ALTIUS MINING LIMITED

ABN 35 126 540 547

Interim Financial Report

for the half-year ended 31 December 2012

ALTIUS MINING LIMITED
ABN 35 126 540 547

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Current Reporting Period:	Half-year ended 31 December 2012
Previous Reporting Period:	Half-year ended 31 December 2011

Results for announcement to the market		**A$**
Revenue from ordinary activities	Down 6%	121,016
Loss after tax attributed to members	Up 20%	(1,719,575)
Loss for the half-year attributed to members	Up 20%	(1,719,575)

The loss of Altius Mining Limited ("Altius") and its subsidiaries (the "consolidated entity") for the half-year ended 31 December 2012, after income tax, amounted to $1,719,575 (2011: $1,431,670).

Dividends

It is not proposed to pay dividends

Other information	**31 December 2012**	**31 December 2011**
Net Tangible Assets per ordinary share	0.0425	0.0821

The financial information provided is based on the half-year condensed financial report (attached), which has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS).

The half-year financial report has been independently reviewed and is not subject to a qualified independent review conclusion.

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ALTIUS MINING LIMITED
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COMPANY PARTICULARS

DIRECTORS
Xiao Jing Wang (Executive Chairman)
Edward McCormack (Non-Executive Director)
David Herszberg (Non-Executive Director)
Jia Yu (Non-Executive Director)
John Zee (Executive Director)

COMPANY SECRETARY
John Zee

CHIEF EXECUTIVE OFFICER
Graeme Fraser

CHIEF FINANCIAL OFFICER
Robert Ng

REGISTERED OFFICE
Altius Mining Ltd
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Telephone: (61) 3 9826 2352
Facsimile: (61) 3 9827 3517

SHARE REGISTRY
Computershare Investor Services Pty Ltd
452 Johnston Street
Abbotsford Vic 3067

BANKERS
Westpac Banking Corporation
509 Toorak Road
Toorak VIC 3142

AUDITORS
Hayes Knight Audit Pty Ltd
Level 12, 31 Queens Street
Melbourne VIC 3000

SECURITIES EXCHANGE LISTING
Altius Mining Limited shares are listed on the Australian Securities Exchange.
ASX Code: AYM

ALTIUS MINING LIMITED
ABN 35 126 540 547

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial report for the half-year ended 31 December 2012.

DIRECTORS

The names of Directors in office at any time during or since the end of the half-year (unless otherwise stated) are:

Xiaojing Wang	(Non-Executive Director, appointed 6/1/12, suspended 20/1/12, retired 6/2/12, reappointed 2/5/12 as executive Chairman)
Jia Yu	(Non-Executive Director, appointed 6/1/12, suspended 20/1/12, retired 6/2/12, reappointed 2/5/12)
David Herszberg	(Non Executive director appointed 9/2/12)
John Zee	(Executive Director, appointed 14/5/12, Secretary, appointed 31/5/12)
Edward McComack	(CEO and director, appointed 14/5/12, ceased CEO role on 13/9/12 but remain as non executive director)

REVIEW OF OPERATIONS

The losses of Altius Mining Limited ("Altius") and its subsidiaries (the "consolidated entity") for the half-year ended 31 December 2012, after income tax, amounted to $1,719,575 (2011: $1,431,670).

During the reporting period the company has strengthened the technical/management team with the appointment of Graeme Fraser, a geologist with over 15 years' experience in the international mining and exploration sectors.

Subsequent to Mr Fraser's appointment the technical team has been further strengthened and streamlined by the closing of the Canberra exploration office and the expansion of the Melbourne office with some highly experienced personnel. These changes will see much of the previous outsourced work now being completed in-house.

Based on a review of our NSW tenements, a number of partial and complete relinquishments were finalized during the reporting period. The details of these changes were set out in the Quarterly Activities report as at end of December 2012.

OPERATIONS AFTER HALF-YEAR END

Based on a complete review of all Altius' projects, conducted by the new management team and approved by the board of directors, an exploration program has been finalized for the first half of 2013. Key components of this program involve:

- An inverse polarization geophysical survey at the Forsyth project
- Potential drilling at Forsyth following the completion of the IP survey
- Drilling at the "Just in time" prospect in Forsyth
- Drilling at the Sofala project in NSW
- Seeking possible joint ventures and "farm-in" for the other non-core tenement assets

ALTIUS MINING LIMITED
ABN 35 126 540 547

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the independence declaration by the lead auditor under section 307C is included on page 6 of these half-year financial statements.

This report is made in accordance with a resolution of the Board of Directors and is signed for on behalf of the directors by:

……………………………………………………………………
Director
Dated in Melbourne, Australia on this 14 day of March 2013

Hayes Knight Audit
chartered accountants
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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ALTIUS MINING LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2012 there have been:

a. no contraventions of the auditor independence requirements as set out in 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.

Hayes Knight Audit Pty Ltd
Melbourne

Richard S. Cen
Director

Dated this 14 day of March 2013

ALTIUS MINING LIMITED
ABN 35 126 540 547

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	31 December **2012** $	2011 $
Interest Revenue	**121,016**	128,429
Other income		
Total revenue and other income	**121,016**	128,429
Employee benefits expense	**(411,500)**	(413,514)
Depreciation and amortisation expense	**(851)**	(4,112)
Travel and accommodation expenses	**(142,972)**	(149,413)
Consultants fees	**(78,193)**	(68,832)
IPO expenses	**-**	(427,672)
Rent expense	**(32,333)**	(29,145)
Legal fees	**(178,245)**	(174,668)
Insurance	**(25,684)**	(57,390)
Bad debt expense	**-**	(21,069)
Finance costs	**(114,801)**	(79,101)
Impairment of exploration asset	**(539,986)**	-
Other expenses	**(316,026)**	(135,183)
Total expenses	**(1,840,591)**	(1,560,099)
Loss before income tax benefit	**(1,719,575)**	(1,431,670)
Income tax benefit		
Loss after income tax benefit attributable to the members of Altius Mining Limited	**(1,719,575)**	(1,431,670)
Other comprehensive income	**-**	-
Total comprehensive loss attributable to the members of Altius Mining Limited	**(1,719,575)**	(1,431,670)
	Cents	Cents
Basic loss per share	**(0.380)**	(0.650)
Diluted loss per share	**(0.380)**	(0.650)

The consolidated statement of comprehensive income is to be made in conjunction with the notes to the financial statements.

ALTIUS MINING LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	31 December 2012	30 June 2012
Current Assets		$	$
Cash and cash equivalents		**5,547,859**	3,922,416
Other receivables		**132,024**	61,586
Other assets		**150**	3,863
Non-current assets classified as held for sale		**-**	1,592,500
Total Current Assets		**5,680,033**	5,580,365
Non-Current Assets			
Other assets including cash- backed environmental bonds		**357,374**	359,476
Property, plant and equipment		**421,370**	1,038,036
Exploration and evaluation assets	2	**17,848,844**	16,288,708
Total Non-Current Assets		**18,627,588**	17,686,220
Total Assets		**24,307,621**	23,266,585
Current Liabilities			
Trade and other payables		**778,067**	398,589
Borrowings		**15,847**	2,513,777
Provisions		**36,757**	24,003
Total Current Liabilities		**830,671**	2,936,369
Non-Current Liabilities			
Borrowings		**-**	8,769
Other payables		**1,455,617**	1,455,617
Total Non-Current Liabilities		**1,455,617**	1,464,386
Total Liabilities		**2,286,288**	4,400,755
Net Assets		**22,021,333**	18,865,830
Equity			
Issued capital	3	**35,511,691**	30,636,612
Reserves		**323,550**	323,550
Accumulated losses		**(13,813,908)**	(12,094,332)
Total Equity		**22,021,333**	18,865,830

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

ALTIUS MINING LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Contributed equity $	Accumulated losses $	Options reserve $	Total $
Balance at 1 July 2011	16,359,700	(8,610,152)	323,550	8,073,098
Total comprehensive loss for the half-year	-	-	-	-
Loss for the half-year	-	(1,431,670)	-	(1,431,670)
Total comprehensive loss for the half-year	-	(1,431,670)	-	(1,431,670)
Transactions with owners in their capacity as owners	-	-	-	-
Issue of ordinary shares	11,742,000	-	-	11,742,000
Conversion of convertible notes to ordinary shares	3,839,642	-	-	3,839,642
Share issue Costs	(926,196)	-	-	(926,196)
	14,655,446	-	-	14,655,446
Balance at 31 December 2011	31,015,146	(10,041,822)	323,550	21,296,874
Balance at 1 July 2012	**30,636,612**	**(12,094,332)**	**323,550**	**18,865,830**
Total comprehensive loss for the half-year	**-**	**-**	**-**	**-**
Loss for the half-year	**-**	**(1,719,575)**	**-**	**(1,719,575)**
Total comprehensive loss for the half-year	**-**	**(1,719,575)**	**-**	**(1,719,575)**
Transactions with owners in their capacity as owners	-	-	-	-
Rights issue	**5,186,254**	**-**	**-**	**5,186,254**
Conversion of convertible notes to ordinary shares	**-**	**-**	**-**	**3,839,642**
Share issue Costs	**(311,175)**	**-**	**-**	**(311,175)**
	4,875,079	**-**	**-**	**4,875,079**
Balance at 31 December 2012	**35,511,691**	**(13,813,908)**	**323,550**	**22,021,333**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

ALTIUS MINING LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	31 December	
	2012	2011
	$	$
Cash flow from operating activities		
Payments to suppliers and employees	**(849,555)**	(473,084)
Interest received	**121,016**	128,429
Finance costs	**(39,639)**	(79,101)
Net cash used in operating activities	**(768,178)**	(423,756)
Cash flow from investing activities		
Purchases of property, plant and equipment	**(13,805)**	(259,714)
Payments for security deposits	**-**	(203,712)
Deposits maturing in the period	**-**	191,511
Payments for exploration expenditure	**(1,553,000)**	(1,632,395)
Proceeds from sale of property	**1,623,163**	
Net cash used in investing activities	**56,358**	(1,904,310)
Cash flow from financing activities		
Proceeds from issue of rights	**5,186,254**	11,742,000
Payment of share issue costs	**(342,293)**	(926,196)
Repayments of borrowings	**(2,506,698)**	(352,364)
Net cash provided by financing activities	**2,337,263**	10,463,440
Net increase in cash held	**1,625,443**	8,135,374
Cash at the beginning of the half-year	**3,922,416**	565,798
Cash at end of the half-year	**5,547,859**	8,701,172

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2012.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the 30 June 2012 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

2. EXPLORATION AND EVALUATION ASSETS

$1,560,136 of costs have been capitalized during the half- year.

3. CONTRIBUTED EQUITY

		31 December 2012		31 December 2011	
		Number	**$**	**Number**	**$**
Ordinary shares					
Opening balance 1 July		**259,312,685**	**30,636,612**	169,827,938	16,359,700
Issue of ordinary shares at $0.20 per share	**(a)**	**-**	**-**	58,710,000	11,742,000
Issue of ordinary shares through convertible note conversion	**(b)**	**-**	**-**	30,774,747	3,839,642
Issue of ordinary shares through rights issue	**(c)**	**259,312,685**	**5,186,254**	-	-
Share issue costs		-	**(311,175)**	-	(926,196)
Closing balance 31 December		**518,625,370**	**35,511,691**	259,312,685	31,015,146
Convertible notes					
Opening balance 1 July		-	**-**	-	3,839,642
Issue of convertible notes					
Conversion of convertible notes to ordinary shares	**(b)**	-	**-**	-	(3,839,642)
		-	-	-	-
Total contributed equity at 1 July		**259,312,685**	**30,636,612**	169,827,938	16,359,700
Total contributed equity at 31 December		**518,625,370**	**35,511,691**	259,312,685	31,015,146

The following equity issues occurred during the period:

(a) The company listed on the 19th September 2011 and the Capital raised through the IPO was $11,742,000. 58,710,000 ordinary shares were issued at $0.20 per share.
(b) The company listed on the 19th September 2011 and the convertible notes were converted to ordinary shares and was issued at various share conversion prices ranging between $0.08 and $0.16.
(c) The company carried out a pro-rata non-renounceable rights issue of 1 new share for every 1 existing share at an issue price of 2 cents per share on 7 September 2012.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

4. DIVIDENDS PAID

No dividends have been paid or provided for during the half-year.

5. SHARE OPTIONS

No options were exercised during the half-year, and no options expired unexercised during the half-year.

6. SEGMENT INFORMATION

The Group operates in two geographical areas — in New South Wales and Queensland, Australia. The Group carries out exploration for, and development of gold associated minerals in these areas.

Segment information is presented using a "management approach", being segment information provided for internal reporting purposes used by the executive management committee.

Description of Segments

Management has determined the operating segments based on reports reviewed by the executive management committee for making strategic decisions. The executive management committee comprises the chairman, chief executive officer, chief financial officer and divisional managers. The committee monitors the business based on the stage of exploration and development and geographic location of tenements. This has resulted in the identification of the following 3 reportable segments:

Forsayth Project (Queensland)

Forsayth comprises two Mining Leases and one Exploration Permit Minerals cover a number of small but high grade gold reefs.

NSW Exploration Licenses

In NSW, the company has eight exploration licenses ("EL"s) in the Lachlan Fold Belt, a region that has a gold endowment and a copper endowment. Five of the eight tenement areas are in central NSW, including Wamboyne, Bullamalito, Puggoon and Gowulma-Gunners, and contain geophysical similarities with known features over these world class porphyry-style ore bodies; these include coincident circular gravity and magnetic lows, associated radio metrics, and in some cases caldera structures related to known mineralised porphyry systems.

The Beehive East and Honeybugle ELs cover epithermal gold, skarn copper and nickel/PGE targets. Altius also holds ELs at Sofala and at Karangi.

Corporate Centre Costs

The corporate centre provides administration support to the entire group.

7. SEGMENT INFORMATION (continued)

	Forsayth	NSW Exploration	Corporate Centre	Total
Half year ended 31 December 2012				
Total segment revenue	**-**	**-**	**121,016**	**121,016**
Segment result	**-**	**(539,986)**	**(1,179,589)**	**(1,719,575)**
Segment assets	**13,208,830**	**4,640,014**	**6,458,777**	**24,307,621**

	Forsayth	NSW Exploration	Corporate Centre	Total
Half year ended 31 December 2011				
Total segment revenue	-	-	128,429	128,429
Segment result	-	-	(1,431,670)	(1,431,670)
Segment assets	7,863,379	5,988,164	10,127,903	23,979,446

There is no inter-segment revenue; therefore segment revenues are also revenues from external customers.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

8. CONTINGENT LIABILITIES

Public Insight International Pte. Ltd. has sent letters of demand to the Company claiming unpaid fees of USD 171,200 in relation to marketing services purportedly provided to the company in 2010. The Company is currently investigating this matter to determine whether the amount demanded is in fact due and payable.

9. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Since the reporting date, there have been no significant events in relation to the company.

ALTIUS MINING LIMITED
ABN 35 126 540 547

DIRECTORS' DECLARATION

In the opinion of the Directors of Altius Mining Limited (the "company"):

1. The financial statements and notes set out on pages 7 to 15 are in accordance with the Corporations Act 2001, including:

   (a) complying with Australian Accounting Standard AASB 134 interim Financial Reporting and the Corporations Regulations 2001; and
   (b) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2012 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and

2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

…………………………………………………………………
Director
Dated in Melbourne, Australia on this 14 day of March 2013

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Registered Audit Company 291969

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

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Altius Mining Limited and Controlled Entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2012, and 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, a 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 establishing 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 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 2012 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 Altius Mining Limited and Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* has been provided to the directors of Altius Mining Limited.

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 Altius Mining Limited and 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 2012 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.*

Hayes Knight Audit

Hayes Knight Audit Pty Ltd
Melbourne

Richard S. Cen
Director

Dated this 14 day of March 2013