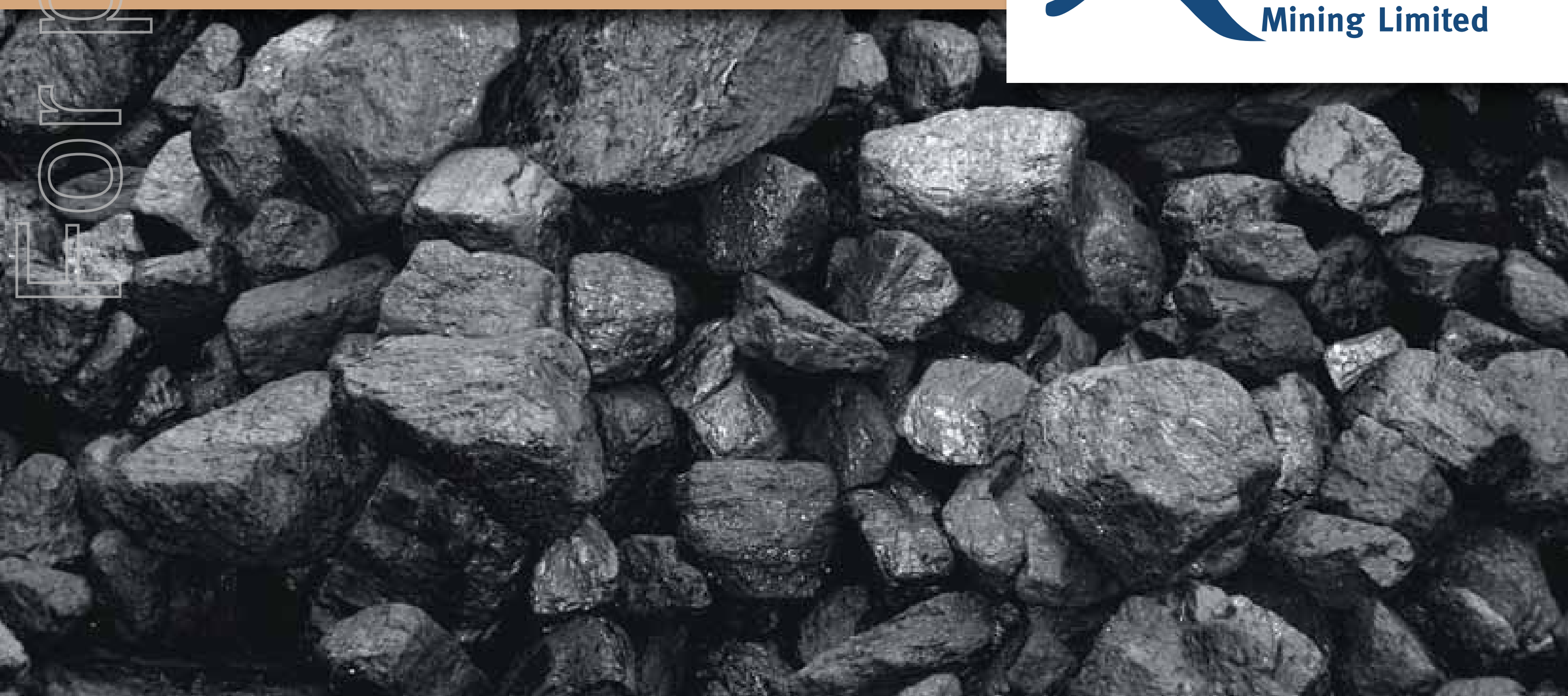
ALTURA Mining Limited

ANNUAL REPORT 2010



KEY PROJECTS AND PROSPECTS

Iron Ore	Mt Webber DSO Joint Venture (30% Altura)
Garnet	Balline Mineral Sands Project WA, mining approvals process
Lithium	Pilgangoora Prospect WA, Finniss Range Prospect NT – exploration stage
Coal	Tabalong Coal Project – South Kalimantan, Indonesia – mining approval process commenced
Uranium	Mt Shoobridge NT, exploration stage with key uranium targets in Hayes Creek region
Base/Precious Metals	Mt Shoobridge NT, lead, copper, zinc, gold and silver prospect at exploration stage

PROJECT LOCATIONS

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Altura's specialty is to develop exploration tenements into value adding mining assets with a focus on:

Iron ore, coal and garnet in medium term
Lithium, coal and uranium in the future
Acquiring or developing new mineral projects

CORPORATE OVERVIEW

The 2009–10 year was a significant one for Altura Mining Limited, which included raising $10.9 million to consolidate our assets and strategic investments. The broad suite of mineral assets held by Altura is consistently being evaluated to determine their potential positive contribution to the Company's future cashflows, and the Board is focusing on identifying a company making project in the near future.

In late 2009 Altura was able to buy back into the Mt Webber Project in Western Australia's iron ore producing Pilbara region. Mt Webber is a 42 million tonne Direct Shipping Ore (DSO) resource which is 30% owned by Altura with the remaining 70% held by a current DSO producer Atlas Iron Limited. The project provides Altura with a near term production entry opportunity into the rapidly developing iron ore market with production currently planned during 2012.

Altura completed a successful rights issue in November 2009 which raised $10.9 million to enable the Company to buy back into the Mt Webber Project. The rights issue was 93% subscribed by existing shareholders and demonstrated excellent support from shareholders for the Mt Webber DSO Project potential.

The Company has also taken significant steps in directing the Balline Garnet Project towards a decision to proceed with the mine development. Balline is in the final stages of feasibility and if the Company decides to proceed with the mine, it is expected to provide Altura with a significant contribution to the existing revenue stream. Balline is planned to produce at an initial annualised rate of 80,000 tonnes of garnet per annum with an expected ramp up to 150,000 tonnes per annum in the first five years of production.

Pre-development work has also continued at the Tabalong Coal Project in South Kalimantan, Indonesia. Coal remains a priority focus for Altura and the Company aims to add further coal assets in the near future.

Subsequent to year end the Company has raised a further $16.9 million to advance its projects. Drilling has already commenced at the Pilgangoora lithium WA prospect in August with results expected in October, and drilling commenced at the Mt Shoobridge uranium and base metals tenements in mid September. The Company is actively seeking further coal projects in Asia and has a number of opportunities under review.

KEY PROJECTS

Mt Webber DSO Project (30% Altura/70% Atlas)

Altura exercised its option with Atlas Iron Limited to buy back into the Mt Webber DSO Project in October 2009. Altura remains the owner of six Pilbara tenements that include the Mt Webber DSO Project. The agreement to explore and develop the iron ore on the tenements will be by way of unincorporated joint venture.

The Mt Webber DSO Project has a JORC compliant Mineral Resource of 41.9 million tonnes as at the end of June 2010, comprising 21.9 million tonnes in Indicated and 20.0 million tonnes in Inferred category. Subsequent to year end a maiden Ore Reserve estimate of 19.1 million tonnes @ 57.6% Fe was completed. The Ore Reserve estimate represents a very high conversion of over 97% of the Indicated Mineral Resource at the Ibanez deposit located within the Mt Webber project area.

The current ore reserve of 19.1 million tonnes is contained within that portion of the Ibanez resource which has been converted to Indicated Resource category following the recent infill drilling. Ongoing infill work on the remaining Inferred portion of the resource at Gibson and Fender is expected to significantly increase the available reserve tonnes.

An infill drilling program is underway and evaluation of results is anticipated to be completed for areas outside of the Ibanez deposit with results expected in Q4 2010.

The Mt Webber DSO Project is subject to a detailed Feasibility Study with conclusion expected during 2011. Production from Mt Webber is planned to commence in 2012 at an annualised rate of 3 million tonnes per annum (subject to statutory approvals). Atlas (as the managing partner) is completing detailed transport and infrastructure studies to incorporate Mt Webber DSO into their overall North Pilbara production plan.

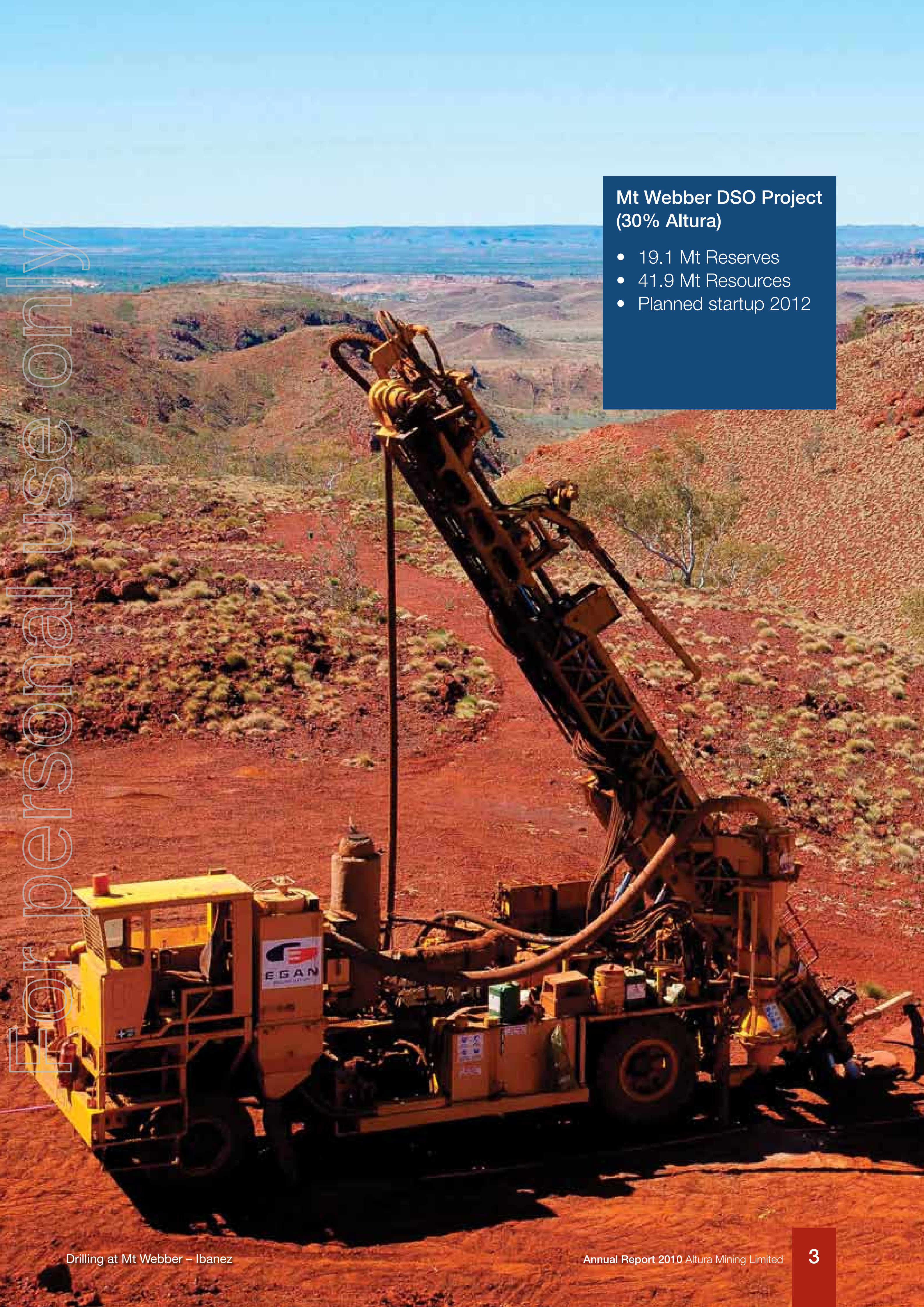
Mt Webber may form part of Atlas' proposed Turner River Hub system whereby ore is mined and trucked via private road to a central crushing and processing facility at Turner River. The processed ore will then be either trucked or railed to Port Hedland for vessel loading. Altura has the option to sell its production component independently or through an arrangement with Atlas.

Altura sees Mt Webber as a key investment given the expected low cost of the DSO material (circa $45 per tonne, loaded onto a ship) and the current sales prices exceeding A$100 per tonne equivalent. The near term development timeframe coupled with strong partner support may see significant cashflows into Altura as a result of this investment.

Table 1 – Mt Webber DSO Reserves as at August 2010

Location	Ore type	Reserve classification	Kt	Fe (%)	SIO_2 (%)	Al_2O_3 (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Ibanez	Bedded ore	Probable	19,141	57.6	5.9	2.0	0.08	0.02	8.9	63.3

Note: Ore Reserves defined at a 54% Fe cut-off grade
Reserves at Mt Webber are subject to Joint Venture interests in the ratio AGO 70% : AJM 30%



Mt Webber DSO Project (30% Altura)

- 19.1 Mt Reserves
- 41.9 Mt Resources
- Planned startup 2012

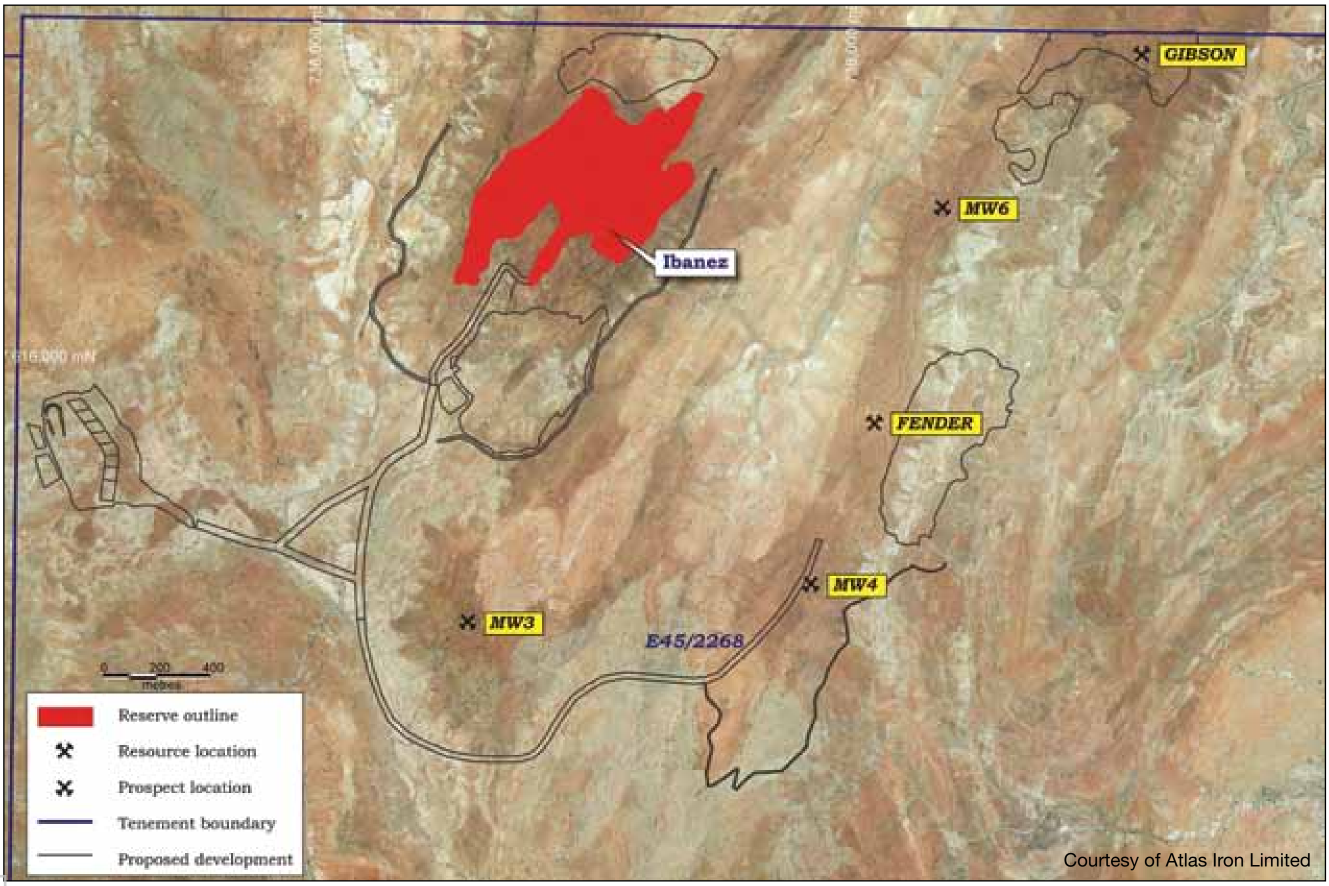
Drilling at Mt Webber – Ibanez

Table 2 – Mt Webber Mineral Resources as at June 2010

Project Area	Resource Classification	Kt	Fe (%)	SIO_2 (%)	Al_2O_3 (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Mt Webber	Indicated	21,900	57.2	6.4	2.1	0.08	0.02	8.9	62.7
	Inferred	20,000	57.0	6.6	2.3	0.10	0.03	8.3	62.3
Total		**41,900**	**57.1**	**6.5**	**2.2**	**0.09**	**0.03**	**8.6**	**62.5**

Note: Resources quoted at >53% cut off grade
CaFe% is calcined Fe calculated by Atlas Iron Limited using the formula (Fe%/(100-LOI%))*100
Indicated and Inferred resource tonnages are rounded to the nearest hundred thousand and million tonnes respectively

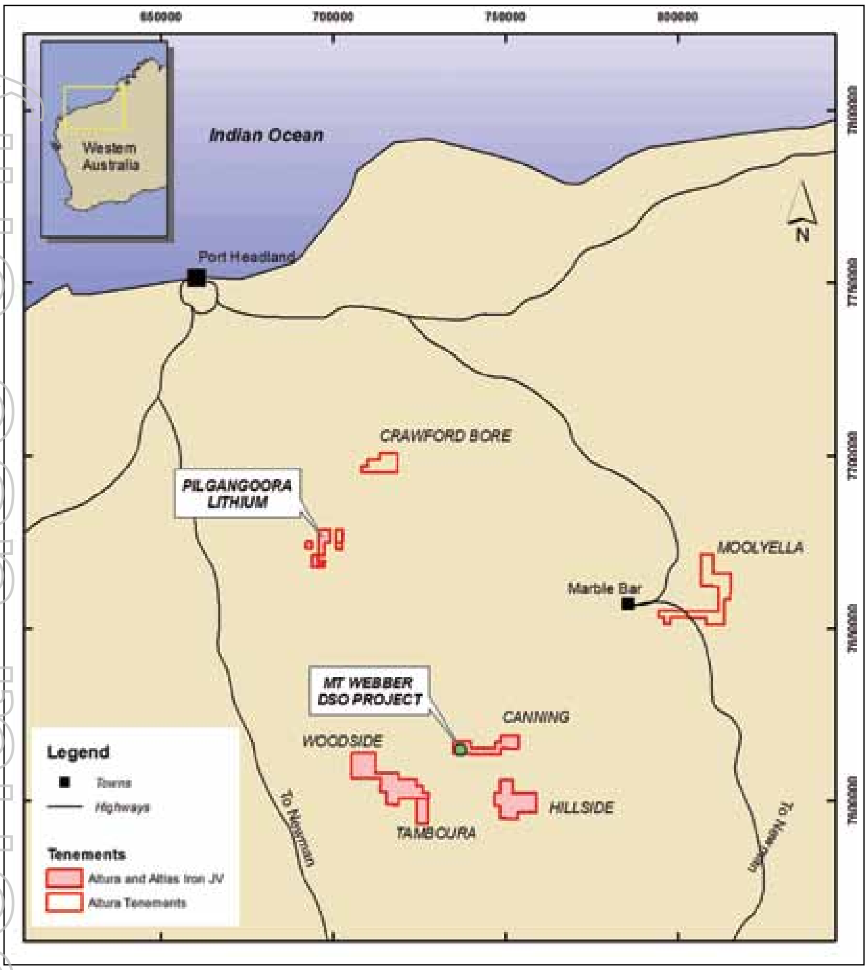
Figure 1 – Reserve, Resource and Prospect Location, Mt Webber DSO Project



Competent Persons Statement – Geological Data, Interpretation and Resource Estimation – Mt Webber
The information in this report that relates to the Mt Webber mineral resource results is based on information compiled by Mr Tony Cormack, who is a member of the Australian Institute of Mining and Metallurgy and is a full-time employee of Atlas Iron Limited. Tony Cormack 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). Tony Cormack consents to the inclusion of such information in this Report in the form and context in which it appears.

Reserve Estimation
The information in this report that relates to Reserve estimations is based on information compiled by Mr Ken Brinsden, who is a member of the Australasian Institute of Mining and Metallurgy. Ken Brinsden is a full time employee of Atlas Iron Limited. Ken Brinsden 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ken Brinsden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Figure 2 – Location of Mt Webber DSO Project



Balline Garnet Project

Altura has continued to progress the evaluation of its Balline Garnet mineral sands project, located approximately 40 km south of Kalbarri in Western Australia.

The Balline garnet operation is planned to commence with initial production of 80,000 tonnes per annum ramping up to 150,000 tonnes of garnet within three years, for delivery into the export and domestic markets. The mining operation will be conventional 'in-pit' dozer and loader operation with a hydraulic wet transfer system feeding into a gravity separation stage. Garnet and other heavy mineral products will be further processed and segregated in the dry plant before storage and shipping through the Port of Geraldton located some 120 km south of the mine site.

Garnet product testing has been completed in Australia and North America by both suppliers and end users. Currently testing is underway by potential clients in Europe and Middle East with feedback expected during Q4 2010. Feedback to date has been very positive and Altura is progressing discussions with several parties in relation to both garnet supply and territorial agency rights for the Balline garnet product. It is likely that demand will outstrip supply in the early years of production.

Subsequent to the end of the June 2010 Quarter Altura signed a Letter of Intent with an Australian private entity for the exclusive agency rights for the purchase and distribution of garnet products in Australia, New Zealand, New Guinea and Pacific Islands.

During the year Altura appointed Mr Roley Carroll to the position of Balline Operations Manager. Mr Carroll will be responsible for finalising all necessary approvals, infrastructure design, mine planning, and capital construction costs and will then oversee the mine development and operations (subject to statutory and Board approvals).

Key milestones for the Balline Garnet Project during the year were:

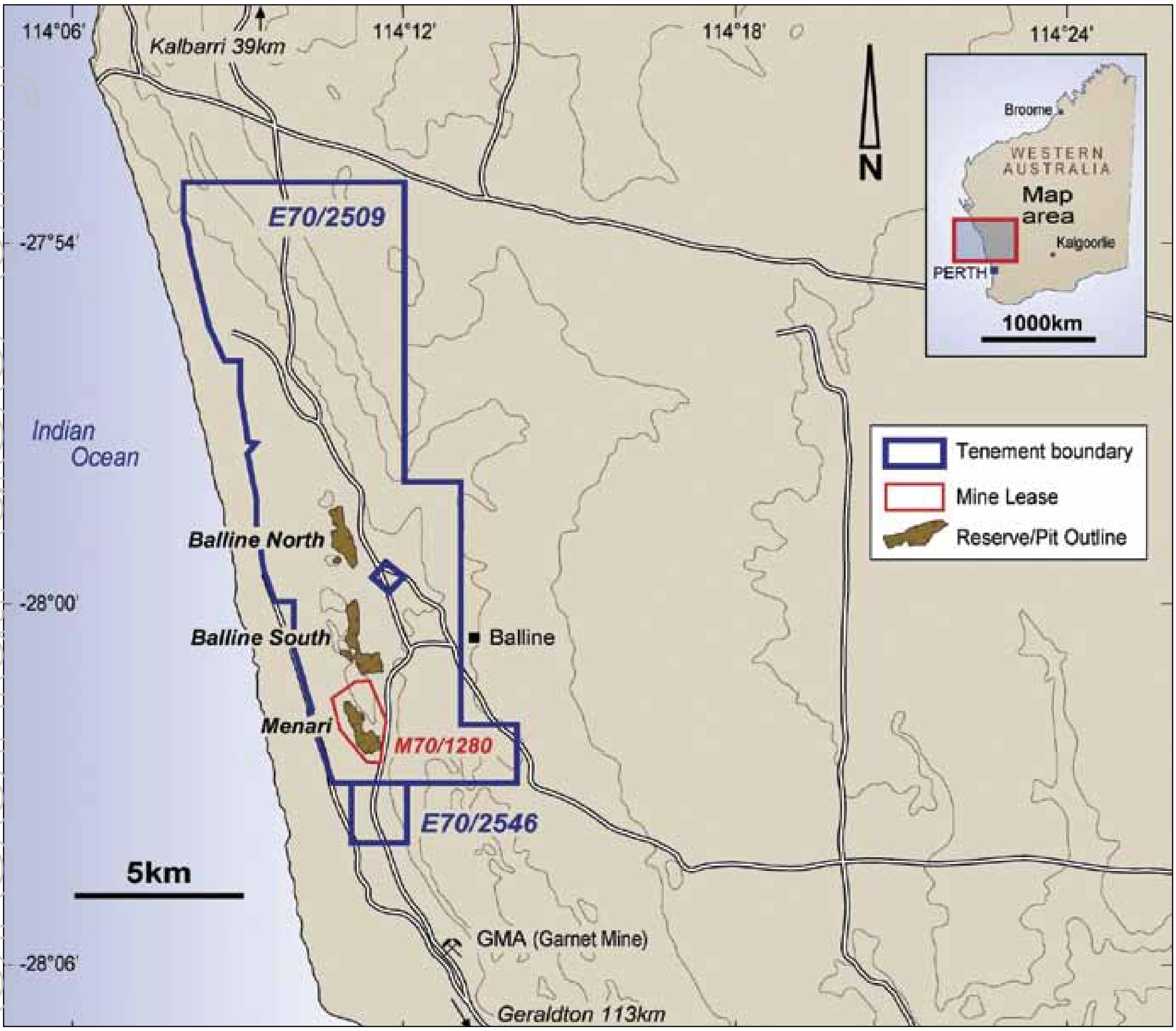
- Completion of JORC compliant Ore Reserve and Mineral Resource estimates.
- Environmental Approval from the Department of Environment and Conservation via the Works Approval process has been received.
- Detailed hydro geological study was completed including the construction of three production bores.
- Aboriginal Heritage and a subterranean fauna survey completed.
- Bulk marketing sample of garnet was completed and dispatched to several prospective customers internationally and domestically.
- Preliminary design for the wet and dry processing facility completed in 2009.
- 'First Right of Refusal' was granted by the Geraldton Port Authority, securing port land for the purposes of building a product bagging and storage facility.
- Mining is proposed to commence on the freehold land owned by Australian Garnet. Access agreements are being finalised with adjoining freehold land owners and are expected to be completed in the near future.

ABOUT GARNET

Garnet is a naturally occurring material that is mined in a similar method to mineral sands. Garnet sand is a good abrasive and a common replacement for silica sand in sand blasting. Mixed with very high pressure water, garnet is used to cut steel and other materials in water jets.

Balline – mining of bulk sample

Figure 3 – Plan of Tenement Boundaries and Outline of Proposed Pits




Balline region


Balline – bulk sample


Balline – mining of bulk sample

Tabalong Coal Project

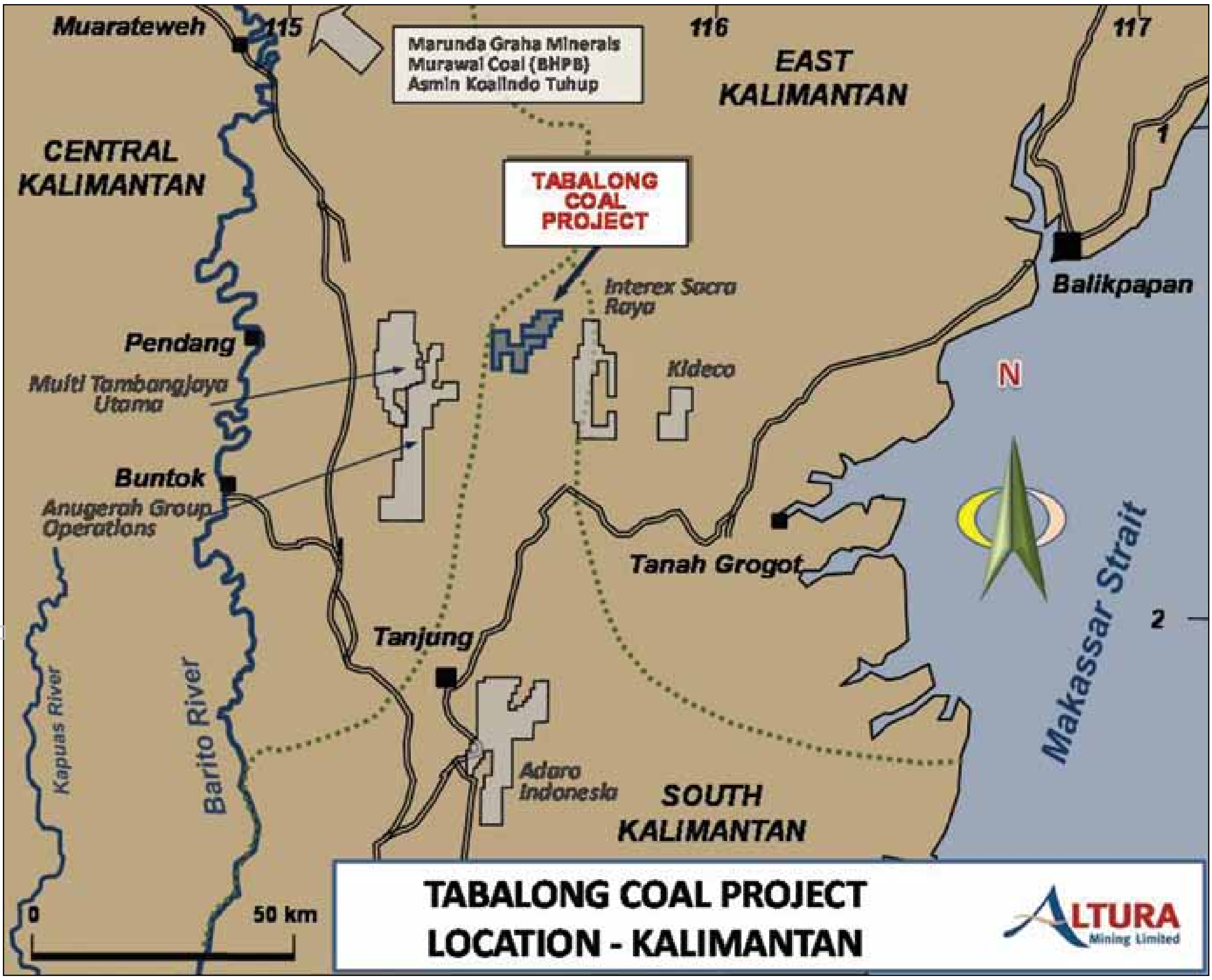
The Tabalong Coal Project consists of two Mining Licences (IUPs) in the province of South Kalimantan on the island of Borneo. Currently both IUPs are granted for exploration purposes and Altura is pursuing the necessary approvals to have them granted for operation production.

The major components required to support the application for operational production are the Environmental Impact Statement and the Government Feasibility Study. Following a stakeholder meeting in May 2010, the finalised documents have been submitted to the local branch of the Mines Department. Upon receipt of approval from the Mines Department, the Company will be able to apply for consent to utilise area from the Forestry Department. If the above approvals process proceeds as planned, these approvals may be granted during the Q4 2010.

The coal resources located within Tabalong are a high grade thermal grade coal defined by high energy, low ash and low sulphur. The challenge with bringing the Tabalong project into production remains obtaining access to markets, with both identified land transport routes being in excess of 120 km. Substantial capital costs for haul road construction coupled with coal haulage remain the greatest project hurdle. Altura may choose to dispose of the asset and invest in more suitable Asian coal projects.

Coal remains the primary focus in the development of operations by Altura, with significant coal project and operations experience in Australia and Indonesia within the Board of Directors and Management.

Figure 4 – Tabalong Coal Project location



Coal mining in Indonesia

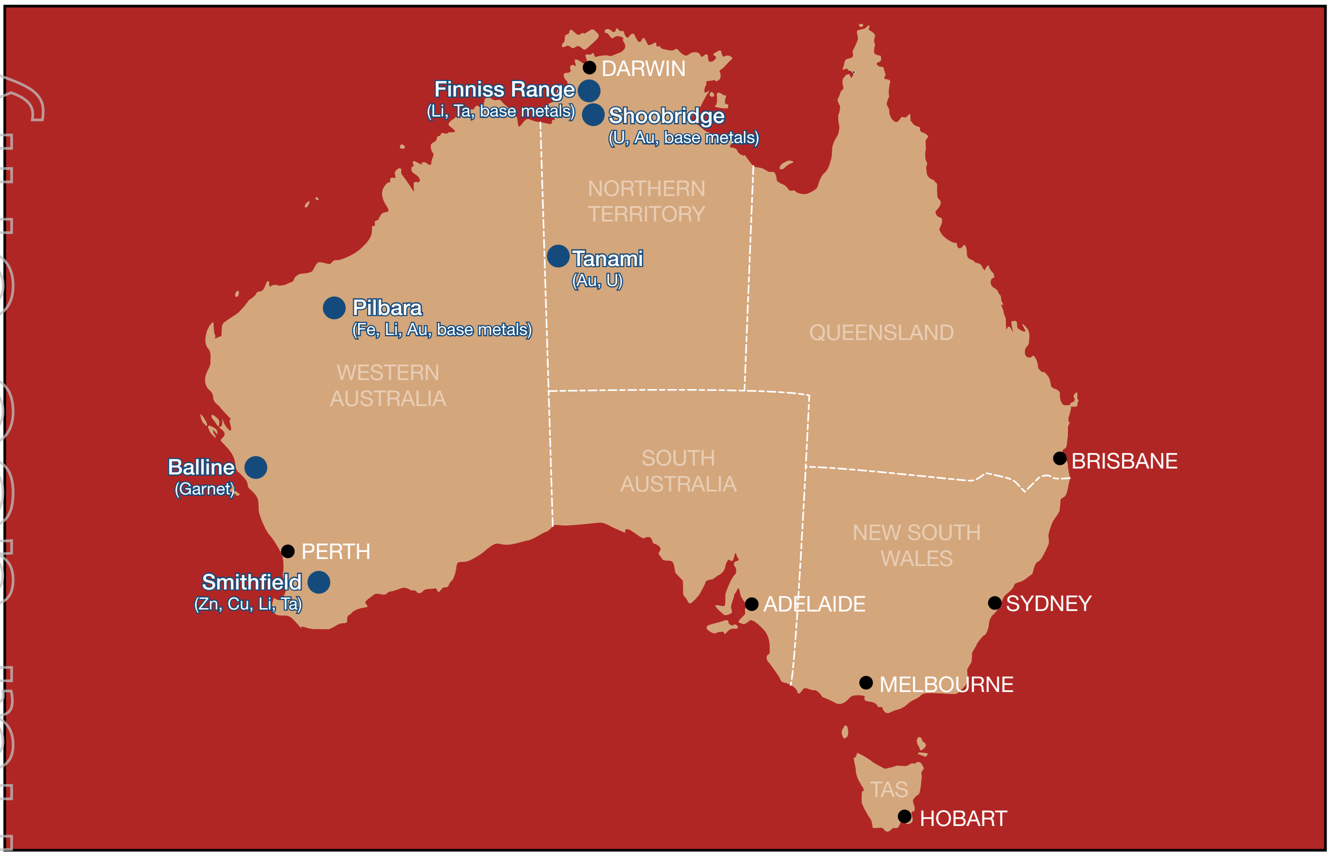
ABOUT THERMAL COAL

Thermal coal forms the backbone of worldwide energy supplies, with Indonesia now the world's largest exporter of thermal coal products. Recent innovations in coal beneficiation and clean coal technology point toward a strong future for coal to remain a reliable energy generation commodity.

Coal loading in Indonesia

Northern Territory exploration region

Figure 5 – Australian Project Locations



EXPLORATION

Northern Territory

Mt Shoobridge – Lead, Copper, Zinc, Silver (100 % AJM)

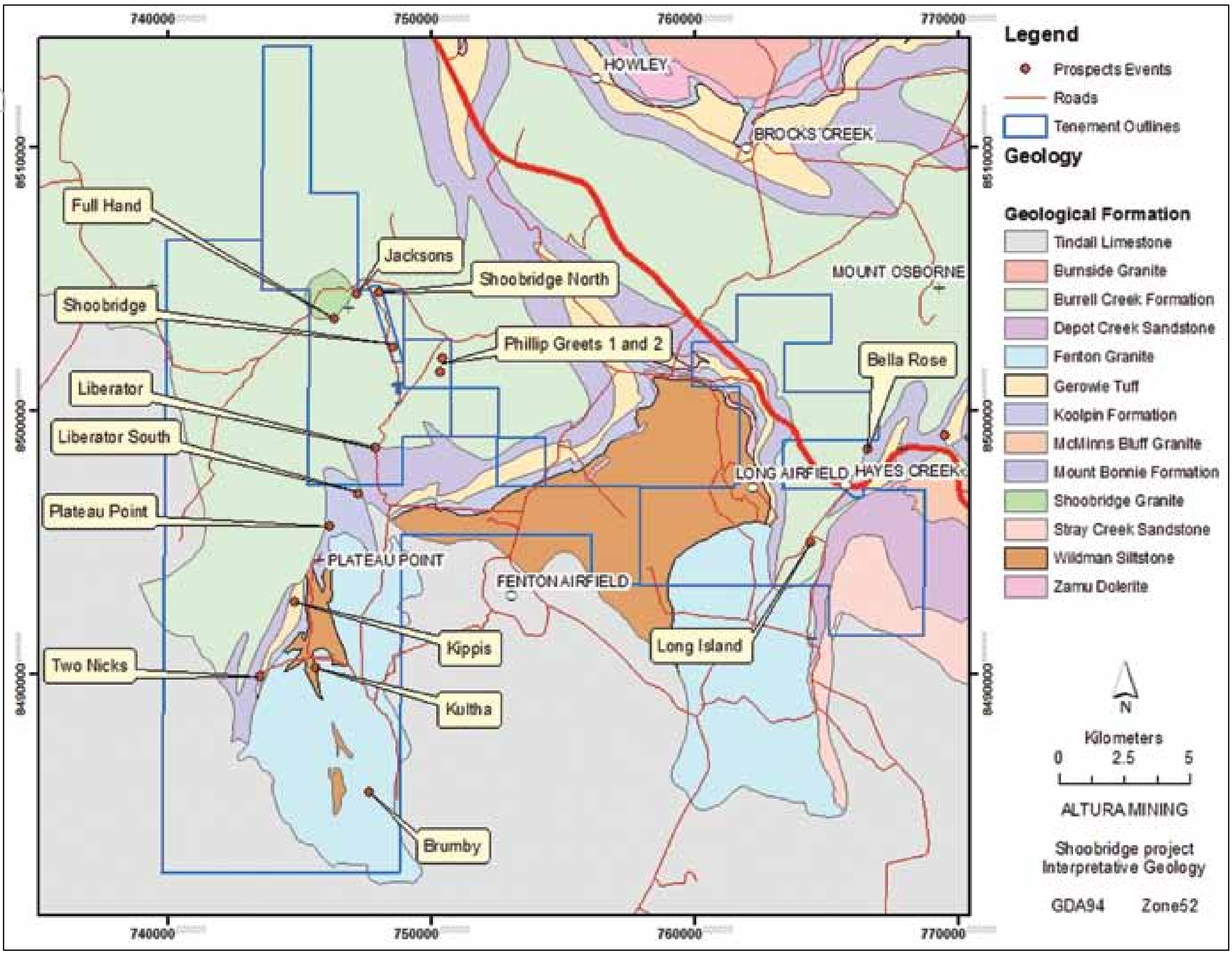
The Mt Shoobridge project comprises eight tenements covering approximately 350 km^2 and is located about 160 km southeast of Darwin and 20 km northwest of Hayes Creek.

The exploration for base metals within the Mt Shoobridge project (primarily copper, lead, zinc and silver) has been considerably enhanced following the completion of the airborne Versatile Time Domain Electro-Magnetic (VTEM) survey completed by Altura in the latter part of 2009.

The Mt Shoobridge project has identified a number of prospective targets:

- Full Hand Prospect – three VTEM anomalies were located in the Full Hand prospect area and in early 2010 two of these anomalies were drill tested by diamond drilling.
- Kultha Prospect – the VTEM survey data identified seven discrete conductive anomalies in the Kultha prospect. These anomalies have subsequently been shown to have coincident soil geochemical anomalies – particularly for copper, lead and zinc.
- Philip Greets Copper Prospect – the VTEM survey recorded a large shallow dipping conductor at this prospect and up to three reverse circulation drill holes will be undertaken to test the target zone.
- Shoobridge Prospect – the VTEM survey data recorded a moderate to strong bedrock conductor beneath the historical old workings and costeans located at this prospect area. Although there has been historical drilling in and around the immediate area it is not known if this work has adequately tested the source of the VTEM anomaly.
- Long Island North – the Long Island North VTEM anomaly occurs about 800 metres to the north of the Long Island uranium prospect in the eastern areas of the Shoobridge Project. The anomaly has a strike distance of about 800 metres and has a coincident magnetic anomaly. There is no known prior exploration in this area and geophysical modelling indicates that the target has an interpreted depth of 150 to 200 metres.

Figure 6 – Mt Shoobridge Project – Tenements, Geology and Prospect Locations



Mt Shoobridge – Uranium (100% AJM)

In the latter part of 2009 Altura completed two airborne geophysical surveys – a VTEM survey in September 2009 and a high resolution close spaced airborne magnetic and radiometric survey in October 2009. These surveys identified a number of new anomalous zones in areas not previously explored in detail but also in areas of known uranium mineralisation – Long Island, Liberator and Liberator South.

Long Island – this uranium prospect is along strike from Thundelarra Exploration Limited's Hayes Creek uranium project where three significant uranium targets have been identified at Thunderball, Corkscrew and Bella Rose.

The VTEM survey and magnetic and radiometric data and their interpretation have identified a number of priority 1 anomalies and these have been assessed in the field prior to their testing by drilling.

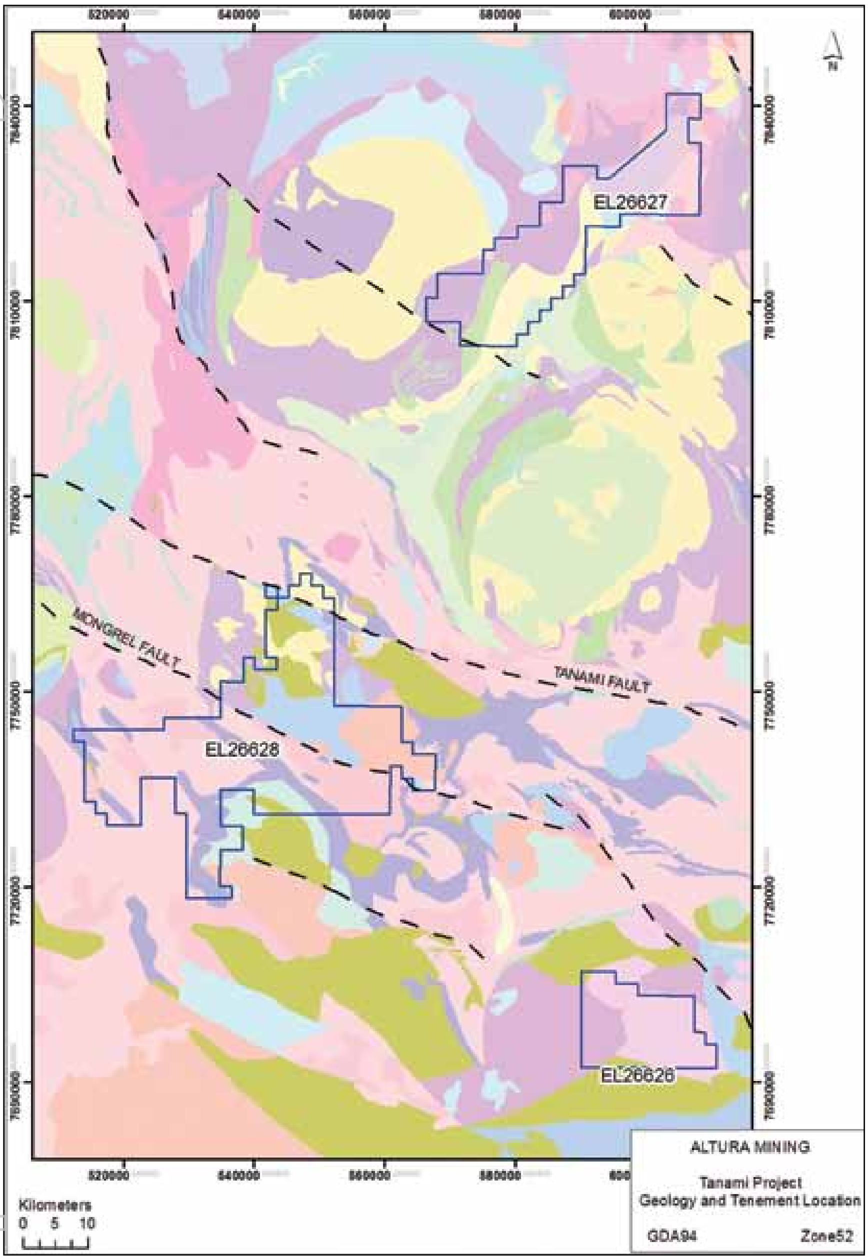
Altura has nominated drill locations for Long Island but has had difficulty accessing the site due to soft ground conditions. It is anticipated that a series of drill hole targets will be completed during Q3 and Q4 2010.

Finniss Range – Lithium, Tantalum (100% AJM)

The Finniss Range project is located approximately 50 km south of Darwin and about 20 km southwest of Berry Springs/Tumbling Waters. The Company's strategy for the project is to further assess and prioritise the numerous geochemical anomalies with an extensive rock chip, soil sampling and mapping program over various prospects that were identified during the 2006 and 2007 field seasons. Potential drill targets may then be determined from this program.

Northern Territory field work – September 2010

Figure 7 – Location of Tanami tenements and general geology



Tanami – Gold, Uranium (100% AJM)

The Tanami Project comprises three Exploration Licence Applications (ELAs) -–ELA26626, ELA26627 and ELA26628 – covering an area of approximately 1,900 km^2. The ELAs are located within Aboriginal freehold land and Altura has been in consultation with the respective representatives and owners of the land. Late in 2009 and in June 2010 meetings were held with the traditional owners and a decision on the outcome of the meeting is pending.

The Tanami region is renowned for its gold and copper/gold prospectivity and more recently the recognition of the area's potential for uranium. Altura is continuing to undertake regional data collection and interpretation in the anticipation that the tenements will be granted and ground access can be achieved.

Western Australia

Smithfield – Lithium (100% AJM)

The tenement is located approximately 25 km out of Bridgetown in the southwest of Western Australia and is considered highly prospective for lithium with known outcropping and sub-surface pegmatites. An extension to the Smithfield tenement has been granted for a period of two years by the Department of Mines and Petroleum until 1 July 2012. Environmental consultation is underway prior to the commencement of proposed exploration activities on this tenement.

DRILLING AND WIRELINE SERVICES

Overview

Altura continued to operate its successful and profitable services division during the year, providing drilling and wireline services predominantly in Indonesia. These revenue generating arms of Altura are operated under independent management and provide Altura with a supplementary revenue stream.

Annual revenue for the year exceeded US$7 million.

Indonesia

PT. Asiadrill Bara Utama (100% AJM)

Asiadrill has continued to deliver results in line with expectations within the Indonesian coal and minerals exploration sector. The mainstay of drilling operations currently remains within the coal sector however renewed interest is increasing in the developing minerals exploration sector.

The Asiadrill fleet now consists of 16 drilling units, including truck mounted, track mounted, skid mounted and heli-

Asiadrill operations

portable units. Asiadrill also has the capacity to operate up to 15 smaller man portable units.

Asiadrill has equipment deployed in South and East Kalimantan on the island of Borneo with offices in Jakarta (West Java), Balikpapan (East Kalimantan) and Tanjung (South Kalimantan).

About PT. Asiadrill Bara Utama

Asiadrill operates a varied fleet of truck and track mounted drills; supplemented by a fleet of heli-lift and man-portable units for environmentally sensitive areas. The current fleet totals 16 larger units and 15 man-portable drills. Asiadrill's predominantly Indonesian workforce totals 48 permanent and up to 100 contract staff.

PT. Velseis Indonesia (50% AJM)

Velseis continued to operate in the wireline logging and seismic sector in Indonesia. The 50% owned Altura company performed above expectations during the year. The performance was better than expected due to continued high equipment availability and solid wireline unit demand.

Velseis is operated in a 50/50 joint venture between Altura and Velseis Pty Ltd. Velseis has an operational base in Balikpapan, East Kalimantan, with corporate management support provided through Altura's Jakarta office.

Fleet capacity of 11 wireline units has provided above forecast revenue during the year. Forecast demand for these units remains strong with the main interest from the Indonesian coal exploration sector.

About PT. Velseis Indonesia

Velseis Indonesia is joint venture company between Altura and Velseis Pty Ltd (Brisbane based wireline and seismic service provider). Velseis operates a fleet of 11 portable and vehicle mounted wireline logging units in Indonesia. The Velseis Indonesian workforce totals 24 permanent staff.

Australia

Currently Altura Drilling Pty Ltd owns and operates a modern truck mounted multi-purpose Maxdrill 2000 drill for in-house operations on the Company's exploration areas. During the year the Company's Hydco 1000 drill was sold for $1.1 million. The drill was surplus to requirements following the reduction of Altura's commercial drilling services.

Altura Drilling has been deploying the Maxdrill 2000 drill on the Pilgangoora lithium target and has commenced drilling in mid September 2010 at Mt Shoobridge.

DISPOSALS

Bald Hill

During the year Altura finalised the disposal of the Bald Hill tenements and plant and equipment for $1.75 million.


Coal operations in Indonesia


Coal operations in Indonesia


Coal mining in Indonesia

FINANCIAL REPORT
FOR THE YEAR ENDED
30TH JUNE 2010

Pilbara region

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DIRECTORS

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

CHIEF EXECUTIVE OFFICER

James Brown

COMPANY SECRETARIES

Damon Cox
Noel Young

REGISTERED OFFICE

Building 8, 22 Magnolia Drive
BROOKWATER QLD 4300

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Website: www.alturamining.com

AUDITORS

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PERTH WA 6000

SHARE REGISTRY

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

AUSTRALIAN SECURITIES EXCHANGE

Codes: AJM & AJMOA

Your directors have pleasure in presenting the annual financial statements of Altura Mining Limited ("Altura" or "the Company") for the financial year ended 30 June 2010.

DIRECTORS

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

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

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial year were:

- Provision of mining services, including drilling and geologging services.
- Exploration for garnet, coal, lithium, uranium and other minerals, principally within Australia and Indonesia.

OPERATING RESULTS

The consolidated entity's operating loss after providing for income tax and minority equity interests for the year ended 30 June 2010 was $914,326 (2009: loss $5,833,243).

DIVIDENDS

There were no dividends paid or declared during the year ended 30 June 2010. (2009 Nil)

REVIEW OF OPERATIONS

The prime activities of the consolidated entity during the 2010 financial year were the provision of mining services, and exploration for garnet, coal, lithium, uranium and other minerals on its tenements located in Australia and Indonesia.

SIGNIFICANT CHANGES TO STATE OF AFFAIRS

In August 2009, Altura received formal notice from Atlas Iron Limited of a JORC compliant iron ore resource of 32.6 million tonnes at the Mt Webber DSO Project in the Pilbara in Western Australia, which entitled Altura to clawback a 30% interest in the project. In order to pay for the investment, Altura undertook a one for two non renounceable rights issue which raised $10.8 million before issue costs.

In June 2010 Altura completed disposal of its Bald Hill tenements and plant and equipment for $1.75 million.

There were no other significant changes in the nature of the consolidated entity's principal activities during the financial year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

In July 2010 Altura announced a two for three non-renounceable rights issue to raise up to $16.9 million before costs to fund the Company's contribution to exploration at the Mt Webber DSO joint venture, to progress the Balline garnet project, to fund the Company's exploration and evaluation program in Western Australia and the Northern Territory and for general working capital purposes including to enable the Company to pursue coal and mineral opportunities predominately in South East Asia as and when they arise.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Group will focus on the exploration and evaluation of the Mt Webber DSO project (30% owned) with Atlas Iron Limited, progressing the Balline Garnet project to a decision to mine stage (subject to receipt of statutory approvals), and exploration of its tenements in Western Australia and the Northern Territory. Altura will also continue to actively seek out coal and other mineral opportunities in South East Asia particularly in Indonesia.

ENVIRONMENTAL ISSUES

The Group is committed to achieving a high standard of environmental performance. The board is responsible for regular monitoring of environmental exposures and compliance with environmental regulations. The Group complied with its environmental performance obligations during the year other than the following two matters.

The Group did remediate a discharge to land which resulted from an oil discharge from a drilling rig, the discharge was remediated to internal and external requirements. During the sale of the Bald Hill assets and prior to completion of the sale, access was granted to the purchaser for assessment of plant and machinery. During the course of the assessment a series of minor surface disturbances comprising of grading of roads, installing drainage trenches and hardstand preparation occurred. The disturbances were reported to the Western Australia Department of Mines who subsequently determined the disturbances to be minor in nature and no further action required by the Group. The Bald Hill assets have subsequently been disposed.

INFORMATION ON DIRECTORS

Mr Paul Mantell (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 25 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.

Other current directorships in listed entities
None

Former directorships in last 3 years
None

Special responsibilities
None

Interests in shares and options
5,559,345 ordinary shares in Altura Mining Limited
3,423,738 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

Former directorships in last 3 years
None

Special responsibilities
Member of the Finance & Audit Committee

Interests in shares and options
55,533,460 ordinary shares in Altura Mining Limited
27,613,384 options over ordinary shares in Altura Mining Limited

INFORMATION ON DIRECTORS (continued)

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
DiamonEx Limited

Former directorships in last 3 years
Orocobre Limited – resigned 2009

Special responsibilities
Chairman of the Remuneration & Nomination Committee

Interests in shares and options
533,334 ordinary shares in Altura Mining Limited
333,334 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 Finance & Audit Committee
Member of the Remuneration & Nomination Committee

Interests in shares and options
987,834 ordinary shares in Altura Mining Limited
645,134 options over ordinary shares in Altura Mining Limited

COMPANY SECRETARY

Mr Damon Cox
Mr Cox is a Chartered Secretary, a Certified Practising Accountant and a Fellow of the Financial Services Institute of Australasia. He has over 20 years experience in various roles including corporate governance, compliance, treasury and strategic policy advice.

Mr Noel Young (appointed 10 November 2009)
Mr Young is a member of the National Institute of Accountants. He has over 25 years experience in the mining industry and holds the dual role of Group Financial Controller and Company Secretary.

REMUNERATION REPORT

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;
- 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 23 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:

	2010	2009	2008	2007	2006
Revenues	10,067,199	14,768,403	10,898,857	3,335,059	3,304,811
EBITDA *	835,909	(1,206,055)	(1,598,404)	(1,602,530)	(771,953)
NPBT *	(198,719)	(5,062,253)	(1,991,853)	(1,798,964)	(2,428,963)
NPAT *	(914,326)	(5,833,243)	(2,329,547)	(2,153,570)	(2,384,048)
Dividends paid	-	-	-	-	-
W. Av. No. of Shares on issue	168,235,764	126,913,765	113,724,652	55,572,128	55,094,895
EPS *	(0.54)	(4.60)	(2.05)	(3.88)	(4.33)

* Definitions: EBITDA = Earnings before interest, tax, depreciation and amortisation
NPBT = Net profit before tax
NPAT = Net profit after tax & minority interest
EPS = Earnings per share (calculated based on the weighted average number of shares on issue)

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 cash bonuses and share based compensation benefits is discretionary.

REMUNERATION REPORT (continued)

Employment Contracts of Key Management Personnel

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

Paul Mantell, Executive Director - 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 and other non cash benefits is included. Three months notice of termination by either party is required, with a separation allowance equivalent to one year's gross salary to be paid if employment is terminated by the Company.

James Brown, Chief Executive Officer - the agreement is of no fixed term and allows for payment of a monthly cash salary in US dollars, reviewed each year. Provision of a motor vehicle and other non cash allowances such as housing and dependent children's education are included. 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.

Keith Mayes, Chief Operating Officer - the agreement was terminated during the year. It was of no fixed term and allowed for payment of an annual cash salary reviewed in June each year, annual bonus and superannuation. Three months notice of termination by either party was required.

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 months 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. One month's notice of termination by either party is required.

Key Management Personnel Remuneration

2010	Short-term benefits			Post employment	Long-term benefits	Share based payments	Termination payments	
Name	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary benefits $**	**Super-annuation $**	**Long service leave $**	**Options $**	**$**	**Total $**
Non-executive directors								
A Buckler	36,000	-	-	3,240	-	-	-	39,240
D O'Neill	36,000	-	-	3,240	-	-	-	39,240
B Kuan	36,000	-	-	3,240	-	-	-	39,240
Sub total non-executive directors	**108,000**	**-**	**-**	**9,720**	**-**	**-**	**-**	**117,720**
Executive directors								
P Mantell	254,350	-	27,873	22,892	-	-	-	305,115
Other key management personnel								
J Brown	192,321	32,794	115,841	-	-	8,794	-	349,750
K Mayes	159,034	50,000	14,196	18,659	-	-	58,967	300,856
N Young	100,462	-	14,228	9,042	-	-	-	123,732
D Cox	107,500	-	-	9,675	-	4,397	-	121,572
Total for key management personnel compensation	**813,667**	**82,794**	**172,138**	**60,268**	**-**	**13,191**	**58,967**	**1,201,025**
Total compensation	**921,667**	**82,794**	**172,138**	**69,988**	**-**	**13,191**	**58,967**	**1,318,745**

2009	Short-term benefits			Post employment	Long-term benefits	Share based payments	
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Long service leave $	Options $	Total $
Non-executive directors							
A Buckler	19,134	-	-	1,722	-	-	20,856
D O'Neill	19,134	-	-	1,722	-	-	20,856
J Caldon**	34,980	-	-	-	-	-	34,980
B Kuan	36,000	-	-	3,240	-	12,150	51,390
C Medhurst	18,000	-	-	1,620	-	-	19,620
Dennis O'Neill**	21,040	-	-	-	-	-	21,040
Sub total non-executive directors	**148,288**	**-**	**-**	**8,304**	**-**	**12,150**	**168,742**
Executive directors							
C McCavana	355,439	-	184,466	150,899	53,955	-	744,759
D Mason	149,347	-	-	11,261	-	-	160,608
P Mantell	64,423	-	3,515	5,798	-	* 90,000	163,736
Other key management personnel							
J Brown	217,969	-	120,004	-	-	28,780	366,753
K Mayes	116,484	-	5,927	11,561	-	-	133,972
S Brown	71,227	-	-	4,967	-	14,390	90,584
Total for key management personnel compensation	**974,889**	**-**	**313,912**	**184,486**	**53,955**	**133,170**	**1,660,412**
Total compensation	**1,123,177**	**-**	**313,912**	**192,790**	**53,955**	**145,320**	**1,829,154**

* 1,000,000 fully paid ordinary shares issued on commencement of employment as Chief Financial Officer

** Includes consulting services/salaries

REMUNERATION REPORT (continued)

There were no options issued to directors and key management personnel as part of remuneration for the year ended 30 June 2010.

The following options were on issue to directors and key management personnel as at 30 June 2010:

Directors & key management personnel	Granted number	Grant date	Value per option at grant date $	Vested number	Exercise price $	First exercise date	Last exercise date
B Kuan	250,000	12/12/08	$0.02	250,000	$0.60	12/12/08	30/11/10
J Brown	100,000	11/08/08	$0.14	100,000	$0.50	11/08/09	31/07/11
J Brown	100,000	11/08/08	$0.14	100,000	$0.50	11/02/10	31/07/11
D Cox	50,000	11/08/08	$0.14	50,000	$0.50	11/08/09	31/07/11
D Cox	50,000	11/08/08	$0.14	50,000	$0.50	11/02/10	31/07/11
	550,000			550,000			

The following table discloses the value of options granted, exercised or lapsed during the year:

Directors & key management personnel	Options granted as part of remuneration $	Total remuneration represented by options %	Options exercised $	Options lapsed $	Total $
J Brown	8,794	3%	-	-	8,794
D Cox	4,397	4%	-	-	4,397
	13,191		-	-	13,191

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, 2 Finance & Audit Committee meetings and 3 Remuneration and Nomination Committee meetings held.

	Directors' Meetings		Finance & Audit Committee		Remuneration & Nomination Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
P Mantell	5	5				
A Buckler	5	5	2	2		
D O'Neill	5	5			3	3
B Kuan	5	5	2	2	3	3

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into Deeds of Indemnity with of all 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 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
11 August 2008	31 July 2011	$0.50	800,000
12 December 2008	30 November 2010	$0.60	250,000
17 December 2008	31 December 2011	$0.40	500,000
30 August 2010	31 August 2011	$0.15	82,391,322
			83,941,322

During the year ended 30 June 2010, the following ordinary shares of Altura Mining Limited were issued on the exercise of options. No further shares have been issued on the exercise of options since that date. No amounts are unpaid on any of the shares.

Issue Date	Exercise Price	Number of Shares Issued
29 October 2009	$0.20	300,000
29 October 2009	$0.20	150,000
29 October 2009	$0.35	1,800,930
29 October 2009	$0.40	250,000
10 May 2010	$0.35	5,538

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 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, WHK Horwath, did not provide any non-audit services to the Company during the year ended 30 June 2010.

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 2010 has been received and is included on page 10 of the annual report.

Signed in accordance with 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 Brisbane this 16th day of September 2010

WHK 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 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 audit; and

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

WHK HORWATH PERTH AUDIT PARTNERSHIP

CYRUS PATELL
Partner

Perth, WA
Dated this 16th day of September 2010

Total Financial Solutions

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A WHK Group firm

Horwath

Horwath refers to Horwath International Association, a Swiss verein. Each member of the Association is a separate and independent legal entity.

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 2nd Edition" (the "ASX Principles") issued in August 2007.

Commensurate with the spirit of the ASX Principles, the Company has followed each of the 27 Recommendations to the extent the Board considered that their implementation was practicable and likely to genuinely improve the Company's internal processes and accountability to external stakeholders. To the extent that the Company has adopted a practice that differs from the recommendations, disclosure is made of the Company's practice, and how that practice embraces the ASX Principles.

Additional information about the Company's corporate governance practices, including disclosure of the various charters, policies and procedures which form the Company's corporate governance framework, is set out on the company's website at www.alturamining.com

EXPLANATIONS FOR DEPARTURES FROM BEST PRACTICE RECOMMENDATIONS

As at the end of the Reporting Period, there were a number of recommendations of the ASX that the Company either has not followed, or did not follow for the whole of the Reporting Period. These are described more fully as follows:

PRINCIPLE 2

Recommendation 2.1

Notification of departure

During the reporting period two (2) of the four (4) directors were independent, and as such, this does not constitute an absolute majority.

Explanation for departure

Three (3) of the four (4) 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

Notification of departure

The Company does not have a permanent chairman, with the role at Board meetings being rotated between the 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.

PRINCIPLE 4

Recommendation 4.3

Notification of departure

The Finance & Audit Committee did not meet the requirements for composition during the Reporting Period.

Explanation for departure

The Committee comprises two (2) non-executive directors of which one (1) is an independent director. The Board considers that this arrangement is appropriate given the current size of the Board.

SKILLS, EXPERIENCE, EXPERTISE AND TERM OF OFFICE OF EACH DIRECTOR

These details are contained in profiles in the Directors' Report.

IDENTIFICATION OF INDEPENDENT DIRECTORS

In considering independence of directors, the Board refers to the criteria for independence as recommended by the ASX. To the extent that it is necessary for the Board to consider issues of materiality, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the Statement of Board and Management Functions, which is disclosed in full on the Company's website.

STATEMENT CONCERNING AVAILABILITY OF INDEPENDENT PROFESSIONAL ADVICE

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office 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.

FINANCE & AUDIT COMMITTEE

The Finance & Audit Committee comprises BT Kuan (Chairman) and Allan Buckler.

The number of meetings held during the year and the attendance by directors at these meetings is set out in the Directors' Report.

REMUNERATION & NOMINATION COMMITTEE

The Remuneration & Nomination Committee comprises Dan O'Neill (Chairman) and BT Kuan.

The number of meetings held during the year and the attendance by directors at these meetings is set out in the Directors' Report.

REMUNERATION POLICY

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

Consolidated Income Statement
For the year ended 30th June 2010

	Note	2010 $'000	2009 $'000
Continuing operations			
Revenue	5(a)	8,014	13,788
Cost of sales	5(c)	(6,248)	(10,814)
Gross profit/(loss)		1,766	2,974
Other income	5(b)	2,053	980
Administration costs		(3,500)	(5,297)
Other expenses	5(d)	(115)	(1,784)
Foreign exchange movement		(187)	623
Goodwill impairment	15	-	(2,431)
Financing costs	5(e)	(215)	(127)
Profit/(loss) before income tax		(198)	(5,062)
Income tax expense	7(a)	(633)	(556)
Profit/(loss) for the year		(831)	(5,618)
Profit/(loss) attributable to:			
Members of the parent entity		(914)	(5,833)
Non-controlling interest		83	215
		(831)	(5,618)

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

Consolidated Statement of Comprehensive Income
For the year ended 30th June 2010

	Note	2010 $'000	2009 $'000
Profit/(loss) after income tax		(831)	(5,618)
Other comprehensive income			
Exchange differences on translation of foreign controlled entities		(191)	265
Other comprehensive income for the year, net of income tax		(191)	265
Total comprehensive income for the year		(1,022)	(5,353)
Total comprehensive income attributable to:			
Members of the parent entity		(1088)	(5,590)
Non-controlling interest		66	237
		(1,022)	(5,353)
Earnings per share			
Basic earnings per share (cents per share)	6	(0.54)	(4.60)
Diluted earnings per share (cents per share)	6	(0.54)	(4.60)

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

Consolidated Balance Sheet
For the year ended 30th June 2010

	Note	2010 $'000	2009 $'000
Current assets			
Cash and cash equivalents	8	1,873	1,030
Trade and other receivables	9	2,366	1,930
Current tax prepaid	19(b)	191	-
Other current assets	11	303	331
		4,733	3,291
Assets of disposal group classified as held for sale	10	-	654
Total current assets		4,733	3,945
Non-current assets			
Trade and other receivables	12	-	5
Property, plant and equipment	13	4,291	5,861
Exploration and evaluation	14	16,942	5,481
Intangible assets	15	4,529	4,529
Deferred tax asset	19(b)	4,996	1,582
Total non-current assets		30,758	17,458
Total assets		**35,491**	**21,403**
Current liabilities			
Trade and other payables	16	1,021	1,195
Interest bearing liabilities	17	189	234
Short term provisions	18	524	593
Current tax payable	19(a)	-	13
		1,734	2,035
Liabilities directly associated with the assets classified as held for sale	10	-	148
Total current liabilities		1,734	2,183
Non-current liabilities			
Interest bearing liabilities	20	2,172	1,292
Deferred tax liability	19(a)	4,842	1,398
Total non-current liabilities		7,014	2,690
Total liabilities		**8,748**	**4,873**
Net assets		**26,743**	**16,530**
Equity			
Contributed equity	22	38,781	27,401
Reserves		135	646
Foreign currency translation reserve		(126)	65
Retained profits/(accumulated losses)		(12,339)	(11,934)
Parent interest		26,451	16,178
Non-controlling interest		292	352
Total equity		**26,743**	**16,530**

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

Consolidated Statement of Changes in Equity
For the year ended 30th June 2010

	Contributed Equity $'000	Retained earnings $'000	Option reserve $'000	Foreign currency reserve $'000	Non-controlling interests $'000	Total $'000
Balance as at 30 June 2008	**27,008**	**(6,101)**	**576**	**(200)**	**334**	**21,617**
Other comprehensive income	-	(5,833)	-	265	227	(5,341)
Total comprehensive income	**-**	**(5,833)**	**-**	**265**	**227**	**(5,341)**
Transactions with owners in their capacity as owners						
Issue of shares on exercise of options	102	-	-	-	-	102
Issue of shares	90	-	-	-	-	90
Dividend paid to non-controlling interests from subsidiary	-	-	-	-	(209)	(209)
Option reserve on recognition of bonus element of options	-	-	271	-	-	271
Transfer from option reserve on exercise/expiry of options	201	-	(201)	-	-	-
Balance as at 30 June 2009	**27,401**	**(11,934)**	**646**	**65**	352	**16,530**
Other comprehensive income	-	(914)	-	(191)	83	(1,022)
Total comprehensive income	**-**	**(914)**	**-**	**(191)**	**83**	**(1,022)**
Transactions with owners in their capacity as owners						
Issue of shares on exercise of options	822	-	-	-	-	822
Issue of shares	10,523	-	-	-	-	10,523
Dividend paid to non-controlling interests from subsidiary	-	-	-	-	(143)	(143)
Option reserve on recognition of bonus element of options	-	-	34	-	-	34
Transfer from option reserve on exercise/expiry of options	35	509	(545)	-	-	-
Balance as at 30 June 2010	**38,781**	**(12,339)**	**135**	**(126)**	**292**	**26,743**

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

Consolidated Cash Flow Statement
For the year ended 30th June 2010

	Note	2010 $'000	2009 $'000
Cash flows from operating activities			
Receipts from customers		7,751	12,984
Sundry income		37	36
Interest received		44	88
Interest paid		(215)	(130)
Payments to suppliers and employees		(9,763)	(12,862)
Income tax paid		(721)	(755)
Net cash provided by (used in) operating activities	27(b)	(2,867)	(639)
Cash flows from investing activities			
Expenditure on exploration		(11,479)	(3,775)
Expenditure on property, plant and equipment		(536)	(2,022)
Payment for investments		-	(81)
Disposal of subsidiaries		-	(74)
Proceeds from sale of investment		260	1,506
Proceeds from sale of property plant and equipment		3,183	487
Net cash provided by (used in) investing activities		(8,572)	(3,959)
Cash flows from financing activities			
Issue of shares		11,892	105
Payments for issue of equity securities		(547)	(2)
Proceeds from hire purchase liabilities		36	213
Payment of hire purchase liabilities		(277)	(512)
Dividend paid to minority from subsidiary		(117)	(209)
Loans from related parties		1,000	1,000
Reduction/(increase) in performance bond		345	(99)
Net cash provided by (used in) financing activities		12,332	496
Net increase/(decrease) in cash held		893	(4,102)
Cash at the beginning of the financial year		1,030	5,073
Effect of exchange rates on cash holdings in foreign currencies		(50)	59
Cash at the end of the financial year	27(a)	1,873	1,030

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

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* effective as at 30 June 2010.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

Accounting policies

a. Principles of consolidation

A controlled entity is any entity Altura Mining Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 26 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 economic entity, 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 parent entity.

Where controlled entities have entered or left the economic entity 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.

b. Business combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. 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.

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 that 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 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.

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 liabilities, except for any deferred tax liabilities 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 whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

d. Segment reporting

The Group has applied AASB Operating Segments from 1 July 2009. AASB 8 requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker, which in the Group's case is the Chief Executive Officer.

e. 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.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Each year the difference between depreciation based on the re-valued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	5-33%
Leased plant and equipment	5-33%

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 the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f. Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development 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.

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.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

1. **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

g. **Leases**

Leases of fixed assets 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 Consolidated Group entity, are classified as finance leases.

Finance leases are capitalised 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 term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

h. **Impairment of assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being in the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates recoverable amount of the cash-generating unit to which the asset belongs.

i. **Employee benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Company operates an Employee Share Option Plan. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares or the options granted.

j. **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 economic benefits will result and that outflow can be reliably measured.

k. **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to the customer.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

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

All revenue is stated net of the amount of goods and services tax (GST).

m. 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 times as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

n. 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 Australian Tax Office. 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 cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

o. 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;
- income and expenses are translated at 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.

p. 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.

1. **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

q. Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

r. Goodwill and intangibles

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to an entity sold.

s. Comparative figures

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

t. New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report.

(i) AASB 9 Financial Instruments includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 will become mandatory for the Company's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Company has not yet determined the potential effect of the standard.

(ii) AASB 124 Related Party Disclosures (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for government-related entities. The amendments, which will become mandatory for Company's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.

(iii) AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvement Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Company's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

(iv) AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash settled Share-based Payment Transactions resolves diversity in practice regarding the attribution of cash-settled share-based payments between different entities within a group. As a result of the amendments AI 8 Scope of AASB 2 and AI 11 AASB 2 - Group and Treasury Share Transactions will be withdrawn from the application date. The amendments, which become mandatory for the Company's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

(v) AASB 2009-10 Amendments to Australian Accounting Standards - Classification of Rights Issue [AASB 132] (October 2010) clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. The amendments, which will become mandatory for the Company's 30 June 2011 financial statements, are not expected to have any impact on the financial statements.

(vi) IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. IFRIC 19 will become mandatory for the Company's 30 June 2011 financial statements, with retrospective application required. The Company has not yet determined the potential effect of the interpretation.

2. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables, bank loans and overdrafts, 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:

	30 June 2010 $'000	30 June 2009 $'000
FINANCIAL ASSETS		
Cash and cash equivalents	1,873	1,030
Trade and other receivables	2,366	1,930
Other current assets	221	208
	4,460	3,168
FINANCIAL LIABILITIES		
Trade and other payables	1,021	1,195
Interest bearing liabilities	2,361	1,526
	3,382	2,721

a. Market risk

(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.

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

The Group does not enter into any hedging arrangements.

Foreign currency risk sensitivity analysis

At 30 June 2010, 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:

	2010 $'000	2009 $'000
Change in profit		
— Improvement in AUD to USD by 11%	(140)	(182)
— Decline in AUD to USD by 11%	140	182
Change in equity		
— Improvement in AUD to USD by 11%	(140)	(182)
— Decline in AUD to USD by 11%	140	182

(ii) Price risk

The Group has no current exposure to commodity and equity securities.

2. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Interest rate risk

At balance date the Group had a mixture of fixed and floating rate debt. For further details on interest rate risk refer to Note 2e.

Interest rate sensitivity analysis

At 30 June 2010, 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:

	2010 $'000	2009 $'000
Change in profit		
— Increase in interest rate by 1%	2	10
— Decrease in interest rate by 1%	(2)	(10)
Change in equity		
— Increase in interest rate by 1%	2	10
— Decrease in interest rate by 1%	(2)	(10)

Term deposits have been treated as under the 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

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

d. Fair value estimation

The carrying amounts of financial assets and liabilities equal their estimated net fair value.

e. 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		Fixed interest rate maturing: 1 to 5 years		Fixed interest rate maturing: Over 5 years		Non-interest bearing		Total	
	2010 %	2009 %	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Financial assets:														
Cash & cash equivalents	2.42%	1.00%	1,830	1,028	-	-	-	-	-	-	43	2	1,873	1,030
Receivables	-	2.00%	-	106	-	-	-	-	-	-	2,366	1,824	2,366	1,930
Investments	-	-	-	-	-	-	-	-	-	-	-	92	-	92
Total financial assets			1,830	1,134	-	-	-	-	-	-	2,409	1,918	4,239	3,052
Financial liabilities:														
Trade & sundry payables	-	-	-	-	-	-	-	-	-	-	1,021	1,195	1,021	1,195
Lease liabilities	9.55%	9.00%	-	-	136	137	172	292	-	-	-	-	308	429
Related party loan	8.75%	9.50%	-	-	-	-	2,000	1,000	-	-	-	-	2,000	1,000
Total financial liabilities			-	-	136	137	2,172	1,292	-	-	1,021	1,195	3,329	2,624

2. FINANCIAL RISK MANAGEMENT (Continued)

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

	2010	2009
	$'000	$'000
Less than 6 months	1,021	1,195
6 months to 1 year	-	-
1 - 5 years	-	-
Over 5 years	-	-
	1,021	1,195

3. 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.

Management has identified the following significant accounting policies for which significant judgements, estimates and assumptions are made.

a. Significant accounting estimates and assumptions

Share-based payment transactions
From time to time the Company has issued options to directors and employees. The Company measures the cost of 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.

Impairment of goodwill and productive assets
The Group tests goodwill and productive assets for impairment annually. Goodwill is allocated to cash generating units and the carrying value of goodwill and productive assets is assessed based on budgeted cash flows over a five year period, discounted at a rate of 17%, taking into account risks associated with each unit.

b. Significant accounting judgements

Taxation
The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets are only recognised where it is considered more likely than not that they will be recovered through the utilisation of future tax losses.

4. SEGMENT INFORMATION

The Group reports the following operating segments to the chief operating decision maker, being the Board of directors of Altura Mining Ltd, 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.

	Services $'000	Minerals $'000	Eliminations $'000	Total $'000
2010				
Revenue				
External sales	8,014	-	-	8,014
Other income	488	1,565	-	2,053
Other segments	241	456	(697)	-
Total segment revenue	8,744	2,021	(697)	
Unallocated revenue				-
Total consolidated revenue				10,067
Segment result	294	(277)	-	17
Other segments	-	-		-
Unallocated expenses net of unallocated revenue				-
Profit /(loss) before income tax and finance costs				17
Finance costs	(36)	(179)		(215)
Share of profit of non-controlling interest	-	-		(83)
Profit/(loss) before income tax				(281)
Income tax expense	(633)	-		(633)
Net profit/(loss) for the year				(914)
Assets and Liabilities				
Segment assets	10,699	19,796		30,495
Unallocated assets				4,996
Total assets				35,491
Segment liabilities	2,465	1,441		3,906
Unallocated liabilities				4,842
Total liabilities				8,748
Other segment information				
Capital expenditure	336	246		582
Exploration expenditure	-	11,461		11,461
Depreciation and amortisation	796	69		865
Cash flow information				
Net cash flow from operating activities	(1,453)	(1,414)		(2,867)
Net cash flow from investing activities	1,368	(9,940)		(8,572)
Net cash flow from financing activities	796	11,536		12,332

4. SEGMENT INFORMATION (Continued)

	Services $'000	Minerals $'000	Eliminations $'000	Total $'000
2009				
Revenue				
External sales	13,788	-	-	13,788
Other income	118	862	-	980
Other segments	513	635	(1,148)	-
Total segment revenue	14,419	1,497	(1,148)	
Unallocated revenue				-
Total consolidated revenue				14,768
Segment result	(42)	(4,890)	-	(4,932)
Other segments	-	-		-
Unallocated expenses net of unallocated revenue				-
Profit /(loss) before income tax and finance costs				(4,932)
Finance costs	(68)	(62)		(130)
Share of profit of non-controlling interest				(215)
Profit/(loss) before income tax				(5,277)
Income tax expense	(556)	-		(556)
Net profit/(loss) for the year				(5,833)
Assets and Liabilities				
Segment assets	7,892	11,929		19,821
Unallocated assets				1,582
Total assets				21,403
Segment liabilities	(1,447)	(1,738)		(3,185)
Unallocated liabilities				(1,688)
Total liabilities				(4,873)
Other segment information				
Capital expenditure	2,456	99		2,555
Exploration expenditure	-	4,136		4,136
Depreciation and amortisation	1,312	84		1,396
Impairment of goodwill	2,430	-		2,430
Cash flow information				
Net cash flow from operating activities	1,239	(1,878)		(639)
Net cash flow from investing activities	(703)	(3,256)		(3,959)
Net cash flow from financing activities	(711)	1,207		496

4. SEGMENT INFORMATION (Continued)

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

	Australia $'000	Indonesia $'000	Other $'000	Eliminations $'000	Total $'000
2010					
Revenue					
External sales	-	8,014	-	-	8,014
Other income	1,540	513	-	-	2,053
Other segments	456	240	-	(696)	-
Total segment revenue	1,996	8,767	-	(696)	10,067
Unallocated revenue					-
Total revenue					10,067
Segment assets	20,409	10,086	-	-	30,495
Unallocated assets					4,996
Total assets					35,491
Capital expenditure	246	336	-	-	582
Exploration expenditure	11,461	-	-	-	11,461

	Australia $'000	Indonesia $'000	Other $'000	Eliminations $'000	Total $'000
2009					
Revenue					
External sales	3,944	10,824	-	-	14,768
Other income	-	-	-	-	-
Other segments	635	513	-	(1,148)	-
Total segment revenue	4,579	11,337	-	(1,148)	14,768
Unallocated revenue	-	-	-	-	-
Total revenue	-	-	-	-	14,768
Segment assets	10,454	9,367	-	-	19,821
Unallocated assets	-	-	-	-	1,582
Total assets					21,403
Capital expenditure	2,009	546	-	-	2,555
Exploration expenditure	4,136	-	-	-	4,136

The Group has a number of customers to whom it provides services. The Group supplies 4 external customers in the services segment who account for 85% of external revenue (2009 70%). The single most significant client accounts for 33% (2009 32%) of external revenue.

5. PROFIT/(LOSS) FROM ORDINARY ACTIVITIES

		2010 $'000	2009 $'000
(a)	**Revenue from ordinary activities**		
	Revenue from sales	8,014	13,788
	Total sales revenues from ordinary activities	8,014	13,788
(b)	**Other revenues from ordinary activities**		
	Interest received from other corporations	44	88
	Profit /(loss) on sale of shares	6	(130)
	Profit on sale of mining rights	-	1,000
	Profit /(loss) on sale of assets	1,466	(14)
	Other revenue	537	36
	Total other revenues from ordinary activities	2,053	980
	Total revenue	10,067	14,768
(c)	**Cost of sales**		
	Production costs	-	5
	Drilling costs	5,467	9,487
	Depreciation - plant & equipment	741	1,220
	Depreciation - plant & equipment leased	40	102
	Total cost of sales	6,248	10,814
(d)	**Other expenses from ordinary activities**		
	Depreciation - plant & equipment	76	54
	- plant & equipment under lease	8	20
	Exploration expenditure written off	-	808
	Loss on disposal of investments	-	544
	Exploration	(4)	(2)
	Option reserve on recognition of bonus element of options	35	360
	Total other expenses from ordinary activities	115	1,784
(e)	**Borrowing costs**		
	Hire purchase interest expense	35	78
	Interest expense	180	49
	Total borrowing costs	215	127

6. EARNINGS PER SHARE

	2010 cents per share	2009 cents per share
Basic earnings per share	(0.54)	(4.60)

Basic earnings per share:
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2010 $000	2009 $000
Earnings (a)	(914)	(5,833)

	2010 No.	2009 No.
Weighted average number of ordinary shares (b)	168,235,764	126,913,765

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

	2010 $'000	2009 $'000
Net profit/(loss)	(914)	(5,833)
Earnings used in the calculation of basic EPS	(914)	(5,833)

(b) As at 30 June 2010, the options on issue had an exercise price in excess of the market price and are therefore anti-dilutive. There were 1,550,000 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.

In July 2010 Altura announced a two for three non-renounceable rights issue to raise up to $16.9 million, underwritten to $10.7 million. If the capital raising is fully subscribed an additional 130.2 million shares and 130.2 million listed options would be issued. Please refer to note 29 for further information.

7. INCOME TAX EXPENSE

	2010 $'000	2009 $'000
(a) The components of tax expense comprise:		
Current Tax		
Current Year	399	743
Adjustments in respect of prior periods	203	-
Deferred Tax		
Current year deferred tax	22	(139)
Adjustments in respect of prior periods	9	(48)
Total income tax expense per income statement	633	556
(b) The prima facie tax on profit/(loss) before income tax is reconciled to the income tax as follows:		
Profit/(loss) before tax	(198)	(5,062)
Income tax calculated at the Australian rate of 30%	(60)	(1,518)
Increase in income tax due to:		
Non-deductible expenses	213	1,084
Share compensation costs	10	108
Loan impairment in subsidiaries	-	168
Effect of current year tax losses derecognised	335	710
Effect of prior year tax losses derecognised	-	6
Under/(over) provision in prior year	211	(45)
Difference in overseas tax rates	(76)	43
Income tax expense	633	556

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	3,511	2,863

(c) 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.

	2010 $'000	2009 $'000
8. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	1,873	1,030

Reconciliation to Cash Flow Statement

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

	2010 $'000	2009 $'000
Cash at bank and on hand	1,873	1,030
Short-term deposits	-	-
Cash at bank and on hand	1,873	1,030

9. CURRENT TRADE & OTHER RECEIVABLES

	2010 $'000	2009 $'000
Performance bond	22	105
Trade and other receivables	2,344	1,825
	2,366	1,930

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
2010 Consolidated	1,612	221	274	237
2009 Consolidated	1,664	11	91	59

Trade debtors are non-interest bearing and generally on 30 day terms.

10. OPERATIONS HELD FOR SALE

(a) Details of operations held for sale

At 30 June 2009 the Bald Hill tenements and assets held within Altura Mining Limited (AJM) were classified as available for sale. Shares in Atlas Iron Limited held by Altura Exploration Pty Ltd (AE) are also classified as financial assets held for sale. Disposal of both the Bald Hill tenements and the shares in Atlas Iron Limited was completed during the year ended 30 June 2010.

(b) Assets and liabilities – held for sale operations

The major classes of assets and liabilities at 30 June 2009 were as follows:

	AJM 2009 $'000	AE 2009 $'000	Total 2009 $'000
Assets			
Trade and other receivables	253	-	253
Financial assets	-	116	116
Inventory	98	-	98
Property, plant & equipment	187	-	187
Assets classified as held for sale	538	116	654
Liabilities			
Provision for restoration	(148)	-	(148)
Liabilities directly associated with assets classified as held for sale	(148)	-	(148)
Net assets attributable to held for sale disposal groups	390	116	506

11. OTHER CURRENT ASSETS

	2010 $'000	2009 $'000
Financial assets (security deposits)	82	91
Prepayments	221	240
	303	331

12. NON-CURRENT TRADE & OTHER RECEIVABLES

	2010 $'000	2009 $'000
Project acquisition costs	-	5
	-	5

13. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Office equipment	Plant and equipment	Land	Exploration	Plant and equipment under lease	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2010							
Gross carrying amount							
Balance at 30 June 2009	822	274	8,084	644	74	779	10,677
Additions	42	98	340	-	57	45	582
Exchange difference	(31)	(3)	(151)	(1)	-	(1)	(187)
Disposals	(208)	(26)	(2,891)	-	-	(33)	(3,158)
Balance at 30 June 2010	625	343	5,382	643	131	790	7,914
Accumulated depreciation							
Balance at 30 June 2009	804	147	3,416	-	47	215	4,629
Depreciation expense	(71)	44	778	-	18	96	865
Exchange difference	(30)	(1)	(68)	-	-	-	(99)
Disposals	(200)	(21)	(1,526)	-	-	(25)	(1,772)
Balance at 30 June 2010	503	169	2,600	-	65	286	3,623
Net book value as at 30 June 2010	**122**	**174**	**2,782**	**643**	**66**	**504**	**4,291**

	Motor vehicles	Office equipment	Plant and equipment	Land	Exploration	Plant and equipment under lease	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2009							
Gross carrying amount							
Balance at 30 June 2008	780	315	7,851	641	57	1,089	10,733
Additions	43	54	2,395	-	17	46	2,555
Capital works in progress	-	-	(465)	-	-	-	(465)
Exchange difference	96	4	556	2	-	-	658
Disposals	(97)	(99)	(2,252)	-	-	(356)	(2,804)
Balance at 30 June 2009	822	274	8,085	643	74	779	10,677
Accumulated depreciation							
Balance at 30 June 2008	635	171	3,732	-	27	252	4,817
Depreciation expense	184	43	1,027	-	20	122	1,396
Exchange difference	75	2	230	-	-	-	307
Disposals	(91)	(69)	(1,571)	-	-	(160)	(1,891)
Balance at 30 June 2009	803	147	3,418	-	47	214	4,629
	19	127	4,667	643	27	565	6,048
Assets held for sale (Note 10)	-	(2)	(185)	-	-	-	(187)
Net book value as at 30 June 2009	**19**	**125**	**4,482**	**643**	**27**	**565**	**5,861**

14. MINERAL PROPERTIES

Exploration and evaluation expenditure at cost:

	2010 $'000	2009 $'000
Carried forward from previous year	5,481	3,376
Incurred during the year	11,461	4,136
Disposal during year	-	(1,223)
	16,942	6,289
Written off during the year	-	(808)
Total exploration expenditure	16,942	5,481

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. INTANGIBLE ASSETS

	2010 $'000	2009 $'000
Goodwill		
Cost	4,529	6,960
Accumulated impairment loss	-	(2,431)
	4,529	4,529

	2010 $'000	2009 $'000
Goodwill		
Balance at beginning of year	4,529	6,960
Additions	-	-
Disposals	-	-
Impaired losses	-	(2,431)
Closing balance at 30 June 2010	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. (Refer Note 3(a)).

16. CURRENT PAYABLES

	2010 $'000	2009 $'000
Trade payables	857	1,182
Goods and services tax payable	164	13
	1,021	1,195

17. CURRENT INTEREST BEARING LIABILITIES

	2010 $'000	2009 $'000
Other current loans	53	97
Hire purchase liabilities (Note 32)	136	137
Total interest bearing liabilities	189	234

Hire purchase loans are effectively secured as the rights to the assets revert to the owner in the event of default.

The Company has unused loan facilities available to it at year end from Hartco Nominees Pty Ltd (refer Note 26) of $1,000,000.

	2010 $'000	2009 $'000
18. CURRENT PROVISIONS		
Employee benefits	524	593
	524	593
Movements in Provisions		
(1) Short term employee benefits		
Opening balance	593	239
Additional provision	127	700
Expense incurred	(196)	(346)
Balance at end year	524	593
(2) Rehabilitation/Restoration		
Opening balance	-	156
Transfer to liabilities held for sale	-	(148)
Expense incurred	-	(8)
Balance at end year	-	-
Total	524	593

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

	2010 $'000	2009 $'000
Provision for employee entitlements:		
Current	524	593
Non-Current (Note 21)	-	-
Total	524	593

19. CURRENT TAXATION & DEFERRED TAX LIABILITIES & ASSETS

	2010 $'000	2009 $'000
(a) Liabilities		
Current		
Income tax payable	-	13
Non-Current		
Deferred tax liability comprises:		
Tax allowances relating to exploration	4,842	1,398
	4,842	1,398
(b) Assets		
Current		
Income tax refundable	191	-
Non-Current		
Deferred assets comprises:		
Provisions	332	429
Revenue losses	7,939	2,635
Revenue losses not recognised	(3,511)	(1,724)
Property, plant and equipment	186	197
Prepayments	51	67
Other	(1)	(22)
	4,996	1,582

	2010 $'000	2009 $'000

19. CURRENT TAXATION & DEFERRED TAX LIABILITIES & ASSETS (Continued)

(c) Reconciliation of:

Gross movements

The overall movement in the deferred tax account is as follows:

	2010 $'000	2009 $'000
Opening balance – net deferred taxes	184	3
(Charge) / credit to income statement	(30)	184
Deferred tax adjustment on subsidiary	-	(3)
Closing balance – net deferred taxes	154	184

Net deferred tax assets for the Indonesian entities are carried forward as it is probable that future tax profits will be available against which temporary differences can be utilised.

20. NON-CURRENT INTEREST BEARING LIABILITIES

	2010 $'000	2009 $'000
Related party loan (Note 26)	2,000	1,000
Hire purchase liabilities (Note 32)	172	292
	2,172	1,292

Hire purchase liabilities are effectively secured as the rights to the assets revert to the owner in the event of default.

21. NON-CURRENT PROVISIONS

	2010 $'000	2009 $'000
Long service leave	-	-
	-	-

(a) Provision for long service leave

Where a provision has been recognised for employee entitlements relating to long service leave, in calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

(b) Movements in provisions

	2010 $'000	2009 $'000
Long service leave		
Balance at beginning of financial year	-	47
Additional provision	-	7
Amounts utilised during the year	-	(54)
Balance at end of financial year	-	-

22. CONTRIBUTED EQUITY

	2010 $'000	2009 $'000
Issued capital		
195,351,787 (2009: 127,730,023) ordinary shares	38,781	27,401

	2010		2009	
	No.	$'000	No.	$'000
Fully paid ordinary shares				
Balance at the beginning of the financial year	127,730,023	27,401	126,404,017	27,008
Share issue costs		(547)	-	(3)
Rights issue	63,494,057	10,794	-	-
Issue as private placement	1,621,419	276	1,000,000	90
Issue on exercise of options	2,506,288	857	326,006	306
Balance at the end of the financial year	195,351,787	38,781	127,730,023	27,401

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.

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.

23. SHARE BASED PAYMENTS

Options

The Company has in place an employee share option plan under which employees and directors of the Consolidated 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.

23. SHARE BASED PAYMENTS (Continued)

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

Current employee share options were issued for no consideration and vest 50% after twelve months from the issue date and vest the remaining 50% after eighteen months from the issue date. All options subject to the employee share option plan 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 employee share option plan as at 30 June 2010:

Number	Issue date	Exercise price	Expiry date
800,000	11 August 2008	$0.50	31 July 2011

The Company had the following options on issue as at 30 June 2010 issued outside the employee share option plan, all of which vested on date of issue:

Number	Issue date	Exercise price	Expiry date
250,000	12 December 2008	$0.60	30 November 2010
500,000	17 December 2008	$0.40	31 December 2011

	2010		2009	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Outstanding at the beginning of the year	5,925,000	0.45	5,300,000	0.41
Granted	-		3,310,000	0.48
Forfeited / expired	(3,675,000)	0.49	(2,360,000)	0.38
Exercised	(700,000)	0.27	(325,000)	0.32
Outstanding at year-end	1,550,000	0.48	5,925,000	0.46
Exercisable at year-end	1,550,000	0.48	4,300,000	0.45

There were no new options issued during the year ended 30 June 2010.

23. SHARE BASED PAYMENTS (Continued)

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 2010 were:

	Granted on 11 Aug 2008	Granted on 12 Dec 2008	Granted on 17 Dec 2008
Option exercise price ($)	$0.50	$0.60	$0.40
Expected volatility (%)	93.06%	114.79%	114.49%
Dividend yield (%)	0%	0%	0%
Risk-free interest rate (%)	7.25%	4.25%	4.25%
Expected life of option (years)	3	2	3
Weighted average fair value at grant date	$0.14	$0.02	$0.04

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were $35,285 (2009: $82,882).

24. AUDITORS' REMUNERATION

	2010 $'000	2009 $'000
Audit or review of the financial report	118	105
	118	105

25. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Names and positions held of key management personnel in office at anytime during the financial year are:

Directors

Paul Mantell	Executive Director
Allan Buckler	Non Executive Director
Dan O'Neill	Non Executive Director
BT Kuan	Non Executive Director

Key Management Personnel

James Brown**	Chief Executive Officer	
Keith Mayes	Chief Operating Officer	(terminated 9 April 2010)
Noel Young	Group Financial Controller and Company Secretary	(appointed 31 August 2009)
Damon Cox	Company Secretary	

** James Brown became Group General Manager of the Company on 18 December 2008 and was appointed the Chief Executive Officer on 13 May 2010.

25. KEY MANAGEMENT PERSONNEL COMPENSATION (Continued)

(b) Option holdings

Details of options provided as remuneration 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.

Number of options held by key management personnel

2010	Balance at the start of the year	Granted as compen-sation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
P Mantell	-	-	-	-	-	-	-
A Buckler	-	-	-	-	-	-	-
D O'Neill	-	-	-	-	-	-	-
B Kuan	500,000	-	250,000	-	250,000	250,000	-
J Brown	200,000	-	-	-	200,000	200,000	-
K Mayes	-	-	-	-	-	-	-
N Young	-	-	-	-	-	-	-
D Cox	100,000	-	-	-	100,000	100,000	-

2009							
P Mantell	-	-	-	-	-	-	-
A Buckler	-	-	-	-	-	-	-
D O'Neill	-	-	-	-	-	-	-
B Kuan	-	500,000	-	-	500,000	500,000	-
J Caldon	4,847,446	-	-	-	4,847,446	4,847,446	-
C McCavana	1,248,841	-	-	-	1,248,841	1,248,841	-
D Mason	500,000	-	-	-	500,000	500,000	-
C Medhurst	767,700	-	-	-	767,700	767,700	-
Dennis O'Neill	975,200	-	-	-	975,200	975,200	-
J Brown	-	200,000	-	-	200,000	-	200,000
K Mayes	-	-	-	-	-	-	-
S Brown	400,000	100,000	-	(500,000)	-	-	-

25. KEY MANAGEMENT PERSONNEL COMPENSATION (Continued)

(c) 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. Other changes during the year include key management personnel who have resigned during the year as per the Directors' Report.

2010	Balance at the start of the year	Purchased / (sold)	Purchased as part of the rights issue	Received on the exercise of options	Other changes	Balance at the end of the year
P Mantell	1,020,000	66,417	1,049,190	-	-	2,135,607
A Buckler	16,116,596	500,000	10,599,547	-	429,609	27,645,752
D O'Neill	-	200,000	-	-	-	200,000
B Kuan	-	160,800	181,900	250,000	-	592,700
J Brown	1,074,841	-	537,421	-	-	1,612,262
K Mayes	100,000	50,000	138,434	-	(288,434)	-
N Young	-	244,747	70,000	-	-	314,747
D Cox	-	-	-	-	-	-

2009						
P Mantell	-	-	-	-	1,020,000	1,020,000
A Buckler	-	-	-	-	16,116,596	16,116,596
D O'Neill	-	-	-	-	-	-
B Kuan	-	-	-	-	-	-
J Caldon	14,698,059	-	-	-	(14,698,059)	-
C McCavana	3,134,331	-	-	-	(3,134,331)	-
D Mason	10,996,183	-	-	-	(10,996,183)	-
C Medhurst	936,950	-	-	-	(936,950)	-
Dennis O'Neill	575,200	-	-	-	(575,200)	-
J Brown	-	-	-	-	1,074,841	1,074,841
K Mayes	-	-	-	-	100,000	100,000
S Brown	27,000	-	-	-	(27,000)	-

26. RELATED PARTY DISCLOSURE

Name of entity	Country of incorporation	Ownership interest 2010 %	Ownership interest 2009 %
Parent entity			
Altura Mining Limited			
Controlled entities			
Altura Exploration Pty Ltd (formerly Australian Tantalum Pty Ltd)	Australia	100%	100%
Australian Garnet Pty Ltd	Australia	100%	100%
Minvest International Corporation	Mauritius	100%	100%
Minvest Australia Pty Ltd	Australia	100%	100%
Altura Drilling Pty Ltd (formerly Haddington Drilling Services Pty Ltd)	Australia	100%	100%
PT Asiadrill Bara Utama	Indonesia	100%	100%
PT Velseis Indonesia (PMA)	Indonesia	50%	50%
PT Minvest Trinusa Utama	Indonesia	100%	100%
PT Minvest Mitra Pembangunan	Indonesia	100%	100%
PT Jasa Tambang Pratana	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, Altura Exploration Pty Ltd and Australian Garnet Pty Ltd are included within the tax consolidation group.

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 controlled entities by way of intercompany loans. The loans are unsecured, interest free and have no fixed term of repayment (see Note 13). 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 outside of the wholly-owned Group

During the year an additional $1,000,000 was loaned to the parent entity from Hartco Nominees Pty Ltd (a nominee service company owned by an unrelated company). The loan is unsecured with interest being payable monthly at a commercial interest rate. At 30 June 2010, the balance outstanding was $2,000,000 (2009: $1,000,000). Allan Buckler, a Director of Altura, holds shares in Altura through Hartco Nominees Pty Ltd. Total interest paid to Hartco during the year was $174,820 (2009 $48,932).

27. NOTES TO STATEMENT OF CASH FLOWS

(a) For the purpose of the statements 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:

	2010 $'000	2009 $'000
Cash at bank and on hand (Note 8)	1,873	1,030
Cash per statement of cash flows	1,873	1,030

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

	2010 $'000	2009 $'000
Operating profit/(loss) after income tax	(831)	(5,833)
Adjustments for non-cash income and expense items:		
Option and share pricing	35	360
Loss/(gain) on sale of non-current assets	(1,466)	14
Loss/(gain) on sale of investments	(6)	(326)
Net gain on debt defeasance	(500)	-
Depreciation of property, plant and equipment	866	1,396
Impairment of goodwill	-	2,431
Foreign currency	336	-
Impairment of mineral projects	-	808
Exploration	-	(27)
Impairment of non current assets	-	112
(Increase) / decrease in current tax liability	(620)	(13)
Non-controlling interest	-	240
Increase/(decrease) in deferred tax balances	(30)	(185)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(436)	215
(Decrease)/increase in other creditors and accruals	(174)	(165)
(Increase)/decrease in deposits and prepayments	28	20
Increase/(decrease) in current provisions	(69)	314
Net cash from operating activities	(2,867)	(639)

(c) Acquisition of entities
No cash was outlaid for acquisitions.

(d) Non-cash financing and investing activities

There were no non-cash financing and investing activities during the year.

	Parent 2010 $'000	Parent 2009 $'000

28. PARENT ENTITY DISCLOSURE

(a) Summary of financial information

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

	Parent 2010 $'000	Parent 2009 $'000
Balance sheet		
Current assets	1,559	435
Total assets	36,142	22,429
Current liabilities	390	873
Total liabilities	2,416	1,911
Net assets	33,726	20,518
Equity		
Contributed equity	38,781	27,401
Reserves	135	646
Retained profits/(accumulated losses)	(5,190)	(7,529)
Total shareholder equity	33,726	20,518
Profit/(loss) for the year	1,829	(1,993)
Total comprehensive income/(loss)	1,829	(1,993)

(b) Contingent liabilities

No contingent liabilities exist at reporting date

(c) Contractual commitments

	2010	2009
No later than one year	310	301
Later than one year and not later than five years	978	978
Later than five years	-	91
	1,288	1,370

29. SUBSEQUENT EVENTS

In July 2010 Altura announced a two for three non-renounceable rights issue to raise up to $16.9 million before costs to fund the Company's contribution to exploration at the Mt Webber DSO joint venture, to progress the Balline garnet project, to fund the Company's exploration and evaluation program in Western Australia and the Northern Territory and for general working capital purposes including to enable the Company to pursue coal and mineral opportunities predominately in South East Asia. The rights issue was underwritten to $10.7 million and these funds were received in August 2010.

30. CONTINGENT LIABILITIES

No contingent liabilities exist at the reporting date.

31. COMMITMENTS FOR EXPENDITURE

In order to maintain an interest in the mining and exploration tenements in which the Consolidated Group is involved, the Consolidated Group is committed to meet 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 Consolidated 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 prospectivity of the relevant area of interest.

(a) Exploration work

The Company has certain obligations to perform minimum exploration work and expend minimum amounts on its mining tenements. Obligations for the next 12 months are expected to amount to $659,450 (2009: $583,400). No estimate has been given of expenditure commitments beyond 12 months as this is dependent on the director's ongoing assessment of operations and, in certain instances, native title negotiations.

(b) Asset acquisitions

The Consolidated Group has no commitments for asset acquisitions at 30 June 2010.

(c) Operating lease

The Consolidated Group has entered into operating leases for office premises at Brookwater in Qld, at Subiaco in WA, and in Jakarta, Indonesia. The Consolidated Group also has leases in relation to vehicles.

The commitment in respect of these leases is:

	2010 $'000	2009 $'000
No later than one year	471	435
Later than one year and not later than five years	1,024	1,137
Later than five years	-	91
	1,495	1,663

32. HIRE PURCHASE COMMITMENTS

Hire purchase agreements
The consolidated entity will acquire the plant and equipment at the conclusion of the respective agreements.

No later than one year	136	137
Later than one year and not later than five years	172	292
Later than five years	-	-
	308	429
Included in the financial statements as:		
Current hire purchase liabilities (Note 17)	136	137
Non-current hire purchase liabilities (Note 20)	172	292
	308	429

33. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Consolidated Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

- AASB 2008-1 *Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations* effective 1 January 2009
- AASB 7 *Financial Instruments: Disclosures* effective 1 January 2009
- AASB 8 *Operating Segments* effective 1 January 2009
- AASB 101 *Presentation of Financial Statements (revised 2007)* effective 1 January 2009
- AASB 123 *Borrowing Costs (revised 2007)* effective 1 January 2009
- AASB Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* effective 1 October 2008
- AASB 2008-1 *Amendments to Australian Accounting Standard – Share-based Payment: Vesting Conditions and Cancellations [AASB 2]* effective 1 January 2009
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* effective 1 January 2009
- AASB 2008-7 *Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* effective 1 January 2009
- AASB 2009-3 *Amendments to Australian Accounting Standards - Embedded Derivatives [AASB 139 and Interpretation 9]* effective 30 June 2009
- AASB 2009-6 *Amendments to Australian Accounting Standards* operative for periods beginning on or after 1 January 2009 that end on or after 30 June 2009
- AASB 3 *Business Combinations (revised 2008)* effective 1 July 2009
- AASB 127 *Consolidated and Separate Financial Statements (revised 2008)* effective 1 July 2009
- AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* effective 1 July 2009
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1 & AASB 5]* effective 1 July 2009
- AASB 2009-4 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* effective 1 July 2009

When the adoption of the Standard or Interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- The replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in income statement are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- The adoption of the separate income approach to the presentation of the Statement of Comprehensive Income;
- Other financial statements are renamed if mandatory in accordance with the standard; and
- Comparative information has been re-presented so that it is also in conformity with the revised standard.

Operating Segments

In February 2007 the Australian Accounting Standards Board issued AASB 8 which replaced AASB 114: Segment Reporting. From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the group's chief operating decision maker which, for the Consolidated Entity, is the chief executive officer. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments. Under AASB 114, segments were identified by business and geographical areas, and only segments deriving revenue from external sources were considered.

Directors' Declaration
For the year ended 30th June 2010

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 2010 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 Brisbane this 16th day of September 2010

WHK Horwath

INDEPENDENT AUDIT REPORT TO MEMBERS OF ALTURA MINING LIMITED

We have audited the accompanying financial report of Altura Mining Limited, which comprises the consolidated balance sheet as at 30 June 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes 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 and fair presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the 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. In Note1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation of the financial report 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, the financial report of Altura Mining Limited is in accordance with the Corporations Act 2001 including:

(a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

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

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

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the year ended 30 June 2010. 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 for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

WHK HORWATH PERTH AUDIT PARTNERSHIP

CYRUS PATELL
Partner

Perth, WA
Dated this 16th day of September 2010

Total Financial Solutions

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Horwath

Horwath refers to Horwath International Association, a Swiss verein. Each member of the Association is a separate and independent legal entity.

SCHEDULE OF MINERAL PROPERTIES

Location	Tenement Number	Holder / Applicant	Interest	Status
WESTERN AUSTRALIA				
Bald Hill *	R 15/1	Altura Mining	100%	Granted
	G 15/17	Altura Mining	100%	Granted
	L 15/264	Altura Mining	100%	Granted
	L 15/265	Altura Mining	100%	Granted
	L 15/266	Altura Mining	100%	Granted
	L 15/267	Altura Mining	100%	Granted
	L 15/268	Altura Mining	100%	Granted
	L 15/269	Altura Mining	100%	Granted
	L 15/270	Altura Mining	100%	Granted
Smithfield	E 70/2254	Altura Exploration	100%	Granted
Mt Hall	E 47/1051	Attgold	100%	Application (applied 5/5/00)
Pilbara	E 45/2244	Attgold	100%	Application (applied 1/9/00)
	E 45/2268	Altura Exploration	100%	Granted
	E 45/2273	REM	100%	Application (applied 24/11/00)
	E 45/2277	Attgold	100%	Application (applied 4/12/00)
	E 45/2287	Altura Exploration	100%	Granted
	E 45/2288	Altura Exploration	100%	Application (applied 27/12/00)
	E 45/2312	Altura Exploration	100%	Granted
	E 45/2346	Altura Exploration	100%	Application (applied 3/8/01)
	E 45/3488	Altura Exploration	100%	Application (applied 31/8/09)
	E 45/3645	Altura Exploration	100%	Application (applied 17/3/10)
	P 45/2758	Altura Exploration	100%	Application (applied 7/8/09)
Balline	E 70/2509	Australian Garnet	100%	Granted
	E 70/2546	Australian Garnet	100%	Granted
	L 70/134	Australian Garnet	100%	Granted

* *On 28 June 2010 the Company announced that it had sold its assets at Bald Hill. These assets included tenement numbers R15/1, G15/17 and L15/264 to L15/270 inclusive.*

SCHEDULE OF MINERAL PROPERTIES (CONT'D)

Location	Tenement Number	Holder / Applicant	Interest	Status
NORTHERN TERRITORY				
Mt Shoobridge	EL 22186	Altura Exploration	100%	Granted
	EL 23105	Altura Exploration	100%	Granted
	EL 24528	Altura Exploration	100%	Granted
	EL 25181	Altura Exploration	100%	Granted
	ERL 88	Altura Exploration	100%	Granted
	MCN 60	Altura Exploration	100%	Granted
	MLN 296	Altura Exploration	100%	Granted
	MLN 544	Altura Exploration	100%	Granted
Finniss Range	EL 24773	Altura Exploration	100%	Granted
	EL 24774	Altura Exploration	100%	Granted
	EL 25521	Altura Exploration	100%	Granted
	EL 25603	Altura Exploration	100%	Granted
	EL 25604	Altura Exploration	100%	Granted
	EL 26399	Altura Exploration	100%	Granted
	EL 26467	Altura Exploration	100%	Granted
	EL 26469	Altura Exploration	100%	Granted
	EL 26932	Altura Exploration	100%	Granted
Tanami	ELA 26626	Altura Exploration	100%	Application (applied 04/02/08)
	ELA 26627	Altura Exploration	100%	Application (applied 04/02/08)
	ELA 26628	Altura Exploration	100%	Application (applied 04/02/08)

Key to Tenement Type:

E, EL	Exploration Licence
M, ML	Mining Lease
G	General Purpose Lease
L	Miscellaneous Licence
P	Prospecting Licence
EPM	Exploration Permit
ERL	Exploration Retention Licence
MCN	Mineral Claim Northern
MLN	Mineral Lease Northern

Key to Parties:

Altura Mining	Altura Mining Limited
Altura Exploration	Altura Exploration Pty Ltd
Australian Garnet	Australian Garnet Pty Ltd
Attgold	Attgold Pty Ltd
REM	REM Pty Ltd

Shareholder Details
The issued capital of the Company as at 30 September 2010 consists of 325,586,310 fully paid ordinary shares and 130,234,523 options over the unissued capital of the Company.

Distribution of Shareholdings and Option holder as at 30 September 2010

	Fully Paid Ord Shares
Number of holders	1,238
Holders of less than a marketable parcel	178

Number of holders in the following distribution categories:

	Fully Paid Ordinary Shares	Listed Options	Unlisted Options
0 – 1,000	96	11	-
1,001 – 5,000	171	48	-
5,001 – 10,000	163	38	-
10,001 – 100,000	544	146	5
100,001 and over	264	104	4
	1,238	347	9

Twenty Largest Shareholders – Fully Paid Shares
The names of the twenty largest shareholders are as follows:

Rank	Holder Name	Units	% of Issued
1	Hartco Nominees Pty Ltd	59,030,597	18.13%
2	AC Buckler	26,018,162	7.99%
3	MT Smith	25,507,730	7.83%
4	Navibell Services Limited	24,922,948	7.65%
5	JR Caldon	19,522,097	6.00%
6	Farjoy Pty Ltd	18,050,987	5.54%
7	Rothstein Pty Ltd	6,496,183	2.00%
8	PK & MA Mantell	5,509,345	1.69%
9	D & H Mason Investments Pty Ltd	4,500,000	1.38%
10	YT Teo	3,496,788	1.07%
11	DB Watts	3,300,917	1.01%
12	Yelrif Investments Pty Ltd	3,000,000	0.92%
13	VC & JE Wheatley	2,821,802	0.87%
14	Pavwood Pty Ltd	2,777,992	0.85%
15	Central West Electrical Pty Ltd	2,390,085	0.73%
16	PYC Investments Pty Ltd	2,316,624	0.71%
17	Sand King Pty Ltd	2,279,167	0.70%
18	D V Nominees Pty Ltd	2,237,992	0.69%
19	ABN AMRO Clearing Sydney Nominees Pty Ltd	2,141,097	0.66%
20	RS Clarke	2,108,000	0.65%
TOTAL		**218,428,513**	**67.09%**

Additional Shareholder Information
As at 30th September 2010

Twenty Largest Option holders
The names of the twenty largest option holders are as follows:

Rank	Holder Name	Units	% of Issued
1	Hartco Nominees Pty Ltd	23,612,239	18.13%
2	MT Smith	16,203,092	12.44%
3	AC Buckler	15,807,265	12.14%
4	Farjoy Pty Ltd	11,420,395	8.77%
5	Navibell Services Limited	9,969,180	7.65%
6	PK & MA Mantell	3,403,738	2.61%
7	ABN AMRO Clearing Sydney Nominees Pty Ltd	2,637,281	2.03%
8	CS Fourth Nominees Pty Ltd	2,000,000	1.54%
9	D Watts	1,821,154	1.40%
10	Bill Brooks Pty Ltd	1,538,462	1.18%
	Brash Investments Pty Ltd	1,538,462	1.18%
12	Yelrif Investments Pty Ltd	1,200,000	0.92%
13	PM Glovac	1,158,077	0.89%
	Syracuse Capital Pty Ltd	1,158,077	0.89%
15	D V Nominees Pty Ltd	1,000,000	0.77%
16	Central West Electrical Pty Ltd	956,034	0.73%
17	PYC Investments Pty Ltd	926,650	0.71%
18	M F Custodians Limited	830,786	0.64%
19	YT Teo	800,000	0.61%
20	IDP Investments Pty Ltd	769,231	0.59%
TOTAL		**98,750,123**	**75.82%**

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

Holder Name	Shares
AC Buckler (Hartco Nominees Pty Ltd)	55,533,460
MT Smith (Hartco Nominees Pty Ltd)	45,876,630
JR Caldon	22,300,089
Farjoy Pty Ltd	18,050,987

Voting Rights

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.

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converting resources into reality

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