ANNUAL REPORT 2014

ALTURA
Mining Limited

SIMPLE STRATEGY

WELL EXECUTED

MUCH HAS CHANGED AND MUCH HAS BEEN ACHIEVED, DUE TO THE COMPANY'S SIMPLE AND WELL EXECUTED STRATEGY. ALTURA'S CLEAR VISION IS TO FOCUS ON PROJECTS WITH SIMPLE OPERATIONS AND A LOWER COST STRUCTURE.

SNEAK PEAK

WELCOME TO A

BRAVE NEW WORLD

THE DAILY HEADLINES DEMONSTRATE THE CHALLENGES FACED BY EXPLORERS AND PRODUCERS ALIKE WITH COMMODITY PRICES VARYING AND SPECULATION ON WHICH DIRECTION THE MARKET WILL TAKE. THE COMMENTARY, WHILE SOMETIMES DIFFERING IN OPINION, DEMONSTRATES THE VOLATILE MARKET IN WHICH WE ARE OPERATING – A MARKET THAT HAS BECOME THE 'NEW NORMAL'.

Today, particularly in mining and resources, there are groups that will survive these cycles and groups that will thrive in a depressed market. Altura is focussed on executing a simple strategy and setting the platform for sustainable businesses in bulk and emerging commodities such as iron ore, coal and lithium. Our success will be determined by our expertise and focus – a simple strategy, well executed.

Subdued market conditions have created an upside for the business, delivering opportunities for new projects to expand Altura where it makes business sense. Low cost or distressed projects that require minimal set up capital and deliver high returns are on our radar. The production platform we have set is aimed at delivering long term shareholder value with manageable capital input.

Despite a mixed market, Altura has had a formative development year. We have achieved a number of key milestones in line with our long term goal of being a diverse commodity producer.

Some defining highlights:

ALTURA THE MINER

This year signalled the Company's fully fledged entry into the mining arena. From iron ore in the Pilbara to coal in Indonesia, Altura has consolidated its position as a producer and is excited at the prospects of these major business developments.

A significant milestone was the construction of the Mt Webber DSO (direct shipping ore) mine by joint venture partner Atlas Iron Limited (ASX: AGO) to produce iron ore at a rate of 6 million tonnes per annum (Mtpa) by March quarter 2015. This represents an impressive 1.8 Mtpa for Altura.

Another key achievement was the first anniversary of Altura's technical management input at the Delta coal mine in East Kalimantan. Already a number of cost savings and production efficiencies have been identified and delivered. The mine sold 1.330 Mt of medium energy thermal coal during the year – slightly down on preliminary forecasts but nonetheless strong in a turbulent market.

ALTURA THE EXPLORER

Altura has a sought after asset development portfolio pipeline that is nearing production – a move that will see significant growth to the business.

Tabalong Coal, a premium grade thermal coal deposit located in South Kalimantan has recently been granted In-Principle Forest Area approval. This approval is the precursor to the much anticipated Borrow and Use Forestry Permit needed for construction to commence. This approval will allow for a firmer development schedule to be formulated and become Altura's third producing entity.

And while waiting for Tabalong's last statutory approval, the Company has commenced prefeasibility studies on its Pilgangoora Lithium Project, which should reveal further efficiencies and the potential to mine higher grade lithium deposits.

The Company has also been working with the Department of Energy (DOE) in the Philippines to determine the future of its Coal Operating Contract awarded in 2013.

ALTURA THE STRATEGIST

As part of Altura's strategy, the business is constantly assessing its portfolio to make sure it is strategically aligned with its business objectives.

This has led to a number of important developments, including the divestment and cash injection of its Balline Garnet Project, which Altura sold for A$4.5 million.

Altura also has a 15% stake in Lithium Corporation, an exploration company dedicated to finding new lithium and graphite resources in North America.

Based in Nevada USA, Altura's investment provides a strategic alliance and further resources exposure. It also gives Altura the opportunity to utilise the expertise of Lithium Corporation's management to progress its own Pilgangoora lithium project – which has the potential to become one of the most significant hardrock lithium producers in world.

Adding to the success story, in August 2014 Lithium Corporation entered into a product sales agreement that has strengthened both Lithium Corporation and Altura's financial position.

ALTURA THE OPPORTUNIST

The Company continues to assess new opportunities where projects can deliver solid returns for our shareholders.

We are confident of some exciting announcements in the coming year and as always, are grateful for the support of our staff and shareholders.

Many shareholders have been with us for a number of years and I believe this loyalty will not go unrewarded.

Take confidence in our strong position as we ride out market volatility and look for new opportunities to generate shareholder value.

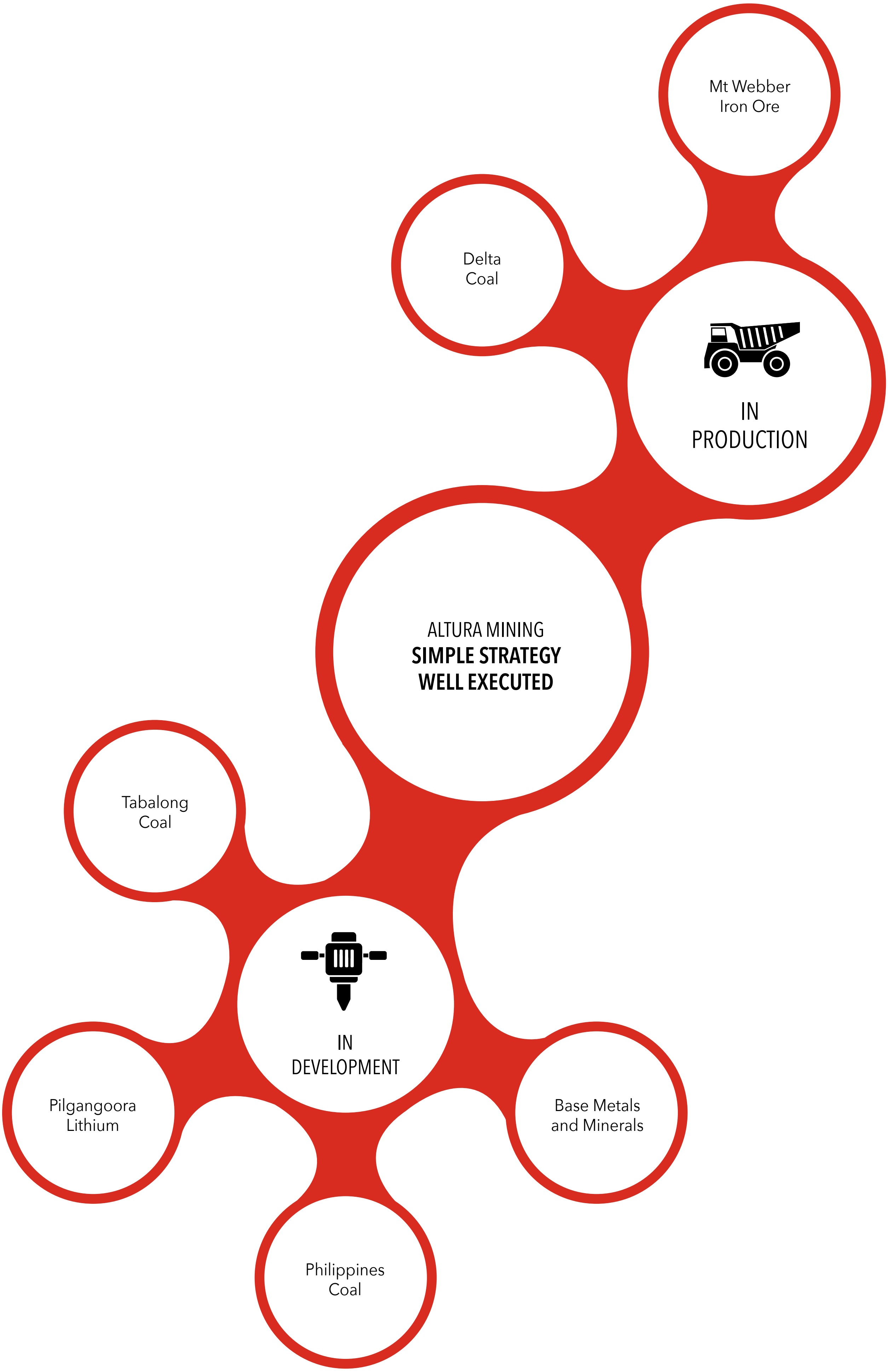
I thank you for your support.

Yours sincerely,

James Brown
Managing Director
Altura Mining

SINCE LAST YEAR

VITALITY AND TENACITY UNDERPINNED BY A DEPTH OF PROJECTS AND OPERATIONAL EXPERIENCE TO RIVAL LONG-ESTABLISHED MINERS.


Mt Webber
Iron Ore
Delta
Coal
IN
PRODUCTION
ALTURA MINING
SIMPLE STRATEGY
WELL EXECUTED
Tabalong
Coal
IN
DEVELOPMENT
Pilgangoora
Lithium
Base Metals
and Minerals
Philippines
Coal

PROMISED AND DELIVERED

COMMENCE PRODUCTION AT MT WEBBER, WORKING WITH PRODUCTION PARTNER ATLAS IRON TO INCREASE PRODUCTION TO 6 MTPA BY THE END OF THE YEAR.

Mining commenced in December 2013 with haulage commencing in July 2014. Production is planned to increase to 6 Mtpa by the end of year, following completion of Stage 2 of the project.

WORK WITH RELEVANT AUTHORITIES TO OBTAIN THE FINAL FORESTRY PERMITS FOR COAL PRODUCTION TO COMMENCE AT TABALONG.

In-Principle Forest Area approval recently received from the Indonesian Minister for Forestry for Altura's 70% owned SPK IUP. This approval is the final step before issue of the Borrow and Use of Forest Area Permit which will allow mining construction to commence.

UPGRADE TABALONG JORC COAL RESOURCES ESTIMATE.

Tabalong has continued to show potential to increase in size and subsequent value with results anticipated during Q4 2014.

DIVEST NON-CORE ASSETS VIA A RANGE OF OPTIONS SUCH AS SALE, JOINT VENTURES OR FARM-IN/FARM-OUTS.

Successful sale of Altura's Balline Garnet Project to Garnet Australia for A$4.5 million.

ASSURE FINANCIAL SECURITY FOR PLANNED PROJECTS.

Strategic negotiations on development project structures to maximise Altura's return with minimal cash outlay.

PROGRESS ALTURA LITHIUM, INCLUDING WORKING WITH KEY INSTITUTIONS TO SELECT AN EQUITY INVESTOR/OFF-TAKE PARTNER TO DEVELOP THIS WORLD-CLASS PILGANGOORA PROJECT.

Further progression with mining lease application and commencement of pre-feasibility study, which included the completion of a flora and fauna survey.

CONTINUE TO WORK WITH LOCAL COMMUNITIES TO ENSURE STRONG AND SUPPORTIVE RELATIONSHIPS.

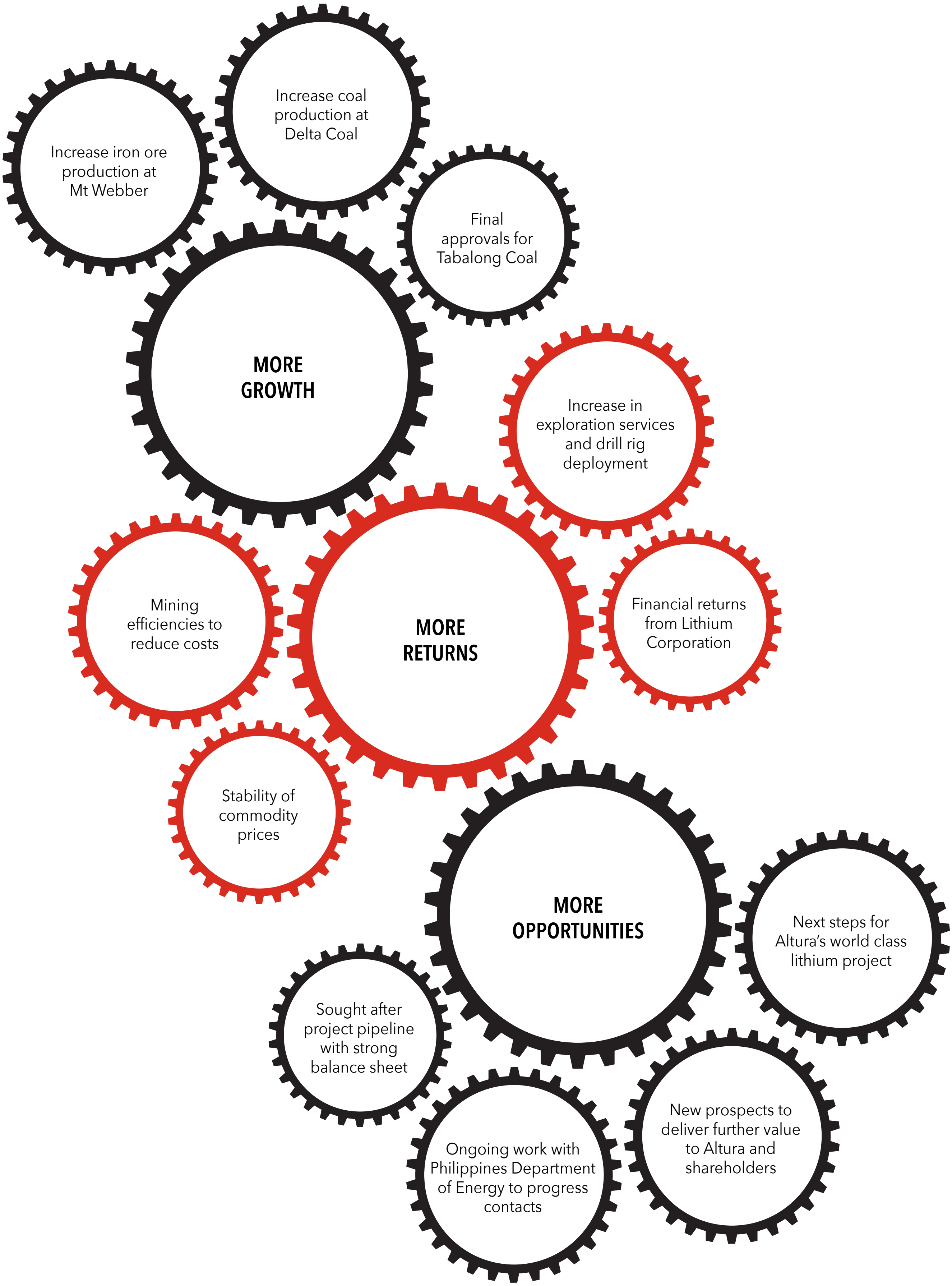
Healthy relationships maintained and furthered with communities in which Altura operates.

MAINTAIN STRATEGY AND AGILITY TO RESPOND TO MARKET FORCES AND OPPORTUNITIES.

Continued growth and momentum during challenging market conditions.

SOUND BASE FOR GROWTH

ALTURA IS SET FOR FURTHER PRODUCTION, SCALE, SUSTAINABILITY AND PROFITABILITY THROUGH DELIVERING RESULTS FOR SHAREHOLDERS, SUPPLIERS, CUSTOMERS, THE COMMUNITY AND OUR PEOPLE. THE COMPANY TAKES A LONG TERM APPROACH TO DELIVERING ENDURING AND SUSTAINABLE PERFORMANCE AND GROWTH.



LOOKING FORWARD


WL209
WA500
WL209

CORPORATE OVERVIEW

THE 2013–14 FINANCIAL YEAR HAS BEEN A YEAR OF CONTINUED PROGRESS IN THE COMPANY'S EXCITING TRANSFORMATION FROM AN EXPLORER TO PRODUCER.

Altura has achieved two key milestones with its mining production operations during the year with:

- The construction of the Mt Webber DSO (direct shipping ore) mine by joint venture partner Atlas Iron Limited (ASX: AGO) to produce iron ore at a rate of 6 Mtpa by March quarter 2015 (Altura share 1.8 Mtpa)
- First full year of key inputs in the technical management of the Delta coal mine in East Kalimantan delivering changes aimed at improving cost management and production efficiencies.

The Delta coal and Mt Webber iron ore mines are important mining production assets in the Company's plans to deliver cash flow positive businesses during the next few years.

MINING PRODUCTION ASSETS

MT WEBBER IRON ORE

Following the conclusion of negotiations with Atlas Iron in early July 2013 on the production joint venture agreement, work on the construction of the Mt Webber mine started.

Mining commenced in December 2013, with the ore being stockpiled until the crusher became fully operational. Haulage of ore to Port Hedland began in July 2014.

The Mt Webber mine has an initial production rate of 3 Mtpa (Altura 0.9 Mtpa) which will increase to 6 Mtpa (Altura 1.8 Mtpa) following the completion of the Stage 2 development in December 2014.

Atlas operates and manages the Mt Webber DSO project on behalf of the joint venture partners.

DELTA COAL

Altura acquired a one-third interest in the operating Delta coal mine in February 2013.

The Delta mine operation produces and sells a medium energy thermal coal at a current target rate of 1.5 Mtpa. During the year the Delta mine produced 1.376 Mt and sold 1.330 Mt of medium energy thermal coal despite the challenges of above average rainfall and lower coal prices.

Altura has a key role in the technical management of the Delta coal mine, and has initiated changes to the mine plan and renegotiated mining contractor rates to improve cost efficiencies.

ASSETS DEVELOPMENT PORTFOLIO

In addition to the Delta Coal and Mt Webber DSO mines, Altura has been working to progress the development of the Tabalong coal and Pilgangoora lithium projects.

TABALONG COAL

The Tabalong coal project is a premium grade thermal coal deposit located in South Kalimantan, Indonesia.

Altura has recently received In-Principle Forest Area approval from the Indonesian Minister for Forestry for its 70% owned SPK IUP in the northern area.

Now Altura awaits the final step – the issue of the Borrow and Use of Forest Area Permit (Ijin Pinjam Pakai Kawasan Hutan or IPPKH) which will allow for mine construction to commence at Tabalong.

The approval area consists of 465.29 hectares within SPK and covers the greater proportion of the initial mining area planned for the Tabalong Coal Project.

Two experienced forestry consultants have been engaged to assist Altura through the approval process, which includes an additional In-Principle Forest Area approval for the PT Suryaraya Cahaya Cemerlang (SCC) IUP.

The exact timing for the issue of the remaining SCC permit is not certain at this stage with potential disruptions to approvals during the Presidential changeover in Indonesia.

Once final regulatory approval is received, there will be a lead time of approximately six months from the start of construction until the first production of coal.

PILGANGOORA LITHIUM

Altura has commenced prefeasibility studies on the Pilgangoora Lithium Project, which will include 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 institutions to locate a suitable off-take and possible strategic equity partner to assist in developing this world class project.

SALE OF BALLINE GARNET PROJECT

In February 2014 Altura sold the Balline Garnet Project to Garnet Australia Pty Ltd for a cash consideration of A$4.5 million.

The divesture involved a share sale of Altura's wholly owned subsidiary, Australian Garnet Pty Ltd, which owned the Project.

Under the terms of the agreement Altura received A$2.5 million at settlement, with the remaining A$2 million being paid in May 2014.

MT WEBBER
IRON ORE

IN PRODUCTION

ALTURA'S JOURNEY FROM EXPLORER TO PRODUCER HAS CONTINUED WITH THE COMMENCEMENT OF MINING AT THE MT WEBBER DSO JOINT VENTURE PROJECT IN THE PILBARA REGION OF WESTERN AUSTRALIA.

The Mt Webber DSO mine was officially opened on 15 July 2014 by the Western Australian Minister for Mines and Petroleum, The Hon Bill Marmion MLA, following a welcome by senior elders of the Njamal people, the traditional owners of the land at Mt Webber.

The opening of the mine achieves a significant and transformative milestone in Altura's development in attaining the status of an iron ore producer.

Mt Webber has provided Altura with the opportunity to enter the iron ore market through landmark cooperative agreements covering mining, processing, transport and ore sales.

MINE OPERATION

The Mt Webber DSO project is located on mining tenement M45/1209, which is majority owned (70%) by Atlas Iron Limited with Altura holding the remaining 30% interest. Atlas also holds 100% of the northern adjoining mining tenement (M45/1197).

Atlas operates and manages the Mt Webber DSO project on behalf of the joint venture partners, and the ore will be sequentially mined from both tenements during the life of the operation.

Altura will receive 30% of annual production equating to 1.8 Mtpa of DSO product (when Stage 2 of the project is completed) until its share of the project reserve is exhausted.

The mine will produce a target ore grade of 57% Fe content. However this can be reduced where economically effective to maximise tonnes sold into the market.

PROJECT DEVELOPMENT – STAGE 1

Development works on the mine site at Mt Webber commenced shortly after the signing of the joint venture production agreement with Atlas Iron Limited in July 2013, and continued throughout the 2013–14 year.

Mining began in December 2013, with the ore being delivered to the run-of-mine (ROM) pad stockpile at the processing plant ahead of the crusher becoming fully operational.

The Stage 1 development of the Mt Webber mine was completed and commissioned in July 2014, with haulage of ore to the Port Hedland port starting later that month.

Production at Mt Webber has commenced at an initial rate of 3 Mtpa (Altura share 0.9 Mtpa).

PROJECT DEVELOPMENT – STAGE 2

In February 2014 joint venture partner Atlas Iron approved the development of Mt Webber Stage 2, which will result in a doubling of production at Mt Webber to 6 Mtpa.

The Stage 2 expansion is expected to be completed by the end of December 2014, with the increased production rate planned to be achieved during the March quarter 2015.

The expansion will also lead to a material reduction in forecast Life of Mine operating costs.

Life of Mine operating costs are now anticipated to be in the range of $49 to $51/Wet Metric Tonne (WMT) on a nominal basis, which represents a significant reduction from the $56/WMT originally estimated for Stage 1 of the project.

PRODUCTION

Production at the Mt Webber mine for the period to 30 June 2014 was as shown in table 1.

JOINT VENTURE PRODUCTION AGREEMENT

In July 2013 Altura signed joint venture production and related agreements with Atlas Iron Limited to govern the commercial terms of the Mt Webber DSO Project.

The key features of these agreements are:

- Altura to sell its entire share of the ore mined from Mt Webber to Atlas, with the point of sale of ore being immediately prior to the ROM pad stockpile
- Altura's selling price to Atlas at the ROM pad is based on a FOB price at Port Hedland less the costs of processing, transport, stockpiling and loading the ore post the ROM pad
- Altura to pay a fee to Atlas for use of infrastructure provided by Atlas (road, port etc.) as well as a marketing fee for all ore sold
- Altura to pay 30% of all direct costs incurred in order to deliver ore to the ROM stockpile
- Altura's proportion of the capital costs has been funded through an Atlas provided finance package, with repayments sourced from Altura's share of sales proceeds.

2014 IRON ORE RESERVE UPDATE

Atlas announced in August 2014 its annual update to the JORC Ore Reserve estimate for Mt Webber.

The reserve has been calculated at 33.5 Mt @ 56.8% Fe, and comprises 20.9 Mt at 57.7% in the Proved category and 12.6 Mt at 55.3% in the Probable category..

In addition to the current Ore Reserve estimate, there is a significant opportunity to include further lower grade ore during the mining process.

The sales of this lower grade ore are in line with Atlas' "Value Fines" cargoes and are dependent upon the prevailing market conditions and buyer requirements.

Table 1 – Mt Webber mine production for the period to 30 June 2014

	June quarter (tonnes)	March quarter (tonnes)	Total (tonnes)
Ore tonnes mined (100% terms)	533,443	142,832	676,275
Ore tonnes mined (Altura 30% share)	160,033	42,850	202,883

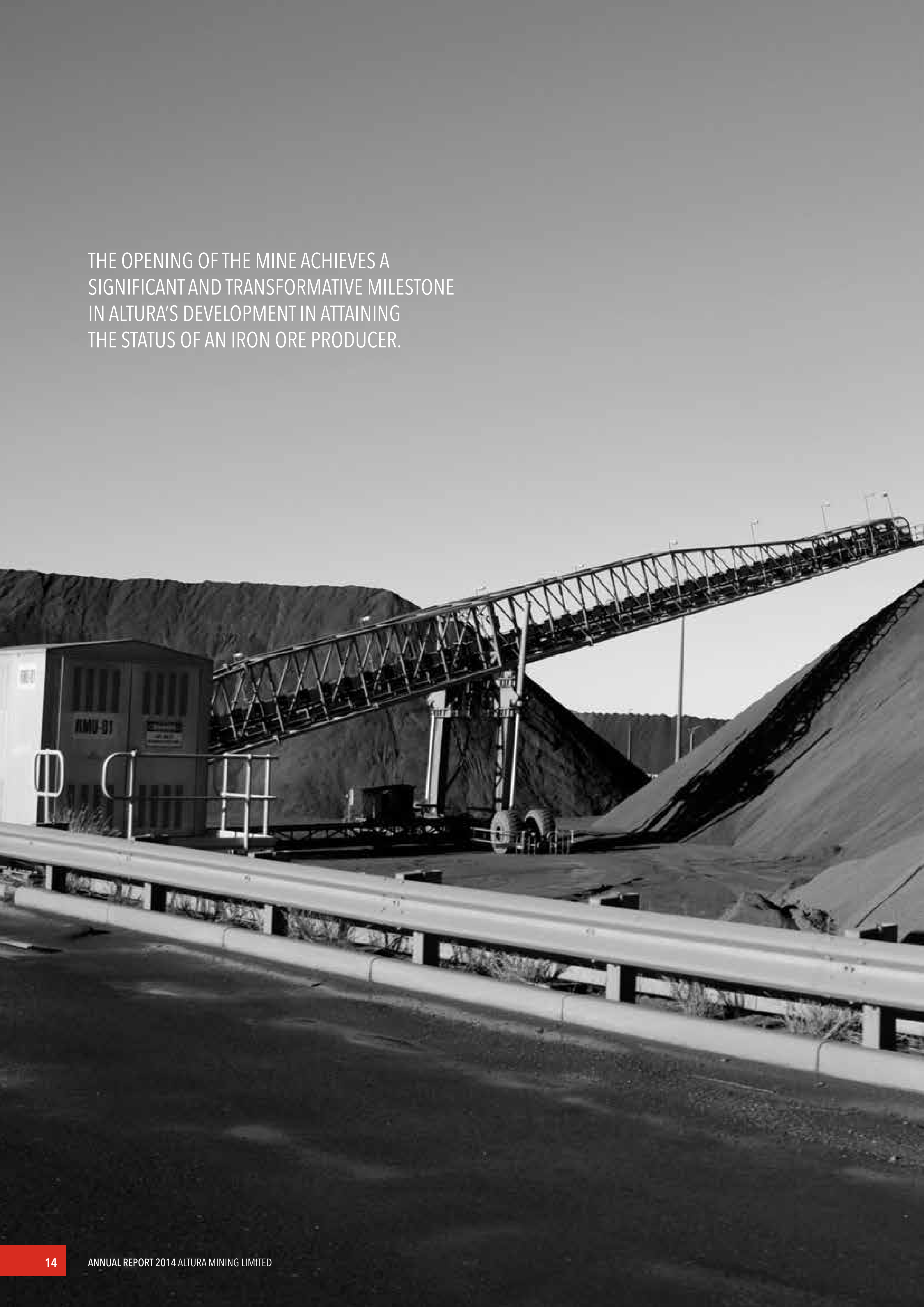
Note: Ore tonnes mined represents ore tonnes delivered to ROM stockpiles at the processing plant.

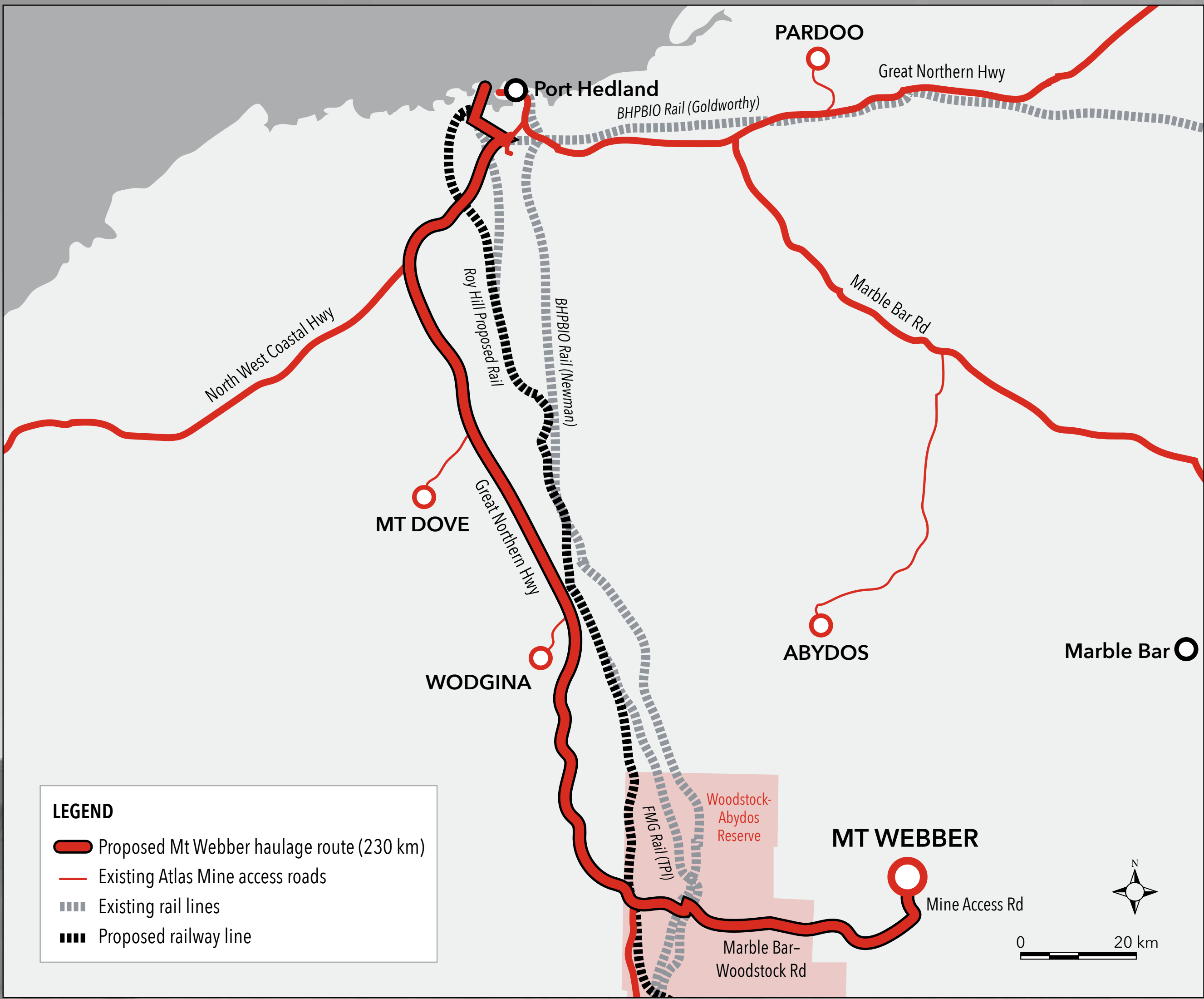
Table 2 – Mt Webber JV ore reserves as at June 2014

Location	COG Fe %	Reserve classification	Kt	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Ibanez	53.5	Proved	12,800	57.8	5.6	1.9	0.08	0.02	8.9	63.4
		Probable	6,000	55.5	8.1	2.7	0.07	0.03	8.7	60.8
Fender	53.5	Proved	4,600	58.1	5.6	2.2	0.11	0.02	8.3	63.4
		Probable	3,600	55.4	8.0	3.2	0.08	0.03	8.7	60.7
Gibson	50.00	Proved	2,900	57.4	6.3	1.9	0.09	0.03	8.7	62.9
		Probable	3,000	54.6	9.6	2.8	0.08	0.03	8.6	59.7
Run-of-mine ore stocks		Proved	600	55.5	8.9	2.6	0.07	0.03	8.2	60.4
		Probable	-	-	-	-	-	-	-	-
Sub-total		**Proved**	**20,900**	**57.7**	**5.8**	**2.0**	**0.09**	**0.02**	**8.7**	**63.2**
		Probable	**12,600**	**55.3**	**8.4**	**2.9**	**0.08**	**0.03**	**8.7**	**60.5**
Total**			**33,500**	**56.8**	**6.8**	**2.3**	**0.08**	**0.02**	**8.7**	**62.2**

**Reserves at Mt Webber are subject to Joint Venture interests in the ratio AGO 70% : AJM 30% for the Ibanez, Fender and Gibson Deposits

THE OPENING OF THE MINE ACHIEVES A SIGNIFICANT AND TRANSFORMATIVE MILESTONE IN ALTURA'S DEVELOPMENT IN ATTAINING THE STATUS OF AN IRON ORE PRODUCER.





Mt Webber State 1 DSO project haulage route

DELTA COAL

IN PRODUCTION

ALTURA'S STRATEGY TO EXPAND ITS INTERNATIONAL COAL BUSINESS COMMENCED WITH THE ACQUISITION OF A STAKE IN THE DELTA COAL MINE LOCATED IN THE ESTABLISHED MINING PROVINCE OF EAST KALIMANTAN, INDONESIA.

Altura moved into mining production in February 2013 with the purchase of a one-third interest in an operating coal mine at a total cost of US$25 million.

The acquisition involved an initial payment of US$12.5 million with the balance payable in equal instalments over three years. Altura has successfully negotiated a deferment of the 2014 payment until 2015 when it is expects the coal market to increase.

The transaction has provided Altura with a direct equity interest in PT Delta Ultima Coal (Delta Coal), the owner and operator of the PT Binamitra Sumberarta mining tenement.

The Delta mine operation produces and sells a medium energy thermal coal at a current target rate of 1.5 Mtpa. Delta remains committed to increasing production to 2.0 Mtpa, with infrastructure currently in place to support the increase.

MINE OVERVIEW

The Delta Coal mine is situated on a 1,260 hectare Izin Usaha Pertambangan (IUP) or Mining Permit in the Mahakam River delta, in close proximity to the cities of Balikpapan and Samarinda.

Delta Coal uses mining contractors to carry out the overburden and coal removal, and to haul product coal from the processing plant to the barge loading facility.

Delta Coal does however own and operate all of the coal processing plant and the machinery necessary to lift, crush and fill barges from its load out facility at the river barging site.

The processing plant has a 1,000 tonnes per hour capacity, and a stockpile of 75,000 tonnes which is sufficient for storage until the coal is required at the barge loading facility.

The product coal is transported by road truck to the barge loading facility located on a river in the Mahakam delta, just 5 kilometres east of the processing plant. This loading facility has the capacity to load barges at a rate up to 800 tonnes per hour but can be increased if required without the need for further capital.

Coal is then transported by 7,500 tonne barges to the offshore loading point of Muara Jawa for transfer to ships which vary in size from Handysize to Panamax vessels.

Through these infrastructure arrangements, Delta has a strategic ability to control the process from the ROM delivery point to loading of barges for cargoes, which provides for maximum flexibility in the product coal supply chain.

COAL PRODUCT AND PRICING

The coal from the Delta mine is sold "unwashed", which means that there is no metallurgical treatment required to achieve a saleable product.

It is sold as a medium energy thermal product to both the export and domestic markets with all ROM coal considered to be saleable product.

During 2013–14 the market for the medium grade thermal coal continued to be challenging, with prices softening throughout the year.

The average FOB barge coal price declined from US$50.23 per tonne in the September quarter 2013 to US$43.35 per tonne in the June quarter 2014.

In response to these changes in market conditions, Altura has twice renegotiated the current mining rates with the Delta Coal mining contractors.

The first set of negotiations led to a reduction in the mining rates for waste removal and haulage. A more recent round was completed on a mutual fairness basis and resulted in mining rates being linked to rises and falls in the coal index price.

Altura has also sought to improve efficiency with the mine plan, and will conduct future mining from pits with higher price yielding coals along with reducing the waste haulage distances.

PRODUCTION VOLUMES

The production and sales figures from the Delta mine for the year ended 30 June 2014 are shown in table 3.

Production was adversely affected by above average rainfall during the December quarter 2013 (772 millimetres) and June quarter 2014 (913 millimetres).

This increased rainfall caused delays in both uncovering coal in the pits and haulage of the raw coal to the coal processing plant. Delta is working with the contractors in order to improve the pit de-watering efficiency and reduce coal mining downtime following rainfall events.

COAL RESERVES AND RESOURCES

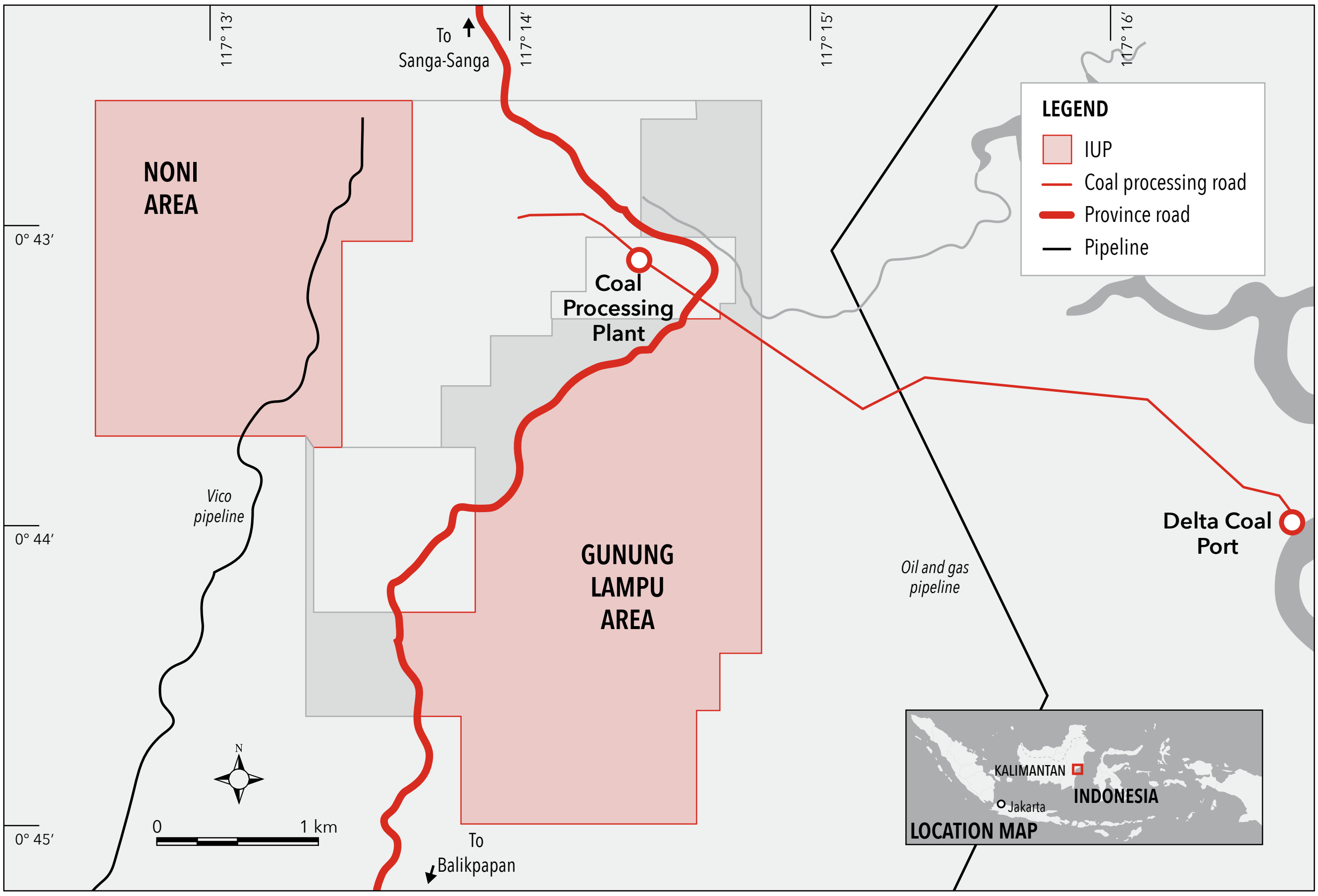
In June 2013 Altura announced the completion of a maiden JORC Coal Reserve estimate at the Delta Coal operations. This independent estimate was completed by Australian based mining group Xenith Consulting Pty Ltd (Xenith).

Updated and revised coal reserves and coal resources for 2014 are currently being prepared by independent external consultants for the Delta mine. These were not available at the time of printing, but are expected to be available later in the December quarter 2014.

Table 3 – Delta mine production and sales figures for the year ended 30 June 2014

	Tonnes
Saleable coal production (100% terms)	1,376,359
Coal sold (100% terms)	1,330,279
Saleable coal production (Altura 33⅓% share)	458,787
Coal sold (Altura 33⅓% share)	443,426

On site nursery
at Delta Coal



Delta Coal IUP-OP lease area

THE DELTA MINE OPERATION PRODUCES AND SELLS A MEDIUM ENERGY THERMAL COAL AT A CURRENT TARGET RATE OF 1.5 MTPA.


TAUFIK 99
GT.3071 NO.4260/PL

TABALONG
COAL

IN DEVELOPMENT

THE TABALONG COAL PROJECT IS LOCATED IN SOUTH KALIMANTAN, INDONESIA.

Tabalong comprises five IUPs with an overall area of some 17,200 hectares. The IUPs are held by:

- PT Suryaraya Permata Khatulisitwa (SPK)
- PT Suryaraya Cahaya Cemerland (SCC)
- PT Suryaraya Pusaka (SP)
- PT Kodio Multicom (KM)
- PT Marangkayu Bara Makarti (MBM).

PROPOSED MINE OPERATION

Mine construction at Tabalong will commence following the receipt of final regulatory approvals, with an expected lead time of approximately six months until the first production of coal.

Altura aims to produce up to 1,500,000 tonnes per annum (tpa) of thermal and metallurgical coals from the Tabalong project.

Mining will most likely start with the SPK tenement, the most northern IUP, and then progress south into SCC and potentially east to SP as coal resources are defined.

The coal from the mine will be hauled a maximum of 110 kilometres (SPK tenement) to a port site on the Barito River, where it will be loaded on barges and transported down the Barito River to an offshore anchorage point for vessel loading. As the project develops the haulage distance will be reduced to approximately 73 kilometres (MBM tenements).

PROJECT STRUCTURE

Altura originally held 100% of the SPK and SCC tenements. An agreement was then signed in 2012 to acquire the IUP held by PT Suryaraya Pusaka (SP) through the formation of a joint venture with the owners of SP.

Under the terms of the joint venture agreement, Altura holds 70% of the Tabalong Coal Project, with PT Unitras Jaya Investama (UJI) holding the remaining 30%.

The Tabalong joint venture subsequently acquired an 80% equity in the IUPs held by PT Kodio Multicom (KM) and PT Marangkayu Bara Makarti (MBM). These two IUPs are located immediately to the south of the SCC tenements.

COAL RESOURCES AND EXPLORATION

An exploration program is underway for the SP, KM and MBM IUPs acquired in 2012 with the aim of delivering a new JORC resource estimate for these tenements.

Independent external consultants have been engaged to prepare a maiden JORC resource estimate for these IUPs, and to update the previously reported estimates for the SPK and SCC IUPs.

These estimates were not available at the time of printing, but are expected to be available later in the December quarter 2014.

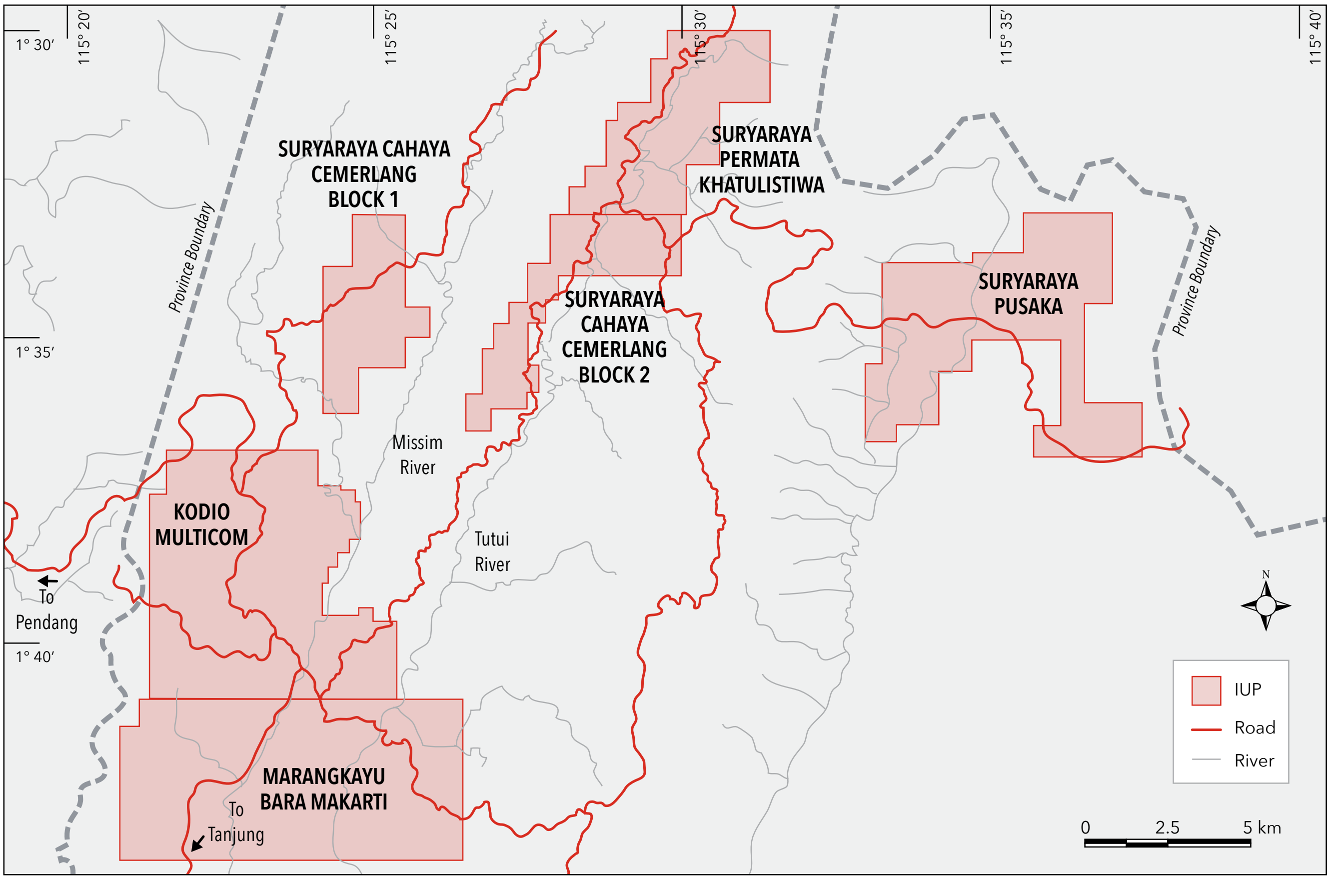
FORESTRY PERMITS

Altura recently announced that it received In-Principle Forest Area approval from the Indonesian Minister for Forestry for its 70% owned SPK IUP in the northern area of the Tabalong Coal Project in South Kalimantan, Indonesia.

The much sought after forestry approval is the final step before the issue of the Borrow and use of Forest Area Permit (Ijin Pinjam Pakai Kawasan Hutan or IPPKH) which will allow for the commencement of construction and mining in the SPK IUP.

As part of a parallel process, the Company is also seeking an additional In-Principle Forest Area approval for the adjoining SCC IUP.

It is anticipated that the remaining approval (SCC) will be gained in the near future.



Tabalong location map

SP tenement –
logging roads evident

MBM tenement
looking south

MINE CONSTRUCTION AT TABALONG WILL COMMENCE FOLLOWING THE RECEIPT OF FINAL REGULATORY APPROVALS, WITH AN EXPECTED LEAD TIME OF APPROXIMATELY SIX MONTHS UNTIL THE FIRST PRODUCTION OF COAL.

Third party Crushing and stockpiling facilities – south of MBM

Third party stockpile and jetty facilities on the Barito River – looking east

SPK tenement – looking south

PHILIPPINES
COAL

IN DEVELOPMENT

THE COAL OPERATING CONTRACT KNOWN AS "AREA 3 – CATANDUANES" COVERS AN AREA OF 7,000 HECTARES AND IS LOCATED ON CATANDUANES ISLAND ON THE EASTERN SEABOARD OF THE PHILIPPINES.

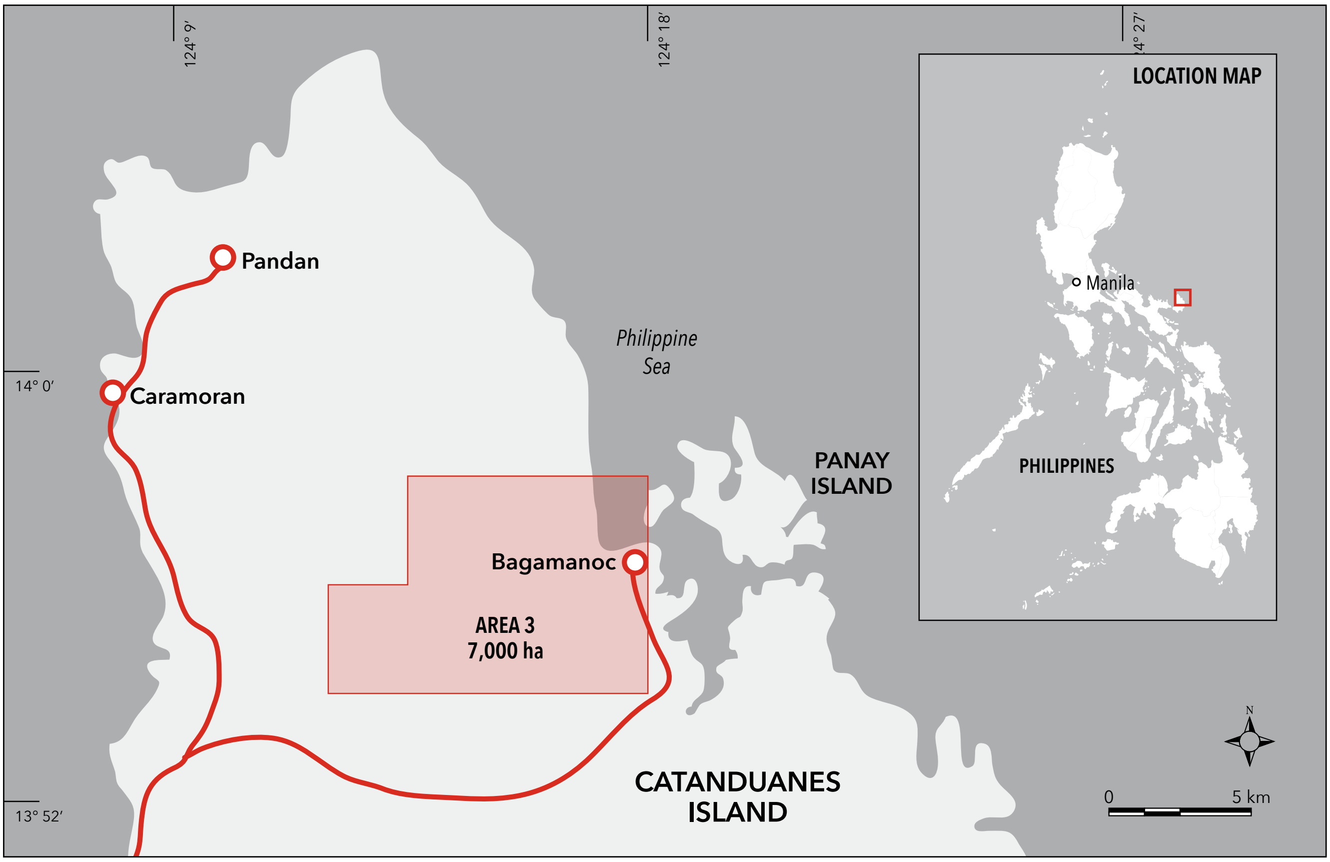
The area was awarded to Altura Mining Philippines Inc. in February 2013 following the Philippine Energy Contracting Round 4 (PECR4) tender bids lodged in March 2012.

Altura has not however been able to commence on ground exploration at Catanduanes due to The Office of the Governor of the Province of Catanduanes passing a local ordinance declaring Catanduanes a "mining free zone".

The Department of Energy (DOE) and officials from the Catanduanes local government have met during the year in order to clarify the PECR4.

Altura has been working with the DOE to determine a suitable forum for consultation with the Office of the Governor in order to engage and address the concerns in relation to exploration and potential mining impacts.

Altura has also submitted tender bid applications for two (2) other coal areas in the PECR4 process in March 2012, and the Company is still awaiting the outcome of these bids.



Map of Catanduanes tenement

ALTURA
LITHIUM

IN DEVELOPMENT

PILGANGOORA LITHIUM

The Pilgangoora Lithium project is located in Western Australia's Pilbara region, where Altura has found and proven one of the largest high grade deposits of hard rock lithium ore ever discovered.

The project lies just off the Turner River East in Western Australia, which is approximately 1,250 kilometres north-northeast of Perth and 120 kilometres south of Port Hedland.

PROJECT DEVELOPMENT

During the year the Company continued to progress the mining lease application process, and has commenced work on a prefeasibility study.

A baseline environmental study was completed which included flora and fauna surveying. There were no significant matters identified by the study.

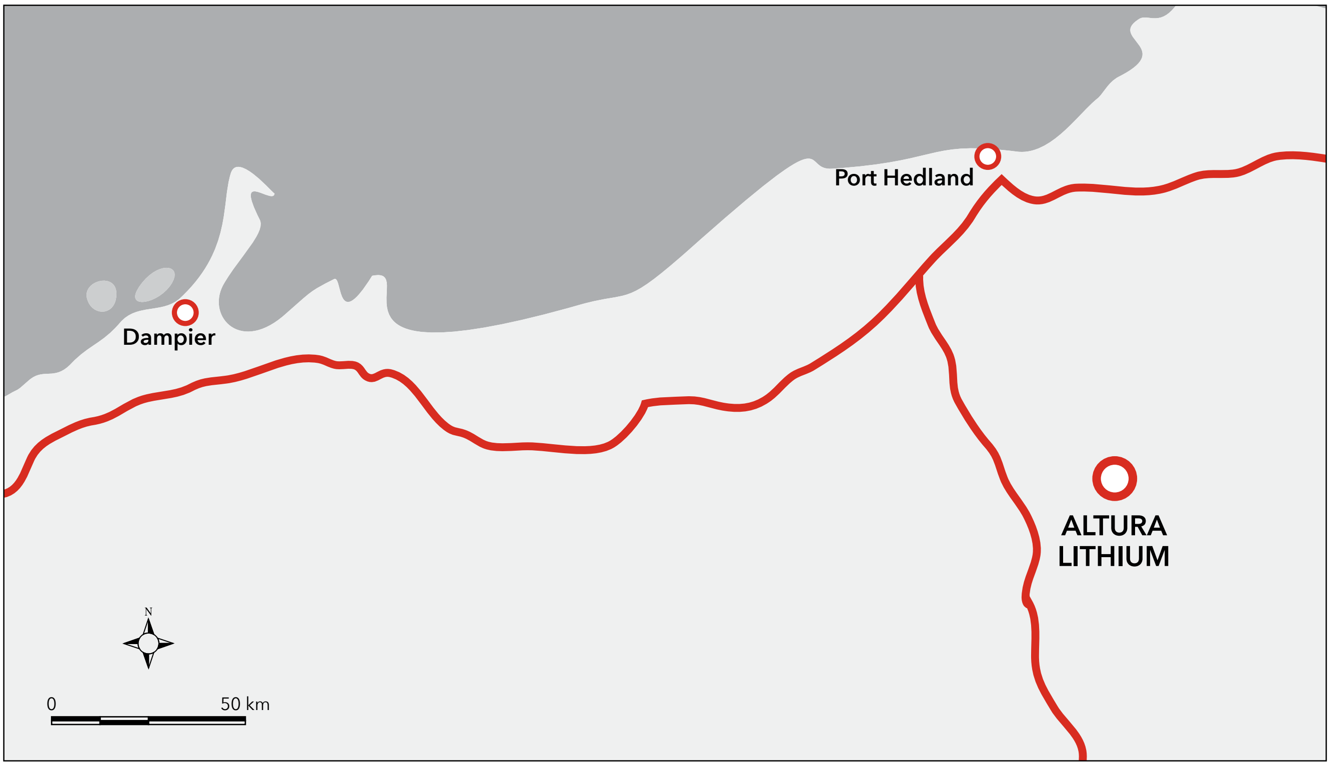
Altura has also focussed on identifying a suitable off-take and equity partner for the potential spodumene concentrate operation at Pilgangoora.

PROJECT MINERAL RESOURCE ESTIMATE

The project has a JORC Mineral Resource estimate of 25.157 Mt of mineralised spodumene pegmatites at 1.23% Li_2O (containing 310,000 tonnes of lithium oxide).

The estimate comprises an Indicated Resource of 17.288 Mt @ 1.25% Li_2O and an Inferred Resource of 7.869 Mt @ 1.20% Li_2O.

The estimate was completed internally by Altura's geological team via the construction of a three-dimensional geological model using Micromine software. A total of 159 RC holes totalling 14,429 metres of drilling were used to create the geological model.



Pilgangoora Lithium location

Table 4 – Pilgangoora lithium resource estimate*

Resource classification	Tonnes	Li_2O (%)	Li_2O (tonnes)
Indicated	17,287,935	1.25	216,157
Inferred	7,869,330	1.20	94,185
Total	**25,157,265**	**1.23**	**310,342**

*Based on 0.7% Li_2O cut-off grade

Note: The information in this table was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

LITHIUM CORPORATION

Altura has a 15% stake in Lithium Corporation, an exploration company based in Nevada USA devoted to exploration for new lithium and graphite resources in North America.

The investment will provide Altura with a strategic alliance and exposure to alternate lithium and potash product supply from brine deposits.

The alliance will also provide access to the expertise of the directors and management of Lithium Corporation as Altura continues the evaluation of the lithium resource at Pilgangoora.

In August 2014 Lithium Corporation entered into an agreement with Pathion, Inc. to sell its BC Sugar flake graphite property (in British Columbia) and the Fish Lake Valley and San Emidio lithium brine and potash properties (in Nevada).

Pathion is an energetic materials and advanced power device company created to develop and commercialise applied materials and battery products utilising its proprietary processes and technologies.

The agreement puts Lithium Corporation in a strong cash position to move forward with its assessment of the Mt Heimdahl graphite property in British Columbia.

High purity graphite is presently the most widely used anode material for lithium ion battery technology, and typically greater than ten times more graphite is used in comparison to lithium in lithium ion battery production.

Please refer to the Lithium Corporation website at www.lithiumcorporation.com for further information.

THE PILGANGOORA LITHIUM PROJECT IS LOCATED IN WESTERN AUSTRALIA'S PILBARA REGION, WHERE ALTURA HAS FOUND AND PROVEN ONE OF THE LARGEST HIGH GRADE DEPOSITS OF HARD ROCK LITHIUM ORE EVER DISCOVERED.

EXPLORATION SERVICES

ALTURA HAS CONTINUED TO PROVIDE DRILLING AND EXPLORATION SERVICES TO THE MINING SECTOR IN INDONESIA DURING 2013–14.

PT ASIADRILL BARA UTAMA

Based in Indonesia, PT Asiadrill is a 100% Altura-owned exploration services company.

Asiadrill has long-term contracts with a number of major mining companies and owns, operates and maintains 10 large drill rigs, including track mounted rigs and heli-lift equipment and 20 man portable rigs, and associated support vehicles.

Drill rig deployment has been reduced year on year due to falling commodity prices and explorers access to capital markets. Asiadrill is currently operating 4 track mounted and skid mounted drills in South and Central Kalimantan. The team at Asiadrill are actively engaging with existing and prospective new clients in order to maintain market share as the market improves. The reduction in drill deployment has been offset with a reduction of employee numbers in order to reduce overheads.

PT VELSEIS INDONESIA

Altura also has a 50% interest in and manages PT Velseis Indonesia, which conducts geophysical services including seismic and wireline logging.

The company is a joint venture between Altura and Brisbane-based wireline and seismic service provider, Velseis Pty Ltd.

Velseis currently has the capacity to operate 11 wireline units and regularly provides services in conjunction with Asiadrill on coal exploration and drilling programs.

FINANCIAL REPORT

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

REGISTERED OFFICE

Building 8, 22 Magnolia Drive
BROOKWATER QLD 4300
Telephone: +61 7 3814 6900
Facsimile: +61 7 3814 6911
Email: cosec@alturamining.com
www.alturamining.com

AUDITORS

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

COMPANY SECRETARIES

Noel Young
Damon Cox

AUSTRALIAN SECURITIES EXCHANGE

Code: AJM

SHARE REGISTRY

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

DIRECTORS' REPORT

YOUR DIRECTORS HAVE PLEASURE IN PRESENTING THE ANNUAL FINANCIAL REPORT OF ALTURA MINING LIMITED ("ALTURA" OR "THE COMPANY") AND ITS CONTROLLED ENTITIES ("THE GROUP") FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014.

DIRECTORS

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

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

COMPANY SECRETARIES

The names of the secretaries in office during the whole of the financial year and up to the date of this report are as follows:

Mr Noel Young
Mr Damon Cox

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were:

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

OPERATING AND FINANCIAL REVIEW

OVERVIEW

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

The main focus of the Group during the 2014 financial year was coal production at the Delta coal mine, construction of the Mt Webber DSO joint venture iron ore project, continued exploration of the Tabalong coal project and further exploration activities at the Pilgangoora lithium project.

OPERATING RESULTS

The consolidated entity's operating loss after providing for income tax and minority equity interests for the year ended 30 June 2014 was $7,017,662 (2013: loss $979,641). The loss in the 2014 year was higher than the 2013 result, mainly due to a write off of previously capitalised exploration expenditure during the year, and a significant foreign exchange loss due to a higher Australian dollar at year end.

STRATEGY

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

Altura is focussed on production at the Delta coal mine in the most economic manner during the current lower world coal prices environment, operation and planned expansion to 6 million tonne per annum (mtpa) of the Mt Webber DSO joint venture with Atlas Iron Limited, 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 continuing and completing pre-feasibility work at the Pilgangoora lithium project.

MINING PRODUCTION ASSETS

Delta Coal

During the year, Altura continued to hold its interest in the one-third owned Delta 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. During the 2013/14 financial year, the mine actually produced 1.376 million tonnes (mt) and sold 1.330 mt of coal despite the challenges of above average rainfall and lower coal prices. Altura has responsibility for the technical management of the Delta coal mine, and has initiated changes to the mine plan and renegotiated mining contractor rates to improve cost efficiencies.

Mt Webber DSO Joint Venture (Altura 30%)

Following the conclusion of negotiations with Atlas Iron in early July 2013 on the production joint venture agreement, work on the construction of the Mt Webber mine started. Mining commenced in December 2013 with the ore being stockpiled until the crusher became fully operational. Haulage of ore to Port Hedland began in July 2014.

The Mt Webber mine has an initial production rate of 3 mtpa (Altura 0.9 mtpa) which will increase to 6 mtpa (Altura 1.8 mtpa) following the completion of the Stage 2 development in December 2014.

Atlas operates and manages the Mt Webber DSO Project on behalf of the joint venture partners.

MINING DEVELOPMENT ASSETS

In addition to the Delta Coal and Mt Webber DSO mines, Altura has been working to progress the development of the Tabalong coal and Pilgangoora lithium projects.

Tabalong Coal

The Tabalong Coal Project is a premium grade thermal coal deposit located in South Kalimantan, Indonesia. Altura continues to await the grant of the last remaining statutory approval, a forestry permit, before it can commence construction at Tabalong.

Two experienced forestry consultants have been engaged to assist Altura through this complex process with the central and local government forestry departments, however the exact timing for the issue of the permits remains uncertain. Once this final regulatory approval is received, there will be a lead time of approximately six months from the start of construction until the first production of coal.

Pilgangoora Lithium

Altura has commenced prefeasibility studies on the Pilgangoora Lithium Project, which will include 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 institutions to locate a suitable off-take and possible strategic equity partner to assist in developing this world class project.

FINANCIAL POSITION

The net assets of the consolidated group are slightly lower in 2014 compared with the 2013 year, mainly due to the write off of previously capitalised exploration expenditure during the year.

Cash on hand was higher in 2014 as compared with 2013, and the 2014 current assets includes iron ore inventory on hand at 30 June 2014. Total assets as at 30 June 2014 are higher than in 2013 due to construction of the Mt Webber DSO project during the year, but borrowings are also higher due to the loan from Atlas Iron Limited for construction of the mine.

RISK

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

The Company has a joint venture with Atlas Iron Limited at Mt Webber, and as a minority partner in the project Altura has limited control over the operations of the mine.

DIVIDENDS

There were no dividends paid or declared during the year ended 30 June 2014 (2013: Nil).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year Altura agreed with its joint venture partner to construct the Mt Webber iron ore project, and divested its interest in the Balline Garnet Project for a cash consideration of A$4.5 million.

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No other matters have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Group will focus on the development of its coal assets including progression of the Tabalong Coal Project to commencement of mining subject to receipt of final approvals, and exploration of other coal tenements in Indonesia and the Philippines.

Altura will continue with the expansion of the Mt Webber DSO project, the pre-feasibility of the Pilgangoora lithium project and exploration of its tenements in Western Australia and the Northern Territory.

The Group will also continue to actively seek out coal and other mineral opportunities in South East Asia.

ENVIRONMENTAL PERFORMANCE

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

INFORMATION ON DIRECTORS

MR JAMES BROWN (MANAGING DIRECTOR)

Qualifications

Graduate Diploma in Mining from University of Ballarat.

Experience

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

Other current directorships in listed entities

- Sayona Mining Limited

Former directorships in last 3 years

- None

Special responsibilities

None

Interests in shares and options

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

MR PAUL MANTELL (NON-EXECUTIVE DIRECTOR)

Qualifications

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

Experience

Mr Mantell is an accountant with more than 30 years corporate experience in the mining and associated industries. He has been involved in all aspects of accounting and finance, financial reporting, taxation and administration, including the responsibilities of an ASX listed entity. His responsibilities have included arranging finance for mining and infrastructure projects both in Australia and Indonesia and for setting up corporate, administrative and financial systems to support new and expanding mining operations. He was appointed a director on 25 May 2009. Mr Mantell stepped down as an Executive Director of the Company in September 2013 to work on a number of projects in Asia for a period of approximately 12 months. Altura has interests in the projects but not a controlling one.

Other current directorships in listed entities

- None

Former directorships in last 3 years

- None

Special responsibilities

- None

Interests in shares and options

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

MR ALLAN BUCKLER (NON-EXECUTIVE DIRECTOR)

Qualifications

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

Experience

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

Other current directorships in listed entities

- Interra Resources Limited
- Sayona Mining Limited

Former directorships in last 3 years

- None

Special responsibilities

- Member of the Audit & Risk Committee
- Member of the Remuneration & Nomination Committee (since 25 June 2014)

Interests in shares and options

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

MR DAN O'NEILL (NON-EXECUTIVE DIRECTOR)

Qualifications

Bachelor of Science in geology from the University of Western Australia

Experience

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

Other current directorships in listed entities

- Sayona Mining Limited

Former directorships in last 3 years

- None

Special responsibilities

- Chairman of the Remuneration & Nomination Committee
- Member of the Audit & Risk Committee (since 25 June 2014)

Interests in shares and options

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

MR BENG TEIK KUAN (NON-EXECUTIVE DIRECTOR)

Qualifications

Bachelor of Engineering (University of Malaya).

Experience

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

Other current directorships in listed entities

- None

Former directorships in last 3 years

- None

Special responsibilities

- Chairman of the Audit & Risk Committee
- Member of the Remuneration & Nomination Committee

Interests in shares and options

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

COMPANY SECRETARIES

MR NOEL YOUNG

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

MR DAMON COX

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

REMUNERATION REPORT (AUDITED)

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

REMUNERATION POLICY

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

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

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

Remuneration packages may contain the following key elements:

a) Primary benefits – salary/fees, bonuses and non monetary benefits including the provision of a motor vehicle;

b) Post-employment benefits – including superannuation and prescribed retirement benefits; and

c) Equity – share options granted under the Employee Share Option Plan as disclosed in Note 24 to the financial statements.

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

PERFORMANCE-BASED REMUNERATION

The Company currently has no performance based remuneration in place.

COMPANY PERFORMANCE, SHAREHOLDER WEALTH AND DIRECTOR AND EXECUTIVE REMUNERATION

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

	2014	2013	2012	2011	2010
Revenues	7,610,019	7,370,049	10,424,210	9,047,665	10,067,199
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(5,588,222)	(535,167)	(1,719,227)	(997,721)	835,909
Net profit before tax (NPBT)	(6,530,675)	(1,044,269)	(1,580,280)	(1,235,695)	(198,719)
Net profit after tax and minority interest (NPAT)	(7,017,662)	(979,641)	(1,919,347)	(1,773,079)	(914,326)
Dividends paid	-	-	-	-	-
Weighted average number of Shares on issue	454,272,181	454,272,181	429,586,620	301,125,914	168,235,764
Earnings per share (EPS) – calculated based on the weighted average number of shares on issue	(1.54)	(0.22)	(0.45)	(0.59)	(0.54)

KEY MANAGEMENT PERSONNEL REMUNERATION POLICY

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

Payment of bonuses and share based compensation benefits is discretionary.

EMPLOYMENT CONTRACTS OF KEY MANAGEMENT PERSONNEL

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

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

Paul Mantell – up until 31 August 2013, Mr Mantell was an executive director of the Company. His agreement was of no fixed term and allowed for payment of an annual cash salary, reviewed each year, and superannuation. Provision of a motor vehicle or equivalent allowance and other non cash benefits was included. Three months notice of termination by either party was required, with a separation allowance equivalent to one year's gross salary to be paid if employment was terminated by the Company.

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

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

2014	Short-term benefits			Post-employment	Long-term benefits	Share based payments	Termination payments		
	Cash salary and fees $	Bonus $	Non-monetary benefits $	Super-annuation $	Long service leave $	Options $	$	Total $	Options as a percentage of total $
Non-executive directors									
A Buckler	60,000	-	-	5,550	-	8,564	-	74,114	11.6
D O'Neill	72,000	-	-	6,660	-	8,564	-	87,224	9.8
B Kuan	35,000	-	-	30,550	-	8,564	-	74,114	11.6
P Mantell#	21,900	-	9,493	20,833	-	11,418	-	63,645	17.9
Sub total non-executive directors	**188,900**	**-**	**9,493**	**63,593**	**-**	**37,110**	**-**	**299,097**	
Managing directors									
J Brown*	364,190	-	83,658	-	-	17,127	-	464.975	3.7
Executive directors									
P Mantell^	53,546	-	1,899	4,167	-	5,709	-	65,321	8.7
Other key management personnel									
N Young	137,500	-	24,116	12,719	-	2,652	-	176,987	1.5
D Cox	125,000	-	19,036	11,563	-	2,652	-	158,251	1.7
Total for key management personnel compensation	**680,236**	**-**	**128,709**	**28,449**	**-**	**28,140**	**-**	**865,534**	**-**
Total compensation	**869,136**	**-**	**138,202**	**92,042**	**-**	**65,250**	**-**	**1,164,631**	**-**

#Non-executive director from 1 September 2013.

*No superannuation is applicable as Mr Brown is based in Indonesia. The increase in Mr Brown's salary from 2013 is due to the translation of his USD based salary to AUD for reporting purposes.

^Executive director until 31 August 2013.

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

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

SHARES

There were no new shares issued to directors and key management personnel during the year ended 30 June 2014.

OPTIONS

There were no new options issued to directors and key management personnel as part of their remuneration for the year ended 30 June 2014.

The following options were on issue to directors and key management personnel as at 30 June 2014:

	Granted number	Grant date	Value per option at grant date $	Vested number	Exercise price $	First exercise date	Last exercise date
J Brown	2,000,000	13/12/2010	0.0942	2,000,000	0.2	1/10/2013	30/09/2015
P Mantell	2,000,000	13/12/2010	0.0942	2,000,000	0.2	1/10/2013	30/09/2015
A Buckler	1,000,000	13/12/2010	0.0942	1,000,000	0.2	1/10/2013	30/09/2015
D O'Neill	1,000,000	13/12/2010	0.0942	1,000,000	0.2	1/10/2013	30/09/2015
BT Kuan	1,000,000	13/12/2010	0.0942	1,000,000	0.2	1/10/2013	30/09/2015
N Young	350,000	1/10/2010	0.0893	350,000	0.2	1/10/2013	30/09/2015
D Cox	350,000	1/10/2010	0.0893	350,000	0.2	1/10/2013	30/09/2015
	7,700,000			**7,700,000**			

MEETINGS OF DIRECTORS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year there were 5 Directors' meetings, 3 Audit & Risk Committee meetings and 3 Remuneration & Nomination Committee meetings held.

	Directors' Meetings		Audit & Risk Committee*		Remuneration & Nomination Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
J Brown	5	5	-	-	-	-
P Mantell	5	5	-	-	-	-
A Buckler	5	5	3	3	1	1
D O'Neill	5	5	1	1	3	3
B Kuan	5	5	3	3	3	3

*During the year the Audit Committee was renamed the Audit & Risk Committee.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

OPTIONS

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

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

During the year ended 30 June 2014, no ordinary shares of Altura Mining Limited were issued on the exercise of options.

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

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not party to any such proceedings during the year.

NON-AUDIT SERVICES

The Company's auditor, Crowe Horwath Perth, did not provide any non-audit services to the Company during the year ended 30 June 2014.

ROUNDING OF AMOUNTS

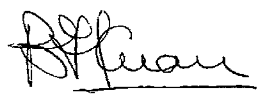
The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2014 has been received and is included on page 42 of the annual report.

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

On behalf of the Directors,



BT Kuan
Director

Signed at Melbourne this 26th day of September 2014.

Crowe Horwath

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Altura Mining Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

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

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

Crowe Horwath Perth

CROWE HORWATH PERTH

SEAN MCGURK
Partner

Signed at Perth, 26 September 2014

Crowe Horwath Perth is a member of Crowe Horwath International, a Swiss verein. Each member firm of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

CORPORATE GOVERNANCE STATEMENT

THIS REPORT SETS OUT THE KEY CORPORATE GOVERNANCE PRACTICES OF THE COMPANY DURING THE REPORTING PERIOD, PROVIDING DISCLOSURE TO THE EXTENT RECOMMENDED BY THE ASX IN ACCORDANCE WITH ITS "CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS WITH 2010 AMENDMENTS 2ND EDITION" (THE "ASX PRINCIPLES").

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

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

ASX CORPORATE GOVERNANCE PRINCIPLES

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

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

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

The board's responsibilities include:

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

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

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

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

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

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

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

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

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

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

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

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

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

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

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

The Company has a total of nine (9) employees in Australia, of which two (2) are women. The Company does not currently have any women on the board or in senior executive positions.

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

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

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

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

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

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

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

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

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

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

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

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

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

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

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

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

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

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

DEPARTURES FROM BEST PRACTICE RECOMMENDATIONS

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

RECOMMENDATION 2.1

A majority of the board should be independent directors.

Notification of departure

During the reporting period two (2) of the five (5) directors were independent, and as such, this does not constitute an absolute majority.

Explanation for departure

Four (4) of the five (5) current directors are non-executive directors, and the board considers that it has an appropriate balance between executive and non-executive directors as well as a complementary mix of skills and experience.

RECOMMENDATION 2.2

The chair should be an independent director.

Notification of departure

The Company does not have a permanent chairman, with the role at board meetings being rotated between the non-executive directors on a meeting by meeting basis.

Explanation for departure

The board considers that this arrangement is appropriate in the context of the current structure of the board and that the board is able to function effectively and efficiently on this basis.

RECOMMENDATION 3.2

Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.

Notification of departure

The Company has not established a diversity policy.

Explanation for departure

Given the Company's size and stage of development, the implementation of a specific policy on diversity is not considered appropriate. The Company will continue to recruit and manage employees on the basis of competence and performance, irrespective of their backgrounds and individual circumstances.

RECOMMENDATION 3.3

Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

Notification of departure

The Company has not established a diversity policy.

Explanation for departure

Given the Company's size and stage of development, the implementation of a specific policy on diversity is not considered appropriate. The Company will continue to recruit and manage employees on the basis of competence and performance, irrespective of their backgrounds and individual circumstances.

RECOMMENDATION 4.2

The audit committee should be structured so that it:

- consists only of non-executive directors
- consists of a majority of independent directors
- is chaired by an independent chair, who is not chair of the board
- has at least three members.

Notification of departure

The Audit & Risk Committee did not meet the composition requirements for the entire Reporting Period.

Explanation for departure

For most of the reporting period the Committee comprised two (2) non-executive directors of which one (1) is an independent director. The Committee has recently been increased to three (3) members, and will comply with this recommendation for the 2015 financial year.

RECOMMENDATION 8.2

The remuneration committee should be structured so that it:

- consists of a majority of independent directors
- is chaired by an independent chair
- has at least three members.

Notification of departure

The Remuneration & Nomination Committee did not meet the composition requirements for the entire Reporting Period.

Explanation for departure

For most of the reporting period the Committee comprised two (2) non-executive directors, both of whom are independent. The Committee has recently been increased to three (3) members, and will comply with this recommendation for the 2015 financial year.

DISCLOSURE ON COMPANY WEBSITE

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

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $'000	2013 $'000
Continuing operations			
Revenue	4(a)	7,445	7,042
Cost of sales	4(c)	(5,801)	(5,886)
Operating profit		**1,644**	**1,156**
Other income	4(b)	165	328
Expenses			
Administration costs	4(g)	(2,709)	(2,435)
Employee benefits expense	4(f)	(1,075)	(1,862)
Other expenses	4(d)	(114)	(114)
Foreign exchange movement		(1,109)	1,771
Exploration expenditure written off	14	(2,640)	-
Financing costs	4(e)	(354)	(135)
Share of net profit/(loss) of equity accounted investee, net of tax		(338)	246
Profit/(loss) before income tax		**(6,530)**	**(1,045)**
Income tax (expense)/benefit	6(a)	(625)	104
Profit/(loss) after income tax		**(7,155)**	**(941)**
Profit/(loss) attributable to:			
Owners of Altura Mining Limited		(7,017)	(980)
Non-controlling interest		(138)	39
		(7,155)	**(941)**

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE
COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $'000	2013 $'000
Profit/(loss) for the year		**(7,155)**	**(941)**
Other comprehensive income/(loss)			
Changes in the fair value of available-for-sale financial assets		228	(174)
Exchange differences on translation of foreign controlled entities		(145)	337
Other comprehensive income/(loss) for the year, net of tax		**83**	**163**
Total comprehensive income/(loss) for the year		**(7,072)**	**(778)**
Total comprehensive income/(loss) attributable to:			
Members of the parent entity		(6,792)	(908)
Non-controlling interest		(280)	130
		(7,072)	**(778)**
Earnings per share for profit/(loss) from continuing operations			
Basic earnings/(loss) per share (cents per share)	5	(1.54)	(0.22)
Diluted earnings/(loss) per share (cents per share)	5	(1.54)	(0.22)

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

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2014

	Note	2014 $'000	2013 $'000
Current assets			
Cash and cash equivalents	7	3,403	1,831
Trade and other receivables	8	2,081	2,475
Held to maturity investments	10	280	1,609
Inventories	9	3,529	3
Current tax prepaid		256	439
Other current assets	11	595	514
Total current assets		**10,144**	**6,871**
Non-current assets			
Other receivables	8	1,972	2,519
Available-for-sale financial assets	12	584	356
Property, plant and equipment	13	2,059	3,349
Exploration and evaluation	14	14,205	33,170
Mine development costs	15	29,508	-
Investments accounted for using the equity method	16	25,772	26,515
Intangible assets	17	4,529	4,529
Deferred tax asset	22(b)	9,715	10,036
Total non-current assets		**88,344**	**80,474**
Total assets		**98,488**	**87,345**
Current liabilities			
Trade and other payables	18	2,022	1,263
Interest bearing liabilities	19	15,079	4,123
Short term provisions	20	544	708
Total current liabilities		**17,645**	**6,094**
Non-current liabilities			
Interest bearing liabilities	19	16,818	12,841
Rehabilitation provision	21	2,815	-
Deferred tax liability	22(a)	9,348	9,698
Total non-current liabilities		**28,981**	**22,539**
Total liabilities		**46,626**	**28,633**
Net assets		**51,862**	**58,712**
Equity			
Contributed equity	23	74,562	74,562
Reserves	23	492	232
Accumulated losses		(23,870)	(16,853)
Capital and reserves attributable to owners of Altura Mining Limited		51,184	57,941
Non-controlling interest		678	771
Total equity		**51,862**	**58,712**

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

CONSOLIDATED STATEMENT OF

CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	Contributed equity $'000	Accumulated losses $'000	Option reserve $'000	Change in fair value – market valuation $'000	Foreign currency translation reserve $'000	Non-controlling interests $'000	Total $'000
Balance as at 30 June 2012	**74,517**	**(15,874)**	**518**	**-**	**(716)**	**275**	**58,720**
Total comprehensive income for the year	-	(979)	-	(174)	328	496	(329)
Transactions with owners in their capacity as owners:							
Option reserve on recognition of bonus element of options	-	-	321	-	-	-	321
Transfer from option reserve on expiry of options	45	-	(45)	-	-	-	-
Sub-total	**45**	**(979)**	**276**	**(174)**	**328**	**496**	**(8)**
Balance as at 30 June 2013	**74,562**	**(16,853)**	**794**	**(174)**	**(388)**	**771**	**58,712**
Balance as at 30 June 2013	**74,562**	**(16,853)**	**794**	**(174)**	**(388)**	**771**	**58,712**
Total comprehensive income for the year	-	(7,017)	-	228	(54)	68	(6,775)
Transactions with owners in their capacity as owners:							
Dividend paid to minority shareholder from subsidiary	-	-	-	-	-	(161)	(161)
Option reserve on recognition of bonus element of options	-	-	86	-	-	-	86
Sub-total	**-**	**(7,017)**	**86**	**228**	**(54)**	**(93)**	**(6,850)**
Balance as at 30 June 2014	**74,562**	**(23,870)**	**880**	**54**	**(442)**	**678**	**51,862**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $'000	2013 $'000
Cash flows from operating activities			
Receipts from customers		7,042	7,814
Sundry income		-	4
Interest received		81	336
Interest paid		(20)	(7)
Payments to suppliers and employees		(8,946)	(10,005)
Income tax		(546)	(322)
Net cash used in operating activities	**29(b)**	**(2,389)**	**(2,180)**
Cash flows from investing activities			
Expenditure on exploration and evaluation activities		(1,385)	(4,008)
Expenditure on property, plant and equipment		(185)	(592)
Acquisition of available-for-sale financial assets		-	(530)
Acquisition of equity accounted Investments		-	(12,846)
Proceeds from held to maturity investments		1,300	4,795
Proceeds from sale of property, plant and equipment		4,519	-
Net cash (used in)/provided by investing activities		**4,249**	**(13,181)**
Cash flows from financing activities			
Proceeds from hire purchase liabilities		-	31
Payment of hire purchase liabilities		(35)	(70)
Net cash provided by (used in) financing activities		**(35)**	**(39)**
Net increase/(decrease) in cash and cash equivalents held		**1,825**	**(15,400)**
Cash and cash equivalents at the beginning of year		1,831	17,221
Effect of exchange rate changes on cash holdings in foreign currencies		(253)	10
Cash and cash equivalents at the end of year	**29(a)**	**3,403**	**1,831**

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

NOTES TO THE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

THIS FINANCIAL REPORT INCLUDES THE CONSOLIDATED FINANCIAL STATEMENTS AND NOTES OF ALTURA MINING LIMITED AND CONTROLLED ENTITIES ('CONSOLIDATED GROUP' OR 'GROUP'). ALTURA MINING LIMITED IS A COMPANY LIMITED BY SHARES, INCORPORATED AND DOMICILED IN AUSTRALIA, WHOSE SHARES ARE PUBLICALLY TRADED ON THE AUSTRALIAN SECURITIES EXCHANGE LIMITED.

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

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements were authorised for issue on 26th September 2014 by the directors of the Company.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

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

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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

i. New and amended standards adopted by the Group

Altura Mining Limited was required to change some of its accounting policies as the result of new or revised accounting standards which became effective for the annual reporting period commencing on 1 July 2013.

The affected policies and standards are:

- Principles of consolidation – new standards AASB 10 *Consolidated Financial Statements and AASB 11 Joint Arrangements,* and
- Accounting for deferred mining costs – new AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*.

Other new standards that are applicable for the first time for the year ended 30 June 2014 are:

- AASB 12 *Disclosure of Interest in Other Entities,*
- AASB 13 *Fair Value Measurement,*

- AASB 119 *Employee Benefits,*
- AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities,* and
- AASB 2012-5 Amendments to Australian Accounting *Standards arising from Annual Improvements 2009-2011 Cycle.*

These standards have introduced new disclosures for the Annual Financial Report but did not affect the Group's accounting policies or any of the amounts recognised in the financial statements, except for the following:

Principles of consolidation – subsidiaries and joint arrangements
AASB 10 was issued in August 2011 and replaces the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements and in Interpretation 112 Consolidation – Special Purpose Entities.* Under the new principles, the Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group has reviewed its investments in other entities to assess whether the consolidation conclusion in relation to these entities is different under AASB 10 than under AASB 127. No differences were found and therefore no adjustments to any of the carrying amounts in the Annual Financial Report are required as a result of the adoption of AASB 10.

Under AASB 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. Altura Mining Limited has assessed the nature of its joint arrangements and it was determined that it had a joint operation, being the Mt Webber DSO Joint Venture.

The accounting for the Group's joint operation has not changed as a result of the adoption of AASB 11. The Group continues to recognise its direct right, and its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate headings.

Accounting for deferred mining costs – stripping costs

Under the Group's previous accounting policy, overburden in advance was charged to the Consolidated Statement of Profit or Loss as incurred. This methodology has been amended under AASB Interpretation ("IFRIC") 20. Production stripping costs are now capitalised as part of an asset, if it can be demonstrated that it is probable that future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved. The asset is called "stripping activity asset".

The stripping activity asset is amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied.

Production striping costs that do not satisfy the asset recognition criteria are expensed.

As required under IFRIC 20, the change in policy has been applied to production stripping costs incurred on or after the beginning of the earliest period presented, being 1 July 2012.

The Group has assessed the deferred mining cost that relates to the surface mining incurred since the date of transition, being 1 July 2012, and was unable to recognise any subsequent cost as an asset due to the recognition criteria under IFRIC 20 not being met.

ii. Impact of Standards issued but not yet applied by the Group

Australian Accounting Standards and interpretations issued but not yet applicable for the year ended 30 June 2014 have not been applied by the Group. The Group has not yet determined the potential impacts of the amendments on the Groups financial statements.

iii. Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2014.

iv. Historical cost convention

These financial statements have been prepared on an accrual basis and under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through profit or loss.

v. Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas including a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1n.

B. GOING CONCERN

For the year ended 30 June 2014, the Group had a loss before income tax of $6,530,000 (30 June 2013: loss before tax of $1,045,000) from continuing operations, and incurred operating cash losses of $2,389,000 (30 June 2013: operating cash loss of $2,180,000). As at 30 June 2014 the Group has current liabilities in excess of current assets of $7,501,000 (30 June 2013 excess current assets of $777,000).

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. The Group has budgeted and forecasted negative cashflows 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. In the event that the Group cannot continue as a going concern, it may not realise its assets and settle its liabilities in the normal course of operations and at the amounts stated in the financial statements.

This financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor to amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern

C. PRINCIPLES OF CONSOLIDATION

i. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Altura Mining Limited ('Company' or 'Parent Entity') as at 30 June 2014 and the results of the subsidiaries for the year then ended. Altura Mining Limited and its subsidiaries together are referred to in this financial report as the Group or Consolidated Entity.

The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

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

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

Non-controlling interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the equity section of the Consolidated Balance Sheet and in the Consolidated Income Statement. Losses applicable to the non-controlling interest in a consolidated subsidiary are allocated against the controlling interest except to the extent that the non-controlling interest has a binding obligation and is able to make additional investment to cover the losses. If in future years the subsidiary reports profits, such profits are allocated to the controlling interest until the non-controlling interest's share of losses previously absorbed by the controlling interest have been recovered.

The acquisition method of accounting is used to account for business combinations by the Group.

ii. Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Group's investments in associates includes goodwill identified on acquisition.

The Group's share of its associates post-acquisition profit or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction in the carrying amount of the investment.

iii. Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties undertake economic activities under joint control. Joint control exists only when the strategic, financial and operational policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control

A joint arrangement is either a joint operation or a joint venture. The structure of each joint arrangement is analysed to determine whether the joint arrangement is a joint operation or a joint venture. The classification of a joint arrangement is dependent on the rights and obligations of the parties to the arrangement.

iv. Joint operation

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 27.

v. Joint venture

A joint venture is structured through a separate vehicle and the parties have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method where the assets and liabilities will be aggregated into one line item on the face of the Consolidated Balance Sheet, after adjusting for the share of profit or loss after tax, which is shown as a separate line item on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income, after adjusting for amounts recognised directly in equity.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interests that, in substance, form a part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary, to ensure consistency with the policies adopted by the Group.

vi. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the owners of Altura Mining Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

D. BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred with the exception of stamp duty. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain on acquisition of subsidiaries.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

E. INCOME TAX

The charge for current income tax expense is based on the result for the year adjusted for any non assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

Deferred tax is calculated at the tax rates (and laws) that have been enacted, or substantially enacted by the end of the reporting period and are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Altura Mining Limited and some of its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax amounts, except for any deferred tax liabilities (or assets) resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2005. The tax consolidated group has entered a tax sharing agreement under which the wholly-owned entities fully compensate Altura Mining Limited for any current tax payable assumed and are compensated by Altura Mining Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Altura Mining Limited under the tax consolidated legislation.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements within the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

F. SEGMENT REPORTING

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating decision maker. The Chief Operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors.

G. PROPERTY, PLANT AND EQUIPMENT

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

Property

Freehold land and buildings are measured on the cost basis.

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

Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets.

Mine development

Mine development assets include all mining related development expenditure that is not included under land, buildings and plant and equipment. These capitalised costs are amortised over the life of the mine on a unit of production basis following the commencement of commercial production.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward mine development costs in relation to that area of interest. Mine development is written down immediately to its recoverable amount if the carrying value is greater than its estimated recoverable amount (on a CGU basis)

Depreciation

The depreciable amount of all fixed assets excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leased assets are depreciated over the asset's useful life or over the shorter of the assets useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

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

Class of fixed asset	Depreciation rate
Plant and equipment	20-50%
Leased plant and equipment	12.5%
Mine development	Units of production

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

H. EXPLORATION AND EVALUATION EXPENDITURE

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

Exploration and evaluation expenditure assets acquired in a business combination are recognised at their fair value at the acquisition date.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, the exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining development.

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

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

I. LEASES

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

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

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease terms if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the period of the lease.

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

J. IMPAIRMENT OF ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised immediately in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units, "CGUs"). For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs that are expected to benefit from the synergies of the combination.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

K. INVESTMENTS AND OTHER FINANCIAL ASSETS

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investment and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and in the case of assets classified as held to maturity, re-evaluates this designation at the end of each reporting period.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if they are expected to be settled within 12 months, otherwise they are classified as non-current.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in current trade and other receivables and non-current trade and other receivables (refer to note 8).

iii. Held-to-maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held to maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held to maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

iv. Available-for-sale financial assets

Available-for-sale financial assets, comprising principally unlisted marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs except where the financial asset is classified as fair value through profit or loss in which case transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income and reclassified to profit or loss as gains and losses from investment securities.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Available-for-sale financial assets, financial assets at fair value through profit or loss and held to maturity investments are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the Group's right to receive payments is established.

Investment in shares in unlisted companies, which do not have a quoted market price and whose fair value cannot be reliably measured, are classified as available-for-sale and are measured at cost. Gains or losses are recognised in profit or loss when the investments are derecognised or impaired.

Impairment

The Group assess at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is reclassified from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in profit or loss.

L. BORROWING COSTS

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

All other borrowing costs are recognised as an expense in the period in which they are incurred.

M. EMPLOYEE BENEFITS

i. Wages and salaries, annual leave and sick leave

Liabilities for employee benefits for wages, salaries, annual leave and accumulating sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on wage and salary rates that the Group expects to pay as at reporting date including related on costs, such as superannuation, workers compensation, insurance and payroll tax and are included in trade and other payables. Non-accumulating, non-monetary benefits such as housing and cars are expensed by the Group as the benefits are used by the employee.

Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee salary and wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

ii. Long service leave

The Group's net obligation in respect of long term service benefits is the amount of future benefit that employees have earned in return for their service to the reporting date. The obligation is calculated using expected future increases in wages and salary rates including related on costs and expected settlement dates, and is discounted using an appropriate discount rate.

The current liability for long service leave represents all unconditional obligations where employees have fulfilled the required criteria and also those where employees are entitled to a pro rata payment in certain circumstances and is included in the current provisions. The non-current provision for long service leave includes the remaining long service leave obligations.

iii. Superannuation

Contributions made by the Group to defined contribution superannuation funds are recognised as an expense in the period in which they are incurred.

iv. Equity-settled compensation

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

N. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Critical accounting estimates and judgements

Following is a summary of the key assumptions concerning the future, and other key sources of estimation and accounting judgements at reporting date that have not be disclosed elsewhere in these financial statements.

i. Determination of coal and iron ore resources and reserves

The Company estimates its coal and iron ore resources and reserves based on information compiled by JV Operator and Investee Competent Persons defined in the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (December 2004), which is prepared by the Joint Ore Reserves Committee ("JORC") of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, known as the JORC Code. Reserves determined in this way are used in the calculation of depreciation, amortisation and impairment charges, the assessment of mine lives and for forecasting the timing of the payment of rehabilitation costs.

The amount of reserves that may actually be mined in the future and the Company's estimate of reserves from time to time in the future may vary from current reserve estimates.

ii. Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If after expenditure is capitalised information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period when the new information becomes available.

iii. Impairment

The Group assess impairment by evaluation of conditions and events specific to the Company that may be indicative of impairment triggers. Goodwill is assessed for impairment at each reporting period. Recoverable amounts of relevant assets are reassessed using the higher of fair value less costs to sell and value in use calculations which incorporate various key assumptions (refer to note 16 and 17).

iv. Rehabilitation

The calculation of the provisions for rehabilitation and the related mine development assets rely on estimates of the cost to rehabilitate an area which is currently disturbed based on legislative requirements and future costs. The costs are estimated on the basis of a mine closure plan. Cost estimates take into account expectations about future events including the mine lives, the time of rehabilitation expenditure, regulations, inflation and discount rates. When these expectations change in the future, the provision and where applicable, the mine development assets are recalculated in the period in which they change.

v. Derivatives

The fair value of financial instruments must be estimated for recognition and measurement purposes.

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

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques that use observable market data at the reporting date where it is available.

vi. Income taxes

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

vii. Share-based payment transactions

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

O. PROVISIONS

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Rehabilitation costs

Provision is made for the Group's estimated liability arising under specific legislative requirements and the conditions of its exploration permits and mining leases for future costs expected to be incurred in restoring mining areas of interest. The estimated liability is based on the restoration work required using existing technology as a result of activities to date. The liability includes the cost of reclamation of the site, including infrastructure removal and land fill costs. An asset is created as part of the mine development asset, to the extent that the development relates to future production activities, which is offset by a current and non-current provision for rehabilitation (refer to note 21)

P. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Q. REVENUE

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue is recognised in the profit or loss as follows:

i. Sale of goods

Revenue from the sale of bulk commodities is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery, usually on a Free On Board ("FOB") basis.

ii. Dividends

Dividends are recognised as revenue when the right to receive payment is established.

iii. Interest

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

iv. Services

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

R. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant taxation authorities. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

S. FOREIGN OPERATIONS

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

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

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

T. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

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

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

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

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

U. GOODWILL AND INTANGIBLES

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised, it is tested for impairment at each reporting date or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

V. FINANCIAL LIABILITIES AND EQUITY

Non-derivative financial liabilities (including trade and other payables and interest-bearing liabilities excluding financial guarantees) are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest rate method. Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

All non-derivative financial liabilities are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

W. COMPARATIVE FIGURES

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

X. INVENTORIES

Consumable stores

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

Bulk commodities

Bulk commodity stockpiles are physically surveyed or estimated and valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling final product. Cost is determined by the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting materials into finished goods.

Y. FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Z. DEFERRED MINING COST

During the commercial production stage of open pit operations, production stripping costs comprises the accumulation of expenses incurred to enable access to the ore body (coal or iron ore), and includes direct removal costs and machinery and plant running costs.

Production stripping costs are capitalised as part of an asset if it can be demonstrated that it is probable that future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved. The asset is called "stripping activity asset".

The stripping asset is amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied.

Production stripping costs that do not satisfy the asset recognition criteria are expensed.

2. FINANCIAL RISK MANAGEMENT

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

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

	2014 $'000	2013 $'000
Financial assets		
Cash and cash equivalents	3,403	1,831
Trade and other receivables	2,081	2,475
Other current assets	431	469
Held to maturity investments	280	1,609
Available-for-sale investments	584	356
	6,779	**6,740**
Financial liabilities		
Trade and other payables	1,505	1,263
Interest bearing liabilities	31,897	16,964
	33,402	**18,227**

A. MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, securities prices, and coal and iron ore prices, will affect the Group's income or the value of its holdings of financial investments.

i. Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily in respect to the US dollar. Export coal and iron ore sales are denominated in US dollars and a strengthening of the Australian dollar against the US dollar has an adverse impact on earnings and cash flow settlement. Liabilities for some loans are denominated in currencies other than the Australian dollar and a weakening of the Australian dollar against other currencies has an adverse impact on earnings and cash flow settlement.

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

At 30 June 2014, the Group held funds in foreign currency amounting to US$546,000 (2013: US$600,000).

The Group does not enter into any hedging arrangements.

Foreign currency risk sensitivity analysis

At 30 June 2014, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the US Dollar that management considers to be reasonably possible, with all other variables remaining constant is as follows:

	2014 $'000	2013 $'000
Change in profit		
Improvement in AUD to USD by 11%	(32)	27
Decline in AUD to USD by 11%	32	(27)
Change in equity		
Improvement in AUD to USD by 11%	32	(27)
Decline in AUD to USD by 11%	(32)	27

ii. Price risk

The Group is exposed to iron ore and coal price risk and equity securities price risk. The Group currently does not have any hedges in place against the movements in the spot price of iron ore or coal.

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

	2014 $'000	2013 $'000
Change in profit		
Increase in equity value by 10%	-	-
Decrease in equity value by 10%	-	-
Change in equity		
Increase in equity value by 10%	(58)	(36)
Decrease in equity value by 10%	58	36

iii. Interest rate risk

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

Interest rate sensitivity analysis

At 30 June 2014, the effect on profit and equity as a result of changes in the interest rate that management considers to be reasonably possible, with all other variables remaining constant would be as follows:

	2014 $'000	2013 $'000
Change in profit		
Increase in interest rate by 1%	(21)	(4)
Decrease in interest rate by 1%	21	4
Change in equity		
Increase in interest rate by 1%	(21)	(4)
Decrease in interest rate by 1%	21	4

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

B. CREDIT RISK

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

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

C. LIQUIDITY RISK

Liquidity risk includes the risk that the Group will not be able to meet its financial obligations as they fall due. The Group will be impacted in the following ways:

i. Will not have sufficient funds to settle transactions on the due date;
ii. Will be forced to sell financial assets at a value which is less than what they are worth; or
iii. May be unable to settle or recover a financial asset at all.

The Group manages liquidity risk by monitoring forecast cash flows.

D. FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS

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

Consolidated Group

	Weighted average effective interest rate		Floating interest rate		Fixed interest rate maturing: Within 1 year		1 to 5 years		Over 5 years		Non-interest bearing		Total	
	2014 %	2013 %	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Financial assets														
Cash and cash equivalents	1.50	1.49	3,403	1,831	-	-	-	-	-	-	-	-	3,403	1,831
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	2,081	2,475	2,081	2,475
Investments	3.50	3.79	-	-	280	1,609	-	-	-	-	431	469	711	2,078
Total financial assets			**3,403**	**1,831**	**280**	**1,609**	**-**	**-**	**-**	**-**	**2,512**	**2,944**	**6,195**	**6,384**
Financial liabilities														
Trade and sundry payables	-	-	-	-	-	-	-	-	-	-	1,505	1,263	1,505	1,263
Lease liabilities	12.34	13.34	-	-	17	31	7	20	-	-	-	-	17	51
Related party loan	-	-	-	-	-	-	-	-	-	-	13,776	12,706	13,776	12,706
UJV funding facility	12.00	11.63	-	-	6,888	-	11,216	4,207	-	-	-	-	18,104	4,207
Total financial liabilities			**-**	**-**	**6,898**	**31**	**11,223**	**4,227**	**-**	**-**	**15,281**	**13,969**	**33,402**	**18,227**

Trade and sundry payables are expected to be paid as follows:

	2014 $'000	2013 $'000
Trade and sundry payables are expected to be paid as follows:		
Less than 6 months	1,505	1,263
More than 6 months	-	-
	1,505	**1,263**

E. FAIR VALUE MEASUREMENTS

i. Fair value hierarchy

The Group uses various methods in estimating the fair value of financial instruments. AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in accordance with the following fair value measurement hierarchy:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2014 and 30 June 2013.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2014				
Assets				
Listed investments	584	-	-	584
Total assets	**584**	**-**	**-**	**584**
2013				
Assets				
Listed investments	356	-	-	356
Total assets	**356**	**-**	**-**	**356**

ii. Valuation techniques

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets and liabilities held by the Group is the closing price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine the fair value for the remaining financial instruments.

3. SEGMENT INFORMATION

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

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

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

2014	Iron ore mining $'000	Coal mining $'000	Exploration services $'000	Mineral exploration $'000	Eliminations $'000	Total $'000
Revenue						
External sales	-	-	7,445	-	-	7,445
Other income	-	-	62	103	-	165
Other segments	-	-	2,520	-	(2,520)	-
Total segment revenue	**-**	**-**	**10,027**	**103**	**(2,520)**	**7,610**
Unallocated revenue						-
Total consolidated revenue						**7,610**
Segment result	-	(338)	(131)	(5,402)	-	(5,871)
Other segments	-	-	-	-	-	-
Unallocated expenses net of unallocated revenue						-
Profit/(loss) before income tax and finance costs						**(5,871)**
Finance costs						(353)
Share of profit of non-controlling interest						(168)
Profit/(loss) before income tax						**(6,392)**
Income tax expense						(625)
Net profit/(loss) for the year						**(7,017)**
Assets and liabilities						
Segment assets	33,037	25,772	4,791	25,173	-	88,773
Unallocated assets						9,715
Total assets						**98,488**
Segment liabilities	21,437	12,971	1,268	1,602	-	37,278
Unallocated liabilities						9,348
Total liabilities						**46,626**
Other segment information						
Capital expenditure	13,375	-	183	15	-	13,573
Exploration expenditure	-	-	-	4,308	-	4,308
Depreciation and amortisation	-	-	600	92	-	692

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

GEOGRAPHICAL SEGMENTS

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

2014	Australia $'000	Indonesia $'000	Other $'000	Eliminations $'000	Total $'000
Revenue					
External sales	-	7,445	-	-	7,445
Other income	103	62	-	-	165
Other segments	135	2,385	-	(2,520)	-
Total segment revenue	**238**	**9,892**	**-**	**(2,520)**	**7,610**
Unallocated revenue					-
Total revenue					**7,610**
Segment assets	46,542	42,310	98	-	88,950
Unallocated assets					9,715
Total assets					**98,665**
Capital expenditure	12,859	183	14	-	13,056
Exploration expenditure	1,498	2,810	-	-	4,308

2013	Australia $'000	Indonesia $'000	Other $'000	Eliminations $'000	Total $'000
Revenue					
External sales	-	7,042	-	-	7,042
Other income	316	10	2	-	328
Other segments	1,237	1,161	-	(2,398)	-
Total segment revenue	**1,553**	**8,213**	**2**	**(2,398)**	**7,370**
Unallocated revenue					
Total revenue					**7,370**
Segment assets	35,451	41,730	129	-	77,310
Unallocated assets					10,035
Total assets					**87,345**
Capital expenditure	169	399	24	-	592
Exploration expenditure	4,928	966	-	-	5,894

The Group has a number of customers to whom it provides services. The Group supplies two external customers in the services segment who account for 37% (USD$2,605,000) and 22% (USD$1,590,000) of external revenue (2013: 82%).

4. PROFIT/(LOSS) FROM ORDINARY ACTIVITIES

	2014 $'000	2013 $'000
a) Revenue		
Revenue from sales	7,445	7,042
Total sales revenues from ordinary activities	**7,445**	**7,042**
b) Other revenues		
Interest received from other corporations	103	318
Profit on sale of assets	61	-
Other revenue	1	10
Total other revenues from ordinary activities	**165**	**328**
Total revenue	**7,610**	**7,370**
c) Cost of sales		
Drilling costs	5,222	5,302
Depreciation – plant and equipment	579	543
Depreciation – plant and equipment leased	-	41
Total cost of sales	**5,801**	**5,886**
d) Other expenses		
Depreciation – plant and equipment	113	109
Loss on sale of assets	1	5
Total other expenses from ordinary activities	**114**	**114**
e) Financing costs		
Hire purchase interest expense	15	-
Interest expense	339	135
Total borrowing costs	**354**	**135**
f) Employee benefits expense		
Employee share scheme expense	86	321
Other employee benefits expense	989	1,541
Total employee benefits expense	**1,075**	**1,862**
g) Administration costs	**2,709**	**2,435**

5. EARNINGS/(LOSS) PER SHARE

	2014 cents per share	2013 cents per share
Basic earnings/(loss) per share	(2)	(0)

	2014 $'000	2013 $'000
Earnings (a)	(7,017)	(980)

	2014 number	2013 number
Weighted average number of ordinary shares (b)	454,272,181	454,272,181

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

	2014 $'000	2013 $'000
Net profit/(loss)	(6,629)	(980)
Earnings used in the calculation of basic EPS	(6,629)	(980)

b) As at 30 June 2014, Management options on issue had an exercise price in excess of the market price and are therefore anti-dilutive. There were 9,575,000 share options outstanding at the end of the year, these potential ordinary shares would reduce the loss per share from continuing ordinary operations on conversion, and hence these potential ordinary shares are not dilutive.

c) As at 30 June 2014, there were no listed share options outstanding.

6. INCOME TAX EXPENSE

a) The components of tax expense comprise:

	2014 $'000	2013 $'000
Current tax		
Current year	514	70
Adjustments in respect of prior periods	146	(149)
Deferred tax		
Current year deferred tax	(35)	(25)
Total income tax expense per income statement	**625**	**(104)**

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

	2014 $'000	2013 $'000
Profit/(loss) before tax	**(6,530)**	**(1,045)**
Income tax calculated at the Australian rate of 30%	(1,959)	(313)
Increase in income tax due to:		
Non-deductible expenses	1,366	154
Share compensation costs	26	96
Effect of current year tax losses derecognised	1,010	193
Effect of prior year tax losses derecognised	-	(63)
Under/(over) provision in prior year	146	(148)
Difference in overseas tax rates	36	(23)
Income tax expense	**625**	**(104)**

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

Tax losses not recognised – revenue	**5,629**	**4,661**

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

	2014			2013		
	Before tax amount $'000	Tax (expense) benefit $'000	Net of tax Amount $'000	Before tax amount $'000	Tax (expense) benefit $'000	Net of tax Amount $'000
Exchange differences on translating foreign controlled entities	(145)	-	(145)	337	-	337
Non-controlling interests	-	-	-	-	-	-
Available-for-sale financial assets	228	-	228	(174)	-	(174)
	83	**-**	**83**	**163**	**-**	**163**

d) Tax consolidation system

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

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

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

7. CASH AND CASH EQUIVALENTS

	2014 $'000	2013 $'000
Cash at bank and on hand	3,403	1,831

RECONCILIATION TO STATEMENT OF CASH FLOWS

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 30 June:

Cash at bank and on hand	3,403	1,831
Short-term deposits	-	-
Cash at bank and on hand	**3,403**	**1,831**

8. RECEIVABLES

	2014 $'000	2013 $'000
Current		
Trade and other receivables	2,081	2,475
	2,081	**2,475**
Non-current		
Other receivables – related parties*	1,972	2,519
	1,972	**2,519**

*These unsecured amounts are due from a minority party in the Tabalong coal project. Their recoverability is dependent on the commercial exploitation of certain mining tenements in the project. The timing of which is currently unknown, and as such the amounts have not been discounted. No losses are expected on these amounts.

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

	0-30 days $'000	31-60 days $'000	61-90 days $'000	90+ days $'000
2014 Consolidated	927	14	1,140	-
2013 Consolidated	1,614	678	183	-

9. INVENTORIES

	2014 $'000	2013 $'000
Consumables and stores – at cost	1	3
Bulk commodities – iron ore at cost	3,528	-
	3,529	**3**

10. HELD TO MATURITY INVESTMENTS

	2014 $'000	2013 $'000
Term deposits	280	1,609
	280	**1,609**

The term deposits are held to their maturity of less than one year and carry a weighted average fixed interest rate of 3.50% (2013: 3.79%). Due to their short term nature their carrying value is assumed to approximate their fair value. Information about the Group's exposure to credit risk is disclosed in Note 2.

11. OTHER CURRENT ASSETS

	2014 $'000	2013 $'000
Financial assets (security deposits)	165	84
Prepayments	430	430
	595	**514**

12. AVAILABLE-FOR-SALE FINANCIAL ASSESTS

	2014 $'000	2013 $'000
Listed investments at fair value	584	356
	584	**356**

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

13. PROPERTY, PLANT AND EQUIPMENT

2014	Motor vehicles $'000	Office equipment $'000	Plant and equipment $'000	Land $'000	Exploration $'000	Plant and equipment under lease $'000	Total $'000
Gross carrying amount							
Balance at 30 June 2013	629	662	6,635	642	144	119	8,831
Additions	2	73	123	-	-	-	198
Transfer	68	-	-	-	-	(68)	-
Exchange difference	(5)	(5)	(56)	-	-	(2)	(68)
Disposals	(33)	(47)	(484)	(628)	(5)	-	(1,197)
Balance at 30 June 2014	**661**	**683**	**6,218**	**14**	**139**	**49**	**7,764**
Accumulated depreciation							
Balance at 30 June 2013	403	363	4,578	-	115	23	5,482
Depreciation expense	59	101	496	-	15	20	691
Transfer	32	-	-	-	-	(32)	-
Exchange difference	20	25	(42)	-	-	5	8
Disposals	(33)	(45)	(393)	-	(5)	-	(476)
Balance at 30 June 2014	**481**	**444**	**4,639**	**-**	**125**	**16**	**5,705**
Net book value as at 30 June 2014	**180**	**239**	**1,579**	**14**	**14**	**33**	**2,059**

2013	Motor vehicles $'000	Office equipment $'000	Plant and equipment $'000	Land $'000	Exploration $'000	Plant and equipment under lease $'000	Total $'000
Gross carrying amount							
Balance at 30 June 2012	500	454	5,473	641	138	723	7,929
Additions	109	202	225	-	6	50	592
Transfer	39	-	625	-	-	(664)	-
Exchange difference	29	15	374	1	-	10	429
Disposals	(48)	(9)	(62)	-	-	-	(119)
Balance at 30 June 2013	**629**	**662**	**6,635**	**642**	**144**	**119**	**8,831**
Accumulated depreciation							
Balance at 30 June 2012	309	270	3,545	-	101	295	4,520
Depreciation expense	76	94	482	-	14	28	694
Transfer	20	-	281	-	-	(301)	-
Exchange difference	20	7	332	-	-	1	360
Disposals	(22)	(8)	(62)	-	-	-	(92)
Balance at 30 June 2013	**403**	**363**	**4,578**	**-**	**115**	**23**	**5,482**
Net book value as at 30 June 2013	**226**	**299**	**2,057**	**642**	**29**	**96**	**3,349**

14. EXPLORATION AND EVALUATION

	2014 $'000	2013 $'000
Exploration and evaluation expenditure at cost:		
Carried forward from previous year	33,170	27,276
Transfer to Mine development costs	(16,133)	-
Incurred during the year	4,308	5,864
Disposed during year	(4,500)	-
	16,845	**33,170**
Written off during the year	(2,640)	-
Total exploration and evaluation expenditure	**14,205**	**33,170**

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.

15. MINE DEVELOPMENT COSTS

	2014 $'000	2013 $'000
Mine development costs:		
Carried forward from previous year	-	-
Transfer from exploration and evaluation	16,133	-
Incurred during the year	13,375	-
Disposed during year	-	-
	29,508	**-**
Written off during the year	-	-
Total mine development costs	**29,508**	**-**

16. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	2014 $'000	2013 $'000
Non current assets		
Investments in associates (refer to note 1 C ii)	25,772	26,515
	25,772	**26,515**

IMPAIRMENT ASSESSMENT

The recoverable amount of the investment at 30 June 2014 was determined using the value in use method.

Value in use has been determined using a discounted cash flow model. The key assumptions to which the model is most sensitive include:

- Coal prices
- Foreign exchange rates
- Production and capital costs
- Discount rate
- Coal reserves and resources.

In determining the value assigned to each key assumption, management has used external sources of information and utilised the expertise of external consultants and experts within the Group to validate entity specific assumptions such as coal reserves and resources.

Furthermore, the Group's cash flow forecasts are based on estimates of future coal prices, which assume market prices will revert to the Group's assessment of the average long term real coal prices for 5,000 k/cal thermal coal of US$50 – US$55 per tonne. The Group receives long term forecast coal price data from externally verifiable sources when determining its coal price forecasts, making adjustments for specific coal quality factors. The source of the long term price data adopted by the Group during 2014 was consistent with that used by the Group in 2013.

The Group has based its long term AUD/USD exchange rate forecasts on externally verifiable sources.. The forecast exchange rate range declines from the 2014 year-end spot rate of $0.9400 per Reserve Bank of Australia to $0.8400 over the next five years.

Production and capital costs are based on the Investee's estimate of forecasted geological conditions, stage of existing plant and equipment and future production levels. This information is obtained from internally maintained budgets, life of mine models and project evaluations performed by the Investee in its ordinary course of business.

The Group has applied post-tax discount rates to discount the forecast future attributable post-tax cash flows. The equivalent pre-tax nominal discount rate is 12.84%. The post-tax discount rate applied to the future cash flow forecasts represent an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. This rate is also consistent with the Group's project evaluations performed in its ordinary course of business. Externally verifiable data received by the Group validates this assumption.

The recoverable amount is also dependent on the life of mine being in the range of 8 to 10 years. This is calculated based on the Investee's annual production forecast and coal reserves and resources.

Based on the above assumptions at 30 June 2014, the recoverable amount is determined to be above book value resulting in no impairment.

In addition various sensitivities have been considered for each of the key assumptions which further support the above conclusion.

After considering the inputs of the valuation model, the most sensitive input is determined to be revenue which is primarily dependent on estimated future coal prices and the AUD/USD forecast exchange rate. The model is also sensitive to current coal reserves and the cost of mining those reserves.

17. INTANGIBLE ASSETS

	2014 $'000	2013 $'000
Goodwill		
Cost	4,529	4,529
	4,529	**4,529**
Goodwill		
Balance at beginning of year	4,529	4,529
Closing balance at end of year	**4,529**	**4,529**

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

IMPAIRMENT ASSESSMENT

The recoverable amount of the CGU at 30 June 2014 was determined using the value in use method.

Value in use has been determined using a discounted cash flow model. The key assumptions to which the model is most sensitive include:

- Drilling service revenue
- Foreign exchange rates
- Discount rate.

In determining the value assigned to each key assumption, management has used external sources of information and utilised the expertise of external consultants and experts within the Group to validate entity specific assumptions such as drilling service revenue.

Furthermore the Groups cash flow forecasts are based on estimates of future drilling services revenue which assumes such revenue will revert to the Groups assessment of average long term annual revenue.

The Group has based its long term AUD/USD exchange rate forecasts on externally verifiable sources.. The forecast exchange rate range declines from the 2014 year-end spot rate of $0.9400 per Reserve Bank of Australia to $0.8400 over the next five years.

The Group has applied post-tax discount rates to discount the forecast future attributable post-tax cash flows. The equivalent pre-tax nominal discount rate is 12.84%. The post-tax discount rate applied to the future cash flow forecasts represent an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. This rate is also consistent with the Group's project evaluations performed in its ordinary course of business.

Based on the above assumptions at 30 June 2014, the recoverable amount is determined to be above book value for the CGU resulting in no impairment.

In addition, various sensitivities have been considered for each of the key assumptions which further support the above conclusion.

After considering the inputs of the valuation model, the most sensitive input is determined to be revenue which is primarily dependent on estimated further mining activity in the region.

18. TRADE AND OTHER PAYABLES

	2014 $'000	2013 $'000
Trade payables	2,022	1,263
	2,022	**1,263**

19. INTEREST-BEARING LIAIBLITIES

	2014 $'000	2013 $'000
Current borrowings		
Interest bearing		
Hire purchase liabilities (Note 33)	10	31
Joint venture partner*	6,888	-
Non interest bearing		
Vendor loan#	8,181	4,092
Total current borrowings	**15,079**	**4,123**
Non current borrowings		
Interest bearing		
Hire purchase liabilities (Note 33)	7	20
Joint venture partner*	11,216	4,207
Non interest bearing		
Loan from other entities^	1,265	-
Vendor loan#	4,330	8,614
Total non current borrowings	**16,818**	**12,841**

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 vendor loan totalling AUD$12.5 million (2013: AUD$12.7 million) represents the amount owing to the vendors of Evora Mining Inc. Further loan payments are due in January 2015 (USD$4.0 million), July 2015 (USD$4.2 million) and July 2016 (USD$4.3 million).

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

20. CURRENT PROVISIONS

	2014 $'000	2013 $'000
Employee benefits	544	708
Movements in provisions		
Short term employee benefits		
Opening balance	708	485
Provision increase/(decrease)	(75)	312
Expense incurred	(89)	(89)
Balance at year end	**544**	**708**

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

Provision for employee entitlements		
Current	544	708
Total	**544**	**708**

21. REHABILITATION PROVISION

	2014 $'000	2013 $'000
Non-current provision		
Rehabilitation and demobilisation	2,815	-
	2,815	**-**
Movements in provisions		
Rehabilitation and demobilisation		
Opening balance	-	-
Provision increase/(decrease)	2,815	-
Expense incurred	-	-
Balance at year end	**2,815**	**-**

The Group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred up to 2022. These provisions have been created based on the JV Operators internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the time of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future commodity prices, which are inherently uncertain (Note 1(ac)).

22. CURRENT TAXATION AND DEFERRED TAX LIABILITIES AND ASSETS

	2014 $'000	2013 $'000
a) Liabilities		
Current		
Income tax paid/payable	-	-
Non-current		
Deferred tax liability comprises:		
Unrealised foreign exchange gain	410	504
Tax allowances relating to exploration	7,675	9,187
Property, plant and equipment	926	-
Other	337	7
	9,348	**9,698**
b) Assets		
Non-current		
Deferred assets comprises:		
Provisions	1,106	219
Revenue losses	13,744	13,992
Revenue losses not recognised	(5,629)	(4,661)
Property, plant and equipment	-	122
Other	494	364
	9,715	**10,036**
c) Reconciliation of:		
Gross movements		
The overall movement in the deferred tax account is as follows:		
Opening balance – net deferred taxes	338	281
(Charge)/credit to income statement	35	57
(Charge)/credit to equity	(6)	-
Closing balance – net deferred taxes	**367**	**338**

23. CONTRIBUTED EQUITY

ISSUED CAPITAL

	2014 $'000	2013 $'000
454,272,181 (2013: 454,272,181) ordinary shares issued and fully paid	74,562	74,562

	2014		2013	
	Number	$'000	Number	$'000
Balance at the beginning of the financial year	454,272,181	74,562	454,272,181	74,517
Transfer from ESOP reserve	-	-	-	45
Balance at the end of the financial year	**454,272,181**	**74,562**	**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.

RESERVES

Option reserve

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

Foreign currency translation reserve

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

Change in fair value reserve

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

CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes to the consolidated entity's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Board effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and by share issues.

24. SHARE BASED PAYMENTS

OPTIONS

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

The purpose of this plan is to:

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

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

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

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

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

The Company had the following options on issue under the ESOP as at 30 June 2014:

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

	2014		2013	
	Number of options	**Weighted average exercise price $**	**Number of options**	**Weighted average exercise price $**
Outstanding at the beginning of the year	9,575,000	0.20	10,275,000	0.20
Granted	-	-	-	-
Forfeited/expired	-	-	(700,000)	0.20
Exercised	-	-	-	-
Outstanding at year-end	**9,575,000**	**0.20**	**9,575,000**	**0.20**
Exercisable at year-end	**9,200,000**	**0.20**	**-**	**-**

There were no new options issued to staff during the year ended 30 June 2014.

OPTIONS VALUATION

When options are issued, they are valued at grant date using a Black-Scholes option pricing model. The inputs and assumptions for options currently on issue at 30 June 2014 were:

	Granted on 1 Oct 2010	**Granted on 13 Dec 2010**	**Granted on 23 Dec 2011**
Option exercise price ($)	$0.20	$0.20	$0.20
Expected volatility (%)	105.66%	105.66%	87.30%
Dividend yield (%)	0%	0%	0%
Risk-free interest rate (%)	4.95%	5.42%	3.32%
Expected life of option (years)	5	5	5
Weighted average fair value at grant date	$0.09	$0.09	$0.08

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were $86,045 (2013: $320,675).

25. AUDITORS' REMUNERATION

	2014 $'000	**2013 $'000**
Amount paid or payable for the audit or review of the financial report	125	117
	125	**117**

26. KEY MANAGEMENT PERSONNEL COMPENSATION

A. NAMES AND POSITIONS HELD OF KEY MANAGEMENT PERSONNEL IN OFFICE AT ANY TIME DURING THE FINANCIAL YEAR ARE:

Directors	
James Brown	Managing Director
Paul Mantell	Non-Executive Director
Allan Buckler	Non-Executive Director
Dan O'Neill	Non-Executive Director
BT Kuan	Non-Executive Director
Key Management Personnel	
Noel Young	Group Financial Controller and Company Secretary
Damon Cox	Company Secretary

B. KEY MANAGEMENT PERSONNEL REMUNERATION

	2014 $'000	2013 $'000
Short-term employee benefits	968,975	1,205,738
Long-term employee benefits	-	-
Post employment benefits	92,042	84,605
Termination benefits	-	-
Share based payments	65,250	256,088
	1,126,267	**1,546,431**

C. OPTION HOLDINGS

Number of options held by key management personnel

2014	Balance at the start of the year	Granted as compensation	Exercised/ lapsed	Balance at end of the year	Vested and exercisable	Unvested
J Brown	2,000,000	-	-	2,000,000	2,000,000	-
P Mantell	2,000,000	-	-	2,000,000	2,000,000	-
A Buckler	1,000,000	-	-	1,000,000	1,000,000	-
D O'Neill	1,000,000	-	-	1,000,000	1,000,000	-
B Kuan	1,000,000	-	-	1,000,000	1,000,000	-
N Young	350,000	-	-	350,000	350,000	-
D Cox	350,000	-	-	350,000	350,000	-

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

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

D. SHARE HOLDINGS

Number of shares held by key management personnel

The number of shares in the Company held during the financial year by each director of Altura Mining Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2014	Balance at the start of the year	Purchased/ sold	Received on the exercise of options	Other changes	Balance at the end of the year
J Brown	3,718,300	-	-	-	3,718,300
P Mantell	9,233,083	-	-	-	9,233,083
A Buckler	82,146,845	-	-	-	82,146,845
D O'Neill	1,166,668	-	-	-	1,166,668
B Kuan	1,882,968	-	-	-	1,882,968
N Young	1,584,411	-	-	-	1,584,411
D Cox	250,000	-	-	-	250,000

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

27. INVESTMENTS IN OTHER ENTITIES

A. JOINT OPERATIONS

Altura Mining Limited has a 30% interest in the output of Mt. Webber Joint Venture, whose principal activity is the development and operation of an open cut iron ore mine. The principal place of business for the above joint operation is in Australia.

B. INTERESTS ARE HELD IN THE FOLLOWING ASSOCIATED COMPANIES:

	Principal activities	Country of incorporation	Ownership interest		Carrying amount of investment	
			2014 %	2013 %	2014 $'000	2013 $'000
Unlisted:						
Evora Mining Inc.*	Coal mining	British Virgin Islands	33⅓	33⅓	25,772	26,515
Merida Mining Pte. Ltd.	Holding and Investment	Singapore	33⅓	33⅓	-	-
					25,772	**26,515**

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

	2014 $'000	2013 $'000
a) Movement in carrying amounts		
Opening acquisition value	26,515	26,269
Share of profits after income tax	(338)	246
Foreign exchange movement	(405)	-
Dividends received/receivable	-	-
Carrying amount at the end of the financial year	**25,772**	**26,515**

Information relating to associated companies is set out below:

	2014 $'000	2013 $'000
b) Summarised financial information of associates		
Share of assets and liabilities		
Current assets	23,611	4,452
Non-current assets	3,925	1,553
Total assets	**27,536**	**6,005**
Current liabilities	22,959	3,806
Non-current liabilities	-	-
Total liabilities	**22,959**	**3,806**
Net assets	**4,577**	**2,199**
Share of revenues, expenses and profits		
Revenues	21,986	9,346
Expenses	22,324	9,029
Profit before income tax	**(338)**	**317**
Income tax expense	-	71
Profit after income tax	**(338)**	**246**

28. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1:

		Ownership interest	
	Country of incorporation	2014 %	2013 %
Name of entity			
Altura Exploration Pty Ltd	Australia	100	100
Australian Garnet Pty Ltd*	Australia	-	100
Altura Drilling Pty Ltd	Australia	100	100
Altura Lithium Pty Ltd	Australia	100	100
Minvest Australia Pty Ltd	Australia	100	100
Minvest International Corporation	Mauritius	100	100
Altura Asia Pte Ltd	Singapore	100	100
Altura Mining Philippines Inc.^	Philippines	40	40
PT Asiadrill Bara Utama	Indonesia	100	100
PT Altura Indonesia	Indonesia	100	100
PT Minvest Mitra Pembangunan	Indonesia	100	100
PT Cakrawala Jasa Pratama	Indonesia	100	100
PT Minvest Jasatama Teknik	Indonesia	100	100
PT Cybertek Global Utama	Indonesia	100	100

*Altura Mining Limited sold its wholly owned subsidiary, Australian Garnet Pty Ltd on 27th February 2014.

^Altura Mining Limited through its wholly owned subsidiary, Altura Asia Pte Ltd holds 40% direct equity in Altura Mining Philippines Inc. This entity is considered a subsidiary as the Group has full economic and management rights.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests in accordance with the accounting policy described in Note 1:

			Parent ownership interest		Non-controlling interest	
	Country of incorporation	Principal activities	2014 %	2013 %	2014 %	2013 %
PT Velseis Indonesia	Indonesia	Mining Services	50	50	50	50
PT Jasa Tambang Pratama*	Indonesia	Mining and Exploration	70	100	30	-
PT Cahaya Permata Khatulistiwa*	Indonesia	Mining and Exploration	70	-	30	-
PT Suryaraya Permata Cemerlang*	Indonesia	Mining and Exploration	70	-	30	-
PT Suryaraya Cahaya Khatulistiwa*	Indonesia	Mining and Exploration	70	-	30	-
PT Suryaraya Cahaya Cemerlang*	Indonesia	Mining and Exploration	70	-	30	-
PT Suryaraya Permata Khatulistiwa*	Indonesia	Mining and Exploration	70	-	30	-
PT Suryaraya Pusaka*	Indonesia	Mining and Exploration	70	-	30	-
PT Kodio Multicom	Indonesia	Mining and Exploration	56	80	44	20
PT Marangkayu Bara Makarti	Indonesia	Mining and Exploration	56	80	44	20

Altura Mining Limited, Altura Exploration Pty Ltd, Altura Lithium Pty Ltd and Australian Garnet Pty Ltd are included within the tax consolidation group. Australian Garnet Pty Ltd departed the tax consolidation group on the date of its sale.

*Altura Mining Limited through its wholly owned subsidiary, Altura Asia Pte Ltd holds 70% direct equity in these seven entities.

TRANSACTIONS WITHIN THE WHOLLY-OWNED GROUP

The wholly-owned group includes:

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

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

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

TRANSACTIONS WITH DIRECTORS

There have been no transactions with directors during the year.

SUMMARISED FINANCIAL INFORMATION

Summarised financial information of the subsidiary with non-controlling interests that are material to the consolidated entity are set out below:

2014	PT Velseis Indonesia $'000	PT Suryaraya Pusaka $'000	PT Kodio Multicom $'000	PT Marangkayu Bara Makarti $'000
Summarised statement of financial position				
Current assets	396	147	5	6
Non-current assets	274	1,189	1,544	2,195
Total assets	**670**	**1,336**	**1,549**	**2,201**
Current liabilities	100	-	6	11
Non-current liabilities	-	884	618	1,263
Total liabilities	**100**	**884**	**624**	**1,274**
Net assets	**570**	**452**	**925**	**927**
Summarised statement of profit or loss and other comprehensive income				
Revenue	695	-	-	-
Expenses	540	1	308	310
Profit/(loss) before income tax expense	155	(1)	(308)	(310)
Income tax expense/(benefit)	(134)	-	-	-
Profit/(loss) after income tax expense	289	(1)	(308)	(310)
Other comprehensive income	(13)	(24)	(20)	(19)
Total comprehensive income	**276**	**(25)**	**(328)**	**(329)**
Statement of cash flows				
Net cash from operating activities	(99)	20	3	(11)
Net cash used in investing activities	-	-	-	-
Net cash used in financing activities	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	**(99)**	**20**	**3**	**(11)**
Other financial information				
Profit attributable to non-controlling interests	138	(7)	(144)	(145)
Accumulated non-controlling interest at the end of reporting period	**246**	**(424)**	**(45)**	**(42)**

2013	PT Velseis Indonesia $'000	PT Suryaraya Pusaka $'000	PT Kodio Multicom $'000	PT Marangkayu Bara Makarti $'000
Summarised statement of financial position				
Current assets	570	-	2	16
Non-current assets	338	-	1,443	1,501
Total assets	**908**	**-**	**1,445**	**1,517**
Current liabilities	128	-	-	-
Non-current liabilities	-	-	192	261
Total liabilities	**128**	**-**	**192**	**261**
Net assets	**780**	**-**	**1,253**	**1,256**
Summarised statement of profit or loss and other comprehensive income				
Revenue	691	-	-	-
Expenses	599	-	7	-
Profit/(loss) before income tax expense	92	-	(7)	-
Income tax expense/(benefit)	11	-	-	-
Profit/(loss) after income tax expense	81	-	(7)	-
Other comprehensive income	72	-	138	139
Total comprehensive income	**153**	**-**	**131**	**139**
Statement of cash flows				
Net cash from operating activities	(44)	-	2	16
Net cash used in investing activities	-	-	-	-
Net cash used in financing activities	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	**(44)**	**-**	**2**	**16**
Other financial information				
Profit attributable to non-controlling interests	76	-	26	28
Accumulated non-controlling interest at the end of reporting period	**269**	**-**	**251**	**251**

29. NOTES TO STATEMENT OF CASH FLOWS

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

	2014 $'000	2013 $'000
Cash at bank and on hand (Note 7)	3,403	1,831
Cash per statement of cash flows	3,403	1,831

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

Operating loss after income tax	(7,155)	(941)
Adjustments for non-cash income and expense items:		
Option and share pricing	86	321
Interest expense	334	-
Depreciation of property, plant and equipment	692	693
Exploration expenditure written off	2,600	-
Share of (profits)/loss of associates and joint venture partnership	338	(246)
Foreign currency exchange rate movement	(348)	(262)
(Increase)/decrease in current tax prepaid	183	(439)
Increase/(decrease) in deferred tax balances	(29)	(58)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	394	322
(Decrease)/increase in other creditors and accruals	759	(1,741)
(Increase)/decrease in inventories	2	5
(Increase)/decrease in deposits and prepayments	(81)	(57)
Increase/(decrease) in current provisions	(164)	223
Net cash used in operating activities	**(2,389)**	**(2,180)**

c) Acquisition of entities

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

- July 2013 – 33⅓% interest in Merida Mining Pte. Ltd. a holding and investment entity; and
- December 2013 – 70% interest in PT Cahaya Permata Khatulistiwa and its subsidiaries.

d) Non-cash financing and investing activities

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

30. PARENT ENTITY DISCLOSURE

a) Summary of financial information

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

	2014 $'000 parent	2013 $'000 parent
Balance sheet		
Current assets	3,314	2,898
Total assets	61,302	66,832
Current liabilities	269	222
Total liabilities	269	222
Net assets	**61,033**	**66,610**
Equity		
Contributed equity	74,562	74,562
Reserves	880	794
Retained profits/(accumulated losses)	(14,409)	(8,746)
Total shareholder equity	**61,033**	**66,610**
Loss for the year	**(5,663)**	**(314)**
Total comprehensive loss for the year	**(5,663)**	**(314)**

b) Contingent liabilities

Contingent liabilities are disclosed in Note 32.

c) Contractual commitments

No later than one year	202	99
Later than one year and not later than five years	166	353
Later than five years	-	-
	368	**452**

31. SUBSEQUENT EVENTS

On 15th July 2014 the Group, with its joint venture partner Atlas Iron Limited, opened the Mt Webber DSO project located in the Pilbara region of Western Australia. The Group will recognise operational expenditures as governed by the joint venture agreement in subsequent financial years.

On 9th September 2014 the Group signed a Deed of Variation – Loan Agreement with Atlas Operations Pty Ltd, the provider of the funding facility for the Mt Webber DSO project. The facility was increased from $15,000,000 to 18,000,000. All other parts of the loan agreement remain unchanged.

32. CONTINGENT LIABILITIES

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

	2014 $'000	2013 $'000
The bankers of the Group and parent entity have issued undertakings and guarantees to the Department of Mines and Energy and various other entities. A subsidiary of the Group has entered into a conditional loan agreement.	157	1,269

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

33. COMMITMENTS

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

One of the Group's subsidiaries has contracted to provide up to a US$4 million facility to a minority party in the Tabalong coal project. The provision of the facility is contingent on project milestones being achieved. The facility will be repaid in accordance with the loan agreement between the parties. The likelihood of this proceeding is highly probable.

A. EXPLORATION WORK

The Company has certain obligations to perform minimum exploration work and expend minimum amounts on its wholly owned mining tenements. Obligations for the next 12 months are expected to amount to $362,695 (2013: $531,862). No estimate has been given of expenditure commitments beyond 12 months for its wholly owned tenements as this is dependent on the directors' ongoing assessment of operations and, in certain instances, native title negotiations. Tenement commitments where the company has partial ownership are detailed below.

	2014 $'000	2013 $'000
Mt Webber DSO project and associated tenements:		
No later than one year	57	-
Later than one year and not later than five years	229	-
Later than five years	811	-
	1,097	**-**

B. ASSET ACQUISITIONS

The Group has no commitments for asset acquisitions at 30 June 2014.

C. OPERATING LEASE

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

The commitment in respect of these leases is:

	2014 $'000	2013 $'000
No later than one year	670	440
Later than one year and not later than five years	212	393
Later than five years	-	-
	882	**833**

34. HIRE PURCHASE COMMITMENTS

HIRE PURCHASE AGREEMENTS

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

	2014 $'000	2013 $'000
No later than one year	10	31
Later than one year and not later than five years	7	20
Later than five years	-	-
	17	**51**
Included in the financial statements as:		
Current hire purchase liabilities (Note 19)	10	31
Non-current hire purchase liabilities (Note 19)	7	20
	17	**51**

DIRECTORS'
DECLARATION

IN THE DIRECTORS' OPINION:

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

   a. comply with Accounting Standards and the Corporations Regulations 2001; and

   b. give a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the financial year ended on that date;

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

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

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

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

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

BT Kuan
Director

Signed at Melbourne this 26th day of September 2014

Crowe Horwath

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Report
We have audited the accompanying financial report of Altura Mining Limited, which comprises the consolidated balance sheet as at 30 June 2014, and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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

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

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

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

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

Auditor's Opinion
In our opinion:

(a) the financial report of Altura Mining Limited is in accordance with the Corporations Act 2001 including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

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

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

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

Report on the Remuneration Report
We have audited the Remuneration Report included in pages 38 to 41 of the directors' report for the year ended 30 June 2014. The directors are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion
In our opinion, the Remuneration Report of Altura Mining Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

Crowe Horwath Perth

CROWE HORWATH PERTH

SEAN MCGURK
Partner

Signed at Perth, 26 September 2014

ADDITIONAL ASX

INFORMATION

SCHEDULE OF MINERAL PROPERTIES

Location	Tenement Number	Interest
Pilbara, Western Australia	E 45/2244	100%
	E 45/2268	100%
	E 45/2277	100%
	E 45/2287	100%
	E 45/2288	100%
	E 45/2312	100%
	E 45/2346	100%
	E 45/3488	100%
	P 45/2758	100%
	M 45/1209	30%
	M 45/1230	100%
	M 45/1231	100%
Mt Shoobridge, Northern Territory	EL 29549	100%
	MCN 60	100%
	MLN 296	100%
	MLN 544	100%
Tanami, Northern Territory	ELA 26626	100%
	ELA 26627	100%
	EL 26628	100%
	EL 29828	100%
Delta, East Kalimantan	PT Delta Ultima Coal	33⅓%
Tabalong, South Kalimantan	PT Suryaraya Permata Khatulistiwa	70%
	PT Suryaraya Cahaya Cemerlang	70%
	PT Suryaraya Pusaka	70%
	PT Kodio Multicom	56%
	PT Marangkayu Bara Makarti	56%
Catanduanes, Philippines	COC 182 (Area 3) - Catanduanes	100%

KEY TO TENEMENT TYPE:

E, EL: Exploration Licence
MCN: Mineral Claim Northern
P: Prospecting Licence
G: General Purpose Lease
M, ML: Mining Lease
MLN: Mineral Lease Northern

ISSUED CAPITAL

The issued capital of the company as at 30 September 2014 consists of 454,272,181 fully paid ordinary shares.

DISTRIBUTION OF SHAREHOLDINGS AND OPTION HOLDER AS AT 30 SEPTEMBER 2014

	Fully paid Ordinary Shares
Number of holders	1,729
Holders of less than a marketable parcel	322

Number of holders in the following distribution categories:

	Fully paid Ordinary Shares	Unlisted Options
0–1,000	159	-
1,001–5,000	230	-
5,001–10,000	215	-
10,001–100,000	817	-
100,001 and over	308	12
	1,729	12

TWENTY LARGEST SHAREHOLDERS – FULLY PAID SHARES

The names of the twenty largest shareholders as at 30 September 2014 are as follows:

Rank	Holder name	Units	% of issued
1	Shazo Holdings Pty Ltd	80,876,845	17.80%
2	MT Smith	41,710,822	9.18%
3	Hartco Nominees Pty Ltd	41,321,418	9.10%
4	Navibell Services Limited	34,892,128	7.68%
5	Farjoy Pty Ltd	29,227,382	6.43%
6	Flame Media Pty Ltd	13,522,097	2.98%
7	PK & MA Mantell	9,163,083	2.02%
8	Rookharp Investments Pty Ltd	8,648,470	1.90%
9	Rothstein Pty Ltd	6,496,183	1.43%
10	Finn Air Holdings Pty Ltd	5,450,000	1.20%
11	Citicorp Nominees Pty Ltd	5,357,076	1.18%
12	I Preece	4,881,082	1.07%
13	Crescent Nominees Limited	4,507,443	0.99%
14	D & H Mason Investments Pty Ltd	4,500,000	0.99%
15	UOB Kay Hian Private Limited	3,922,094	0.86%
16	Sand King Pty Ltd	3,612,500	0.80%
17	PYC Investments Pty Ltd	3,167,885	0.70%
18	JR & LA Wendt	3,000,020	0.66%
19	Hendo Family Superannuation Pty Ltd	2,800,000	0.62%
20	Aspac Mining Limited	2,600,000	0.57%
Total		**309,656,708**	**68.17%**

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders as disclosed in substantial shareholder notices received by the Company are:

Holder Name	Shares
MT Smith (Hartco Nominees Pty Ltd)	83,032,240
AC Buckler (Shazo Holdings Pty Ltd)	82,146,845
Farjoy Pty Ltd	29,227,382

VOTING RIGHTS ON ORDINARY SHARES

On a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder has one vote. On a poll, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder has one vote for each fully paid share held.

ON MARKET BUY BACK

There is no current on market buy back of Altura shares.

MINERAL RESOURCES AND ORE RESERVES STATEMENT

AS AT 30 JUNE 2014

MT WEBBER IRON ORE (ALTURA 30%)
Western Australia

Ore Reserve Estimation

Classification	Kt	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)	LOI (%)	Cafe (%)
Proved	20,900	57.7	5.8	2.0	0.09	0.02	8.7	63.2
Probable	12,600	55.3	8.4	2.9	0.08	0.03	8.7	60.5
Total	**33,500**	**56.8**	**6.8**	**2.3**	**0.08**	**0.02**	**8.7**	**62.2**

Cut-off grades of 53% were used for the Ibanez and Fender deposits, and 50% for the Gibson deposit.

The Mt Webber DSO project is a joint venture with Atlas Iron Limited (70%).

Atlas operates and manages the project on behalf of the joint venture partners, and this includes the responsibility for the preparation of estimates of mineral resources and ore reserves.

Please refer to Atlas' annual report for a summary of the governance arrangements and internal controls in place for these estimates.

The small depletion in the ore reserve over the past year (previously 33.9 Mt @ 56.8% Fe) is due to the commencement of mining at Mt Webber in December 2013.

DELTA COAL (ALTURA 33%)
East Kalimantan, Indonesia

Updated coal reserves and coal resources are currently being prepared for the Delta coal mine.

These estimations were not available at the time that the annual report went to print, but are expected to be completed and published later in the December quarter 2014.

A comparison with the previous year's estimate is therefore not currently able to be made.

TABALONG COAL (ALTURA 70%)
South Kalimantan, Indonesia

A revised coal resource estimate is currently being prepared for the entire Tabalong coal project.

This follows an exploration program on the SP, KM and MBM tenements which were acquired in 2012.

The updated estimation was not available at the time that the annual report went to print, but is expected to be completed and published later in the December quarter 2014.

A comparison with the previous estimate is therefore not currently able to be made.

PILGANGOORA LITHIUM

Western Australia

Mineral Resource Estimation

Classification	Tonnes	Li_2O (%)	Li_2O (tonnes)
Indicated	17,287,935	1.25	216,157
Inferred	7,869,330	1.20	94,185
Total	**25,157,265**	**1.23**	**310,342**

Based on 0.7% Li_2O cut-off grade

This estimate was first reported in 2012 in accordance with the 2004 JORC Code (see ASX release of 3 October 2012).

Since its publication there has been no new information or data that materially affects the existing calculation. As such, there is no change on the previous year's estimate.

The estimate was completed in house by Altura's geological team via the construction of a three-dimensional geological model using Micromine software. Block models were created within each of the pegmatite dyke wireframes with an Inverse Distance Weighting of the block model.

Micromine also provided expert consultancy services to Altura in order to advise and validate the estimation process.

COMPETENT PERSONS STATEMENTS

The information in this Mineral Resources and Ore Reserves (MROR) statement is based on, and fairly represents, information and supporting documentation prepared by the competent persons listed below.

The MROR statement for Pilgangoora Lithium has been prepared and approved by Mr Bryan Bourke, Altura's Exploration Manager.

Mt Webber Iron Ore

The information in this report that relates to Ore Reserve estimations for the Mt Webber JV Area, is based on information compiled under the guidance of and audited by Mr Srinivasa Rao Gadi, who is a member of the Australasian Institute of Mining and Metallurgy. Srinivasa Rao Gadi is a full time employee and shareholder of Atlas Iron Limited. Srinivasa Rao Gadi has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Srinivasa Rao Gadi consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Pilgangoora Lithium

The information in this report that relates to the Pilgangoora exploration results is based on information compiled by Mr Bryan Bourke, who is a member of the Australian Institute of Geoscientists and a full-time employee of Altura Mining Limited. Bryan Bourke has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Bryan Bourke consents to the inclusion of such information in this Report in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Email us at cosec@alturamining.com
Visit us at www.alturamining.com

ALTURA MINING
HEAD OFFICE

Building 8
22 Magnolia Drive
Brookwater Qld 4300 Australia
Tel +61 7 3814 6900
Fax +61 7 3814 6911

ALTURA MINING
PERTH OFFICE

Suite 5
25 Hamilton Street
Subiaco WA 6008 Australia
Tel +61 8 9488 5100
Fax +61 8 9488 5199

PT ALTURA
INDONESIA

7th Floor World Trade Centre
Jl. Jend. Sudirman Kav. 29-31
Jakarta 12920 Indonesia
Tel +62 21 521 1438
Fax +61 21 521 1463

PT ASIADRILL
BARA UTAMA

7th Floor World Trade Centre
Jl. Jend. Sudirman Kav. 29-31
Jakarta 12920 Indonesia
Tel +62 21 521 1241
Fax +61 21 521 1244