



ABN 39 093 391 774

Half Year Financial Report

For the six months ended 31 December 2011

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 2011 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*.

Altura Mining Limited and Controlled Entities
ABN 39 093 391 774

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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 SECRETARIES

Damon Cox
Noel Young

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AUDITORS

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Level 6, 256 St George's Terrace
PERTH WA 6000

SHARE REGISTRY

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

AUSTRALIAN SECURITIES EXCHANGE

Code: AJM

Altura Mining Limited and Controlled Entities
ABN 39 093 391 774

Directors Report – 31 December 2011

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 2011. 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 2011 was \$501,322 (2010: loss of \$894,250).

REVIEW OF OPERATIONS

During the half-year, the consolidated entity:

- a) Obtained Operation Production approval at the Tabalong Coal Project and commenced the process to obtain the Forestry Land Use Permits (Pinjam Pakai) which is the key remaining permit required to allow coal mining to proceed;
- b) Continued the exploration drilling program at the Pilgangoora lithium project in the Pilbara and released a maiden resource estimate for the project;
- c) 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;
- d) Received a total of \$18.5 million before costs on the exercise of shareholder options. Funds will be used to enable the Group to develop the Tabalong Coal Project, to continue the exploration drilling program at the Pilgangoora lithium project, to contribute to exploration costs at Mt Webber, and for general working capital including allowing the Group to pursue coal and other mineral opportunities in South East Asia.;
- e) Carried out further exploration activities at its other Western Australian and Northern Territory tenements; and
- f) 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 2011 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
Director

Dated at Perth on this 13th day of March 2012

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 2011, 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



SEAN MCGURK
Partner

Signed at Perth, 13 March 2012

Altura Mining Limited and Controlled Entities
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Consolidated Income Statement
for the half-year ended 31 December 2011

	Note	31 December 2011 \$000	31 December 2010 \$000
Continuing operations			
Revenue	3(a)	4,566	4,513
Cost of sales	3(c)	(3,208)	(3,380)
		1,358	1,133
Gross profit / (loss)			
Other income	3(b)	616	377
Administration costs		(1,136)	(800)
Employee benefit expense		(1,282)	(850)
Other expenses	3(d)	(72)	(50)
Foreign exchange movement		304	(442)
Financing costs	3(e)	(38)	(105)
		(250)	(737)
Profit / (loss) before income tax			
Income tax benefit / (expense)		(251)	(157)
		(501)	(894)
Profit / (loss) after income tax			
Profit / (loss) attributable to:			
Members of the parent entity		(544)	(918)
Non-controlling interest		43	24
		(501)	(894)
		(501)	(894)

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

Altura Mining Limited and Controlled Entities
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Consolidated Statement of Comprehensive Income / (Loss)
for the half-year ended 31 December 2011

	31 December 2011 \$000	31 December 2010 \$000
Profit / (loss) after income tax	(501)	(894)
Other comprehensive income / (loss)		
Exchange differences on translation of foreign controlled entities	251	(560)
Other comprehensive income / (loss) for the period, net of tax	251	(560)
Total comprehensive income / (loss) for the period	(250)	(1,454)
Total comprehensive income / (loss) attributable to:		
Members of the parent entity	(267)	(1,478)
Non-controlling interest	17	24
	(250)	(1,454)
 Earnings per share for profit / (loss) from continuing operations		
Basic earnings/(loss) per share (cents per share)	(0.11)	(0.32)
Diluted earnings/(loss) per share (cents per share)	(0.11)	(0.32)

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 2011

	Note	31 December 2011 \$000	30 June 2011 \$000
Current assets			
Cash and cash equivalents		16,992	5,455
Trade and other receivables		2,904	1,875
Held to maturity investments		10,775	8,750
Inventories		5	-
Current tax prepaid		159	195
Other current assets		473	491
Total Current Assets		31,308	16,766
Non current assets			
Property, plant and equipment		3,557	3,633
Exploration and evaluation		23,964	19,991
Intangible assets		4,529	4,529
Deferred tax asset		5,703	5,860
Total non current assets		37,753	34,013
Total assets		69,061	50,779
Current liabilities			
Trade and other payables		2,902	1,387
Interest bearing liabilities		126	2,186
Short term provisions		431	442
Total Current Liabilities		3,459	4,015
Non current liabilities			
Interest bearing liabilities		13	46
Deferred tax liability		5,659	5,816
Total non current liabilities		5,672	5,862
Total liabilities		9,131	9,877
Net assets		59,930	40,902
Equity			
Contributed equity		74,352	55,239
Option reserve		359	308
Foreign currency translation reserve		(716)	(967)
Accumulated losses		(14,498)	(14,069)
Parent interest		59,497	40,511
Non-controlling interests		433	391
Total equity		59,930	40,902

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

Altura Mining Limited and Controlled Entities
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Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2011

	Share capital ordinary \$000	Accumulated losses \$000	Option reserve \$000	Foreign currency reserve \$000	Non- controlling interest \$000	Total \$000
Balance as at 30 June 2010	38,781	(12,339)	135	(126)	292	26,743
Profit / (Loss) after income tax	-	(918)	-	-	24	(894)
Other comprehensive income	-	-	-	(560)	-	(560)
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 expense	-	-	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
Balance as at 30 June 2011	55,239	(14,069)	308	(967)	390	40,901
Profit / (Loss) after income tax	-	(544)	-	-	43	(501)
Other comprehensive income	-	-	-	251	-	251
Total comprehensive income for the period	-	(544)	-	251	43	(250)
Transaction with owners in their capacity as owners:						
Issue of shares on exercise of options	18,542	-	-	-	-	18,542
Issue of shares	571	-	-	-	-	571
Option expense	-	-	166	-	-	166
Transfer from option reserve on expiry of options	-	115	(115)	-	-	-
Sub-Total	19,113	(429)	51	251	43	19,029
Balance as at 31 December 2011	74,352	(14,498)	359	(716)	433	59,930

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

Altura Mining Limited and Controlled Entities
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Consolidated Statement of Cash Flows
for the half-year ended 31 December 2011

	31 December 2011 \$000	31 December 2010 \$000
Cash flows from operating activities		
Receipts from customers	3,781	4,417
Sundry Income	40	59
Interest received	560	177
Interest paid	(38)	(105)
Payments to suppliers and employees	(4,533)	(4,821)
Income tax (paid)/refunded	(235)	(339)
Net cash provided by (used in) operating activities	<u>(425)</u>	<u>(612)</u>
Cash flows from investing activities		
Expenditure on exploration	(2,483)	(1,196)
Expenditure on property, plant and equipment	(251)	(272)
Proceeds from / (payments for) held to maturity investments	(2,025)	(2,730)
Proceeds from sale of property plant and equipment	27	-
Net cash provided by (used in) investing activities	<u>(4,732)</u>	<u>(4,198)</u>
Cash flows from financing activities		
Issue of shares	18,544	16,937
Payments for issue of equity securities	-	(572)
Payment of hire purchase liabilities	(93)	(60)
Repayment of loan	(2,000)	-
Net cash provided by (used in) financing activities	<u>16,451</u>	<u>16,305</u>
Net increase/(decrease) in cash and cash equivalents held	11,294	11,495
Cash and cash equivalents at the beginning of period	5,455	1,873
Effect of exchange rates on cash holdings in foreign currencies	243	(78)
Cash and cash equivalents at the end of period	<u><u>16,992</u></u>	<u><u>13,290</u></u>

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 2011**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The half-year report covers the consolidated financial statements of the consolidated entity comprising Altura Mining Limited and its controlled entities (the Group). The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report of the Company and any public announcements made during the half year.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current 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 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2011 annual financial report for the financial year ended 30 June 2011. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

The adoption of all of the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has had no effect on the amounts reported for the current or prior periods

Notes to the Financial Statements (continued)
for the half-year ended 31 December 2011

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	Minerals	Eliminations	Total
	\$000	\$000	\$000	\$000
Half-year 2011				
Revenue				
External sales and other income	4,074	492	-	4,566
Other income	62	554	-	616
Other segments	392	155	(547)	-
Total segment revenue	4,528	1,201	(547)	-
Unallocated revenue				-
Total consolidated revenue				5,182
Segment result				
Unallocated expenses net of unallocated revenue	1,025	(1,237)		(212)
Profit / (loss) before income tax and finance costs				(212)
Finance costs	(8)	(30)		(38)
Share of profit of non controlling interest				(43)
(Loss) before income tax				(293)
Income tax (expense) / benefit				(251)
Net (loss) for the period				(544)
Assets & liabilities				
Segment assets	10,999	52,359		63,358
Unallocated assets				5,703
Total assets				69,061
Segment liabilities	1,273	2,199		3,472
Unallocated liabilities				5,659
Total liabilities				9,131
Other segment information				
Capital expenditure	228	23		251
Exploration expenditure	-	3,172		3,172
Depreciation	318	34		352

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Notes to the Financial Statements (continued)
for the half-year ended 31 December 2011

2. SEGMENT INFORMATION (continued)

	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	<u>4,613</u>	<u>710</u>	<u>(433)</u>	<u>-</u>
Unallocated revenue				-
Total consolidated revenue				<u>4,890</u>
Segment result				
Unallocated expenses net of unallocated revenue	458	(1,090)		(632)
Profit / (loss) before income tax and finance costs				<u>(632)</u>
Finance costs	(12)	(93)		(105)
Share of profit of non controlling interest				<u>(24)</u>
(Loss) before income tax				<u>(761)</u>
Income tax (expense) / benefit				<u>(157)</u>
Net (loss) for the period				<u>(918)</u>
Assets & liabilities				
Segment assets	10,279	34,767		45,046
Unallocated assets				<u>5,315</u>
Total assets				<u>50,361</u>
Segment liabilities	2,171	1,283		3,454
Unallocated liabilities				<u>5,201</u>
Total liabilities				<u>8,655</u>
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 2011

3. PROFIT/ (LOSS) FROM ORDINARY ACTIVITIES

	31 December 2011 \$000	31 December 2010 \$000
(a) Revenue from ordinary activities		
Revenue from sales	4,566	4,513
Total sales revenues from ordinary activities	4,566	4,513
(b) Other revenues from ordinary activities		
Interest received from other corporations	554	281
Profit / (loss) on sale of assets	22	37
Other revenue	40	59
Total other revenues from ordinary activities	616	377
Total revenue	5,182	4,890
(c) Cost of sales		
Drilling costs	2,906	3,076
Depreciation - plant & equipment	261	264
Depreciation - plant & equipment leased	41	40
Total cost of sales	3,208	3,380
(d) Other expenses from ordinary activities		
Depreciation - plant & equipment	50	42
- plant & equipment under lease	-	8
Exploration	22	-
Total other expenses from ordinary activities	72	50
(e) Borrowing costs		
Hire purchase interest expense	5	12
Interest expense	33	93
Total borrowing costs	38	105

4. DIVIDENDS

The Company has not paid a dividend during the period and no interim dividend is recommended. (2010: \$nil)

5. SUBSEQUENT EVENTS

There have been no subsequent events since 31 December 2011.

6. CONTINGENT LIABILITIES

As disclosed in the Financial Statements for the year ended 30 June 2011 a contingent liability of approximately \$2,000,000 had been made for the Consolidated Group's 30% share of the exploration expenditure in the Mt Webber Exploration UJV. Provision has been made in the Consolidated Group's Financial Statements for this exploration expenditure.

No other change has occurred since 30 June 2011.

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Notes to the Financial Statements (continued)
for the half-year ended 31 December 2011

7. RELATED PARTY DISCLOSURE

Altura Mining Limited (Altura) had a loan from Hartco Nominees Pty Ltd (a nominee service company owned 100% by HLB Mann Judd). The loan was repaid in full during the period.

8. CONTRIBUTED EQUITY

	31 December 2011 \$000	30 June 2011 \$000
<u>Issued capital</u>		
453,522,181 (2010: 326,249,913) ordinary shares	74,352	55,239

	31 December 2011		30 June 2011	
	No.	\$'000	No.	\$'000
Fully paid ordinary shares				
Balance at the beginning of the financial period	326,249,913	55,239	195,351,787	38,781
Rights issue	-	-	82,391,322	10,711
Issue as private placement	-	-	47,843,201	6,219
Issue on exercise of options	123,622,268	18,543	663,603	100
Issue on employee bonus payments	3,650,000	571	-	-
Share issue costs	-	(1)	-	(572)
Balance at the end of the financial period	453,522,181	74,352	326,249,913	55,239

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

During August 2011 and September 2011 the Company issued 123,622,268 shares on the exercise of listed options. In December 2011 the Company issued 3,650,000 shares as part of directors and employees remuneration.

All 127,272,268 shares issued during the 6 months to 31 December 2011 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.

10. KEY MANAGEMENT PERSONEL

Details of the Group's Key Management Personnel Compensation arrangements are provided in the Remuneration Report and the Notes to the Financial Statements contained in the Group's Annual Report for the year ended 30 June 2011. Subsequent to the 30 June 2011 reporting date, 3,650,000 shares have been issued to the Directors and certain key management personnel for a value of \$508,275.

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 Standard AASB134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2011 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 13th day of March 2012

**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 condensed statement of financial position as at 31 December 2011, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity, the consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the consolidated entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report*, 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 Altura Mining Limited and its controlled entities' financial position as at 31 December 2011 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Altura Mining Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.


CROWE HORWATH PERTH
SEAN MCGURK
Partner

Signed at Perth, 13 March 2012