiary	-	-	-	-	-	-	-
Option reserve on recognition of bonus element of options	-	-	321	-	-	-	321
Transfer from option reserve on expiry of options	45	-	(45)	-	-	-	-
Sub-Total	45	(979)	276	(174)	328	496	(8)
Balance as at 30 June 2013	**74,562**	**(16,853)**	**794**	**(174)**	**(388)**	**771**	**58,712**

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 2013

	Note	2013 $'000	2012 $'000
Cash flows from operating activities			
Receipts from customers		7,814	8,640
Sundry income		4	57
Interest received		336	948
Interest paid		(7)	(42)
Payments to suppliers and employees		(10,005)	(10,312)
Income tax		(322)	(344)
Net cash used in operating activities	28(b)	(2,180)	(1,053)
Cash flows from investing activities			
Expenditure on exploration and evaluation		(4,008)	(6,007)
Expenditure on property, plant and equipment		(592)	(426)
Acquisition of available-for-sale financial assets		(530)	-
Acquisition of equity accounted Investments		(12,846)	-
Proceeds from held to maturity investments		4,795	2,375
Proceeds from sale of property, plant and equipment		-	52
Net cash used in investing activities		(13,181)	(4,006)
Cash flows from financing activities			
Issue of shares		-	18,544
Proceeds from hire purchase liabilities		31	63
Payment of hire purchase liabilities		(70)	(204)
Dividend paid to minority		-	(200)
Loans funds repaid		-	(2,000)
Net cash provided by (used in) financing activities		(39)	16,203
Net increase / (decrease) in cash and cash equivalents held		(15,400)	11,144
Cash and cash equivalents at the beginning of year		17,221	5,455
Effect of exchange rates on cash holdings in foreign currencies		10	622
Cash and cash equivalents at the end of year	28(a)	**1,831**	**17,221**

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

This financial report includes the consolidated financial statements and notes of Altura Mining Limited and controlled entities ('Consolidated Group' or 'Group'). Altura Mining Limited is a company limited by shares, incorporated and domiciled in Australia, whose shares are publically traded on the Australian Securities Exchange Limited.

The separate financial statements of the parent entity, Altura Mining Limited, have not been presented within this financial report as permitted by amendments made to the *Corporations Act 2001*.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements were authorised for issue on 11th September 2013 by the directors of the Company.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.*

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The following is a summary of the material accounting policies adopted by the Consolidated Group in the preparation of the financial report. The financial report has been prepared on an accruals basis. The accounting policies have been consistently applied, unless otherwise stated.

Going concern

The financial report has been prepared on a going concern basis which contemplates that the Group will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Groups forecasts and projections show that the Group will be required to raise additional funds through debt raising, and potentially non-core asset sales in order to meet its planned exploration and development activities.

Should the Group be unable to raise these additional funds, there would be uncertainty as to whether the Group would be able to continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. This financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor to amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern

Accounting policies

a. Principles of consolidation

A controlled entity is any entity Altura Mining Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 27 to the financial statements. All Australian controlled entities have a June financial year-end and all other controlled entities have a December financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

Non-controlling interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the equity section of the Consolidated Balance Sheet and in the Consolidated Income Statement.

b. Business combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

c. Income tax

The charge for current income tax expense is based on the result for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Altura Mining Limited and some of its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2005. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

d. Segment reporting

The Group has applied AASB 8 Operating Segments from 1 July 2009. AASB 8 requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker, which in the Group's case is the Board of Directors.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured on the cost basis.

The carrying amount of land and buildings is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Each year the difference between depreciation based on the re-valued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20% - 50%
Leased plant and equipment	12.5%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Exploration and evaluation expenditure

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

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

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

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

g. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Consolidated Group entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

h. Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being in the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(h) for further discussion on the determination of impairment losses.

j. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

k. Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The amount recognised is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Equity-settled compensation

The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

l. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

m. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Revenue

Revenue is measured at the fair value of consideration received or receivable, the Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the specific criteria below have been met.

Revenue from the drilling services is recognised upon the delivery of services to the customer at agreed contracted rates.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

All revenue is stated net of the amount of goods and services tax (GST).

o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such times as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

p. 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 Tax 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 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.

q. Foreign operations

The financial performance and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at balance sheet date; and
- income and expenses are translated at monthly average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve as a separate component of equity. These differences are recognised in the income statement upon disposal of the foreign operation.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r. Foreign currency transactions and balances

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

s. Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and the ability to hold to maturity. Held to maturity investments are carried at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments and typically these entities will have a small market capitalisation and will suffer a longer trend of market volatility and value.

The considerations of impairment for this type of instrument will consider in principal, evidence of significant or a prolonged decline in the fair value of the equity instrument. What constitutes a significant or prolonged decline will be dependent on the size and volatility of the market for that instrument.

Available-for-sale investments are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

t. Goodwill and intangibles

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to an entity sold.

u. Comparative figures

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

v. Inventories

Inventories of consumable supplies and spare parts expected to be used in the supply of services are valued at cost.

w. Investments in associates

Associates are companies in which the Group has significant influence, but not control or joint control. Investments in associates are accounted for in the financial statements by applying the equity method of accounting. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the Group's investments in associates are provided in Note 26.

x. New Accounting Standards for application in the future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

(i) AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:
- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of the change to the mandatory effective date, the Group is expected to adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 31 December 2015. Although the directors anticipate that the adoption of AASB 9 and AASB 2010-7 may have a significant impact on the Group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

(ii) AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011) and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments), and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of "control" and additional application guidance so that a single control model will apply to all investees. This Standard is not expected to significantly impact the Group's financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement).

The Group's interest in the Mt Webber Production Joint Venture is held in Exploration and Evaluation expenditure at cost as the project is not operational. The project is currently in construction and is expected to commence operations during the 2014 financial year. The Group will prepare its disclosures to comply with the relevant accounting standards applicable for the reporting period. The joint venture was signed in July 2013, and the Group has not yet determined the applicable treatment under this standard.

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Group's financial statements.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. The revisions made to AASB 127 and AASB 128 are not expected to significantly impact the Group's financial statements.

(iii) AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:
- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

This Standard is expected to result in more detailed fair value disclosures, but is not expected to significantly impact the amounts recognised in the Group's financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iv) AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods beginning on or after 1 July 2013).

This Standard makes amendments to AASB 124: Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus29.1 to Aus29.9.3). These amendments serve a number of purposes, including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

This Standard is not expected to significantly impact the Group's financial report as a whole because:
- some of the disclosures removed from AASB 124 will continue to be required under s 300A of the Corporations Act, which is applicable to the Group; and
- AASB 2011-4 does not affect the related party disclosure requirements in AASB 124 applicable to all reporting entities, and some of these requirements require similar disclosures to those removed by AASB 2011-4.

(v) AASB 2012-2: Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012-2 principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the Group's financial statements.

(vi) AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the Group's financial statements.

2. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables, loans, finance leases, cash and short term deposits. These activities expose the Group to a variety of financial risks: market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group manages these risks in accordance with the Group's financial risk management policy. The Group uses different methods and assumptions to measure and manage different types of risks to which it is exposed at each balance date.

The Board reviews and approves policies for managing each of the Group's financial risk areas. The Group holds the following financial instruments:

	2013 $'000	2012 $'000
FINANCIAL ASSETS		
Cash and cash equivalents	1,831	17,221
Trade and other receivables	2,475	2,797
Other current assets	469	382
Held to maturity investments	1,609	6,375
	6,384	26,775
FINANCIAL LIABILITIES		
Trade and other payables	1,263	3,004
Borrowings	16,964	90
	18,227	3,094

a. Market risk

(i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily in respect to the US dollar.

The Group's overseas subsidiaries have a US dollar functional currency. This exposes the Group to foreign exchange fluctuations upon conversion to AUD.

At 30 June 2013, the Group held funds in foreign currency amounting to US$600,000 (2012: US$13.2million).

The Group does not enter into any hedging arrangements.

Foreign currency risk sensitivity analysis

At 30 June 2013, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the US Dollar that management considers to be reasonably possible, with all other variables remaining constant is as follows:

	2013 $'000	2012 $'000
Change in profit		
— Improvement in AUD to USD by 11%	27	(121)
— Decline in AUD to USD by 11%	(27)	121
Change in equity		
— Improvement in AUD to USD by 11%	(27)	121
— Decline in AUD to USD by 11%	27	(121)

2. FINANCIAL RISK MANAGEMENT (Continued)

(ii) Price risk

The Group is exposed to equity securities price risk arising from certain investments held by the Group and classified on the balance sheet as available for sale.

The Group's equity investments are publicly traded on the United States of America OTCBB and are not quoted on any market Index. The table below summarises the impact of increases/decreases in the value on the Group's equity as at balance date. The analysis is based on the assumption that the equity pricing had increased/decreased by 10% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

	2013 $'000	2012 $'000
Change in profit		
— Increase in equity value by 10%	-	-
— Decrease in equity value by 10%	-	-
Change in equity		
— Increase in equity value by 10%	(36)	-
— Decrease in equity value by 10%	36	-

(iii) Interest rate risk

At balance date the Group's debt was fixed rate. For further details on interest rate risk refer to Note 2e.

Interest rate sensitivity analysis

At 30 June 2013, the effect on profit and equity as a result of changes in the interest rate that management considers to be reasonably possible, with all other variables remaining constant would be as follows:

	2013 $'000	2012 $'000
Change in profit		
— Increase in interest rate by 1%	(4)	236
— Decrease in interest rate by 1%	4	(107)
Change in equity		
— Increase in interest rate by 1%	(4)	236
— Decrease in interest rate by 1%	4	(107)

Term deposits have been treated as a floating rate due to the short term nature of the deposits.

b. Credit risk

Credit risk refers to the risk that a third party will default on its contractual obligations resulting in financial loss to the Consolidated Group. The Consolidated Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk.

c. Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

2. FINANCIAL RISK MANAGEMENT (Continued)

d. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

a. quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
b. inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
c. inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

	Level 1 $’000	Level 2 $’000	Level 3 $’000	Total $’000
2013				
Assets				
Available for sale financial assets -equity securities	356	-	-	356
2012				
Assets				
Available for sale financial assets - equity securities	-	-	-	-

The fair value of financial instruments traded in active markets (such as available for sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the last sale price.

e. Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management’s expectations for the settlement period for all other financial instruments. As such the amounts may not reconcile to the balance sheet.

Consolidated Group

	Weighted average effective interest rate		Floating interest rate		Fixed interest rate maturing						Non-interest bearing		Total	
					Within 1 year		1 to 5 years		Over 5 years					
	2013 %	2012 %	2013 $’000	2012 $’000	2013 $’000	2012 $’000	2013 $’000	2012 $’000	2013 $’000	2012 $’000	2013 $’000	2012 $’000	2013 $’000	2012 $’000
Financial assets:														
Cash & cash equivalents	1.49	1.03	1,831	14,721	-	2,500	-	-	-	-	-	-	1,831	17,221
Trade and other Receivables	-	-	-	-	-	-	-	-	-	-	2,475	2,797	2,475	2,797
Investments	3.79	5.24	-	-	1,609	6,375	-	-	-	-	469	382	2,078	6,757
Total financial assets			1,831	14,721	1,609	8,875	-	-	-	-	2,944	3,179	6,384	26,775
Financial liabilities:														
Trade & sundry payables	-	-	-	-	-	-	-	-	-	-	1,263	3,004	1,263	3,004
Lease liabilities	13.34	10.25	-	-	31	69	20	21	-	-	-	-	51	90
Related party loan	-	-	-	-	-	-	-	-	-	-	12,706	-	12,706	-
UJV funding facility	11.63	-	-	-	-	-	4,207	-	-	-	-	-	4,207	-
Total financial liabilities			-	-	31	69	4,227	21	-	-	13,969	3,004	18,227	3,094

	2013 $'000	2012 $'000
2. FINANCIAL RISK MANAGEMENT (Continued)		
Trade and sundry payables are expected to be paid as follows:		
Less than 6 months	1,263	3,004
More than 6 months	-	-
	1,263	3,004

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Management has identified the following significant accounting policies for which significant judgements, estimates and assumptions are made.

a. Significant accounting estimates and assumptions

Share-based payment transactions

From time to time the Company has issued options to directors and employees. The Company measures fair value of share-based payments using the Black-Scholes Pricing Model, using the assumptions detailed in Note 23. This formula takes into account the terms and conditions under which the instruments were granted.

Impairment of goodwill and productive assets

The Group tests goodwill and productive assets for impairment annually. Goodwill is allocated to cash generating units and the carrying value of goodwill and productive assets is assessed based on budgeted cash flows over a five year period, discounted at a rate of 17%, taking into account risks associated with each unit. No impairment has been recognised in respect of goodwill at the end of the reporting period.

Impairment of available for sale financial assets

The Group holds quoted equity instruments as available for sale financial assets. Impairment is assessed based on whether a significant or prolonged decline in the fair value has occurred. Significant is evaluated against the original cost of the investment and prolonged is evaluated against the period in which the fair value has been below its original cost. In the case where the investment is in a small explorer, significant or prolonged is expanded as an investment in these types of entities can experience periods of decline driven by short term investors cashing out of the asset, and not from the fundamentals of the commodity market or the asset value.

b. Significant accounting judgements

Taxation

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets are only recognised where it is considered more likely than not that they will be recovered through the utilisation of future tax losses.

Exploration expenditure

During the year the Group capitalised various items of expenditure to the exploration and evaluation expenditure asset account. The relevant items of expenditure were deemed to be part of the capital cost of developing future mining operations, which would then be amortised over the useful life of the mine. The key judgement applied in considering whether the costs should be capitalised, is whether costs are expected to be recovered through either successful development of the project or sale of the relevant mining interests. Such judgements are undertaken by appropriately qualified persons and are based on estimates of commodity prices, foreign exchange rates, capital requirements, production costs and geological assumptions and judgements in estimating the size and grade of the ore body. Capitalised exploration expenditure of $33 million was carried forward at the end of the reporting period.

4. SEGMENT INFORMATION

The Group reports the following operating segments to the chief operating decision maker, being the Board of Directors of Altura Mining Limited, in assessing performance and determining the allocation of resources. Unless otherwise stated, all amounts reported to the Board are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

The coal mining segment derives its revenue from coal sold to its customers. As the Groups investment in coal is equity accounted, no revenue from this activity is included in this segment note. The exploration services segment provides a range of drilling services to its customers, predominately mining and exploration companies. The mineral exploration segment revenue comprises interest earned on funds raised to carry out the exploration activities.

An internally determined service rate is set for all intersegment transactions. All such transactions are eliminated on consolidation of the Group's financial statements.

	Coal mining $'000	Exploration services $'000	Mineral exploration $'000	Eliminations $'000	Total $'000
2013					
Revenue					
External sales	-	7,042	-	-	7,042
Other income	-	10	318	-	328
Other segments	-	2,398	-	(2,398)	-
Total segment revenue	-	9,450	318	(2,398)	7,370
Unallocated revenue					-
Total consolidated revenue					7,370
Segment result	119	(13)	(1,015)	-	(909)
Other segments	-	-	-	-	-
Unallocated expenses net of unallocated revenue					-
Profit / (loss) before income tax and finance costs					(909)
Finance costs					(136)
Share of profit of non-controlling interest					(39)
Profit / (loss) before income tax					(1,084)
Income tax expense					104
Net profit / (loss) for the year					(980)
Assets and Liabilities					
Segment assets	26,515	8,171	42,624	-	77,310
Unallocated assets					10,035
Total assets					87,345
Segment liabilities	12,833	1,580	4,522	-	18,935
Unallocated liabilities					9,698
Total liabilities					28,633
Other segment information					
Capital expenditure	-	465	127	-	592
Exploration expenditure	-	-	5,769	-	5,769
Depreciation and amortisation	-	621	72	-	693

4. SEGMENT INFORMATION (Continued)

	Coal mining $'000	Exploration services $'000	Mineral exploration $'000	Eliminations $'000	Total $'000
2012					
Revenue					
External sales	-	8,680	763	-	9,443
Other income	-	101	881	-	982
Other segments	-	1,263	1,486	(2,749)	-
Total segment revenue	-	10,044	3,130	(2,749)	10,425
Unallocated revenue					-
Total consolidated revenue					10,425
Segment result	-	1,537	(3,075)	-	(1,538)
Other segments	-	-	-	-	-
Unallocated expenses net of unallocated revenue					-
Profit / (loss) before income tax and finance costs					(1,538)
Finance costs					(42)
Share of profit of non-controlling interest					(84)
Profit / (loss) before income tax					(1,664)
Income tax expense					(255)
Net profit / (loss) for the year					(1,919)
Assets and Liabilities					
Segment assets	-	14,919	47,153	-	62,072
Unallocated assets					8,052
Total assets					70,124
Segment liabilities	-	1,378	2,254	-	3,632
Unallocated liabilities		-	-	-	7,772
Total liabilities					11,404
Other segment information					
Capital expenditure	-	354	73	-	427
Exploration expenditure	-	-	7,285	-	7,285
Impairment of exploration expenditure	-	-	373	-	373
Depreciation and amortisation	-	(624)	(67)	-	(691)

4. SEGMENT INFORMATION (Continued)

Geographical segments

The Group's geographical segments are determined based on the location of the Group's assets.

	Australia $'000	Indonesia $'000	Other $'000	Eliminations $'000	Total $'000
2013					
Revenue					
External sales	-	7,042	-	-	7,042
Other income	316	10	2	-	328
Other segments	1,237	1,161	-	(2,398)	-
Total segment revenue	1,553	8,213	2	(2,398)	7,370
Unallocated revenue					
Total revenue					7,370
Segment assets	35,451	41,730	129	-	77,310
Unallocated assets					10,035
Total assets					87,345
Capital expenditure	169	399	24	-	592
Exploration expenditure	4,928	966	-	-	5,894
2012					
Revenue					
External sales	-	9,443	-	-	9,443
Other income	930	34	18	-	982
Other segments	1,486	1,263	-	(2,749)	-
Total segment revenue	2,416	10,740	18	(2,749)	10,425
Unallocated revenue					-
Total revenue					10,425
Segment assets	44,422	11,118	6,532	-	62,072
Unallocated assets					8,052
Total assets					70,124
Capital expenditure	72	355	-	-	427
Exploration expenditure	6,633	652	-	-	7,285

The Group has a number of customers to whom it provides services. The Group supplies three external customers in the services segment who account for 39% ($2,790,000), 32% ($2,277,000) and 10% ($746,000) of external revenue (2012: 62%).

5. PROFIT / (LOSS) FROM ORDINARY ACTIVITIES

	2013 $'000	2012 $'000
(a) Revenue		
Revenue from sales	7,042	9,443
Total sales revenues from ordinary activities	7,042	9,443
(b) Other revenues		
Interest received from other corporations	318	872
Profit on sale of assets	-	17
Other revenue	10	93
Total other revenues from ordinary activities	328	982
Total revenue	7,370	10,425
(c) Cost of sales		
Drilling costs	5,302	6,097
Depreciation - plant & equipment	543	550
Depreciation - plant & equipment leased	41	41
Total cost of sales	5,886	6,688
(d) Other expenses		
Depreciation - plant & equipment	109	99
Exploration - expensed	-	37
Exploration - written off	-	373
Loss on sale of assets	5	-
Total other expenses from ordinary activities	114	509
(e) Financing costs		
Hire purchase interest expense	-	7
Interest expense	135	35
Total borrowing costs	135	42
(f) Employee benefits expense		
Employee share scheme expense	321	325
Bonus paid by way of issue of shares to directors and staff	-	735
Other employee benefits expense	1,541	1,316
Total employee benefits expense	1,862	2,376
(g) Administration costs	2,435	2,606

6. EARNINGS / (LOSS) PER SHARE

	2013 cents per share	2012 cents per share
Basic earnings / (loss) per share	(0.22)	(0.45)

Basic earnings per share:
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2013 $'000	2012 $'000
Earnings (a)	(980)	(1,919)

	2013 number	2012 number
Weighted average number of ordinary shares (b)	454,272,181	429,586,620

(a) Earnings used in the calculation of basic earnings per share reconciles to net profit in the income statement as follows:

	2013 $'000	2012 $'000
Net profit / (loss)	(980)	(1,919)
Earnings used in the calculation of basic EPS	(980)	(1,919)

(b) As at 30 June 2013, Management options on issue had an exercise price in excess of the market price and are therefore anti-dilutive. There were 9,575,000 share options outstanding at the end of the year, these potential ordinary shares would reduce the loss per share from continuing ordinary operations on conversion, and hence these potential ordinary shares are not dilutive.

(c) As at 30 June 2013, there were no listed share options outstanding.

7. INCOME TAX EXPENSE

	2013 $'000	2012 $'000
(a) The components of tax expense comprise:		
Current Tax		
Current Year	70	400
Adjustments in respect of prior periods	(149)	92
Deferred Tax		
Current year deferred tax	(25)	(237)
Adjustments in respect of prior periods	-	-
Total income tax expense per income statement	(104)	255

(b) The prima facie tax on profit / (loss) before income tax is reconciled to the income tax as follows:

	2013 $'000	2012 $'000
Profit / (loss) before tax	(1,045)	(1,580)
Income tax calculated at the Australian rate of 30%	(313)	(474)
Increase in income tax due to:		
Non-deductible expenses	154	355
Share compensation costs	96	318
Effect of current year tax losses derecognised	193	433
Effect of prior year tax losses derecognised	(63)	(155)
Under / (over) provision in prior year	(148)	92
Difference in overseas tax rates	(23)	(43)
Recognition of previously unrecognised deferred tax assets	-	(271)
Income tax expense	(104)	255

Deferred tax assets arising from tax losses are only recognised to the extent that there are equivalent deferred tax liabilities. The remaining tax losses have not been recognised as an asset because recovery of the losses is not regarded as probable:

	2013 $'000	2012 $'000
Tax losses not recognised - revenue	4,661	4,022

(c) Tax effects relating to each component of other comprehensive income

	2013			2012		
	Before tax Amount $000	Tax (Expense) Benefit $000	Net of tax Amount $000	Before tax Amount $000	Tax (Expense) Benefit $000	Net of tax Amount $000
Exchange differences on translating foreign controlled entities	337	-	337	359	(108)	251
Non-controlling interests	-	-	-	120	(36)	84
Available-for-sale financial assets	(174)	-	(174)	-	-	-
	163	**-**	**163**	**479**	**(144)**	**335**

7. INCOME TAX EXPENSE (Continued)

(d) Tax consolidation system

Legislation to allow groups, comprising a parent entity and its Australian resident wholly-owned entities, to elect to consolidate and be treated as a single entity for income tax purposes was substantively enacted on 21 October 2002.

Altura Mining Limited and certain of its wholly-owned Australian subsidiaries are eligible to consolidate for tax purposes and have elected to form an income tax group under the Tax Consolidation Regime effective 1 July 2005. The implementation of the tax consolidation group was formally recognised by the ATO on 22 July 2005 with start date for income tax consolidation 1 July 2005 and Altura Mining Limited as the head entity of the group.

Entities within the tax-consolidated group have entered into a tax-sharing agreement with the head entity. Under the terms of this agreement, Altura Mining Limited and each of the entities in the tax consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on standalone tax payer basis. Such amounts are reflected in amounts receivable from or payable to other entities in the tax consolidated group.

	2013 $'000	2012 $'000
8. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	1,831	17,221
Reconciliation to Statement of Cash Flows		
For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 30 June:		
Cash at bank and on hand	1,831	14,721
Short-term deposits	-	2,500
Cash at bank and on hand	1,831	17,221
9. RECEIVABLES		
CURRENT		
Trade and other receivables	2,475	2,797
	2,475	2,797
NON-CURRENT		
Other receivables – Related parties (Note 27)	2,519	-
	2,519	-

At 30 June, the ageing analysis of trade receivables is as follows:

	0-30 days $000	31-60 days $000	61-90 days $000	90+ days $000
2013 Consolidated	1,614	678	183	-
2012 Consolidated	2,056	403	334	4

Trade debtors are non-interest bearing and generally on 30 day terms.

	2013 $'000	2012 $'000
10. INVENTORIES		
Consumables and stores – at cost	3	8
	3	8

11. HELD TO MATURITY INVESTMENTS

	2013 $'000	2012 $'000
Term deposits	1,609	6,375
	1,609	6,375

The term deposits are held to their maturity of less than one year and carry a weighted average fixed interest rate of 3.79% (2012: 5.24%). Due to their short term nature their carrying value is assumed to approximate their fair value. Information about the Group's exposure to credit risk is disclosed in Note 2.

12. OTHER CURRENT ASSETS

	2013 $'000	2012 $'000
Financial assets (security deposits)	84	75
Prepayments	430	382
	514	457

13. AVAILABLE-FOR-SALE FINANCIAL ASSESTS

	2013 $'000	2012 $'000
Listed investments at fair value	356	-
	356	-

During November 2012 the Group acquired a 14.7% interest in Lithium Corporation, Nevada USA by way of a non-brokered private placement. Lithium Corporation is quoted on the US OTCBB (Over The Counter Bulletin Board).

14. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles $'000	Office equipment $'000	Plant and equipment $'000	Land $'000	Exploration $'000	Plant and equipment under lease $'000	Total $'000
2013							
Gross carrying amount							
Balance at 30 June 2012	511	454	5,473	641	138	740	7,957
Additions	109	202	225	-	6	50	592
Transfer	39	-	625	-	-	(664)	-
Exchange difference	29	15	374	1	-	10	429
Disposals	(48)	(9)	(62)	-	-	-	(119)
Balance at 30 June 2013	640	662	6,635	642	144	136	8,859
Accumulated depreciation							
Balance at 30 June 2012	297	270	3,545	-	101	335	4,548
Depreciation expense	76	94	482	-	14	28	694
Transfer	20	-	281	-	-	(301)	-
Exchange difference	20	7	332	-	-	1	360
Disposals	(22)	(8)	(62)	-	-	-	(92)
Balance at 30 June 2013	391	363	4,578	-	115	63	5,510
Net book value as at 30 June 2013	**249**	**299**	**2,057**	**642**	**29**	**73**	**3,349**

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Motor vehicles	Office equipment	Plant and equipment	Land	Exploration	Plant and equipment under lease	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2012							
Gross carrying amount							
Balance at 30 June 2011	673	406	4,828	640	138	723	7,408
Additions	63	42	258	-	-	63	426
Transfer	(218)	-	218	-	-	-	-
Exchange difference	36	22	169	1	-	-	228
Disposals	(43)	(16)	-	-	-	(46)	(105)
Balance at 30 June 2012	511	454	5,473	641	138	740	7,957
Accumulated depreciation							
Balance at 30 June 2011	434	219	2,690	-	87	345	3,775
Depreciation expense	49	63	558	-	14	5	689
Transfer	(199)	-	199	-	-	-	-
Exchange difference	20	2	98	-	-	-	120
Disposals	(7)	(14)	-	-	-	(15)	(36)
Balance at 30 June 2012	297	270	3,545	-	101	335	4,548
Net book value as at 30 June 2012	**214**	**184**	**1,928**	**641**	**37**	**405**	**3,409**

15. EXPLORATION and EVALUATION

	2013 $'000	2012 $'000
Exploration and evaluation expenditure at cost:		
Carried forward from previous year	27,276	19,991
Incurred during the year	5,864	7,658
Disposed during year	-	-
	33,170	27,649
Written off during the year	-	(373)
Total exploration expenditure	33,170	27,276

The recovery of expenditure carried forward is dependent upon the discovery of commercially viable mineral and other natural resource deposits, their development and exploitation, or alternatively their sale.

The Company's title to certain mining tenements is subject to Ministerial approval and may be subject to successful outcomes of native title issues.

During the 2012 year, previously capitalised exploration costs relating to the Groups Finniss Range tenements were written off, and the tenements have since been surrendered.

	2013 $'000	2012 $'000
16. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD		
Non Current Assets		
Investments in associates	26,515	-
	26,515	-

17. INTANGIBLE ASSETS

	2013 $'000	2012 $'000
Goodwill		
Cost	4,529	4,529
Accumulated impairment loss	-	-
	4,529	4,529
Goodwill		
Balance at beginning of year	4,529	4,529
Additions	-	-
Disposals	-	-
Impaired losses	-	-
Closing balance at end of year	4,529	4,529

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is allocated at recognition to its associated cash generating units. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment. (Refer Note 3(a)).

18. TRADE AND OTHER PAYABLES

	2013 $'000	2012 $'000
Trade payables	1,263	3,004
	1,263	3,004

	2013 $'000	2012 $'000
19. BORROWINGS		
Current borrowings		
Interest bearing		
Hire purchase liabilities (Note 33)	31	69
Non interest bearing		
Related party loan #	4,092	-
Total current borrowings	4,123	69
Non current borrowings		
Interest bearing		
Hire purchase liabilities (Note 33)	20	21
Joint venture partner **	4,207	-
Non interest bearing		
Related party loan #	8,614	-
Total non current borrowings	12,841	21

Hire purchase liabilities are effectively secured as the rights to the assets revert to the owner in the event of default.

** The facility provided by Atlas Iron Operations Pty Ltd covers the exploration, feasibility, development and operation of the Mt Webber iron ore joint venture and is secured under the terms of the joint venture agreements.

The related party loan totalling $12.7 million represents the amount owing to the vendors of Evora Mining Inc. Further loan payments are due in March 2014 ($4.1 million), March 2015 ($4.2 million) and March 2016 ($4.4 million).

20. CURRENT PROVISIONS

	2013 $'000	2012 $'000
Employee benefits	708	485
	708	485
Movements in Provisions		
Short term employee benefits		
Opening balance	485	442
Additional provision	312	165
Expense incurred	(89)	(122)
Balance at year end	708	485

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

	2013 $'000	2012 $'000
Provision for employee entitlements:		
Current	708	485
Total	708	485

	2013 $'000	2012 $'000
21. CURRENT TAXATION & DEFERRED TAX LIABILITIES & ASSETS		
(a) Liabilities		
Current		
Income tax paid / payable	(439)	(53)
Non-Current		
Deferred tax liability comprises:		
Unrealised foreign exchange gain	504	42
Tax allowances relating to exploration	9,187	7,730
Other	7	-
	9,698	7,772
(b) Assets		
Current		
Income tax refundable	-	-
Non-Current		
Deferred assets comprises:		
Provisions	219	310
Revenue losses	13,992	11,357
Revenue losses not recognised	(4,661)	(4,022)
Property, plant and equipment	122	-
Prepayments	-	77
Other	364	330
	10,036	8,052
(c) Reconciliation of:		
Gross movements		
The overall movement in the deferred tax account is as follows:		
Opening balance – net deferred taxes	281	44
(Charge) / credit to income statement	57	237
Closing balance – net deferred taxes	338	281

Net deferred tax assets for the Indonesian entities are carried forward as it is probable that future tax profits will be available against which temporary differences can be utilised.

	2013 $'000	2012 $'000

22. CONTRIBUTED EQUITY

Issued capital

	2013 $'000	2012 $'000
454,272,181 (2012: 454,272,181) ordinary shares issued and fully paid	74,562	74,517

	2013 Number	2013 $'000	2012 Number	2012 $'000
Fully paid ordinary shares				
Balance at the beginning of the financial year	454,272,181	74,517	326,249,913	55,239
Share issue costs	-	-		(1)
Transfer from ESOP reserve	-	45	-	-
Issue on exercise of options	-	-	123,622,268	18,543
Issue of shares to directors and staff	-	-	4,400,000	736
Balance at the end of the financial year	454,272,181	74,562	454,272,181	74,517

Fully paid ordinary shares carry one vote per share and carry the rights to dividends. Ordinary shares have no par value.

Reserves

Option reserve
The option reserve records items recognised as expenses on the valuation of share options.

Foreign currency translation reserve
The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Change in fair value reserve
The change in fair value reserve records valuation differences arising on the market valuation of available for sale financial assets.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes to the consolidated entity's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Board 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 debt levels and by share issues.

23. SHARE BASED PAYMENTS

Options

The Company has in place an Employee Share Option Plan (ESOP) under which employees and directors of the Group may be issued on a discretionary basis with options over ordinary shares of Altura Mining Limited.

The purpose of this plan is to:

- recognise the ability and efforts of employees and directors of the Company who have contributed to the success of the Company;
- provide an incentive to employees and directors to achieve the long term objectives of the Company and improve the performance of the Company; and
- attract persons of experience and ability to the Company and foster and promote loyalty between the Company and its employees.

The options automatically lapse if they are not exercised before the expiry date, or when employment ceases with Altura Mining Limited.

The employee share options expiring on 30 September 2015 and 22 December 2016 were issued for no consideration. Under the rules of the ESOP there is a three-year vesting period from the issue date before they can be exercised.

All options subject to the ESOP carry no rights to dividends and no voting rights, until converted into ordinary shares.

Historical volatility has been used as the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate.

The Company had the following options on issue under the ESOP as at 30 June 2013:

Number	Issue date	Exercise price	Expiry date
2,200,000	1 October 2010	$0.20	30 September 2015
7,000,000	13 December 2010	$0.20	30 September 2015
375,000	23 December 2011	$0.20	22 December 2016

	2013		2012	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Outstanding at the beginning of the year	10,275,000	0.20	11,250,000	0.23
Granted	-	-	375,000	0.20
Forfeited / expired	(700,000)	0.20	(1,350,000)	0.42
Exercised	-	-	-	-
Outstanding at year-end	9,575,000	0.20	10,275,000	0.20
Exercisable at year-end	-	-	-	-

There were no new options issued to staff during the year ended 30 June 2013.

23. SHARE BASED PAYMENTS (continued)

Options Valuation

When options are issued, they are valued at grant date using a Black-Scholes option pricing model. The inputs and assumptions for options currently on issue at 30 June 2013 were:

	Granted on 1 Oct 2010	Granted on 13 Dec 2010	Granted on 23 Dec 2011
Option exercise price ($)	$0.20	$0.20	$0.20
Expected volatility (%)	105.66%	105.66%	87.3%
Dividend yield (%)	0%	0%	0%
Risk-free interest rate (%)	4.95%	5.42%	3.32%
Expected life of option (years)	5	5	5
Weighted average fair value at grant date	$0.0893	$0.0942	$0.0755

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were $320,675 (2012: $325,242).

24. AUDITORS' REMUNERATION

	2013 $'000	2012 $'000
Amount paid or payable for the audit or review of the financial report	117	104
	117	104

25. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Names and positions held of key management personnel in office at any time during the financial year are:

Directors

James Brown	Managing Director
Paul Mantell	Executive Director
Allan Buckler	Non-Executive Director
Dan O'Neill	Non-Executive Director
BT Kuan	Non-Executive Director

Key Management Personnel

Noel Young	Group Financial Controller and Company Secretary
Damon Cox	Company Secretary

(b) Key management personnel remuneration

	2013	2012
Short-term employee benefits	1,205,738	1,577,963
Long-term employee benefits	-	-
Post employment benefits	84,605	101,833
Termination benefits	-	-
Share based payments	256,088	256,088
	1,546,431	1,935,884

25. KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

(c) Option holdings

Number of options held by key management personnel

2013	Balance at the start of the year	Granted as compensation	Exercised / lapsed	Balance at end of the year	Vested and exercisable	Unvested
J Brown	2,000,000	-	-	2,000,000	-	2,000,000
P Mantell	2,000,000	-	-	2,000,000	-	2,000,000
A Buckler	1,000,000	-	-	1,000,000	-	1,000,000
D O'Neill	1,000,000	-	-	1,000,000	-	1,000,000
B Kuan	1,000,000	-	-	1,000,000	-	1,000,000
N Young	350,000	-	-	350,000	-	350,000
D Cox	350,000	-	-	350,000	-	350,000

Details of options granted as compensation and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the Directors' Report and under Note 23.

2012	Balance at start of the year	Granted as compensation	Exercised / lapsed	Balance at end of the year	Vested and exercisable	Unvested
J Brown	2,600,000	-	(600,000)	2,000,000	-	2,000,000
P Mantell	5,423,738	-	(3,423,738)	2,000,000	-	2,000,000
A Buckler	28,613,384	-	(27,613,384)	1,000,000	-	1,000,000
D O'Neill	1,333,334	-	(333,334)	1,000,000	-	1,000,000
B Kuan	1,395,134	-	(395,134)	1,000,000	-	1,000,000
N Young	859,832	-	(509,832)	350,000	-	350,000
D Cox	450,000	-	(100,000)	350,000	-	350,000

(d) Share holdings

Number of shares held by key management personnel

The number of shares in the Company held during the financial year by each director of Altura Mining Limited and other key management personnel of the Group, including their personally related parties, are set out below. Other changes during the 2012 year comprised the bonus issue of shares to directors (following approval at the 2011 AGM) and to other key management personnel.

2013	Balance at start of the year	Purchased / (sold)	Received on the exercise of options	Other changes	Balance at the end of the year
J Brown	3,442,262	276,038	-	-	3,718,300
P Mantell	9,233,083	-	-	-	9,233,083
A Buckler	82,146,845	-	-	-	82,146,845
D O'Neill	1,166,668	-	-	-	1,166,668
B Kuan	1,882,968	-	-	-	1,882,968
N Young	1,584,411	-	-	-	1,584,411
D Cox	250,000	-	-	-	250,000

2012	Balance at start of the year	Purchased / (sold)	Received on the exercise of options	Other changes	Balance at the end of the year
J Brown	2,012,262	30,000	400,000	1,000,000	3,442,262
P Mantell	5,559,345	-	3,423,738	250,000	9,233,083
A Buckler	55,533,460	(1,000,000)	27,613,385	-	82,146,845
D O'Neill	533,334	-	133,334	500,000	1,166,668
B Kuan	987,834	-	395,134	500,000	1,882,968
N Young	824,579	-	509,832	250,000	1,584,411
D Cox	-	-	-	250,000	250,000

26. INVESTMENTS IN ASSOCIATES

Interests are held in the following associated companies:

Name	Principal Activities	Country of Incorporation	Ownership Interest		Carrying Amount of Investment	
			2013 %	2012 %	2013 $'000	2012 $'000
Unlisted:						
Evora Mining Inc.*	Coal Mining	British Virgin Islands	33⅓	0.00	26,515	-
					26,515	-

* Evora Mining Inc. is the ultimate controlling entity of PT Binamitra Sumberata, the owner and operator of the Delta coal mining tenements. The Group acquired 33⅓% of the issued shares of Evora Mining Inc. for a purchase consideration of US$25 million (A$26 million) with effect from 1st January 2013.

	2013 $'000	2012 $'000
(a) Movement in carrying amounts		
Opening acquisition value	26,269	-
Share of profits after income tax	246	-
Dividends received / receivable	-	-
Carrying amount at the end of the financial year	26,515	-

Information relating to associated companies is set out below:

(b) Summarised financial information of associates

	2013 $'000	2012 $'000
Share of assets and liabilities		
Current assets	4,452	-
Non-current assets	1,553	-
Total assets	6,005	-
Current liabilities	3,806	-
Non-current liabilities	-	-
Total liabilities	3,806	-
Net assets	2,199	
Share of revenues, expenses and profits:		
Revenues	9,346	-
Expenses	9,029	-
Profit before income tax	317	-
Income tax expense	71	-
Profit after income tax	246	-

27. RELATED PARTY DISCLOSURE

Name of entity	Country of incorporation	Ownership interest 2013 %	2012 %
Parent entity			
Altura Mining Limited			
Controlled entities			
Altura Exploration Pty Ltd	Australia	100	100
Australian Garnet Pty Ltd	Australia	100	100
Altura Drilling Pty Ltd	Australia	100	100
Altura Lithium Pty Ltd	Australia	100	100
Minvest Australia Pty Ltd	Australia	100	100
Minvest International Corporation	Mauritius	100	100
Altura Asia Pte. Ltd.	Singapore	100	100
Altura Mining Philippines Inc. *	Philippines	40	40
PT Asiadrill Bara Utama	Indonesia	100	100
PT Velseis Indonesia	Indonesia	50	50
PT Altura Indonesia	Indonesia	100	100
PT Minvest Mitra Pembangunan	Indonesia	100	100
PT Jasa Tambang Pratama	Indonesia	100	100
PT Cakrawala Jasa Pratama	Indonesia	100	100
PT Minvest Jasatama Teknik	Indonesia	100	100
PT Cybertek Global Utama	Indonesia	100	100
PT Kodio Multicom	Indonesia	80	-
PT Marangkayu Bara Makarti	Indonesia	80	-
Evora Mining Inc.**	British Virgin Islands	33⅓	-

Altura Mining Limited, Altura Exploration Pty Ltd, Altura Lithium Pty Ltd and Australian Garnet Pty Ltd are included within the tax consolidation group.

* Altura Mining Limited through its wholly owned subsidiary, Altura Asia Pte. Ltd holds 40% direct equity in Altura Mining Philippines Inc. This entity is considered a subsidiary as the Group has full economic and management rights.
** Altura Mining Limited through its wholly owned subsidiary, Altura Asia Pte. Ltd holds 33⅓% direct equity in Evora Mining Inc. This entity is not considered a subsidiary as the Group does not possess rights beyond its investment holding.

Transactions within the wholly-owned group

The wholly-owned group includes:

- the ultimate parent entity in the wholly-owned group; and
- wholly-owned controlled entities.

The ultimate parent entity in the wholly-owned Group is Altura Mining Limited.

During the year the parent entity provided financial assistance to its wholly owned controlled entities by way of intercompany loans. The loans are unsecured, interest free and have no fixed term of repayment. Sales and purchases between related parties within the Group have been eliminated upon consolidation. There were no further sales or purchases from related parties during the financial year.

Transactions with directors

There have been no transactions with directors during the year.

28. NOTES TO STATEMENT OF CASH FLOWS

(a) For the purpose of the statement of cash flows, cash includes cash on hand and in banks, and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the balance sheet as follows:

	2013 $'000	2012 $'000
Cash at bank and on hand (Note 8)	1,831	17,221
Cash per statement of cash flows	1,831	17,221

(b) Reconciliation of operating profit / (loss) after income tax to net cash used in operating activities

	2013 $'000	2012 $'000
Operating loss after income tax	(941)	(1,835)
Adjustments for non-cash income and expense items:		
Option and share pricing	321	325
Bonus paid in shares	-	735
Depreciation of property, plant and equipment	693	691
Exploration expenditure written off	-	374
Share of profits of associates and joint venture partnership	(246)	-
Foreign currency exchange rate movement	(262)	(159)
(Increase) / decrease in current tax liability	(439)	(248)
Increase / (decrease) in deferred tax balances	(58)	(237)
Changes in assets and liabilities:		
(Increase) / decrease in receivables	322	(919)
(Decrease) / increase in other creditors and accruals	(1,741)	236
(Increase) / decrease in inventories	5	(8)
(Increase) / decrease in deposits and prepayments	(57)	34
Increase / (decrease) in current provisions	223	(42)
Net cash used in operating activities	(2,180)	(1,053)

(c) Acquisition of entities

During the year the Group acquired an interest in the following entities:

- August 2012 - 80% interest in PT Kodio Multicom & PT Marangkayu Bara Makarti
- November 2012 - 14.7% interest in Lithium Corporation by way of a non-brokered private placement
- January 2013 – 33⅓% interest in Evora Mining Inc. the ultimate controlling entity of PT Binamitra Sumberata, the owner and operator of the Delta coal mining tenements.

(d) Non-cash financing and investing activities

A deferred settlement plan was entered into as part the 33⅓% acquisition of Evora Mining Inc. Details of the vendor provided funding is disclosed in Note 19.

29. PARENT ENTITY DISCLOSURE

(a) Summary of financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2013 $'000 Parent	2012 $'000 Parent
Balance sheet		
Current assets	2,898	16,553
Total assets	66,832	66,954
Current liabilities	222	351
Total liabilities	222	351
Net assets	66,610	66,603
Equity		
Contributed equity	74,562	74,517
Reserves	794	518
Retained profits / (accumulated losses)	(8,746)	(8,432)
Total shareholder equity	66,610	66,603
Loss for the year	(314)	(2,241)
Total comprehensive loss for the year	(314)	(2,241)

(b) Contingent liabilities

Contingent liabilities are disclosed in Note 31.

(c) Contractual commitments

	2013 $'000 Parent	2012 $'000 Parent
No later than one year	99	274
Later than one year and not later than five years	353	439
Later than five years	-	-
	452	713

30. SUBSEQUENT EVENTS

On 5th July 2013 the Group, with its joint venture partner Atlas Iron Limited, approved the development of the Mt Webber DSO project located in the Pilbara region of Western Australia. The Group has recognised its share of the expenditure to date and will recognise the development and operational expenditures as governed by the joint venture agreement in subsequent financial years.

31. CONTINGENT LIABILITIES

Details and estimates of maximum amounts of contingent liabilities for which no provision is included in the financial statements are as follows:

	2013 $'000	2012 $'000
The bankers of the Group and parent entity have issued undertakings and guarantees to the Department of Mines and Energy and various other entities.	1,269	245

No losses are anticipated in respect of any of the above contingent liabilities.

32. COMMITMENTS FOR EXPENDITURE

In order to maintain an interest in the mining and exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted and the obligations of any joint venture agreements. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required by the relevant State Departments of Minerals and Energy, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest.

(a) Exploration work

The Company has certain obligations to perform minimum exploration work and expend minimum amounts on its mining tenements. Obligations for the next 12 months are expected to amount to $531,862 (2012: $438,120). No estimate has been given of expenditure commitments beyond 12 months as this is dependent on the directors' ongoing assessment of operations and, in certain instances, native title negotiations.

(b) Asset acquisitions

The Group has commitments for asset acquisitions at 30 June 2013 for its share of the mine development of the Mt Webber DSO joint venture. Under the terms of the joint venture agreement this sum is anticipated to amount to $5 million and will be incurred from July 2013 to June 2014.

(c) Operating lease

The Group has entered into operating leases for office premises at Brookwater in Qld, at Subiaco in WA, at Jakarta and Balikpapan in Indonesia. The Group also has leases in relation to vehicles and office equipment.

	2013 $'000	2012 $'000
The commitment in respect of these leases is:		
No later than one year	440	410
Later than one year and not later than five years	393	440
Later than five years	-	-
	833	850

33. HIRE PURCHASE COMMITMENTS

Hire purchase agreements

The Group will acquire the plant and equipment at the conclusion of the respective agreements.

	2013 $'000	2012 $'000
No later than one year	31	69
Later than one year and not later than five years	20	21
Later than five years	-	-
	51	90
Included in the financial statements as:		
Current hire purchase liabilities (Note 19)	31	69
Non-current hire purchase liabilities (Note 19)	20	21
	51	90

Directors' Declaration

In the directors' opinion:

(a) The financial statements and notes are in accordance with the *Corporations Act 2001* and:

a. comply with Accounting Standards and the Corporations Regulations 2001; and
b. give a true and fair view of the consolidated entity's financial position as at 30 June 2013 and its performance for the financial year ended on that date;

(b) the financial statements and notes also comply with International Financial Reporting Standards as set out in Note 1;

(c) the remuneration disclosures that are contained in the remuneration report in the Directors' report comply with Australian Accounting Standard AASB 124 Related Party Disclosures, the *Corporations Act 2001* and the Corporations Regulations 2001; and

(d) there are reasonable grounds to believe that the Company will be able to pay its debt as and when they become due and payable.

The directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required under section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

BT Kuan
Director

Signed at Perth this 11th day of September 2013

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Report

We have audited the accompanying financial report of Altura Mining Limited, which comprises the consolidated balance sheet as at 30 June 2013, and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements* that the financial statements comply with International Financial Reporting Standards

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion, the financial report of Altura Mining Limited is in accordance with the Corporations Act 2001 including:

(a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 'Going Concern' in the financial report. As a result of the matters described in note 1, there is uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Report on the Remuneration Report
We have audited the Remuneration Report included in pages 7 to 9 of the directors' report for the year ended 30 June 2013. The directors are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion
In our opinion, the Remuneration Report of Altura Mining Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001.*

Crowe Horwath Perth

CROWE HORWATH PERTH

SEAN MCGURK
Partner

Signed at Perth, 11 September 2013