



**ALTURA MINING LIMITED
ABN 39 093 391 774
AND CONTROLLED ENTITIES**

HALF YEAR FINANCIAL REPORT

For the six months ended 31 December 2013

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Company's Annual Report for the year ended 30 June 2013 and any public announcements made by Altura Mining Limited ABN 39 093 371 774 during the half year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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Corporate Directory

DIRECTORS

James Brown – Managing Director
Paul Mantell – Non-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

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AUDITORS

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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

Altura Mining Limited and Controlled Entities

Directors' Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

Your directors have pleasure in presenting the financial statements of Altura Mining Limited ("Altura" or "the Company") for the financial half-year ended 31 December 2013. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

DIRECTORS

The names of the directors in office at any time during or since the end of the half-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 period were:

- Mining and production of coal;
- Development of an iron ore joint venture
- Provision of mining services, including drilling and geologging services; and
- Exploration for coal, lithium, 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 period was coal production at the Delta coal mine, exploration activities at the Tabalong coal project, development of mining operations at the Mt Webber DSO iron ore joint venture, and further exploration activities at the Pilgangoora lithium project.

Operating results

The consolidated entity's operating loss after providing for the write off of Exploration and Evaluation Expenditure of \$2,120,000 (2012: \$Nil) and income tax for the half-year ended 31 December 2013 was \$2,503,966 (2012: loss of \$1,747,282).

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 6 million tonne per annum Mt Webber DSO joint venture with Atlas Iron Limited, and completing pre-feasibility work at the Pilgangoora lithium project.

Delta Coal Production

Altura has a one third interest in the Delta operating coal mine on the island of Kalimantan in Indonesia. In the 6 months to 31 December 2013, the operation produced 735,529 tonnes (AJM share 245,176 tonnes) and sold 714,177 tonnes (AJM share 238,059 tonnes). The operations were adversely affected by above average rainfall, and a softening of the coal market during the period.

Mt Webber DSO Joint Venture (Altura 30%)

In July 2013, Altura and its joint venture managing partner Atlas Iron (ASX: AGO) agreed to proceed to construct and develop the DSO (direct shipping ore) iron ore mining operation at Mt Webber. Altura's capital contribution to the development of the mine will be approximately \$10 million which will be funded by a loan provided by Atlas Iron.

Altura Mining Limited and Controlled Entities

Directors' Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

It is planned to commence mining operations at the rate of 3 million tonnes per annum (mtpa) (Altura share 900,000 tonnes per annum) with first export shipment of the iron ore to occur in the second quarter of 2014. Production is planned to increase to the rate of 6mtpa (Altura share 1.8mtpa) in the fourth quarter of 2014.

Exploration activities

The group continued its exploration activities at its Tabalong project during the period, including progression of the Government Feasibility Study (GFS) and AMDAL (Environmental Impact Statement) processes for both Kodio Multicom (KM) and Marangkayu Bara Makarti (MBM) which are the southernmost tenements in the project area. It is anticipated both the GFS and AMDAL will be completed and lodged with the relevant local government authorities during the March 2014 Quarter. The approval of these documents will pave the way for both KM and MBM to be upgraded from Exploration to Operation Production and moving these tenements closer to approval to mine.

The resource evaluation program continued at Tabalong during the period to determine the potential quantity and coal quality type in the total Tabalong tenement holdings. The Company remains hopeful that there is good potential to identify both PCI and metallurgical coal with the combined Tabalong project area. The identification of these higher value coal types is viewed by the Company as a significant positive outcome of this relatively under explored region of South Kalimantan.

Exploration activities continued at the Altura Lithium Project at Pilgangoora in Western Australia during the 6 months. An environmental consultant completed a baseline environmental study of the project area, which included flora and fauna surveying. There were no significant matters identified in the draft report. Proposals were also received to conduct a mining study at Pilgangoora, which will establish quantities of ore and waste, a head grade of spodumene ore for plant feed and more accurate operational costing for the potential mining operation. These studies are expected to be conducted in 2014 and will support the current mining lease application in process.

MATTERS SUBSEQUENT TO THE END OF THE HALF YEAR

On 19th February 2014 Altura entered into an agreement to sell its wholly owned subsidiary, Australian Garnet Pty Ltd to Garnet Australia Pty Ltd for a cash consideration of \$4.5 million.

Under the terms of the sale agreement Altura received \$2.5 million at completion on 24 February 2014, with the remaining \$2.0 million to be paid no later than 31 December 2014.

ROUNDING OF AMOUNTS

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the half-year ended 31 December 2013 has been received and is included on page 4 of the report.

Signed in accordance with a resolution of the directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

On behalf of the directors,



BT KUAN
Director

Dated at Brisbane this 5th day of March 2014

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Altura Mining Limited and its controlled entities for the half-year ended 31 December 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



CROWE HORWATH PERTH



SEAN MCGURK
Partner

Signed at Perth, 5 March 2014

Altura Mining Limited and Controlled Entities

Consolidated Income Statement

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$'000	2012 \$'000
Continuing operations			
Revenue	3(a)	4,881	3,754
Cost of sales	3(c)	(3,510)	(3,058)
Operating profit		1,371	696
Other income	3(b)	29	227
Expenses			
Administration costs		(1,029)	(1,216)
Employee benefits expense		(794)	(965)
Write off of exploration expenditure		(2,120)	-
Other expenses	3(d)	11	(59)
Foreign exchange movement		547	(373)
Financing costs	3(e)	(231)	(3)
Share of net loss of associates and joint venture partnership accounted for using the equity method		(3)	-
		(2,219)	(1,693)
Profit / (loss) before income tax		(2,219)	(1,693)
Income tax (expense) / benefit		(285)	(54)
Profit / (loss) for the year		(2,504)	(1,747)
Profit / (loss) attributable to:			
Owners of Altura Mining Limited		(2,576)	(1,785)
Non-controlling interest		72	38
		(2,504)	(1,747)

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

Altura Mining Limited and Controlled Entities

Consolidated Statement of Comprehensive Income / (Loss)

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$'000	\$'000
Profit / (loss) after income tax	(2,504)	(1,747)
Other comprehensive income / (loss)		
Changes in the fair value of available for sale financial assets	(110)	(106)
Exchange differences on translation of foreign controlled entities	(18)	4
Other comprehensive income / (loss) for the period, net of tax	<u>(128)</u>	<u>(102)</u>
Total comprehensive income / (loss) for the period	<u><u>(2,632)</u></u>	<u><u>(1,849)</u></u>
Total comprehensive income / (loss) attributable to:		
Members of the parent entity	(2,805)	(1,881)
Non-controlling interest	173	32
	<u><u>(2,632)</u></u>	<u><u>(1,849)</u></u>
Earnings per share for profit / (loss) from continuing operations		
Basic earnings / (loss) per share (cents per share)	(0.57)	(0.39)
Diluted earnings / (loss) per share (cents per share)	(0.57)	(0.39)

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

Altura Mining Limited and Controlled Entities

Consolidated Balance Sheet

AS AT 31 DECEMBER 2013

	Note	31 December 2013 \$'000	30 June 2013 \$'000
Current assets			
Cash and cash equivalents		2,385	1,831
Receivables		2,251	2,475
Held to maturity investments		280	1,609
Inventories		2	3
Current tax prepaid		494	439
Other current assets		319	514
		5,731	6,871
Assets classified as held for sale	8	4,500	-
		10,231	6,871
Total Current Assets			
Non-current assets			
Trade and other receivables		2,611	2,519
Available for sale financial assets		246	356
Property, plant and equipment		2,460	3,349
Mine development	4	20,511	-
Exploration and evaluation		12,281	33,170
Investments accounted for using the equity method		27,471	26,515
Intangible assets		4,529	4,529
Deferred tax asset		10,635	10,036
		80,744	80,474
		90,975	87,345
Total assets			
Current liabilities			
Trade and other payables		1,391	1,263
Borrowings	5	4,271	4,123
Current tax payable		-	-
Short term provisions		711	708
		6,373	6,094
Total Current Liabilities			
Non-current liabilities			
Borrowings	5	17,858	12,841
Deferred tax liability		10,285	9,698
		28,143	22,539
Total liabilities			
		34,516	28,633
Net assets			
		56,459	58,712
Equity			
Contributed equity		74,562	74,562
Option reserve		875	794
Change in fair value – market valuation		(284)	(174)
Foreign currency translation reserve		(512)	(388)
Accumulated losses		(19,429)	(16,853)
		55,212	57,941
Capital and reserves attributable to owners of Altura Mining Limited		55,212	57,941
Non-controlling interests		1,247	771
		56,459	58,712
Total equity			

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 HALF YEAR ENDED 31 DECEMBER 2013

	Contributed Equity	Accumulated Losses	Option reserve	Change in fair value - available for sale financial assets	Foreign Currency Translation reserve	Non- controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 30 June 2012	74,517	(15,874)	518	-	(716)	275	58,720
Total comprehensive income for the year	-	(1,785)	-	(106)	4	38	(1,849)
Transactions with owners in their capacity as owners:							
Option expense	-	-	167	-	-	-	167
Transfer from option reserve on expiry of options	45	-	(45)	-	-	-	-
Sub-Total	45	(1,785)	122	(106)	4	38	(1,682)
Balance as at 31 December 2012	74,562	(17,659)	640	(106)	(712)	313	57,038
Balance as at 30 June 2013	74,562	(16,853)	794	(174)	(388)	771	58,712
Total comprehensive income for year	-	(2,576)	-	(110)	(124)	476	(2,334)
Transactions with owners in their capacity as owners:							
Option reserve on recognition of bonus element of options	-	-	81	-	-	-	81
Transfer from option reserve on expiry of options	-	-	-	-	-	-	-
Sub-Total	-	(2,576)	81	(110)	(124)	476	(2,253)
Balance as at 31 December 2013	74,562	(19,429)	875	(284)	(512)	1,247	56,459

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

Altura Mining Limited and Controlled Entities

Consolidated Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	4,979	4,066
Sundry income	-	4
Interest received	52	258
Interest paid	(28)	(3)
Payments to suppliers and employees	(4,380)	(5,071)
Income tax	(160)	(315)
Net cash provided by (used in) operating activities	463	(1,061)
Cash flows from investing activities		
Expenditure on exploration and evaluation	(1,071)	(1,752)
Expenditure on property, plant and equipment	(145)	(1,406)
Acquisitions of available for sale financial assets	-	(530)
Proceeds from / (payments for) held to maturity investments	1,300	2,295
Proceeds from sale of property plant and equipment	19	-
Net cash provided by (used in) investing activities	103	(1,393)
Cash flows from financing activities		
Payment of hire purchase liabilities	(23)	(45)
Net cash provided by (used in) financing activities	(23)	(45)
Net increase / (decrease) in cash and cash equivalents held	543	(2,499)
Cash and cash equivalents at the beginning of year	1,831	17,221
Effect of exchange rates on cash holdings in foreign currencies	11	(225)
Cash and cash equivalents at the end of period	2,385	14,497

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

Altura Mining Limited and Controlled Entities

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The half-year report covers the consolidated financial statements of the consolidated entity comprising Altura Mining Limited and its controlled entities (the Group). The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report of the Company and any public announcements made during the half year.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2013 annual financial report for the financial year ended 30 June 2013. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

The adoption of all of the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has had no effect on the amounts reported for the current or prior periods.

Development Expenditure

Development expenditure incurred by or on behalf of the group is accumulated separately for each area of interest in which economically recoverable reserves have been identified. Such expenditure comprises costs directly attributable to the construction of a mine and related infrastructure. Once a development decision has been taken, the carrying amount of the exploration and evaluation expenditure in respect of the area of interest is aggregated with the development expenditure and classified under non current assets as "development properties". A development property is then reclassified as a "mining property" at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management. No depreciation is recognised in respect of development properties until they are reclassified as "mining properties". Development properties are tested for impairment at the end of each reporting date.

Mine Properties

When further development expenditure is incurred in respect of a mining property after the commencement of production, such expenditure is carried forward as part of the mining property when it is probable that additional future economic benefits associated with the expenditure will flow to the consolidated entity. Otherwise such expenditure is classified as a cost of production. Depreciation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in a depreciation charge proportional to the depreciation of proved and probable reserves. Mine properties are tested for impairment at the end of each reporting date.

Interests in Joint Ventures

Joint arrangements are 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 Mt Webber Production Joint Venture will be referred to as a "Joint Operation". Joint operations are required to be accounted for using the proportionate consolidation method.

Altura Mining Limited and Controlled Entities

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

2. SEGMENT INFORMATION

The Group's primary segment reporting format is business segments as the Group's risks and returns are affected predominantly in the products and services produced.

	Coal mining \$'000	Iron Ore mining \$'000	Exploration services \$'000	Mineral exploration \$'000	Eliminations \$'000	Total \$'000
Half-year 2013						
Revenue						
External sales	-	-	4,881	-	-	4,881
Other income	-	-	-	29	-	29
Other segments	-	-	816	-	(816)	-
Total segment revenue	-	-	5,697	29	(816)	4,910
Unallocated revenue						-
Total consolidated revenue						4,910
Segment result	(3)	-	420	(2,405)	-	(1,988)
Other segments	-	-	-	-	-	-
Unallocated expenses net of unallocated revenue						-
Profit / (loss) before income tax and finance costs						(281)
Finance costs	(203)	-	(3)	(25)	-	(231)
Share of profit of non-controlling interest						(72)
Profit / (loss) before income tax						(2,291)
Income tax expense						(285)
Net profit / (loss) for the year						(2,576)
Assets and Liabilities						
Segment assets	27,471	20,512	6,148	27,540	-	81,671
Unallocated assets						10,635
Total assets						92,306
Segment liabilities	13,500	8,930	1,511	1,621	-	25,562
Unallocated liabilities						10,285
Total liabilities						35,847
Other segment information						
Capital expenditure	-	-	152	15	-	167
Exploration expenditure	-	-	-	3,177	-	3,177
Mine development expenditure	-	20,512	-	-	-	20,512
Write off of exploration expenditure	-	-	-	2,120	-	2,120
Depreciation and amortisation	-	-	316	43	-	359
Cash flow information						
Net cash flow from operating activities	-	-	2,167	(1,704)	-	463
Net cash flow from investing activities	-	-	(111)	214	-	103
Net cash flow from financing activities	-	-	(23)	-	-	(23)

Altura Mining Limited and Controlled Entities

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

2. SEGMENT INFORMATION (continued)

	Exploration services \$'000	Mineral exploration \$'000	Eliminations \$'000	Total \$'000
Half-year 2012				
Revenue				
External sales and other income	3,754	-	-	3,754
Other income	1	226	-	227
Other segments	1,164	-	(1,164)	-
Total segment revenue	4,919	226	(1,164)	3,981
Unallocated revenue				-
Total consolidated revenue				3,981
Segment result				
Other segments	(129)	(1,561)	-	(1,690)
Unallocated expenses net of unallocated revenue	-	-	-	-
Profit / (loss) before income tax and finance costs				(1,690)
Finance costs	(3)	-	-	(3)
Share of profit of non controlling interest	-	-	-	(38)
Profit / (loss) before income tax				(1,731)
Income tax expense				(54)
Net profit / (loss) for the period				(1,785)
Assets & liabilities				
Segment assets	14,674	45,838	-	60,512
Unallocated assets	-	-	-	8,086
Total assets				68,598
Segment liabilities	1,052	2,707	-	3,759
Unallocated liabilities	-	-	-	7,801
Total liabilities				11,560
Other segment information				
Capital expenditure	201	85	-	286
Exploration expenditure	-	1,322	-	1,322
Depreciation	329	32	-	361

Altura Mining Limited and Controlled Entities

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

3. PROFIT / (LOSS) FROM ORDINARY ACTIVITIES

	2013 \$'000	2012 \$'000
(a) Revenue		
Revenue from sales	4,881	3,754
Total sales revenues from ordinary activities	<u>4,881</u>	<u>3,754</u>
(b) Other revenues		
Interest received from other corporations	29	226
Other revenue	-	1
Total other revenues from ordinary activities	<u>29</u>	<u>227</u>
Total revenue	<u>4,910</u>	<u>3,981</u>
(c) Cost of sales		
Drilling costs	3,205	2,770
Depreciation - plant & equipment	305	247
Depreciation - plant & equipment leased	-	41
Total cost of sales	<u>3,510</u>	<u>3,058</u>
(d) Other expenses		
Depreciation – plant & equipment	54	51
(Profit) / loss on sale of assets	(65)	8
Total other expenses from ordinary activities	<u>(11)</u>	<u>59</u>
(e) Borrowing costs		
Hire purchase interest expense	25	3
Interest expense	206	-
Total borrowing costs	<u>231</u>	<u>3</u>
(f) Employee benefits expense		
Employee share scheme expense	81	-
Other employee benefits expense	713	-
Total employee benefits expense	<u>794</u>	<u>-</u>
(g) Administration costs	<u>1,029</u>	<u>-</u>

Altura Mining Limited and Controlled Entities

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	31 December 2013 \$'000	30 June 2013 \$'000
4. MINE DEVELOPMENT		
Opening Balance	-	-
Transfer from Exploration and evaluation expenditure	16,115	-
Mine development expenditure	4,397	-
Total Mine development	<u>20,511</u>	<u>-</u>
5. BORROWINGS		
Current borrowings		
Interest bearing		
Hire purchase liabilities	29	31
Non interest bearing		
Related party loan # 1	4,242	4,092
Total current borrowings	<u>4,271</u>	<u>4,123</u>
Non current borrowings		
Interest bearing		
Hire purchase liabilities	-	20
Joint venture partner **	8,930	4,207
Non interest bearing		
Related party loan # 1	8,928	8,614
Total non current borrowings	<u>17,858</u>	<u>12,841</u>

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.

#1 The related party loan totalling \$13.2 million represents the amount owing to the vendors of Evora Mining Inc. Further loan payments are due in September 2014 (\$4.1 million), March 2015 (\$4.2 million) and March 2016 (\$4.4 million).

6. JOINT VENTUR

Interest in Joint Venture Operations

A controlled entity, Altura Exploration Pt Ltd, has a 30% interest in the Mt Webber Production Joint Venture, whose principal activity is Iron Ore Mining.

The consolidated group share of assets employed in the joint venture is:

Non-current assets		
Mine Development	20,511	-
Total non-current assets	<u>20,511</u>	<u>-</u>
Share of total assets of joint venture	<u>20,511</u>	<u>-</u>

Altura Mining Limited and Controlled Entities

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

7. DIVIDENDS

The Company has not paid a dividend during the period and no interim dividend is recommended. (2012: \$0)

8. SUBSEQUENT EVENTS

On 19th February 2014 Altura entered into an agreement to sell its wholly owned subsidiary, Australian Garnet Pty Ltd to Garnet Australia Pty Ltd for a cash consideration of \$4.5 million. As a result the underlying asset, being the Balline Garnet Project, has been reclassified as a held for sale current asset.

Under the terms of the sale agreement Altura received \$2.5 million at completion on 24 February 2014, with the remaining \$2.0 million to be paid no later than 31 December 2014. As a result of the above transaction the directors have written the asset value down to its recoverable amount of \$4.5m. This has led to a write off of \$2.12m in exploration expenditure.

9. CONTINGENT LIABILITIES

No change to contingent liabilities has occurred since 30 June 2013.

10. CONTRIBUTED EQUITY

Issued capital

	31 December 2013 \$'000		30 June 2013 \$'000	
2013: 454,272,181 (2012: 454,272,181) ordinary shares and fully paid	74,562		74,562	
	31 December 2013 Number \$'000		30 June 2013 Number \$'000	
Fully paid ordinary shares				
Balance at the beginning of the financial year	454,272,181	74,562	454,272,181	74,517
Transfer from ESOP reserve	-	-	-	45
Balance at the end of the financial year	<u>454,272,181</u>	<u>74,562</u>	<u>454,272,181</u>	<u>74,562</u>

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

11. HELD TO MATURITY INVESTMENTS

The Group holds investments with a maturity date in excess of 3 months, accordingly these investments have been classified as held to maturity investments.

12. KEY MANAGEMENT PERSONEL

Details of the Group's Key Management Personnel Compensation arrangements are provided in the Remuneration Report and the Notes to the Financial Statements contained in the Group's Annual Report for the year ended 30 June 2013.

Altura Mining Limited and Controlled Entities


Directors' Declaration

The directors declare that:

1. The financial statements and notes as set out on pages 5 to 15 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with the Accounting Standard AASB134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2013 and of the performance for the half-year ended on that date of the consolidated entity;
2. In the director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors,



BT KUAN
Director

Dated at Brisbane this 5th day of March 2014



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ALTURA MINING LIMITED AND ITS CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Altura Mining Limited and its controlled entities (the consolidated entity) which comprises the consolidated condensed statement of financial position as at 31 December 2013, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity, the consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of Altura Mining Limited and its controlled entities' financial position as at 31 December 2013 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Altura Mining Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Altura Mining Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Crowe Horwath Perth

CROWE HORWATH PERTH

Seán MCGURK

SEAN MCGURK
Partner

Signed at Perth, 5 March 2014