ALTURA Mining Limited

ABN 39 093 391 774

Half Year Financial Report

For the six months ended 31 December 2010

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Company's Annual Report for the year ended 30 June 2010 and any public announcements made by Altura Mining Limited ABN 39 093 371 774 during the half year in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

CONTENTS

CORPORATE DIRECTORY

DIRECTORS

James Brown – Managing Director
Paul Mantell – Executive Director
Allan Buckler – Non Executive Director
Beng Teik Kuan – Non Executive Director
Dan O'Neill – Non Executive Director

COMPANY SECRETARY

Damon Cox
Noel Young

REGISTERED OFFICE

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AUDITORS

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PERTH WA 6000

SHARE REGISTRY

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Level 15, 324 Queen Street
BRISBANE QLD 4000

AUSTRALIAN SECURITIES EXCHANGE

Code: AJM, AJMOA

Altura Mining Limited and Controlled Entities
ABN 39 093 391 774

Directors Report – 31 December 2010

Your directors have pleasure in presenting the financial statements of Altura Mining Limited ("Altura" or "the Company") for the financial half-year ended 31 December 2010. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

DIRECTORS

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

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

OPERATING RESULTS

The consolidated entity's operating loss after providing for income tax for the half-year ended 31 December 2010 was $894,250 (2009: loss of $1,448,664).

REVIEW OF OPERATIONS

During the half-year, the consolidated entity:

a) Continued in the Mt Webber DSO project joint venture in the Pilbara with Atlas Iron Limited, with activities during the six months including further drilling in the project area;

b) Carried out an initial drilling program at the Pilgangoora lithium project in the Pilbara and undertook some field mapping work in preparation for further drilling in early 2011;

c) Further assessed alternative transport routes at the Tabalong coal project in Indonesia, while awaiting final approvals to proceed with development of the mine;

d) Continued pre-development evaluations and approvals at the Balline alluvial garnet project located south of Kalbarri in Western Australia, including a review of the mine plan and mining method to address a strengthening Australian dollar;

e) Completed a rights issue including a shortfall placement raising a total of $16.9 million before costs to enable the Group to contribute to exploration costs at Mt Webber, to conduct further work on the Balline garnet project, for exploration activities in Western Australia and Northern Territory and for general capital including allowing the Group to pursue coal and other mineral opportunities in South East Asia.;

f) Carried out further exploration activities at its other Western Australian and Northern Territory tenements; and

g) Continued to operate the profitable mining services businesses of Asiadrill and Velseis (50% owned).

Rounding of Amounts

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the half-year ended 31 December 2010 has been received and is included on page 3 of the report.

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

On behalf of the directors,

BT Kuan

BT Kuan
Director

Dated at Perth on this 8th day of March 2011

Crowe Horwath™

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Altura Mining Limited and its controlled entities for the half-year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been:

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

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

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Perth, WA

Dated this 8th day of March 2011

Consolidated Income Statement
for the half-year ended 31 December 2010

	Note	31 December 2010 $000	31 December 2009 $000
Continuing operations			
Revenue	3(a)	4,513	4,463
Cost of sales	3(c)	(3,380)	(3,261)
Gross profit / (loss)		1,133	1,202
Other income	3(b)	377	62
Administration costs		(1,598)	(1,790)
Other expenses	3(d)	(102)	(156)
Foreign exchange movement		(442)	(262)
Financing costs	3(e)	(105)	(106)
Profit / (loss) before income tax		(737)	(1,050)
Income tax benefit / (expense)		(157)	(399)
Profit / (loss) after income tax		(894)	(1,449)
Profit / (loss) attributable to:			
Members of the parent entity		(918)	(1,545)
Non-controlling interest		24	96
		(894)	(1,449)

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

Consolidated Statement of Comprehensive Income / (Loss)
for the half-year ended 31 December 2010

	31 December 2010 $000	31 December 2009 $000
Profit / (loss) after income tax	(894)	(1,449)
Other comprehensive income / (loss)		
Exchange differences on translation of foreign controlled entities	(560)	(377)
Other comprehensive income / (loss) for the period, net of tax	(560)	(377)
Total comprehensive income / (loss) for the period	(1,454)	(1,826)
Total comprehensive income / (loss) attributable to:		
Members of the parent entity	(1,478)	(1,545)
Non-controlling interest	24	(281)
	(1,454)	(1,826)
Earnings per share for profit / (loss) from continuing operations		
Basic earnings/(loss) per share (cents per share)	(0.32)	(1.02)
Diluted earnings/(loss) per share (cents per share)	(0.32)	(1.02)

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

Altura Mining Limited and Controlled Entities
ABN 39 093 391 774

Consolidated Balance Sheet
as at 31 December 2010

	Note	31 December 2010 $000	30 June 2010 $000
Current assets			
Cash and cash equivalents		13,290	1,873
Trade and other receivables		2,070	2,366
Held to maturity investments		2,730	-
Current tax prepaid		318	191
Other current assets		267	303
Total Current Assets		18,675	4,733
Non current assets			
Property, plant and equipment		3,858	4,291
Exploration and evaluation		17,984	16,942
Intangible assets		4,529	4,529
Deferred tax asset		5,315	4,996
Total non current assets		31,686	30,758
Total assets		**50,361**	**35,491**
Current liabilities			
Trade and other payables		759	1,021
Interest bearing liabilities		161	189
Short term provisions		429	524
Total Current Liabilities		1,349	1,734
Non current liabilities			
Interest bearing liabilities		2,105	2,172
Deferred tax liability		5,201	4,842
Total non current liabilities		7,306	7,014
Total liabilities		**8,655**	**8,748**
Net assets		**41,706**	**26,743**
Equity			
Contributed equity		55,146	38,781
Reserves		182	135
Foreign currency translation reserve		(686)	(126)
Accumulated (losses)		(13,252)	(12,339)
Parent interest		41,390	26,451
Non-controlling interests		316	292
Total equity		**41,706**	**26,743**

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

Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2010

	Share capital ordinary $000	Retained earnings $000	Option reserve $000	Foreign currency reserve $000	Non-controlling interest $000	Total $000
Balance as at 30 June 2009	27,401	(11,934)	646	65	352	16,530
Other comprehensive income	-	(1,545)	-	(377)	96	(1,826)
Total comprehensive income for the period	-	(1,545)	-	(377)	96	(1,826)
Transactions with owners in their capacity as owners:						
Issue of shares on exercise of options	820	-	-	-	-	820
Issue of shares	10,523	-	-	-	-	10,523
Option reserve on recognition of bonus element of options	-	-	34	-	-	34
Transfer from option reserve on exercise of options	35	-	(35)	-	-	-
Sub-Total	11,378	(1,545)	(1)	(377)	96	9,551
Balance as at 31 December 2009	**38,779**	**(13,479)**	**645**	**(312)**	**448**	**26,081**
Balance as at 30 June 2010	38,781	(12,339)	135	(126)	292	26,743
Other comprehensive income	-	(918)	-	(560)	24	(1,454)
Total comprehensive income for the period	-	(918)	-	(560)	24	(1,454)
Transaction with owners in their capacity as owners:						
Issue of shares on exercise of options	6	-	-	-	-	6
Issue of shares	16,359	-	-	-	-	16,359
Option reserve on recognition of bonus element of options	-	-	52	-	-	52
Transfer from option reserve on expiry of options	-	5	(5)	-	-	-
Sub-Total	16,365	(913)	47	(560)	24	14,963
Balance as at 31 December 2010	**55,146**	**(13,252)**	**182**	**(686)**	**316**	**41,706**

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

Consolidated Statement of Cash Flows
for the half-year ended 31 December 2010

	31 December 2010 $000	31 December 2009 $000
Cash flows from operating activities		
Receipts from customers	4,417	4,113
Sundry Income	59	28
Interest received	177	27
Interest paid	(105)	(106)
Payments to suppliers and employees	(4,821)	(5,879)
Income tax (paid)/refunded	(339)	(315)
Net cash provided by (used in) operating activities	(612)	(2,132)
Cash flows from investing activities		
Expenditure on development and rehabilitation	-	(1)
Expenditure on exploration	(1,196)	(10,373)
Expenditure on property, plant and equipment	(272)	(353)
Proceeds from sale of investment	-	260
Proceeds from / (payments for) held to maturity investments	(2,730)	-
Proceeds from sale of property plant and equipment	-	562
Net cash provided by (used in) investing activities	(4,198)	(9,905)
Cash flows from financing activities		
Issue of shares	16,937	11,890
Payments for issue of equity securities	(572)	(547)
Proceeds from hire purchase liabilities	-	36
Payment of hire purchase liabilities	(60)	(152)
Loan funds received	-	1,000
Reduction/ (Increase) in performance bond	-	154
Net cash provided by (used in) financing activities	16,305	12,381
Net increase/(decrease) in cash held	11,495	344
Cash and cash equivalents at the beginning of period	1,873	1,030
Effect of exchange rates on cash holdings in foreign currencies	(78)	(81)
Cash and cash equivalents at the end of period	13,290	1,293

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

Notes to the Financial Statements
for the half-year ended 31 December 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.* Compliance with ASAB 134 ensures compliance with International Accounting Standards IAS 34: Interim Financial Reporting.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Altura Mining Limited and its controlled entities (the Group) during the half-year ended 31 December 2010 in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Groups' 2010 annual financial report for the financial year ended 30 June 2010, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group include:

- Amendments to AASB 5, 8, 101, 107, 117, 118, 136 and 139 as a consequence of AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project.
- Amendments to AASB 132 as a consequence of AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues.

AASB 2009-5 introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the current/non-current classification of convertible instruments, the classification of expenditure on unrecognised assets in the statement of cash flows and the classification of leases of land and buildings.

AASB 2009-10 outlines amendments to a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instrument.

The adoption of these amendments has not resulted in any changes to the Group's accounting policies and have no affect on the amounts reported for the current or prior periods.

Notes to the Financial Statements (continued)
for the half-year ended 31 December 2010

2. SEGMENT INFORMATION

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

	Services $000	Minerals $000	Eliminations $000	Total $000
Half-year 2010				
Revenue				
External sales and other income	4,322	191	-	4,513
Other income	93	284	-	377
Other segments	198	235	(433)	-
Total segment revenue	4,613	710	(433)	-
Unallocated revenue				-
Total consolidated revenue				4,890
Segment result	458	(1,090)	-	(632)
Unallocated expenses net of unallocated revenue				-
Profit / (loss) before income tax and finance costs				(632)
Finance costs	(12)	(93)		(105)
Share of profit of non controlling interest				(24)
(Loss) before income tax				(761)
Income tax (expense) / benefit				(157)
Net (loss) for the period				(918)
Assets & liabilities				
Segment assets	10,279	34,767	-	45,046
Unallocated assets				5,315
Total assets				50,361
Segment liabilities	2,171	1,283	-	3,454
Unallocated liabilities				5,201
Total liabilities				8,655
Other segment information				
Capital expenditure	219	53		272
Exploration expenditure		1,196		1,196
Depreciation	317	37		354

Notes to the Financial Statements (continued)
for the half-year ended 31 December 2010

2. SEGMENT INFORMATION (continued)

	Services $000	Minerals $000	Eliminations $000	Total $000
Half-year 2009				
Revenue				
External sales and other income	4,463	-	-	4,463
Other income	28	34		62
Other segments	119	228	(347)	-
Total segment revenue	4,610	262	(347)	-
Unallocated revenue				-
Total consolidated revenue				4,525
Segment result	193	(1,137)	-	(944)
Unallocated expenses net of unallocated revenue				-
Profit / (loss) before income tax and finance costs				(944)
Finance costs	(18)	(88)	-	(106)
Share of profit of non controlling interest				(96)
(Loss) before income tax				(1,146)
Income tax (expense) / benefit				(399)
Net (loss) for the period				(1,545)
Assets & liabilities				
Segment assets	12,672	17,675	-	30,347
Unallocated assets				4,655
Total assets				35,002
Segment liabilities	1,890	2,538	-	4,428
Unallocated liabilities				4,493
Total liabilities				8,921
Other segment information				
Capital expenditure	323	30		353
Exploration expenditure		10,373		10,373
Depreciation	523	33		556

Notes to the Financial Statements (continued)
for the half-year ended 31 December 2010

3. PROFIT/ (LOSS) FROM ORDINARY ACTIVITIES

		31 December 2010 $000	31 December 2009 $000
(a)	**Revenue from ordinary activities**		
	Revenue from sales	4,513	4,463
	Total sales revenues from ordinary activities	4,513	4,463
(b)	**Other revenues from ordinary activities**		
	Interest received from other corporations	281	27
	Profit / (loss) on sale of shares	-	6
	Profit / (loss) on sale of assets	37	-
	Other revenue	59	29
	Total other revenues from ordinary activities	377	62
	Total revenue	4,890	4,525
(c)	**Cost of sales**		
	Drilling costs	3,076	2,745
	Depreciation - plant & equipment	264	476
	Depreciation - plant & equipment leased	40	40
	Total cost of sales	3,380	3,261
(d)	**Other expenses from ordinary activities**		
	Depreciation - plant & equipment	42	32
	- plant & equipment under lease	8	8
	Exploration	-	(37)
	Option pricing	52	35
	Loss on sale of assets	-	118
	Total other expenses from ordinary activities	102	156
(e)	**Borrowing costs**		
	Hire purchase interest expense	12	-
	Interest expense	93	106
	Total borrowing costs	105	106

Notes to the Financial Statements (continued)
for the half-year ended 31 December 2010

4. DIVIDENDS

The Company has not paid a dividend during the period and no interim dividend is recommended.

5. SUBSEQUENT EVENTS

There have been no subsequent events since 31 December 2010.

6. CONTINGENT LIABILITIES

No change has occurred since 30 June 2010.

7. RELATED PARTY DISCLOSURE

Altura Mining Limited (Altura) has a loan facility from Hartco Nominees Pty Ltd (a nominee service company owned 100% by HLB Mann Judd). The total loan owing by Altura to Hartco Nominees as at 31 December 2010 is $2,000,000. The loan is unsecured with interest being payable monthly at a commercial interest rate. Allan Buckler, a Director of Altura holds shares in Altura through Hartco Nominees Pty Ltd.

8. CONTRIBUTED EQUITY

	31 December 2010 $000	30 June 2010 $000
Issued capital		
325,625,815 (2009: 195,346,429) ordinary shares	55,146	38,779

	31 December 2010		30 June 2010	
	No.	**$'000**	**No.**	**$'000**
Fully paid ordinary shares				
Balance at the beginning of the financial year	195,351,787	38,781	195,346,429	38,779
Rights issue	82,391,322	10,711	-	-
Issue as private placement	47,843,201	6,219	-	-
Issue on exercise of options	39,505	6	5,358	2
Share issue costs		(571)		-
Balance as at 31 December	325,625,815	55,146	195,351,787	38,781

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

Issuance of ordinary shares

On 30 August 2010, the Company issued an additional 82,391,322 ordinary shares as part of a rights issue. On 20 September 2010 the Company issued an additional 47,843,201 ordinary shares under a shortfall private placement. In total these transactions raised $16.9 million before costs.

All issued 130,234,523 shares are fully paid.

9. HELD TO MATURITY INVESTMENTS

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

Directors' Declaration

The directors declare that:

1. The financial statements and notes as set out on pages 4 to 13 are in accordance with the *Corporations Act 2001* and:

   (a) comply with the Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 31 December 2010 and of the performance for the half-year ended on that date of the consolidated entity;

2. In the director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

BT KUAN
Director

Dated at Perth this 8th day of March 2011

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

REPORT ON THE HALF-YEAR FINANCIAL REPORT

We have reviewed the accompanying half-year financial report of Altura Mining Limited and its Controlled Entities (the consolidated entity), which comprises the consolidated balance sheet as at 31 December 2010, and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with the Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Altura Mining Limited and its Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Perth, WA
Dated this 8th day of March 2011