

Australia United Mining Limited

(Formerly Altius Mining Limited)

ABN 35 126 540 547

Half year report for the half-year ended 31 December 2014

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Current Reporting Period:
Previous Reporting Period:

Half-year ended 31 December 2014
Half-year ended 31 December 2013

<u>Results for announcement to the market</u>		A\$
Revenue from ordinary activities	Down 71%	8,416
Loss after tax attributed to members	Down 0.24%	(710,243)
Loss for the half-year attributed to members	Down 0.24%	(710,243)

The loss of Altius Mining Limited ("AUML") and its subsidiaries (the "consolidated entity") for the half-year ended 31 December 2014, after income tax, amounted to \$710,243 (2013: \$711,956).

Dividends

It is not proposed to pay dividends

<u>Other information</u>	31 December 2014	31 December 2013
Net Tangible Assets per ordinary share	0.0289	0.0398

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

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

INDEX

Directors' Report	4
Auditor's Independence Declaration	6
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	16
Independent Auditor's Review Report	17

DIRECTORS' REPORT

The Directors of Australia United Mining Limited submit herewith the financial report of Australia United Mining Limited and its subsidiaries (the Group) for the half-year ended 31 December 2014. In order to comply with provisions of the *Corporations Act 2001*, the directors report as follows:

DIRECTORS

The names of Directors of the company during or since the end of the half-year are:

Mr X. J. Wang
Ms J. Yu
Mr J. Zee

Mr. E. McCormack
Mr. J. B. Zhang

The above named directors held office during and since the end of the half-year except for:

Mr J. Zee – resigned 16 December 2014.
Mr. E. McCormack – resigned 12 March 2015

REVIEW OF OPERATIONS

The losses of Australia United Mining Limited ("AUML") and its subsidiaries (the "consolidated entity") for the half-year ended 31 December 2014, after income tax, amounted to \$710,243 (2013: \$711,956).

During the reporting period the company has continued with its exploration program at Forsayth where an aggressive drilling program was carried out. Numerous high grade intercepts were received and confirmation mineralisation continued both along strike and down dip of previously known mineralisation was confirmed.

Exploration on the companies NSW tenements has also continued with preparation to commence drilling at the Spring Gully prospect finalised. This prospect was the subject an Induced Polarization (IP) survey carried out in 2013 was highly encouraging results were received. The target occurs within the companies Sofala tenement. Further detail of all exploration activities for the period can be found in the Quarterly Activities report as at end of December 2014.

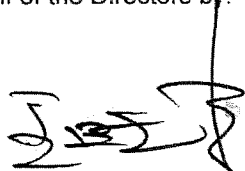
Three tenements were relinquished in the half year being EL7036, EL7159, and EL7195 in order to focus on the other tenements in the company's portfolio.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

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

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

A handwritten signature in black ink, appearing to read 'Xiao Jing Wang', with a long vertical line extending upwards from the top of the signature.

Xiao Jing Wang
Director and Executive Chairman

Dated in Sydney, Australia on this **13** day of March 2015



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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS
ACT 2001 TO THE DIRECTORS OF AUSTRALUA UNITED MINING LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2014 there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

Hayes Knight Audit

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Melbourne

Richard S. Cen
Director

Dated this 13 day of March 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	
	31 December	
	2014	2013
	\$	\$
Interest revenue	8,416	28,993
Other income	-	930,617
Total revenue and other income	8,416	959,610
Employee benefits expense	(306,763)	(434,431)
Depreciation and amortisation expense	(5,502)	(6,197)
Travel and accommodation expenses	(81,358)	(47,214)
Consultants fees	(11,850)	-
Rent expense	(43,088)	(33,229)
Legal and corporate secretarial fees	(70,000)	(87,561)
Insurance	(30,761)	(27,971)
Finance costs	(3,814)	(3,572)
Impairment of exploration asset	(37,740)	(988,876)
Other expenses	(127,783)	(42,515)
Total expenses	(718,659)	(1,671,566)
Loss before income tax benefit	(710,243)	(711,956)
Income tax benefit		
Loss after income tax benefit attributable to the members of Australia United Mining Limited	(710,243)	(711,956)
Other comprehensive income	-	-
Total comprehensive loss attributable to the members of Australia United Mining Limited	(710,243)	(711,956)
	Cents	Cents
Basic loss per share	(0.101)	(0.140)
Diluted loss per share	(0.101)	(0.140)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	31 December 2014	30 June 2014
Current Assets		\$	\$
Cash and cash equivalents		221,048	1,757,581
Other receivables		37,711	40,840
Other assets		1,110	150
Total Current Assets		259,869	1,798,571
Non-Current Assets			
Other assets including cash- backed environmental bonds		341,605	340,461
Property, plant and equipment		335,942	363,173
Exploration and evaluation assets	2	20,101,106	18,410,740
Total Non-Current Assets		20,778,653	19,114,374
Total Assets		21,038,522	20,912,945
Current Liabilities			
Trade and other payables		443,054	566,685
Borrowings		-	-
Provisions		14,522	66,260
Other financial liabilities	3	200,000	-
Total Current Liabilities		657,576	632,945
Total Liabilities		657,576	632,945
Net Assets		20,380,946	20,280,000
Equity			
Issued capital	4	37,387,756	36,576,567
Reserves		-	-
Accumulated losses		(17,006,810)	(16,296,567)
Total Equity		20,380,946	20,280,000

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Issued Capital \$	Accumulated losses \$	Options reserve \$	Total \$
Balance at 1 July 2013	35,511,691	(14,132,846)	-	21,378,844
Total comprehensive loss for the half-year				
Loss for the half-year	-	(711,956)	-	(711,956)
Total comprehensive loss for the half-year	-	(711,956)	-	(711,956)
Transactions with owners in their capacity as owners	-	-	-	-
Issue of ordinary shares	-	-	-	-
Share issue costs	-	-	-	-
Balance at 31 December 2013	35,511,691	(14,844,802)	-	20,666,889
Balance at 1 July 2014	36,576,567	(16,296,567)	-	20,280,000
Total comprehensive loss for the half-year				
Loss for the half-year	-	(710,243)	-	(710,243)
Total comprehensive loss for the half-year	-	(710,243)	-	(710,243)
Transactions with owners in their capacity as owners	-	-	-	-
Rights issue	811,189	-	-	811,189
Conversion of convertible notes to ordinary shares	-	-	-	-
Share issue costs	-	-	-	-
Balance at 31 December 2014	37,387,756	(17,006,810)	-	20,380,946

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	31 December	
	2014	2013
	\$	\$
Cash flow from operating activities		
Payments to suppliers and employees	(820,480)	(865,437)
Interest received	8,416	28,993
Finance costs	(3,814)	(3,572)
Net cash used in operating activities	(815,879)	(840,016)
Cash flow from investing activities		
Purchases of property, plant and equipment	(3,736)	(78,094)
Payments for exploration expenditure	(1,728,107)	(561,149)
Net cash used in investing activities	(1,731,843)	(639,243)
Cash flow from financing activities		
Proceeds from issue of rights	811,189	-
Proceeds from borrowings	200,000	-
Repayment of borrowings	-	(525,000)
Net cash provided used in financing activities	1,011,189	(525,000)
Net increase/(decrease) in cash held	(1,536,533)	(2,004,259)
Cash at the beginning of the half-year	1,757,581	3,625,944
Cash at end of the half-year	221,048	1,621,685

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the 30 June 2014 financial report.

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

Reporting Basis and Conventions

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

New, Revised or Amending Accounting Standards and Interpretations Adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
Balance at beginning of the half year	18,410,740	18,804,288
Additions	1,728,106	561,149
Reclassification	-	-
Impairment	(37,740)	(988,876)
Balance at end of the half year	20,101,106	18,376,561

\$1,728,106 of costs has been capitalized during the half-year.

During the financial period the group reassessed the recoverable value of all tenement areas of interest to which exploration costs had been capitalised. The recoverability of the carrying amount of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

3. OTHER FINANCIAL LIABILITIES

	31 December	
	2014	2013
	\$	\$
Loan from directors	200,000	-
	200,000	-

Interest bearing short term loans from directors, the interest rate is 12% per annum.

4. Issued Capital

	31 December 2014		31 December 2013	
	Number	\$	Number	\$
Ordinary shares				
Opening balance 1 July	625,171,270	36,576,567	518,625,370	35,511,691
Issue of ordinary shares through rights issue (a)	81,060,527	811,189	-	-
Share issue costs	-	-	-	-
Closing balance 31 December	706,231,797	37,387,756	518,625,370	35,511,691
Total issued capital at 1 July	625,171,270	36,576,567	518,625,370	35,511,691
Total issued capital at 31 December	706,231,797	37,387,756	518,625,370	35,511,691

The following equity issues occurred during the period:

- (a) The company carried out a pro-rata non-renounceable rights issue of 1 new share for every 3 existing share at an issue price of 1 cent per share in August and November 2014.

5. DIVIDENDS PAID

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

6. SHARE OPTIONS

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

7. SEGMENT INFORMATION

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

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

Description of Segments

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

Forsayth Project (Queensland)

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

NSW Exploration Licenses

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

The Honeybugle EL cover epithermal gold, skarn copper and scandium/nickel/PGE targets. Australia United Mining also holds ELs at Sofala and at Karangi.

Corporate Centre Costs

The corporate centre provides administration support to the entire group.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

8. SEGMENT INFORMATION (continued)

	Forsayth	NSW Exploration	Corporate Centre	Total
Half year ended 31 December 2014				
Total segment revenue	-	-	8,416	8,416
Segment result	-	(37,740)	(672,503)	(710,243)
Segment assets	16,697,971	3,701,953	638,598	21,038,522

Half year ended 31 December 2013				
Total segment revenue	-	-	28,993	28,993
Segment result	-	(58,259)	(653,697)	(711,956)
Segment assets	13,794,805	4,581,755	2,446,272	20,822,832

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

9. COMMITMENTS FOR EXPENDITURE**(a) Exploration expenditure commitments**

The commitments detailed below are the required expenditure to maintain ownership of the tenements or as required by service contracts entered into by the company.

Not longer than 6 months	\$206,000
Longer than 6 months and not longer than 12 months	\$439,524
	\$645,524

(b) Lease commitments

Operating lease commitments are disclosed in note (c) below. There are no finance lease liabilities.

(c) Other expenditure commitmentsProperty Lease

Not longer than 6 months	\$49,620
Longer than 6 months and not longer than 12 months	\$33,686
	\$83,306

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

10. CONTINGENT LIABILITIES

There were no contingent liabilities at the reporting date.

11. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On the 24 February 2015, in accordance with Listing Rule 3.13.2 and section 251AA of the Corporations Act, shareholders ratified the issue of 20,091,351 shares to the First Placement Subscribers at an issue price per share of \$0.01 on the 21 November 2014.

12. GOING CONCERN

The directors have prepared the half-year financial statements on going concern basis, which contemplates the continuity of normal business activity in respect of continuing operations and the orderly realisation of assets and liabilities.

For the half year ending 31st December 2014 the company had current assets of \$259,869 versus current liabilities of \$657,576 representing negative working capital balance. During the half year the company incurred an operating loss of \$710,243. Since December 2014 the company substantially reduced its ongoing expenses by reducing the number of staff and contractors and ceasing drilling activities at the Forsayth Project. The company is in continued discussions with sophisticated investors in relation to providing additional funding with several groups visiting the company's main project areas in January and February 2015. While these discussions are occurring all costs are being kept to a minimum and the Chairman of the Company Mr Wang has provided a letter of financial support to the company and agreed to extend the term of a loan he has made to the company of \$150,000.

In February the company raised \$200,913 via the issue of part of the shortfall in the recent 1 for 3 rights issue. Further direct placement in later March or earlier April 2015 would bring very positive cash flows to the company.

Australia United Mining Limited

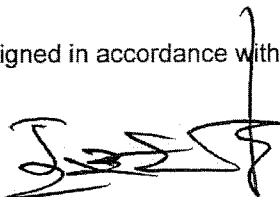
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DIRECTORS' DECLARATION

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

1. The half-year financial statements and notes set out on pages 7 to 15 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2014 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Xiao Jing Wang
Director and Executive Chairman
Dated in Sydney, Australia on this

13

day of March 2015



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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Australia United Mining Limited and Controlled Entities ("the consolidated entity") which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Australia United Mining Limited and Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 12 in the half-year financial report, which indicates that the company incurred a net loss of \$710,243 during the half-year ended 31 December 2014 and, as of the date; the company's current liabilities exceeded its current assets by \$397,707. These conditions, along with other matters as set forth in Note 12, indicate the existence of a material uncertainty that may cast doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Hayes Knight Audit

Hayes Knight Audit Pty Ltd
Melbourne



Richard S. Cen
Director

Dated this *13* day of *March* 2015

