ALTURA MINING LIMITED
ABN 39 093 391 774
AND CONTROLLED ENTITIES

HALF YEAR FINANCIAL REPORT

For the six months ended 31 December 2014

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 2014 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

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

PKF Hacketts Audit
Level 6, 10 Eagle Street
Brisbane QLD 4000

SHARE REGISTRY

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

AUSTRALIAN SECURITIES EXCHANGE

Code: AJM

Directors' Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Your directors have pleasure in presenting the interim financial statements of Altura Mining Limited and controlled entities ("the consolidated entity") for the financial half-year ended 31 December 2014. 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;
- 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 and lithium projects in Indonesia and Australia, a diverse minerals exploration portfolio, and an active 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, 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 income tax for the half-year ended 31 December 2014 was $27,495,647 (2013: loss $2,503,966). The loss in the half-year was higher than the comparative period's result mainly due to:

- the Mt Webber DSO discontinued operation's trading loss of $10,222,225 and a loss on sale of the Mt Webber project of $2,570,694 totalling $12,792,919,
- a charge for impairment of $4,529,130 on the Group's intangible assets,
- Delta Coal's operating loss of $3,073,516,
- a charge for impairment of $7,682,445 for the equity accounted asset value of Delta Coal,
- off-set by a significant foreign exchange gain of $3,108,146 due to a lower Australian dollar at period end.

Strategy

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

Altura is focussed on expanding production at the Delta coal mine to 2 million tonnes per annum (mtpa), construction and operation of the Tabalong coal project (subject to final approvals), further coal exploration at the Tabalong coal project and in the Philippines, 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. The Delta mine produces a medium energy thermal coal at a current target rate of 1.5 mtpa. Delta operated 5 different pits during the period, each pit producing varying coal products at varying cost structures due to strip ratios ranging from 8:1 to 14:1. It is critical to costs and sales products that these pits are mined as planned in regards to strip ratio and tonnes mined.

In the 6 months to 31 December 2014, the operation produced 640,509 tonnes (2013: 735,529 tonnes) and sold 703,723 tonnes (2013: 714,177 tonnes). The operational focus was aimed at reducing the mining cost via reduction of stripping ratio to offset the reduction in coal price during the period. The mine planned for a maximum strip ratio for the Delta operations of 10.8:1 however the actual strip ratio was 13.4:1 due to lower than budgeted production tonnages delivered by the contractors. This lower coal production and higher strip ratio resulted in operational losses, the lower coal production and increase in strip ratio can be attributed to variations to the mine plan generally associated with failures by the mining contractors to keep mining areas dry and the need to produce supplementary coal supply in order to maintain sales commitments.

The 2 mining contractors at the Delta operations are contracted to deliver production 140,000 tonnes of coal per month (1.68 mtpa) however the contractors only averaged 107,000 tonnes of coal per month (1.28 mtpa). The lower than contracted coal production is attributed to lower than forecast equipment availability (maintenance downtime), lower than forecast equipment productivity and reduced working hours mainly due to wet weather. Delta's site team has maintained its focus in managing contractors' performance, particularly in regards to water pumping strategies.

The operations were adversely affected by lower coal prices due to the continued softening of the World coal market during the period. The benchmark price for Indonesian coal or Harga Patokan Batubara (HPB) reduced from US$72.45 in July 2014 to US$64.65 per tonne in December 2014, this equates to US$44.85 and US$40.28 respectively for Delta's 4,800 kcal/kg standard sales product.

In addition to a lowering in coal price, the Delta operations produced a higher proportion of lower calorie (4,400 Kcal/kg) coal than forecast, generally the mine would produce 60% of total production of higher calorie coal (4,700Kcal/kg – 5,300Kcal/kg) and 40% of the lower calorie product, however during 2014 the proportion of coal produced was 40% higher calorie and 60% lower calorie. The production mix was due to higher productivity in the shallower lower calorie pits and lower productivity and geotechnical problems in the higher calorie pits. The ultimate impact was a lower overall sales price for the coal blends.

Mt Webber DSO Joint Venture (Altura 30%)

The Mt Webber DSO mine was officially opened in July 2014 with first haulage of ore by road to Port Hedland occurring during the month. It was planned that the mine would commence production at the rate of 3 mtpa in 2014, increasing to the 6 mtpa rate during 2015. During the 6 months ended 31 December 2014, 1.283 million tonnes were produced from the mine, with Altura's 30% share being 385,000 tonnes.

However, the quickly deteriorating iron ore price in the 6 months to December 2014 resulted in Altura incurring an operating loss from operations of the joint venture. In December 2014, Altura advised that it had sold its interest in the joint venture to managing partner Atlas Iron Limited (ASX: AGO) but retained a royalty should the iron ore price improve in the future.

Tabalong Coal Project

The Tabalong Coal Project consists of five (5) Mining Licences (IUPs) in the province of South Kalimantan on the island of Borneo. All five (5) IUPs are granted for Operation Production. During the period, Altura received the In-Principle Forest Area approval from the Indonesian Minister for Forestry for its 70% owned Suryaraya Permata Khatulistiwa IUP in the northern area. The initial approval of 465.29 hectares allows for the mining pit, waste dumps, mine infrastructure and haul road. During the 6 months, the Company commenced preparations to complete the work program required to gain formal issue of the Borrow and use of Forest Area Permit (Ijin Pinjam Pakai Kawasan Hutan).

The Company is also seeking an additional In-Principle Forest Area approval for the adjoining Suryaraya Cahaya Cemerlang IUP, and it is anticipated that approval will similarly be received in the near future.

Pilgangoora Lithium Project

Exploration activities continued at the Altura Lithium Project at Pilgangoora in Western Australia during the 6 months. Internal work on a pre-feasibility study is ongoing, which includes pursuing further efficiencies to reduce capital expenditure and reviewing the potential to initially mine the higher grade deposits.

Altura has also been working with selected groups to locate a suitable off-take and possible strategic equity partner to assist in developing this world class project.

Directors' Report (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

MATTERS SUBSEQUENT TO THE END OF THE HALF YEAR

On 12 February 2015 at a general meeting of shareholders, the Group received approval for the sale of its 30% share in the Mt Webber Exploration and Operational joint ventures to its partner Atlas Iron Limited in accordance with the terms of the agreement entered into on 24 December 2014.

The Directors are of the view that in substance the effective date of this sale was 31 December 2014 and to clearly disclose the effect of this sale the Financial Statements have been prepared with the sale occurring as at that date. Any gain or loss from the sale has been included in the current period gain / (loss) from discontinued operations in the Income Statement.

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 2014 has been received and is included on page 5 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
Brisbane, 11 March 2015

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ALTURA MINING LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2014, 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.

PKF HACKETTS AUDIT

Liam Murphy
Partner

Brisbane, 11 March 2015

PKF Hacketts Audit
ABN 33 873 151 348

Level 6, 10 Eagle Street, Brisbane QLD 4000
GPO Box 1568, Brisbane QLD 4001
p +61 7 3839 9733
f +61 7 3832 1407

8 East Street, PO Box 862
Rockhampton QLD 4700
p +61 7 4927 2744
f +61 7 4927 4317

Consolidated Income Statement

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Continuing operations			
Revenue	3(a)	2,353	4,881
Cost of sales	3(c)	(2,373)	(3,510)
Operating profit / (loss)		(20)	1,371
Other income			
Foreign exchange movement	3(g)	3,108	547
Sundry income	3(b)	30	94
Expenses			
Administration costs		(1,230)	(1,029)
Employee benefits expense	3(f)	(1,191)	(794)
Exploration expenditure	3(h)	-	(2,120)
Other expenses	3(d)	(52)	(54)
Financing costs	3(e)	(147)	(231)
Impairment of goodwill	14	(4,529)	-
Impairment on equity accounted asset	13,14	(7,682)	-
Share of net loss of associates accounted for using the equity method	13	(3,074)	(3)
Profit / (loss) before income tax		(14,787)	(2,219)
Income tax (expense) / benefit		84	(285)
Net profit / (loss) for the period from continuing operations		(14,703)	(2,504)
Discontinued operations			
Loss of discontinued operations after tax	6(b)	(12,793)	-
Net profit / (loss) for the period		(27,496)	(2,504)
Net profit / (loss) attributable to:			
Owners of Altura Mining Limited		(27,389)	(2,576)
Non-controlling interest		(107)	72
		(27,496)	(2,504)
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:			
Basic earnings / (loss) per share (cents per share)		(3.21)	(0.57)
Diluted earnings / (loss) per share (cents per share)		(3.21)	(0.57)
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings / (loss) per share (cents per share)		(6.02)	(0.57)
Diluted earnings / (loss) per share (cents per share)		(6.02)	(0.57)

The accompanying notes form part of these financial statements.

Consolidated Statement of Comprehensive Income / (Loss)

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	2014 $'000	2013 $'000
Net profit / (loss) after income tax	(27,496)	(2,504)
Other comprehensive income / (loss)		
Changes in the fair value of available for sale financial assets	86	(110)
Exchange differences on translation of foreign controlled entities	80	280
Other comprehensive income / (loss) for the period, net of tax	166	170
Total comprehensive income / (loss) for the period	(27,330)	(2,334)
Total comprehensive income / (loss) attributable to:		
Members of the parent entity	(27,200)	(2,810)
Non-controlling interest	(130)	476
	(27,330)	(2,334)

The accompanying notes form part of these financial statements.

Altura Mining Limited and Controlled Entities

Consolidated Balance Sheet

AS AT 31 DECEMBER 2014

	Note	31 December 2014 $'000	30 June 2014 $'000
Current assets			
Cash and cash equivalents		831	3,403
Trade and other receivables		2,822	2,081
Held to maturity investments	11	280	280
Inventories	6(c)	1	3,529
Current tax prepaid		420	256
Other current assets		455	595
Total Current Assets		4,809	10,144
Non-current assets			
Other receivables		2,357	1,972
Available-for-sale financial assets		671	584
Property, plant and equipment		1,890	2,059
Exploration and evaluation		14,704	14,205
Mine development	4,6(c)	-	29,508
Investments in associates	13,14	18,857	25,772
Intangible assets	14	-	4,529
Deferred tax asset		442	367
Total non-current assets		38,901	78,996
Total assets		**43,710**	**89,140**
Current liabilities			
Trade and other payables		2,172	2,022
Interest bearing liabilities	5	13	15,079
Short term provisions		600	544
Total Current Liabilities		2,785	17,645
Non-current liabilities			
Interest bearing liabilities	5	15,820	16,818
Rehabilitation provision	6(c)	-	2,815
Total non-current liabilities		15,820	19,633
Total liabilities		**18,605**	**32,278**
Net assets		**25,105**	**51,862**
Equity			
Contributed equity	10	75,114	74,562
Reserves		657	492
Accumulated losses		(51,214)	(23,870)
Capital reserves attributable to owners of Altura Mining Limited		24,557	51,184
Non-controlling interests		548	678
Total equity		**25,105**	**51,862**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	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 2013	**74,562**	**(16,853)**	**794**	**(174)**	**(388)**	**771**	**58,712**
Total comprehensive income/ (loss) for period	-	(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	-	-	81	-	-	-	81
Balance as at 31 December 2013	**74,562**	**(19,429)**	**875**	**(284)**	**(512)**	**1,247**	**56,459**
Balance as at 30 June 2014	**74,562**	**(23,870)**	**880**	**54**	**(442)**	**678**	**51,862**
Total comprehensive income/ (loss) for period	-	(27,389)	-	86	103	(130)	(27,330)
Transactions with owners in their capacity as owners:							
Issue of shares – employee bonus payment	552	-	-	-	-	-	552
Option reserve on recognition of bonus element of options	-	-	21	-	-	-	21
Transfer from option reserve on expiry of options	-	45	(45)	-	-	-	-
Sub-Total	552	45	(24)	-	-	-	573
Balance as at 31 December 2014	**75,114**	**(51,214)**	**856**	**140**	**(339)**	**548**	**25,105**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	2014 $'000	2013 $'000
Cash flows from operating activities		
Receipts from customers	2,098	4,979
Payments to suppliers and employees	(3,511)	(4,380)
Sundry income	33	-
Interest received	60	52
Interest paid	(5)	(28)
Income tax	(23)	(160)
Net cash provided by / (used in) operating activities	(1,348)	463
Cash flows from investing activities		
Expenditure on exploration and evaluation	(554)	(1,071)
Expenditure on property, plant and equipment	(37)	(145)
Proceeds from held to maturity investments	-	1,300
Proceeds from sale of property plant and equipment	-	19
Net cash provided by / (used in) investing activities	(591)	103
Cash flows from financing activities		
Payment of loans	(500)	-
Payment of hire purchase liabilities	(3)	(23)
Net cash provided by / (used in) financing activities	(503)	(23)
Net increase / (decrease) in cash and cash equivalents held	(2,442)	543
Cash and cash equivalents at the beginning of year	3,403	1,831
Effect of exchange rates on cash holdings in foreign currencies	(130)	11
Cash and cash equivalents at the end of period	831	2,385
Non cash investing and financing activities		
Proceeds from the sale of 30% interest in the Mt Webber DSO project	24,031	-
Repayment of the Atlas Operations Pty Ltd loan facility	(24,031)	-
Increase in the Atlas Operations Pty Ltd loan facility	6,435	4,560
Contributions made to Atlas Operations Pty Ltd loan facility	(6,435)	(4,560)

The accompanying notes form part of these financial statements.

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.

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 for the year ended 30 June 2014 of the Company and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Basis of preparation

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 2014 annual financial report for the financial year ended 30 June 2014. 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.

(a) **Going Concern**

The financial statements have been prepared on the going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

For the period ended 31 December 2014 the Group had a loss after income tax of $14,703,000 (31 December 2013: loss after tax of $2,504,000) from continuing operations, and incurred operating cash losses of $1,348,000 (31 December 2013: operating cash surplus of $463,000). As at 31 December 2014 while the Group has excess current assets of $2,024,000 (30 June 2014 current liabilities in excess of current assets of $7,501,000), it has forecasted negative cash flows for the next 12 months.

As a result of the above, the Group will be required to raise additional funds and maintain the continued support of its major creditors. The Directors are confident of being able to execute either or both of the above strategies and as such believe that the going concern basis of preparation is appropriate and the Group will be able to pay its debts as and when they fall due.

Should the Group be unable to raise additional funds, there is significant uncertainty that the Group would be able to continue as a going concern and therefore, whether it would be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. No adjustments have been made 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.

(b) **Carrying value of exploration and evaluation expenditure**

Further to Note 1 (a) above, the Group has recognised exploration and evaluation expenditure of $14,704,000 at 31 December 2014 (30 June 2014: $14,205,000) which includes costs directly associated with its exploration and evaluation activities. These exploration and evaluation activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable resources. The Directors acknowledge that to continue the development and commercial exploitation of its tenements, the Group will need to raise additional funds.

In the event that the Group is unable to fund its planned expenditure on these tenements, there is a material uncertainty that the Group would be able to continue the development and commercial exploitation of the tenements with the result that the Group may be required to realise its assets at amounts different from those currently recognised, settle liabilities other than in the ordinary course of business, and make provisions for costs which may arise as a result of cessation or curtailment of normal business operations.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Income Tax

During the current half year period, the Group has offset deferred tax assets and deferred tax liabilities in the consolidated balance sheet. This has resulted in a presentation change in the comparative figures presented for 30 June 2014 to conform the current period presentation. The only impact of this change is a reclassification of assets and liabilities on the consolidated balance sheet, with no change to net profit / (loss) or to net assets.

(d) Comparative figures

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

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 2014						
Revenue						
External sales	-	-	2,353	-	-	2,353
Other income	-	-	5	25	-	30
Other segments	-	-	957	-	(957)	-
Total segment revenue	-	-	3,315	25	(957)	2,383
Unallocated revenue						-
Total consolidated revenue						2,383
Segment result - EBIT	(10,756)	-	(5,409)	1,525	-	(14,640)
Finance costs						(147)
Profit / (loss) before income tax and finance costs						(14,787)
Income tax benefit						84
Net profit /(loss) for the period from continuing operations						(14,703)
Loss from discontinued operations						(12,793)
Net profit / (loss) for the period						(27,496)
Assets and liabilities						
Segment assets	18,857	-	5,837	18,594	-	43,288
Unallocated assets						442
Total assets						43,710
Segment liabilities	14,975	-	1,624	2,006	-	18,605
Unallocated liabilities						-
Total liabilities						18,605

2. SEGMENT INFORMATION (continued)

	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	-	-	-	94	-	94
Other segments	-	-	816	-	(816)	-
Total segment revenue	-	-	5,697	29	(816)	4,975
Unallocated revenue						-
Total consolidated revenue						4,975
Segment result- EBIT	(3)	-	420	(2,405)	-	(1,988)
Finance costs						(231)
Profit /(loss) before income tax						(2,219)
Income tax expense						(285)
Net profit /(loss) for the period from continuing operations						(2,504)
Loss from discontinued operations						-
Net profit / (loss) for the period						(2,504)
Assets and liabilities						
Segment assets	27,471	20,512	6,148	26,209	-	80,340
Unallocated assets						350
Total assets						80,690
Segment liabilities	13,500	8,930	1,511	291	-	24,232
Unallocated liabilities						-
Total liabilities						24,232

3. PROFIT / (LOSS) FROM ORDINARY ACTIVITIES

		2014 $'000	2013 $'000
(a)	**Revenue**		
	Revenue from sales	2,353	4,881
	Total sales revenues from ordinary activities	2,353	4,881
(b)	**Other income**		
	Interest received from other corporations	25	29
	Profit on sale of assets	4	65
	Sundry Income	1	-
	Total other income from ordinary activities	30	94
(c)	**Cost of sales**		
	Drilling costs	2,089	3,205
	Depreciation - plant & equipment	284	305
	Total cost of sales	2,373	3,510
(d)	**Other expenses**		
	Depreciation – plant & equipment	52	54
	Total other expenses from ordinary activities	52	54
(e)	**Borrowing costs**		
	Hire purchase interest expense	-	25
	Interest expense	147	206
	Total borrowing costs	147	231
(f)	**Employee benefits expense**		
	Employee share scheme expense	21	81
	Bonus paid by issue of shares to directors & employees	552	-
	Other employee benefits expense	618	713
	Total employee benefits expense	1,191	794
(g)	**Foreign exchange gain/(loss)**		
	Revaluation of intercompany loans denominated in US dollars	3,108	547
(h)	**Exploration expenditure**		
	Exploration costs expensed on sale of tenement	-	2,120

	31 December 2014 $'000	30 June 2014 $'000
4. MINE DEVELOPMENT		
Opening balance	29,508	-
Transfer from exploration and evaluation expenditure	-	16,133
Mine development expenditure	1,606	13,375
Depreciation expense	(1,697)	-
Disposed during the period (refer note 6)	(29,417)	-
Total mine development	-	29,508

5. INTEREST BEARING LIABILITIES

	31 December 2014 $'000	30 June 2014 $'000
Current borrowings		
Interest bearing		
Hire purchase liabilities	13	10
Joint venture partner **	-	6,888
Non interest bearing		
Vendor loan #	-	8,181
Total current borrowings	13	15,079
Non current borrowings		
Interest bearing		
Hire purchase liabilities	-	7
Joint venture partner **	-	11,216
Non interest bearing		
Loan from other entities ^	1,452	1,265
Vendor loan #	14,368	4,330
Total non current borrowings	15,820	16,818

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 facility was repaid with effect on the 31 December 2014 in accordance with the sale of the Group's 30% interest in the Mt Webber DSO project.

The vendor loan totalling $14.4 million (2014: $12.5 million) represents the amount owing to the vendors of Evora Mining Inc. The vendors have varied the facility payment dates on 15 December 2014. Loan payments are due in July 2016 (US$4.15 million), July 2017 (US$4.15 million) and July 2018 (US$4.2 million).

^ These funds were advanced by the minority shareholder in the Tabalong coal project in accordance with the loan agreement.

6. DISCONTINUED OPERATIONS

(a) **Description**

On 24 December 2014, a controlled entity entered an agreement to sell its 30% share in the Mt Webber Exploration and Operational joint ventures to its partner Atlas Iron Limited. Shareholder approval was granted at a general meeting held on 12 February 2015 and settlement occurred on 17 February 2015.

Whilst the settlement occurred post balance date, the Directors are of the view that in substance the effective date of sale was at 31 December 2014 and therefore the sale has been accounted as at 31 December 2014 and any gain or loss from the sale has been included in the current period gain (loss) from discontinued operations in the Income Statement.

The Directors are of the view that the effective date was as at 31 December 2014 as the Joint Operation effectively ceased from this date with all loan accounts payable settled as at 31 December 2014 and became the consideration for the sale.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(b) **Financial performance and cash flow information of discontinued operations**

The financial performance and cash flow information presented are for the six months ended 31 December 2014.

	31 December 2014 $'000	31 December 2013 $'000
Revenue	1,199	-
Expenses	(11,421)	-
Loss before income tax	(10,222)	-
Loss after income tax of discontinued operation	(10,222)	-
Loss on sale of joint ventures before income tax	(2,571)	-
Loss from discontinued operations after income tax	(12,793)	-
Net cash (outflow) from financing activities	(500)	-
Net decrease in cash generated by the division	(500)	-

(c) **Carrying amounts of assets and liabilities**

The carrying amounts of assets and liabilities as at 31st December 2014 were:

	31 December 2014 $'000	30 June 2014 $'000
Inventory	-	3,528
Mine development	29,417	29,508
Total assets	29,417	33,036
Mining restoration & rehabilitation provision	2,815	2,815
Total liabilities	2,815	2,815
Net assets	26,602	30,221

(d) **Details of the sale of the joint ventures**

	31 December 2014 $'000	31 December 2013 $'000
Consideration	24,031	-
Total consideration	24,031	-
Carrying value of net assets sold	26,602	-
Loss on sale before income tax	2,571	-
Loss on sale after income tax expense	2,571	-

7. DIVIDENDS

The Company has not paid a dividend during the period and no interim dividend is recommended. (2013: $0)

8. SUBSEQUENT EVENT

On 12 February 2015 at a general meeting of shareholders, the Group received approval for the sale of its 30% share in the Mt Webber Exploration and Operational joint ventures to its partner Atlas Iron Limited in accordance with the terms of the agreement entered into on 24 December 2014.

The Directors are of the view that in substance the effective date of this sale was 31 December 2014 and to clearly disclose the effect of this sale the Financial Statements have been prepared with the sale occurring as at that date. Any gain or loss from the sale has been included in the current period gain / (loss) from discontinued operations in the Income Statement.

9. CONTINGENT LIABILITIES

No change to contingent liabilities has occurred since 30 June 2014.

10. CONTRIBUTED EQUITY

Issued capital

	31 December 2014 $'000	30 June 2014 $'000
2014: 462,572,181 (2013: 454,272,181) ordinary shares and fully paid	75,114	74,562

	31 December 2014		30 June 2014	
	Number	$'000	Number	$'000
Fully paid ordinary shares				
Balance at the beginning of the financial year	454,272,181	74,562	454,272,181	74,562
Employee bonus payment *	8,300,000	552	-	-
Balance at the end of the financial year	462,572,181	75,114	454,272,181	74,562

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

* Ordinary shares were issued to Directors (following approval at the Annual General Meeting in November 2014), key management personnel and other senior staff as part of their remuneration during the six months ended 31 December 2014.

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 2014.

13. INVESTMENTS IN ASSOCIATES

(a) **Interests are held in the following associated companies:**

Name	Principal Activities	Country of Incorporation	Ownership Interest		Carrying Amount of Investment	
			31 Dec 2014	30 Jun 2014	31 Dec 2014	30 Jun 2014
			%	%	$'000	$'000
Unlisted:						
Evora Mining Inc.*	Coal Mining	British Virgin Islands	33⅓	33⅓	18,857	25,772
Merida Mining Pte. Ltd.	Holding and Investment	Singapore	33⅓	33⅓	-	-
					18,857	25,772

* Evora Mining Inc. is the ultimate controlling entity of PT Binamitra Sumberarta, the owner and operator of the Delta coal mining tenements.

(b) **Movement in carrying amounts**

	31 December 2014 $'000	30 June 2014 $'000
Opening acquisition value	25,772	26,515
Share of profits/(loss) after income tax	(3,074)	(338)
Impairment (note 14)	(7,682)	-
Foreign exchange movement	3,841	(405)
Carrying amount at the end of the financial year	18,857	25,772

14. IMPAIRMENT LOSS

The Group assesses whether there are indicators that assets, or group of assets, may be impaired at each reporting date. The following impairment indicators were identified during the half-year:

- Carrying value of investment accounted for using the equity method may exceed its value in use; and
- Under adverse market conditions the carrying value of goodwill may exceed its value in use.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. Total impairment losses recognised in the Consolidated Income Statement for the half year were as follows:

	31 December 2014 $'000	31 December 2013 $'000
Impairment of Delta equity accounted investment (a)	7,682	-
Impairment of goodwill (b)	4,529	-
Total impairment loss	12,211	-

(a) **Investment accounted for using the equity method**

An impairment charge of $7.7 million was recognised during the period to adjust the value of this investment down to its recoverable amount. The recoverable amount of $18.9 million after impairment has been determined by directors based on a draft value in use calculation. This calculation was prepared by independent experts for use in an external valuation of the Delta mining operation which was commissioned by the Group. While at the time of reporting the external valuation remained in draft, directors believe it represents the best estimate available of the recoverable value of the Delta investment.

(b) **Impairment of goodwill**

As a result of continued adverse market conditions, the Group has reassessed the recoverable amount of its goodwill related to its 'Exploration Services' cash generating unit (CGU). The recoverable amount of the CGU was determined based on value in use calculation. The calculation used cashflow projections based on financial forecasts prepared by management covering a five-year period. Due to the uncertainty of the future exploration services and based on the value in use calculation, the directors believe that the full amount of goodwill related to the 'Exploration Services' CGU of $4.5 million is to be impaired.

Directors' Declaration

The directors declare that:

1. The financial statements and notes as set out on pages 6 to 18 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 2014 and of the performance for the half-year ended on that date of the consolidated entity;

2. With due regard to commentary in note 1 and 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

Brisbane, 11 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ALTURA MINING LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Altura Mining Limited ("the Company") and its controlled entities ("the consolidated entity"), which comprises the consolidated balance sheet as at 31 December 2014, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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 internal 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 Performed by the Independent Auditor of the Entity,* 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 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 other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

PKF Hacketts Audit
ABN 33 873 151 348

Level 6, 10 Eagle Street, Brisbane QLD 4000
GPO Box 1568, Brisbane QLD 4001
p +61 7 3839 9733
f +61 7 3832 1407

8 East Street, PO Box 862
Rockhampton QLD 4700
p +61 7 4927 2744
f +61 7 4927 4317

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ALTURA MINING LIMITED (continued)

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:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphases of Matter - Inherent Uncertainty regarding Going Concern and Capitalised Exploration Expenditure

Without modifying our conclusion expressed above, we draw attention to the following matters:

a) Inherent Uncertainty Going Concern

We draw attention to Note 1(a) in the financial report, which indicates that the consolidated entity incurred a loss after income tax of $14,703,000 from continuing operations and incurred operating cash losses of $1,348,000. These conditions, along with other matters as set forth in Note 1(a), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity's may be unable to realise its assets and discharge its liabilities in the normal course of business.

b) Inherent Uncertainty Capitalised Exploration Expenditure

We draw attention to Note 1(b) in the financial report, which indicates there is material uncertainty as to whether the consolidated entity would be able to continue the development and commercial exploitation of the tenements with the result that the consolidated entity may not be able to recover the carrying value of exploration expenditure for the amount recorded in the financial report. The ultimate recovery of the carrying value of exploration expenditure, and future exploration expenditure, is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interest in the tenements.

PKF HACKETTS

PKF HACKETTS AUDIT

Liam Murphy
Partner

Brisbane, 11 March 2015