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

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**HALF YEAR FINANCIAL REPORT**

**For the six months ended 31 December 2016**

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 2016 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*.



## CONTENTS

	<b>PAGE</b>
Corporate Directory .....	1
Directors' Report .....	2
Auditor's Independence Declaration .....	5
Consolidated Statement of Profit and Loss .....	6
Consolidated Statement of Comprehensive Income / (Loss) .....	7
Consolidated Balance Sheet .....	8
Consolidated Statement of Changes in Equity .....	9
Consolidated Statement of Cash Flows .....	10
Notes to the Financial Statements .....	11
Directors' Declaration .....	20
Independent Auditor's Review Report .....	21



## 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  
Zhao Tong – Non-Executive Director

### COMPANY SECRETARIES

Noel Young  
Damon Cox

### REGISTERED OFFICE

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PERTH WA 6000

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Website: [www.alturamining.com](http://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

# Altura Mining Limited and Controlled Entities

## Directors' Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

Your directors have pleasure in presenting the interim financial statements of Altura Mining Limited ("the Company") and controlled entities ("the consolidated entity") for the financial half-year ended 31 December 2016. 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  
Mr Zhao Tong (appointed 7 March 2017)

### PRINCIPAL ACTIVITIES

The principal activities of the Group during the period were the progression its 100% owned Pilgangoora Lithium Project in the Pilbara region of Western Australia, including completion of the definitive feasibility study, delineation of an economic lithium reserve, sourcing final finance required for construction for the project and commencement of development of the project.

### OPERATING AND FINANCIAL REVIEW

#### Overview

Altura Mining Limited is an ASX listed entity that is focused on the development of the Pilgangoora Lithium Project in Western Australia. Altura also has interests in the Delta Coal project in Indonesia, and the Tabalong Coal project both of which are in the process of being divested.

#### Operating results

The Group's operating loss after providing for income tax for the half-year ended 31 December 2016 was \$2,591,973 (2015: loss \$1,986,394). The loss in the current half year was principally due from lower activity in the group's exploration services sector. The result was assisted by a foreign exchange gain due to a lower Australian dollar at half year end.

#### Strategy

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

Altura is focussed on delivering the Pilgangoora Lithium project to a point of pre-production status via establishment of positive economic prospects, key partnerships and offtake arrangements based on successful delivery of a definitive feasibility study. The Pilgangoora lithium project is expected to commence construction of the mine in the near term. The Company also holds coal assets in Indonesia in which it is in the process of divesting as soon as possible.

# Altura Mining Limited and Controlled Entities

## Directors' Report (continued) FOR THE HALF YEAR ENDED 31 DECEMBER 2016

### **Pilgangoora Lithium**

During the 6 months to 31 December 2016, Altura has made significant progress on the Pilgangoora Lithium Project by completing and publishing the project's definitive feasibility study (DFS). The DFS has provided additional detail allowing for improvement in the processing plant design. Following receipt of the mining leases for the project, the Mining Proposal was lodged during the period. Tenders for key service areas including mining, transport and logistics, and for construction of the process plant were also commenced.

The project has progressed to the funding stage which will be provided by a combination of debt and equity. To date a large proportion of the desired equity component has been completed with a strategic alliance entered into with J&R Optimum. The balance of the project funding package is currently being sourced.

The equity funding received to date is being utilised to secure a number of long lead items including the mine site accommodation camp purchased from Roy Hill Infrastructure Pty Ltd.

Additional drilling and analysis has enabled a revised ore reserve estimate to 30.1 million tonnes @1.04% Li<sub>2</sub>O. This is an increase of 9.8 million tonnes over the previous estimate. In addition, a revised Indicated Mineral Resource estimate of 40.3 million tonnes @1.00% Li<sub>2</sub>O has been achieved.

### **Delta Coal**

Production at Delta Coal was suspended pending resolution of legal action(s) in relation to the contract mining operations. The legal case submitted on behalf of the mining contractors seeks payment for mining services rendered to the coal mine, however Delta Coal has lodged a counter claim for breach of contract pertaining to a sustained period of below contract performance resulting in higher than contracted waste removal costs and lower than contracted coal delivery tonnes.

### **Tabalong Coal**

The Tabalong Coal Project is a premium grade thermal coal deposit located in South Kalimantan, Indonesia. The project consists of five (5) Mining Licences (IUPs), with all five (5) IUPs granted for Operation Production. Altura holds 70% of three IUPs and 56% of the remaining two.

### **Divestment of Coal Assets**

The Company has a stated intention to divest its interests in both the Delta and Tabalong coal assets. It is pursuing a number of options for sale of the coal assets and information has been made available to a number of parties under confidentiality deed arrangements.

## **MATTERS SUBSEQUENT TO THE END OF THE HALF YEAR**

### **Non broker sponsored private placement**

On 8<sup>th</sup> November 2016 the Company agreed to a share placement with J&R Optimum to raise approximately \$41.6 million (before costs) through the issue of 306 million fully paid ordinary shares. A partial payment was received in December 2016 for \$4.5 million and the balance was received on the 31<sup>st</sup> January 2017.

### **Approval of Project Management Plan**

On 27<sup>th</sup> February 2017 the Western Australian Department of Mines and Petroleum approved the Project Management Plan for Altura's Pilgangoora Lithium Project, which is a significant milestone in the development of the project. This allows the Company to commence on-site earth works, including mobilisation of the contractors earthmoving equipment, commencement of clearing and topsoil stockpiling, and bulk earthworks.

# Altura Mining Limited and Controlled Entities

## Directors' Report (continued) FOR THE HALF YEAR ENDED 31 DECEMBER 2016

### 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 2016 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,

A handwritten signature in black ink, appearing to read 'BT Kuan', with a horizontal line underneath the name.

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**BT Kuan**  
Director  
Perth, 7 March 2017

**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 2016, 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*

**PKF HACKETTS AUDIT**



**Liam Murphy**  
**Partner**

Brisbane, 7 March 2017

# Altura Mining Limited and Controlled Entities

## Consolidated Statement of Profit and Loss

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$'000	2015 \$'000
<b>Continuing operations</b>			
Revenue	3(a)	259	997
Cost of sales	3(c)	(478)	(1,160)
<b>Gross profit / (loss)</b>		(219)	(163)
<b>Other revenue</b>			
Interest income		109	14
<b>Operating profit / (loss) from continuing operations</b>		(110)	(149)
<b>Other income</b>			
Foreign exchange movement	3(g)	866	1,339
Sundry income	3(b)	9	8
<b>Expenses</b>			
Administration costs		(1,981)	(871)
Employee benefits expense	3(f)	(1,074)	(1,368)
Exploration expenditure	3(h)	-	(76)
Other expenses	3(d)	(24)	(33)
Financing costs	3(e)	(25)	(253)
Impairment on equity accounted asset	13,14	(18)	-
Share of net loss of associates accounted for using the equity method	13(b)	(124)	(634)
<b>Profit / (loss) before income tax</b>		(2,481)	(2,037)
Income tax (expense) / benefit		-	51
<b>Net profit / (loss) for the period from continuing operations</b>		(2,481)	(1,986)
<b>Discontinued operations</b>			
Loss of discontinued operations after tax	5(b)	(111)	-
<b>Net profit / (loss) for the period</b>		(2,592)	-
<b>Net profit / (loss) attributable to:</b>			
Owners of Altura Mining Limited		(2,565)	(1,939)
Non-controlling interest		(27)	(47)
		(2,592)	(1,986)
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:</b>			
Basic earnings / (loss) per share (cents per share)		(0.20)	(0.23)
Diluted earnings / (loss) per share (cents per share)		(0.20)	(0.23)
<b>Earnings per share for profit attributable to the ordinary equity holders of the company:</b>			
Basic earnings / (loss) per share (cents per share)		(0.20)	(0.23)
Diluted earnings / (loss) per share (cents per share)		(0.20)	(0.23)

The accompanying notes form part of these financial statements.



Altura Mining Limited and Controlled Entities

Consolidated Statement of Comprehensive Income / (Loss)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net profit / (loss) after income tax</b>	(2,592)	(1,986)
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss:		
Changes in the fair value of available for sale financial assets	(269)	(121)
Exchange differences on translation of foreign controlled entities	(1,121)	(711)
<b>Other comprehensive income / (loss) for the period, net of tax</b>	(1,390)	(832)
<b>Total comprehensive income / (loss) for the period</b>	(3,982)	(2,818)
Total comprehensive income / (loss) attributable to:		
Members of the parent entity	(3,935)	(2,745)
Non-controlling interest	(47)	(73)
	(3,982)	(2,818)

The accompanying notes form part of these financial statements.

# Altura Mining Limited and Controlled Entities

## Consolidated Balance Sheet

AS AT 31 DECEMBER 2016

	Note	31 December 2016 \$'000	30 June 2016 \$'000
<b>Current assets</b>			
Cash and cash equivalents		11,469	22,132
Trade and other receivables		1,288	1,126
Held to maturity investments		50	50
Inventories		1	1
Current tax prepaid		122	248
Other current assets		254	461
Assets classified as held for sale	5	8,858	-
<b>Total current assets</b>		<b>22,042</b>	<b>24,018</b>
<b>Non-current assets</b>			
Other receivables		449	2,482
Available-for-sale financial assets		1,064	1,333
Property, plant and equipment		610	526
Mine development at cost	7	19,967	-
Exploration and evaluation	6	416	14,394
Investments accounted for using the equity method	13	-	144
<b>Total non-current assets</b>		<b>22,506</b>	<b>18,879</b>
<b>Total assets</b>		<b>44,548</b>	<b>42,897</b>
<b>Current liabilities</b>			
Trade and other payables		1,810	2,072
Interest bearing liabilities	4	5,245	-
Short term provisions		568	847
Liabilities classified as held for sale	5	1,852	-
<b>Total current liabilities</b>		<b>9,475</b>	<b>2,919</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	4	12,029	18,437
<b>Total non-current liabilities</b>		<b>12,029</b>	<b>18,437</b>
<b>Total liabilities</b>		<b>21,504</b>	<b>21,356</b>
<b>Net assets</b>		<b>23,044</b>	<b>21,541</b>
<b>Equity</b>			
Contributed equity	11	106,963	105,840
Reserves		2,752	(240)
Accumulated losses		(86,898)	(84,333)
Capital and reserves attributable to owners of Altura Mining Limited		<b>22,817</b>	<b>21,267</b>
Non-controlling interest		227	274
<b>Total equity</b>		<b>23,044</b>	<b>21,541</b>

The accompanying notes form part of these financial statements.

Altura Mining Limited and Controlled Entities

Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Contributed equity	Shares to be issued	Accumulated losses	Option/performance rights 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	\$'000
<b>Balance as at 30 June 2015</b>	<b>78,904</b>	-	<b>(53,672)</b>	<b>1,019</b>	<b>43</b>	<b>(883)</b>	<b>409</b>	<b>25,820</b>
<b>Total comprehensive income/ (loss) for period</b>	-	-	(1,939)	-	(121)	(685)	(73)	(2,818)
<b>Transactions with owners in their capacity as owners:</b>								
Issue of shares	360	-	-	-	-	-	-	360
Issue of shares – employee bonus payment	456	-	-	-	-	-	-	456
Issue of shares on exercise of listed options	106	-	-	-	-	-	-	106
Transfer from option / performance rights reserve on exercise of performance rights	183	-	-	(183)	-	-	-	-
Amortisation of performance rights	-	-	-	152	-	-	-	152
Transfer from option reserve on expiry of options	-	-	838	(838)	-	-	-	-
Sub-Total	1,105	-	838	(869)	-	-	-	1,074
<b>Balance as at 31 December 2015</b>	<b>80,009</b>	-	<b>(54,773)</b>	<b>150</b>	<b>(78)</b>	<b>(1,568)</b>	<b>336</b>	<b>24,076</b>
<b>Balance as at 30 June 2016</b>	<b>105,840</b>	-	<b>(84,333)</b>	<b>233</b>	<b>803</b>	<b>(1,276)</b>	<b>274</b>	<b>21,541</b>
<b>Total comprehensive income/ (loss) for period</b>	-	-	(2,565)	-	(269)	(1,101)	(47)	(3,982)
<b>Transactions with owners in their capacity as owners:</b>								
Issue of shares	-	-	-	-	-	-	-	-
Issue of shares – Share Purchase Plan	774	-	-	-	-	-	-	774
Issue of shares on exercise of listed options	104	-	-	-	-	-	-	104
Transfer from option / performance rights reserve on exercise of performance rights	245	-	-	(245)	-	-	-	-
Share placement to be issued	-	4,500	-	-	-	-	-	4,500
Amortisation of performance rights	-	-	-	107	-	-	-	107
Sub-Total	1,123	4,500	(2,565)	(138)	(269)	(1,101)	(47)	1,503
<b>Balance as at 31 December 2016</b>	<b>106,963</b>	<b>4,500</b>	<b>(86,898)</b>	<b>95</b>	<b>534</b>	<b>(2,377)</b>	<b>227</b>	<b>23,044</b>

The accompanying notes form part of these financial statements.

# Altura Mining Limited and Controlled Entities

## Consolidated Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	400	2,095
Payments to suppliers and employees	(3,982)	(3,462)
Sundry income	30	62
Interest received	109	20
Interest paid	-	(6)
Income tax	(30)	(138)
<b>Net cash provided by / (used in) operating activities</b>	<b>(3,473)</b>	<b>(1,429)</b>
<b>Cash flows from investing activities</b>		
Expenditure on exploration and evaluation	(196)	(794)
Expenditure on property, plant and equipment	(293)	-
Expenditure on Mine development at cost	(12,059)	-
Proceeds from held to maturity investments	-	1,230
Proceeds from sale of assets held for sale	4	100
<b>Net cash provided by / (used in) investing activities</b>	<b>(12,544)</b>	<b>536</b>
<b>Cash flows from financing activities</b>		
Proceeds for the issue of shares and other securities	879	106
Proceeds for shares to be issued	4,500	-
Payment of loans	-	(20)
Payment of hire purchase liabilities	-	(9)
<b>Net cash provided by / (used in) financing activities</b>	<b>5,379</b>	<b>77</b>
<b>Net increase / (decrease) in cash and cash equivalents held</b>	<b>(10,638)</b>	<b>(816)</b>
Cash and cash equivalents at the beginning of year	22,133	2,092
Effect of exchange rates on cash holdings in foreign currencies	23	3
<b>Cash and cash equivalents at the end of period</b>	<b>11,518</b>	<b>1,279</b>
<b>Reconciliation of cash and cash equivalents at the end of period</b>		
Cash and cash equivalents per balance sheet	11,469	1,279
Cash in assets classified as held for sale	49	-
<b>Cash balance as per Statement of Cash flows above</b>	<b>11,518</b>	<b>1,279</b>
<b>Non cash investing and financing activities</b>		
Share based payments	(245)	(456)
Repayment of loans by the issue of shares	-	(360)

The accompanying notes form part of these financial statements.

# Altura Mining Limited and Controlled Entities

## Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

### 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 2016 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. The interim financial statements were authorised for issue on 7<sup>th</sup> March 2017.

#### **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 2016 annual financial report for the financial year ended 30 June 2016. 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.

# Altura Mining Limited and Controlled Entities

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

### 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	Exploration services \$'000	Mineral exploration \$'000	Eliminations \$'000	Total \$'000
<b>Half-year 2016</b>					
<b>Revenue</b>					
External sales	-	259	-	-	259
Interest income	-	-	109	-	109
Other segments	-	127	-	(127)	-
Total segment revenue	-	395	109	(127)	368
Unallocated revenue					-
Total consolidated revenue from continuing operations					368
<b>Segment result - EBIT</b>	(142)	(889)	(1,425)	-	(2,456)
Finance costs					(25)
Profit/(loss) before income tax					(2,481)
Income tax benefit					-
Net profit/(loss) for the period from continuing operations					(2,481)
Loss from discontinued operations					(111)
Net profit / (loss) for the period					(2,592)
<b>Assets and liabilities</b>					
Segment assets	-	1,349	43,199	-	44,548
Unallocated assets					-
Total assets					44,548
Segment liabilities	15,275	1,310	2,919	-	21,504
Unallocated liabilities					-
Total liabilities					21,504

Altura Mining Limited and Controlled Entities

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

2. SEGMENT INFORMATION (continued)

	Coal mining \$'000	Exploration services \$'000	Mineral exploration \$'000	Eliminations \$'000	Total \$'000
<b>Half-year 2015</b>					
<b>Revenue</b>					
External sales	-	997	-	-	997
Interest income	-	-	14	-	14
Other segments	-	250	-	(250)	-
Total segment revenue	-	1,255	14	(250)	1,011
Unallocated revenue					-
Total consolidated revenue from continuing operations					1,011
<b>Segment result- EBIT</b>	(634)	(899)	(251)	-	(1,784)
Finance costs					(253)
Profit /(loss) before income tax					(2,037)
Income tax benefit					51
Net profit /(loss) for the period from continuing operations					(1,986)
Loss from discontinued operations					-
Net profit / (loss) for the period					(1,986)
<b>Assets and liabilities</b>					
Segment assets	19,812	3,518	21,395	-	44,725
Unallocated assets					530
Total assets					45,255
Segment liabilities	17,081	1,893	2,205	-	21,181
Unallocated liabilities					-
Total liabilities					21,181

Altura Mining Limited and Controlled Entities

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

3. PROFIT / (LOSS) FROM ORDINARY ACTIVITIES

	31 December 2016 \$'000	31 December 2015 \$'000
(a) <b>Revenue</b>		
Revenue from mining services	259	997
Total revenues from ordinary activities	<u>259</u>	<u>997</u>
(b) <b>Sundry income</b>		
Profit on sale of assets	9	8
Total Sundry income	<u>9</u>	<u>8</u>
(c) <b>Cost of sales</b>		
Drilling costs	333	947
Depreciation - plant & equipment	145	213
Total cost of sales	<u>478</u>	<u>1,160</u>
(d) <b>Other expenses</b>		
Depreciation – plant & equipment	24	33
Total other expenses from ordinary activities	<u>24</u>	<u>33</u>
(e) <b>Borrowing costs</b>		
Interest expense	25	253
Total borrowing costs	<u>25</u>	<u>253</u>
(f) <b>Employee benefits expense</b>		
Salaries and oncosts expense	967	759
Employee share scheme expense	107	152
Bonus paid by issue of shares to directors & employees	-	457
Total employee benefits expense	<u>1,074</u>	<u>1,368</u>
(g) <b>Foreign exchange gain</b>		
Revaluation of intercompany loans denominated in US dollars	<u>866</u>	<u>1,339</u>
(h) <b>Exploration expenditure</b>		
Exploration costs expensed on sale of tenement	<u>-</u>	<u>76</u>



# Altura Mining Limited and Controlled Entities

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	<b>31 December 2016 \$'000</b>	<b>30 June 2016 \$'000</b>
<b>4. INTEREST BEARING LIABILITIES</b>		
<b>Current borrowings</b>		
Non interest bearing		
Vendor loan #	5,245	-
Total current borrowings	<u>5,245</u>	<u>-</u>
<b>Non current borrowings</b>		
Non interest bearing		
Loan from other entities ^	-	1,604
Vendor loan #	12,029	16,833
Total non current borrowings	<u>12,029</u>	<u>18,437</u>

# The vendor loan totalling \$17.3 million (30 June 2016: \$16.8 million) represents the amount owing to the vendors of Evora Mining Inc. As at 31 December 2016, loan payments are due in July 2017 (US\$4.15 million), July 2018 (US\$4.15 million) and July 2019 (US\$4.2 million).

^ These funds were advanced by the minority shareholder in the Tabalong coal project in accordance with the loan agreement. The facility has no defined repayment term and is disclosed as non-current.

# Altura Mining Limited and Controlled Entities

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

### 5. DISCONTINUED OPERATIONS

(a) **Description**

During the report period the board has made several information packages available to various groups for the purpose of attracting offers for the sale of the Tabalong tenements, Kalimantan. Currently no formal offers have been received. The board considers that the presentation of the Tabalong Group as held for sale confirms its intent to dispose of these assets.

(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 2016.

	<b>31 December 2016</b>
	<b>\$'000</b>
Revenue	-
Expenses	(111)
Loss before income tax	(111)
Loss after income tax of discontinued operation	(111)
<b>Loss from discontinued operations after income tax</b>	<b>(111)</b>
Net cash (outflow) from financing activities	(49)
Net decrease in cash generated by the division	(49)

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

The carrying amounts of assets and liabilities as at 31st December 2016 were:

	<b>31 December 2016</b>
	<b>\$'000</b>
Cash	49
Other receivables	2,403
Property, plant and equipment	5
Exploration at cost	6,401
Total assets	8,858
Other payables	206
Borrowings ^	1,646
Total liabilities	1,852
Net assets	7,006

^ These funds were advanced by the minority shareholder in the Tabalong coal project in accordance with the loan agreement. The facility has no defined repayment term.

# Altura Mining Limited and Controlled Entities

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	<b>31 December 2016 \$'000</b>	<b>30 June 2016 \$'000</b>
<b>6. EXPLORATION and EVALUATION</b>		
<b>Exploration and evaluation expenditure at cost:</b>		
Carried forward from previous year	14,394	14,949
Transfer to mine development costs	(15,171)	-
Incurred during the year	7,594	3,340
Transfer to Held for sale	(6,401)	-
	<hr/>	<hr/>
	416	18,289
Written off during the year	-	(3,895)
	<hr/>	<hr/>
Total exploration and evaluation expenditure	<hr/> <b>416</b>	<hr/> <b>14,394</b>

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.

### 7. MINE DEVELOPMENT at COST

<b>Mine development costs:</b>		
Carried forward from previous year	-	-
Transfer from exploration and evaluation	15,171	-
Incurred during the year	4,796	-
	<hr/>	<hr/>
Total mine development costs	<hr/> <b>19,967</b>	<hr/> <b>-</b>

### 8. DIVIDENDS

The Company has not paid a dividend during the period and no interim dividend is recommended. (2015: \$0)

### 9. SUBSEQUENT EVENTS

#### Non broker sponsored private placement

On 8<sup>th</sup> November 2016 the Company agreed to a share placement with J&R Optimum to raise approximately \$41.6 million (before costs) through the issue of 306 million fully paid ordinary shares. A partial payment was received in December \$4.5 million and the balance was received on 31<sup>st</sup> January 2017.

#### Approval of Project Management Plan

On 27<sup>th</sup> February 2017 the Western Australian Department of Mines and Petroleum approved the Project Management Plan for Altura's Pilgangoora Lithium Project, which is a significant milestone in development of the project. This allows the Company to commence on-site earth works, including mobilisation of the contractors earthmoving equipment, commencement of clearing and topsoil stockpiling, and bulk earthworks.

# Altura Mining Limited and Controlled Entities

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

### 10. CONTINGENT LIABILITIES and COMMITMENTS

In addition to the contingent liabilities and commitments reported at 30 June 2016 the company has entered into a number of contracts for the purchase of long lead items for the Pilgangoora Lithium Project.

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows

	<b>31 December 2016 \$'000</b>	<b>30 June 2016 \$'000</b>
Commitments for Mine Development at cost	10,642	-
Total Commitments	<u>10,642</u>	<u>-</u>

There have been no material changes to the contingent liabilities as reported at 30 June 2016

### 11. CONTRIBUTED EQUITY

#### Issued capital

1,235,178,000 (2016: 1,222,459,902) ordinary shares issued and fully paid 105,840 105,840

	<b>31 December 2016</b>		<b>30 June 2016</b>	
	Number	\$'000	Number	\$'000
<b>Fully paid ordinary shares</b>				
Balance at the beginning of the financial year	1,222,459,902	105,840	837,676,732	78,904
Issue of shares to directors and staff #	150,000	25	11,450,000	545
Issue of shares on vesting of performance rights ##	3,400,000	219	2,900,000	183
Share purchase plan	3,869,000	774	-	-
Share placement and lead managers fee	-	-	137,037,037	23,000
Exercise of Listed Options	5,299,098	105	197,396,133	3,948
Repayment of Director and Management loans by the issue of shares	-	-	36,000,000	360
Share issue costs	-	-	-	(1,100)
Balance at the end of the financial year	<u>1,235,178,000</u>	<u>106,963</u>	<u>1,222,459,902</u>	<u>105,840</u>

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

### 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 2016.

# Altura Mining Limited and Controlled Entities

## Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

### 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 2016	30 Jun 2016	31 Dec 2016	30 Jun 2016
			%	%	\$'000	\$'000
Unlisted:						
Evora Mining Inc.*	Coal Mining	British Virgin Islands	33%	33%	-	144
Merida Mining Pte. Ltd.	Holding and Investment	Singapore	33%	33%	-	-
					-	144

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

	31 December 2016	30 June 2016
	\$'000	\$'000
(b) Movement in carrying amounts		
Opening acquisition value	144	19,451
Share of profits/(loss) after income tax	(124)	(1,513)
Foreign exchange movement	(2)	686
Impairment (note 14)	(18)	(18,480)
Carrying amount at the end of the financial year	-	144

### 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 ended 31 December 2016:

- Carrying value of investment accounted for using the equity method 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 Statement of Profit and Loss for the half year were as follows:

	31 December 2016	31 December 2015
	\$'000	\$'000
Impairment of Delta equity accounted investment (a)	18	-
Total impairment loss	18	-

(a) Investment accounted for using the equity method

An impairment charge of \$18,000 was recognised during the half year ended 31 December 2016 to adjust the value of this investment down to its recoverable amount. The recoverable amount of \$nil after impairment was determined by directors based on a value in use calculation.

# Altura Mining Limited and Controlled Entities

## Directors' Declaration

The directors declare that:

1. The financial statements and notes as set out on pages 6 to 19 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 2016 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,

A handwritten signature in black ink, appearing to read 'BT Kuan', with a horizontal line underneath it.

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**BT Kuan**  
Director

Perth, 7 March 2017

## 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"), which comprises the consolidated balance sheet as at 31 December 2016, the 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, 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 half-year's end or from time to time during the financial half-year.

#### *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 2016 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*.

*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 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 2016 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*.

*PKF HACKETTS*

**PKF HACKETTS AUDIT**



**Liam Murphy**  
**Partner**

Brisbane, 7 March 2017