



Altura Mining Limited

ABN 39 093 391 774

HALF YEAR FINANCIAL REPORT

For the six months ended 31 December 2017



Mine site works nearing completion at the Altura Lithium Project

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 2017 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 - 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 SECRETARY

Damon Cox

REGISTERED OFFICE

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SHARE REGISTRY

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Perth WA 6000

AUSTRALIAN SECURITIES EXCHANGE

Code: AJM



Altura Mining Limited and Controlled Entities

Directors' Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Your directors have pleasure in presenting the interim financial statements of Altura Mining Limited ("Altura" or "the Company") and its controlled entities ("the Group") for the financial half-year ended 31 December 2017. 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

PRINCIPAL ACTIVITIES

The principal activity of the Group during the period was the construction of the mine and processing plant at Altura's 100% owned Pilgangoora Lithium Project in the Pilbara region of Western Australia.

OPERATING AND FINANCIAL REVIEW

Overview

Altura Mining Limited ("AJM") is an ASX listed entity that is focused on the construction and commencement of operations of the Pilgangoora Lithium Project in Western Australia. The Company also has interests in two coal projects in Indonesia, 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 2017 was \$4,334,559 (2016: loss \$2,591,973). The loss in the current half year was principally due to low activity in the group's exploration services sector and a foreign exchange loss from a higher 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, and resultant regular dividends for shareholders.

Altura is focused on construction, commissioning and then commencement of production and sales of spodumene from its lithium project. All regulatory approvals have been received and the Company is now fully funded into production with first sales planned during the first half of calendar 2018.

The company also holds coal assets in Indonesia which it is in the process of divesting as soon as reasonably possible.

Directors' Report (continued)
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Pilgangoora Lithium

During the 6 months to 31 December 2017, Altura has made significant progress on development of its Pilgangoora Lithium Project, which included the following:

- Completion of a US\$110 million debt finance package in July 2017.
- Finalisation of the negotiation of two Binding Offtake Agreements with China based groups Shaanxi J&R Optimum Energy Co Ltd and Lionergy Limited.
- Completion of all bulk earthworks by contractors NRW Holdings, including the construction of the Run-of-Mine (ROM) Wall and the Tailings Storage Facility and the commencement of mining in the main pit.
- Civil works completed with over 6,800m³ of concrete installed.
- Construction of key plant items including Crushing and Screening Plants, Dense Media Separation Modules and High Pressure Grinding Rolls.
- Building of the Mine Operations Centre which is now fully operational.

The Company has also commenced a Definitive Feasibility Study (DFS) on a Stage 2 expansion of the Project to double production capacity to 440,000 tonnes per annum. The DFS is due for completion in April 2018.

Additional drilling and analysis has enabled the calculation of an updated Ore Reserve estimate of 34.2 million tonnes @1.04% Li₂O. In addition, a revised Mineral Resource estimate of 44.0 million tonnes @1.00% Li₂O has been achieved.

Divestment of Assets – Delta Coal and Tabalong Coal

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.

Share Placement

In October 2017 the Company conducted a Share Placement to international institutions and sophisticated investors which raised A\$26 million before issue costs. Although the project is fully funded through to production, the proceeds from the Placement will provide funds for the Stage 2 DFS, exploration activities and general working capital purposes.

MATTERS SUBSEQUENT TO THE END OF THE HALF YEAR**Repayment of Vendor Loan for the Delta Coal Project**

Subsequent to the end of the reporting period, the Company repaid the loan previously advanced by the vendors of Evora Mining Inc. A total of US\$12.033 million was repaid to settle the loan. Further details of the loan are included in Note 4 of these financial statements.



Altura Mining Limited and Controlled Entities

Directors' Report (continued) FOR THE HALF YEAR ENDED 31 DECEMBER 2017

ROUNDING OF AMOUNTS

The Company is an entity to which ASIC Corporations Instrument 2016/191 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 2017 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', written over a horizontal line.

BT Kuan
Director
Perth, 7 March 2018

**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 2017, 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 2018



Altura Mining Limited and Controlled Entities

Consolidated Statement of Profit and Loss

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$'000	2016 \$'000
Continuing operations			
Revenue	3(a)	408	259
Cost of sales	3(c)	(387)	(478)
Operating profit / (loss)		21	(219)
Other income			
Foreign exchange movement gain/(loss)	3(g)	(1,360)	866
Sundry income	3(b)	233	118
Expenses			
Administration costs		(1,628)	(1,981)
Employee benefits expense	3(f)	(1,415)	(1,074)
Other expenses	3(d)	(91)	(24)
Financing costs	3(e)	-	(25)
Impairment on equity accounted asset	14(b)	-	(18)
Share of net loss of associates accounted for using the equity method	14(b)	-	(124)
Profit / (loss) before income tax		(4,240)	(2,481)
Income tax (expense) / benefit		-	-
Net profit / (loss) for the period from continuing operations		(4,240)	(2,481)
Discontinued operations			
Loss of discontinued operations after tax	5(b)	(95)	(111)
Net profit / (loss) for the period		(4,335)	(2,592)
Net profit / (loss) attributable to:			
Owners of Altura Mining Limited		(4,353)	(2,565)
Non-controlling interest		18	(27)
		(4,335)	(2,592)
(Loss) per share from continuing and discontinued operations attributable to the ordinary equity holders of the company:			
Basic and diluted (loss) per share from continuing and discontinued operations		(0.26)	(0.21)
Basic and diluted (loss) per share from continuing operations		(0.25)	(0.20)
Basic and diluted (loss) per share from discontinued operations		(0.01)	(0.01)

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying Notes.



Altura Mining Limited and Controlled Entities

Consolidated Statement of Other Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$'000	\$'000
Net profit / (loss) after income tax	(4,335)	(2,592)
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss:		
Changes in the fair value of available for sale financial assets	3,125	(269)
Exchange differences on translation of foreign controlled entities	691	(1,121)
Other comprehensive income / (loss) for the period, net of tax	3,816	(1,390)
Total comprehensive income / (loss) for the period	(519)	(3,982)
Total comprehensive income / (loss) attributable to:		
Members of the parent entity	(548)	(3,935)
Non-controlling interest	29	(47)
	(519)	(3,982)

The above Consolidated Statement of Other Comprehensive Income should be read in conjunction with the accompanying Notes.

Consolidated Balance Sheet

AS AT 31 DECEMBER 2017

	Note	31 December 2017 \$'000	30 June 2017 \$'000
Current assets			
Cash and cash equivalents		110,208	13,271
Trade and other receivables		771	3,336
Held to maturity investments		52	52
Inventories		1	1
Current tax prepaid		283	272
Other current assets		292	333
Assets classified as held for sale	5	8,816	8,820
Total current assets		120,423	26,085
Non-current assets			
Available-for-sale financial assets	6	3,949	824
Property, plant and equipment		750	850
Mine development at cost	8	133,942	59,353
Exploration and evaluation	7	1,047	1,226
Investments accounted for using the equity method	14	-	-
Total non-current assets		139,688	62,253
Total assets		260,111	88,338
Current liabilities			
Trade and other payables		10,639	9,198
Borrowings	4	15,427	15,677
Short term provisions		900	842
Liabilities classified as held for sale	5	1,740	1,753
Total current liabilities		28,706	27,470
Non-current liabilities			
Borrowings	4	126,318	-
Provisions		3,918	3,918
Total non-current liabilities		130,236	3,918
Total liabilities		158,942	31,388
Net assets		101,169	56,950
Equity			
Contributed equity	12	191,227	146,556
Reserves		4,467	595
Accumulated losses		(94,813)	(90,460)
Capital and reserves attributable to owners of Altura Mining Limited		100,881	56,691
Non-controlling interest		288	259
Total equity		101,169	56,950

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

Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Contributed Equity	Shares to be issued	Accumul- ated losses	Option/ Perform- ance rights reserve	Change in fair value - available for sale financial assets	Foreign currency translat- ion reserve	Non- controll- ing interests	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2016	105,840	-	(84,333)	233	803	(1,276)	274	21,541
Total comprehensive income for the period	-	-	(2,565)	-	(269)	(1,101)	(47)	(3,982)
Transactions with owners in their capacity as owners:								
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 options	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
Balance as at 31 December 2016	106,963	4,500	(86,898)	95	534	(2,377)	227	26,044
Balance as at 1 July 2017	146,556	-	(90,460)	162	294	139	259	56,950
Total comprehensive income for the period	-	-	(4,353)	-	3,125	680	29	(519)
Transactions with owners in their capacity as owners:								
Issue of shares – employee bonus payment	17	-	-	-	-	-	-	17
Employee performance rights issued	356	-	-	(356)	-	-	-	-
Shares issued	45,697	-	-	-	-	-	-	45,697
Costs of capital raised	(1,397)	-	-	-	-	-	-	(1,397)
Amortisation of performance rights	-	-	-	423	-	-	-	423
Sub-Total	44,671	-	(4,353)	67	3,125	680	29	44,219
Balance as at 31 December 2017	191,227	-	(94,813)	229	3,419	819	288	101,169

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

Consolidated Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	2017 \$'000	2016 \$'000
Cash flows from operating activities		
Receipts from customers	1,950	400
Payments to suppliers and employees	(4,232)	(3,982)
Sundry income	14	30
Interest received	223	109
Income tax paid	(59)	(30)
Net cash provided by / (used in) operating activities	(2,104)	(3,473)
Cash flows from investing activities		
Purchase of property, plant and equipment	(62,099)	(12,352)
Expenditure on exploration and evaluation	(262)	(196)
Proceeds from sale of assets held for sale	-	4
Net cash provided by / (used in) investing activities	(62,361)	(12,544)
Cash flows from financing activities		
Proceeds for the issue of shares - net of transaction costs	32,776	879
Proceeds for shares to be issued	-	4,500
Proceeds from borrowings	128,615	-
Net cash provided by / (used in) financing activities	161,391	5,379
Net increase / (decrease) in cash and cash equivalents held	96,926	(10,638)
Cash and cash equivalents at the beginning of year	13,308	22,133
Effect of exchange rates on cash holdings in foreign currencies	(9)	23
Cash and cash equivalents at the end of period	110,225	11,518
Reconciliation of cash and cash equivalents at the end of period		
Cash and cash equivalents per balance sheet	110,208	11,469
Cash in assets classified as held for sale	17	49
Cash balance as per statement of cash flows above	110,225	11,518
Non cash investing and financing activities		
Share based payments - Employee	(17)	(456)
Transaction fees - Borrowings	(23,982)	-
Borrowing costs – Capitalised interest	(6,454)	-

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

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

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 (the Company) 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 2017 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 7th March 2018 by the directors of the Company.

Basis of preparation

The Company is a company of the kind referred to in ASIC Corporations Instrument 2016/191, dated 10 July 1998, and in accordance with that Instrument 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 2017 annual financial report for the financial year ended 30 June 2017. 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 2017

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.

	Lithium mining \$'000	Coal mining \$'000	Exploration services \$'000	Mineral exploration \$'000	Eliminations \$'000	Total \$'000
Half-year 2017						
Revenue						
External sales	-	-	387	-	-	387
Other income	-	-	32	222	-	254
Other segments	-	-	47	-	(47)	-
Total segment revenue	-	-	466	222	(47)	641
Unallocated revenue						-
Total consolidated revenue						641
Segment result - EBIT	-	-	(260)	(3,980)	-	(4,240)
Finance costs						-
Profit/(loss) before income tax						(4,240)
Income tax benefit						-
Net profit/(loss) for the period from continuing operations						(4,240)
Loss from discontinued operations						(95)
Net profit / (loss) for the period						(4,335)
Assets and liabilities						
Segment assets	202,484	-	1,257	47,554	-	251,295
Unallocated assets	-	-	-	-	-	8,816
Total assets						260,111
Segment liabilities	140,213	15,427	971	591	-	157,202
Unallocated liabilities	-	-	-	-	-	1,740
Total liabilities						158,942

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

2. SEGMENT INFORMATION (continued)

	Lithium mining \$'000	Coal mining \$'000	Exploration services \$'000	Mineral exploration \$'000	Eliminations \$'000	Total \$'000
Half-year 2016						
Revenue						
External sales	-	-	259	-	-	259
Other income	-	-	-	118	-	118
Other segments	-	-	127	-	(127)	-
Total segment revenue	-	-	386	118	(127)	377
Unallocated revenue						-
Total consolidated revenue						377
Segment result - EBIT		(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)
Assets and liabilities (at 30 June 2017)						
Segment assets	59,353	-	1,461	18,704	-	79,518
Unallocated assets	-	-	-	-	-	8,820
Total assets						88,338
Segment liabilities	11,965	15,677	1,175	818	-	29,635
Unallocated liabilities	-	-	-	-	-	1,753
Total liabilities						31,388

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	31 December 2017 \$'000	31 December 2016 \$'000
3. PROFIT / (LOSS) FROM ORDINARY ACTIVITIES		
(a) Revenue		
Revenue from mining services	387	259
Revenue from royalties	21	-
Total revenues from ordinary activities	<u>408</u>	<u>259</u>
(b) Sundry income		
Interest received from other corporations	223	109
Profit on sale of assets	10	9
Total sundry income	<u>233</u>	<u>118</u>
(c) Cost of sales		
Drilling costs	335	333
Depreciation - plant & equipment	52	145
Total cost of sales	<u>387</u>	<u>478</u>
(d) Depreciation		
Depreciation – plant & equipment	91	24
Total depreciation	<u>91</u>	<u>24</u>
(e) Financing costs		
Interest expense*	-	25
Total financing costs	<u>-</u>	<u>25</u>
*Interest expense on borrowings has been capitalised in accordance with Australian Accounting Standards.		
(f) Employee benefits expense		
Salaries and oncosts expense	975	967
Employee share scheme expense	423	107
Bonus paid by issue of shares to employees	17	-
Total employee benefits expense	<u>1,415</u>	<u>1,074</u>
(g) Foreign exchange movement gain/(loss)		
Revaluation of financial assets and liabilities denominated in US dollars	<u>(1,360)</u>	<u>866</u>



Altura Mining Limited and Controlled Entities

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	31 December 2017 \$'000	30 June 2017 \$'000
4. BORROWINGS		
Current borrowings		
Non interest bearing		
Vendor loan #	15,427	15,677
Total current borrowings	<u>15,427</u>	<u>15,677</u>
Non current borrowings		
Opening Balance	-	-
Loan notes issued	141,075	-
Interest Capitalised	6,454	-
Exchange rate differences	2,771	-
Transaction costs	(23,982)	-
Closing Balance of Non current borrowings	<u>126,318</u>	<u>-</u>

The vendor loan totalling \$15.4 million (30 June 2017: \$15.7 million) represents the amount owing to the vendors of Evora Mining Inc. The loan was repaid in January 2018.

^ On 27 July loan notes were issued to lenders Magy LLC, Pala Investments Limited and CarVal Investors LLC. The interest rate is 14% p.a. for the first 18 months of the loan and 15% pa thereafter. The loan is for a 3 year term expiring in August 2020. No repayments other than interest are due until the loan termination date. The loan is secured over all of Altura Lithium Operations (ALO) assets, shares in ALO, AJM bank accounts and certain AJM receivables.

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

5. DISCONTINUED OPERATIONS

(a) Description

During the report period the board has made further 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 in the next 12 months.

(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 2017.

	31 December 2017 \$'000	31 December 2016 \$'000
Revenue	-	-
Expenses	(95)	(111)
Loss before income tax	(95)	(111)
Loss after income tax of discontinued operation	(95)	(111)
Loss from discontinued operations after income tax	(95)	(111)
Net cash (outflow) from financing activities	(17)	(49)
Net decrease in cash generated by the division	(17)	(49)

(c) Carrying amounts of assets and liabilities

	31 December 2017 \$'000	30 June 2017 \$'000
Cash	17	38
Other receivables	2,649	2,685
Property, plant and equipment	5	5
Exploration at cost	6,145	6,092
Total assets	8,816	8,820
Other payables	213	204
Borrowings ^	1,527	1,549
Total liabilities	1,740	1,753
Net assets	7,076	7,067

^ 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.

6. AVAILABLE FOR SALE FINANCIAL ASSETS

	31 December 2017 \$'000	30 June 2017 \$'000
Listed Investments at fair value	3,949	824

Movements in the available for sale financial assets relate to changes in market value of listed investments, as quoted on the US OTCBB (Over the counter bulletin board)

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	31 December 2017 \$'000	30 June 2017 \$'000
7. EXPLORATION AND EVALUATION		
Exploration and evaluation expenditure at cost:		
Carried forward from previous year	1,226	14,394
Transfer to mine development costs	(241)	(15,459)
Incurred during the year	62	8,382
Transfer to Held for sale	-	(6,092)
	<u>1,047</u>	<u>1,226</u>
Written off during the year	-	-
Total exploration and evaluation expenditure	<u>1,047</u>	<u>1,226</u>

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.

8. MINE DEVELOPMENT AT COST

Mine development costs:		
Carried forward from previous year	59,353	-
Transfer from exploration and evaluation	241	15,459
Incurred during the year	74,398	43,894
Total mine development costs	<u>133,942</u>	<u>59,353</u>

9. DIVIDENDS

The Company has not paid a dividend during the period and no interim dividend is recommended. (2016: \$0)

10. SUBSEQUENT EVENT

Repayment of Vendor Loan for the Delta Coal Project

Subsequent to the end of the reporting period, the Company repaid the loan previously advanced by the vendors of Evora Mining Inc. A total of US\$12.033 million was repaid to settle the loan. Further details of the loan are included in Note 4 of these financial statements.

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

11. CONTINGENT LIABILITIES AND COMMITMENTS

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements:

	31 December 2017 \$'000	30 June 2017 \$'000
Commitments for:		
Mine development at cost	23,598	13,903
Total commitments	<u>23,598</u>	<u>13,903</u>

There have been no material changes to the contingent liabilities as reported at 30 June 2017.

12. CONTRIBUTED EQUITY

Issued capital

	31 December 2017		30 June 2017	
	Number	\$'000	Number	\$'000
Fully paid ordinary shares issued	<u>1,813,628,571</u>	<u>191,227</u>	<u>1,541,678,000</u>	<u>146,556</u>
Balance at the beginning of the financial year	1,541,678,000	146,556	1,222,459,902	105,840
Issue of shares to directors and staff #	100,000	17	450,000	70
Issue of shares on vesting of performance rights ##	3,800,000	356	3,600,000	233
Share purchase plan	-	-	3,869,000	773
Shares issued in lieu of loan note fees	72,644,513	11,521	-	-
Share placement	136,973,685	26,025	306,000,000	41,616
Exercise of options	58,432,373	8,149	5,299,098	105
Share issue costs	-	(1,397)	-	(2,081)
Balance at the end of the financial period	<u>1,813,628,571</u>	<u>191,227</u>	<u>1,541,678,000</u>	<u>146,556</u>

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

Nil shares were issued to directors and other key management personnel in the 6 months ended 31 December 2017 (30 June 2017: nil).

2,600,000 shares were issued to directors and other key management personnel in the 6 months ended 31 December 2017 (30 June 2017: 2,600,000).

13. KEY MANAGEMENT PERSONNEL

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 2017.

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

14. 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 2017	30 Jun 2017	31 Dec 2017	30 Jun 2017
			%	%	\$'000	\$'000
Unlisted:						
Evora Mining Inc.*	Coal Mining	British Virgin Islands	33%	33%	-	-
Merida Mining Pte. Ltd.	Holding and Investment	Singapore	33%	33%	-	-
					-	-
					-	-

* 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 2017	30 June 2017
	\$'000	\$'000
Opening acquisition value	-	144
Share of profits/(loss) after income tax	-	(124)
Foreign exchange movement	-	(2)
Impairment of Delta equity accounted Investment*	-	(18)
Carrying amount at the end of the financial year	-	-
	-	-

*** 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.

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 2017 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

Perth, 7 March 2018

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

Report on the Half-Year Financial Report

Conclusion

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 2017, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies and other selected explanatory notes, 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.

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 2017, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence 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 the Australian Accounting Standards and the Corporations Regulations 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 2017 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Altura Mining Limited, 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.

PKF HACKETTS

PKF HACKETTS AUDIT



LIAM MURPHY
PARTNER

7 MARCH 2018
BRISBANE