Financial Information

Year Ended 30 June 2013

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Directors' Report

Year Ended 30 June 2013

The directors present their report on the consolidated entity (AMIRA Group) consisting of AMIRA International Limited and the entities that it controlled during and at the end of the year ended 30 June 2013.

Principal activity

AMIRA's principal activity during the year was to promote research in fields of interest to the minerals industry through the development, brokerage and oversight of collaboratively funded research and development projects.

Results of operations

AMIRA's profit for the year was $270,900 (2012: $301,294). This result was after taking into account, revaluation of investments of $48,300 (2012: $234,320) that are outside the normal operating activity of the AMIRA Group. When these impairment losses are excluded, the operating profit for the year was $222,600 (2012: $66,974).

Review of operations

In the year ended 30 June 2013, revenue decreased by $1,109,363 from previous year's $5,347,798 to current year's $4,238,435.

During the same period, costs decreased by $1,081,667 from previous year's $5,040,031 to current year's $3,958,364. Most notably, salaries and employee benefits decreased by $740,438 due to a reduction in staff numbers. Travel and communications decreased by $417,118 due to decreased overseas travel by staff.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of AMIRA during the fiscal year ended 30 June 2013.

Significant events after the balance date

The directors are not aware of any matter or circumstance that has arisen since the end of the financial year that, in their opinion, has significantly affected or may significantly affect in future years AMIRA's operations, the results of those operations, or the state of AMIRA's affairs.

Likely developments in future years

The directors have revised the strategy and operating structure of the business to ensure AMIRA offers efficient and cost effective solutions to meet its members' on-going requirements for collaborative research during both the current economic downturn and for the long term future.

It is the intention of directors that AMIRA reduces its operating costs and that the business continues as a going concern.

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Details of directors

Changes to the directors of AMIRA International Limited during the financial year and up to the date of this report were:

- R Costa resigned on 19 July 2012
- N Streltsova resigned on 14 September 2012
- Dr J Carlos Salas resigned on 4 October 2012
- M Henderson resigned on 31 October 2012
- K Hoots resigned on 5 November 2012
- M Bastos resigned on 14 November 2012
- G Gomes appointed on 14 November 2012
- A Muir appointed on 14 November 2012
- J Russell appointed on 14 November 2012

Information about the directors is provided as follows and forms part of this report:

- Names of directors and details of their qualifications, experience and special responsibilities are provided on pages 4-6; and
- Number of board and committee meetings and attendance by directors at these meetings is provided on page 7.

Company secretary

The qualifications and experience of AMIRA's current and former company secretary are provided on page 6 and forms part of this report.

Directors' and officers' indemnity and insurance

AMIRA maintains a directors' and officers' insurance policy to cover losses for which the director or officer is not otherwise indemnified by AMIRA. The insurance policy does not extend to situations where liability arises out of:

- The improper use of position or information to gain any profit or advantage or cause detriment to the company;
- Conduct involving a wilful breach of duty in relation to any company; and
- Any criminal, dishonest or fraudulent acts or omissions.

Auditor independence and non-audit services

The directors have received a declaration of auditor independence from the auditor of AMIRA International Limited and this is given on page 8.

This report is made in accordance with a resolution of the directors.

Neville Plint, Chairman

Place: Johannesburg
Date: 23 October 2013

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Directors' Information

***The Directors at the date of this report are*:**

Name	Initial Appointment
N Plint	25 November 2009
A Paverd	25 November 2009
J Pease	26 September 2003
W Valery	22 September 2004
S R Gilbert	24 April 2008
P Kondos	25 November 2009
M Du Plessis	18 November 2010
I Sandl	16 November 2011
L Stonehouse	24 April 2012
D Bentley	24 April 2012
P Lilly	24 April 2012
G Gomes	14 November 2012
A Muir	14 November 2012
J Russell	14 November 2012
J Cucuzza	19 July 2012

A brief biography for each of the current Directors is as follows:

Neville Plint, PhD MBA
Head Research & Development, Anglo Platinum
Dr Plint joined AMIRA International as a non-executive Director in November 2009. He is Chairman of the AMIRA International Africa Board. Dr Plint was appointed Chairman of AMIRA International Board in November 2011. He is a member of the Executive Committee and Finance & Audit Committee.

Aubrey Paverd, B.Sc (Hons), M.Sc., PhD
Director, Compania De Minas Buenaventura
Dr Paverd joined AMIRA International as a non-executive Director in November 2009. Dr Paverd was appointed Vice-Chairman in November 2011. He is a member of the Executive Committee and Finance & Audit Committee.

Joe Pease, BEng (Met Hons), BEc, MAusIMM, MCIM
General Manager – Xstrata Technology, Xstrata Copper Australia
Mr Pease joined AMIRA International Limited as a non-executive Director in September 2003. He is a member of the Executive Committee.

Walter Valery, PhD, B.E., M.Eng.Sc, FAusIMM
Senior Vice President - Global, Metso Process Technology & Innovation,
Metso Minerals (Australia) Limited
Dr Valery joined AMIRA International Limited as a non-executive Director in September 2004.

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S Rick Gilbert, BSc
Vice President Technology & Product Development,
Freeport McMoRan Mining Company
Mr Gilbert joined AMIRA International Limited as a non-executive Director in April 2008. He is a member of the Executive Committee and on the Board of AMIRA International North America, Inc.

Peter Kondos
Senior Manager Research & Development, Barrick Gold Corporation
Dr Kondos joined AMIRA International as a none-executive Director in November 2009. He is a member of the Finance & Audit Committee.

Marinus Du Plessis, MSc Technology Management, BSc Hons Tech Management, BSc Hons Geo-Technical Engineering, BSc Geology NDIP Metallurgical Engineering, SMP (Senior Management Program)
Manager, Technical Advisory & Innovation Technology, Exxaro Resources Limited
Mr Du Plessis joined AMIRA International as a non-executive Director in November 2010.

Ian Sandl, BSc(Hon) Geology / Geophysics
General Manager, Exploration Asia Pacific, Teck Australia Pty Ltd
Mr Sandl joined AMIRA International as a non-executive Director in November 2011.

Laurence Stonehouse, BSc (Hons), BEng (Hons), BEcon
Vice President Technology & Manufacturing Alcoa Global Refining, Alcoa of Australia Limited
Mr Stonehouse joined AMIRA International as a non-executive Director in April 2012.

Dave Bentley, BSc (Chem Eng), BCom
Group Head of Technology Development, Anglo American
Mr Bentley joined AMIRA International as a non-executive Director in April 2012.

Peter Lilly, BSCHons PhD
Senior Manager Research & Development, BHP Billiton
Dr Lilly joined AMIRA International as a non-executive Director in April 2012.

Gustavo Gomes, MBA Finance Sloan MIT USA, BSc Geology UERJ
General Manager Technical Services, MMG
Mr Gomes joined AMIRA International as a non-executive Director in November 2012.

Alan Muir, BSc Metallurgy
Vice President Metallurgy, AngloGold Ashanti
Mr Muir joined AMIRA International as a non-executive Director in November 2012.

John Russell, B. Eng. (Mech), Doctor of Engineering (honoris causa)
Managing Director & General Manager, Russell Mineral Equipment
Dr Russell joined AMIRA International as a non-executive Director in November 2012.

Giuseppe (Joe) Cucuzza, BSc (Hons) Geophysics, MSc Geology
Managing Director, AMIRA International Limited
Mr Cucuzza joined AMIRA International as a non-executive Director in July 2012.

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Qualifications and experience of the company secretary

Daniel Vertes, BCom, BEco, CPA
Financial Controller, AMIRA International Limited
Mr Vertes joined AMIRA on 22 June 2010 and was appointed to the role of Company Secretary in July 2010. He has extensive experience in ASX and NASDAQ public company reporting.

Brief details of former directors are as follows:

Former directors

Juan Carlos Salas, BSc, PhD
Manager of Innovation, Antofagasta Minerals S.A.
Dr Salas joined AMIRA International Limited as a non-executive Director in October 2008. He is a member of the Executive Committee.

Mick Henderson
Product Development Manager, Russell Mineral Equipment Pty Ltd
Mr Henderson joined AMIRA International as a non-executive Director in November 2009.

Kent Hoots, B.S. Industrial Engineering
Vice President Asia Pacific, Boart Longyear Pty Ltd
Mr Hoots joined AMIRA International as a non-executive Director in November 2009.

Marcelo Bastos , Mechanical Engineer, MBA
Chief Operating Officer, MMG
Mr Bastos joined AMIRA International as a non-executive Director in November 2011.

Natalia Streltsova, MSc Chemical Engineering, PhD Chemistry
Director Technical Development, VALE
Dr Streltsova joined AMIRA International as a non-executive Director in July 2012.

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Directors' Meetings

1. During the year ended 30 June 2013, each director attended the following board and committee meetings while a director:

2012 / 2013 Meetings Attended						
	Board		Executive Committee		Finance & Audit Committee	
Directors	**Meetings**	**Attended**	**Meetings**	**Attended**	**Meetings**	**Attended**
N Plint (Chair)	5	5	5	4	2	2
A Paverd	5	4	5	3	2	
J Pease	5	5	5	5		
W Valery	5	1				
R Gilbert	4	4	5	4		
J C Salas *(Resigned 4 Oct 2012)*	1	0	2	1		
P Kondos	5	1			2	
M Henderson (Resigned 31 October 2012)	2	1				
K Hoots *(Resigned 5 November 2012)*	2	2				
M du Plessis *(Appointed 18 November 2010)*	5	3				
I Sandl *(Appointed 16 Nov 2011)*	5	2				
M Bastos *(Resigned 14 November 2012)*	3	3				
D Bentley *(Co-Opted 24 April 2012 - Elected 14 Nov 2012*	5	4				
L Stonehouse *(Co-Opted 24 April 2012 - Elected 14 Nov 2012*	5	4				
P Lilly *(Co-Opted 24 April 2012 - Elected 14 Nov 2012)*	5	4				
N Streltsova *(Co-opted 19 July 2012) - (Resigned 14 Sept 2012)*						
A Muir (*Appointed 14 November 2012)*	3	1				
J Russell (*Appointed 14 November 2012)*	3	1				
G Gomes (*Appointed 14 November 2012)*	3	2				
J Cucuzza (*Appointed 14 November 2012)*	3	3	5	5	2	2

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Auditor's Independence Declaration
To the Directors of AMIRA International Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of AMIRA International Limited for the year ended 30 June 2013, 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Brock Mackenzie
Partner - Audit & Assurance

Melbourne, 23 October 2013

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Year Ended 30 June 2013

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Statement of financial position

	Note	Consolidated 2013 $	Consolidated 2012 $	Parent 2013 $	Parent 2012 $
Assets					
Current assets					
Cash and cash equivalents	6	10,515,711	9,994,401	9,623,875	9,119,908
Trade and other receivables	7	4,595,960	7,621,834	7,120,853	9,387,649
Financial assets at fair value through profit or loss	8	-	451,700	-	451,700
Other assets	7	72,533	53,410	72,534	53,410
Total current assets		**15,184,204**	**18,121,345**	**16,817,262**	**19,012,667**
Non-current assets					
Property, plant and equipment	9	1,337,804	1,409,001	1,320,652	1,387,136
Total non-current assets		**1,337,804**	**1,409,001**	**1,320,652**	**1,387,136**
Total assets		**16,522,008**	**19,530,346**	**18,137,914**	**20,399,803**
Liabilities					
Current liabilities					
Trade and other payables	10	3,353,885	3,566,361	2,736,970	2,914,065
Other liabilities	10	1,921,575	1,956,471	1,921,576	1,956,470
Provisions	12	655,112	549,933	595,244	505,432
Project balances	11	8,899,841	11,877,452	9,394,238	12,240,585
Total current liabilities		**14,830,413**	**17,950,217**	**14,648,028**	**17,616,552**
Non-current liabilities					
Provision	13	34,300	29,732	34,300	29,732
Total non-current liabilities		**34,300**	**29,732**	**34,300**	**29,732**
Total liabilities		**14,864,713**	**17,979,949**	**14,682,328**	**17,646,284**
Net assets/(net liabilities)		**1,657,295**	**1,550,397**	**3,455,586**	**2,753,519**
Equity					
Members' interest					
Retained surplus	15	1,421,880	1,150,980	3,075,421	2,373,354
Gain on asset revaluation		380,165	380,165	380,165	380,165
Foreign currency translation reserve		(144,750)	19,252	-	-
Total equity		**1,657,295**	**1,550,397**	**3,455,586**	**2,753,519**

The above statement of financial position should be read in conjunction with the accompanying notes.

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Statement of profit and loss and other comprehensive income

		Consolidated		Parent	
		2013	**2012**	**2013**	**2012**
	Note	**$**	**$**	**$**	**$**
Continuous operations					
Revenues from operations	4	4,238,435	5,347,798	4,199,287	5,270,130
Expenses from operations	5	3,958,364	5,040,031	3,497,220	4,440,498
Surplus before tax		**280,071**	**307,767**	**702,067**	**829,632**
Income tax (expense)		(9,171)	(6,473)	-	-
Net surplus/ (deficit) available to members of the parent entity		**270,900**	**301,294**	**702,067**	**829,632**
Other comprehensive income					
Items that may be re-classified subsequently to profit and loss					
Exchange differences on translating foreign operations		(164,002)	(54,377)	-	-
Total other comprehensive profit/(loss) for the year		**(164,002)**	**(54,377)**	**-**	**-**
Total comprehensive income for the period net of tax		**106,898**	**246,917**	**702,067**	**829,632**

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Statement of changes in equity

Consolidated

	Note	Retained Earnings	Foreign Currency Translation Reserve	Gain on Asset Revaluation	Total
		$	$	$	$
Balance at 30 June 2011	15	849,686	73,629	380,165	1,303,480
Net surplus (deficit)		301,294	-	-	301,294
Other comprehensive income net of tax		-	(54,377)	-	(54,377)
Balance at 30 June 2012	**15**	**1,150,980**	**19,252**	**380,165**	**1,550,397**
Net surplus (deficit)		270,900	-	-	270,900
Other comprehensive income net of tax		-	(164,002)	-	(164,002)
Balance at 30 June 2013	**15**	**1,421,880**	**(144,750)**	**380,165**	**1,657,295**

Parent

	Note	Retained Earnings	Foreign Currency Translation Reserve	Gain on Asset Revaluation	Total
		$	$	$	$
Balance at 30 June 2011	15	1,543,722	-	380,165	1,923,887
Net surplus (deficit)		829,632	-	-	829,632
Other comprehensive income net of tax		-	-	-	-
Balance at 30 June 2012	**15**	**2,373,354**	**-**	**380,165**	**2,753,519**
Net surplus (deficit)		702,067	-	-	702,067
Other comprehensive income net of tax		-	-	-	-
Balance at 30 June 2013	**15**	**3,075,421**	**-**	**380,165**	**3,455,586**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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Cash flow statement

	Note	Consolidated		Parent	
		2013	**2012**	**2013**	**2012**
		$	**$**	**$**	**$**
Cash flow from operating activities					
Receipts relating to projects		14,494,802	16,351,444	13,609,222	14,931,920
Payments relating to projects		(12,564,014)	(14,152,809)	(12,016,579)	(13,554,535)
Receipts relating to subscriptions and other income		1,890,501	2,095,558	1,476,501	1,846,096
Receipts from sundry income		54,102	15,166	34,082	7,293
Interest received		331,181	332,633	328,865	329,025
(Payment)/receipt of income tax		(9,171)	(1,795)	-	-
Payments to other suppliers and employees		(3,926,671)	(6,012,894)	(2,803,088)	(4,971,151)
Net cash flows from/(used in) operating activities	**16**	**270,730**	**(1,372,697)**	**629,003**	**(1,411,352)**
Cash from investing activities					
Proceeds from sale/maturity of financial instruments		500,000	2,161,390	500,000	2,161,390
Purchase of property, plant & equipment		(9,093)	(186,334)	(8,765)	(181,237)
Advances to related parties		-	-	(580,816)	(407,134)
Net cash flows from investing activities		**490,907**	**1,975,056**	**(89,581)**	**1,573,019**
Net increase/(decrease) in cash and cash equivalents		**761,637**	**602,359**	**539,422**	**161,667**
Net foreign exchange difference		(240,328)	(27,870)	(35,455)	(74,678)
Cash and cash equivalents at beginning of period		9,994,401	9,419,912	9,119,908	9,032,919
Cash and cash equivalents at end of period	**6**	**10,515,710**	**9,994,401**	**9,623,875**	**9,119,908**

The above cash flow statement should be read in conjunction with the accompanying notes.

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Notes to the financial statements

1. Corporate information
1.1 Structure

AMIRA International Limited (**AMIRA** or **the Parent entity**) operates for and on behalf of its members. Under AMIRA's constitution, no income or property may be distributed, paid or transferred to its members either directly or indirectly. In the event of the winding up of the company, the liability per member is limited by guarantee to $10. The company does not have share capital but rather members' funds. AMIRA's income is exempt from Australian taxation under the provisions of Section 50-5 of the Income Tax Assessment Act (1997) as amended. Refer to note 2.16 for further information.

AMIRA earns income principally through membership and management fees.

- **Membership fees**: Membership to AMIRA is available to individuals or groups who are interested in AMIRA's activities after application and approval by the AMIRA board. Group members are further categorised as follows:
  - Companies are assigned category A, B or C which is determined by the market capitalisation of the member companies;
  - Companies who are explorers fall into category E;
  - Companies who are suppliers are regarded as category S members; and
  - Companies who are admitted for membership under special circumstances are assigned category K status.

  A sub category of class of membership may contain different rights and obligations to the rest of the class of membership including, but not limited to, different or no voting rights. A member may choose to participate in a research project. When a member becomes a sponsor of a project it is required to remain a member of AMIRA, and pay the assigned annual membership fees, throughout the project life.

- **Project management fees**: AMIRA arranges the development and oversight of collaborative research projects for its members who operate in the global mineral and associated industries. For these services, AMIRA earns a management fee over the life of the project.

  A project typically runs for three years.

  Members who sponsor a project, commit funds prior to the commencement of the project. Sponsors are required to pay these project amounts to AMIRA in annual instalments for the project duration.

  For each project, AMIRA arranges for external research bodies to undertake the required research in accordance with the specific requirements of the sponsors to that project. AMIRA pays the research bodies after it receives the annual sponsorship instalments from the project sponsors. A sponsor defaulting on their payment of a project commitment, results in a direct reduction in the funds available for research bodies to complete their work for the project. AMIRA has no obligation to make payments if a sponsor defaults.

AMIRA operations include the following entities that it controlled (the AMIRA Group) during and at the end of the financial year ended 30 June 2013:

- AMIRA International Mineral Industrial Research Association (AMIRA Africa) incorporated in South Africa;
- AMIRA International North America, Inc (AMIRA North America) incorporated in Salt Lake City, Utah, USA; and
- Asesorias AMIRA International Latin America Limitada incorporated in Santiago, Chile.

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As at 30 June 2013 the AMIRA Group had 26 employees. Of these employees 21 were in Australia, 2 in South Africa, 1 in Denver, USA and 2 in Santiago, Chile.

Preparation of financial statements
The financial statements of the AMIRA Group have been prepared on the basis of Australian Accounting Standards and in accordance with the Australian Corporations Act.

AMIRA does not consider that it is a **"**reporting entity" as defined in Australian Accounting Statement of Accounting Concepts (SAC 1) for the following reasons:

- The users of the financial statements are its members and not the public at large;
- AMIRA is accountable to its members and not third parties for its performance and use of its funds, people and services; and
- Other than AMIRA members, there are no additional users, of the information contained in AMIRA's financial statements that could not ordinarily request access to such information.

As AMIRA is not a "reporting entity", it has elected to prepare special purpose financial reports for the year ended 30 June 2013 rather than the general purpose financial reports.

The impact of AMIRA preparing special purpose reports rather than general purpose reports is as follows:

- The accounting standards related to measurement (i.e. the determination of the results in the Income Statement and the Balance Sheet) still apply; and
- The disclosures or notes to the accounts are more onerous and prescriptive for a reporting entity that has to prepare general purpose reports. Note 2.2 provides more information.

Directors have authorised the issue of this financial report of AMIRA for the year ended 30 June 2013 in accordance with a resolution of the directors on 23 October 2013.

2 Summary of significant accounting policies

2.1 Basis of preparation

2.1.1 Special purpose financial report

The financial report is a special purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards board. The financial report has also been prepared on an historical cost basis, except for certain financial instruments that have been measured at fair value.

The financial report is presented in Australian dollars.

2.1.2 Going concern basis

This financial report has been prepared on a going concern basis that assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of operations.

As at 30 June 2013, the AMIRA Group had a surplus of current assets over current liabilities of $353,791 (2012: $171,128) and a surplus of net assets of $1,657,295 (2012: $1,550,397).

AMIRA has been able to meet its operating cash requirements from cash at bank and cash on deposit with banks and meet all debts as and when they fall due since 30 June 2013 and to the date of this report.

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AMIRA considers it will be able to continue as a going concern for the following reasons:

- **Structural change**: The directors of AMIRA International have put in place a business plan and budget to ensure the organization operates in a surplus position, thus ensuring the business continues to be viable. This revised structure for AMIRA International was implemented, with effect from June 2009, and included a significant reduction of staff, new management and reporting structure, and most importantly a significantly reduced level of fixed costs.
- **Investment policy**: The board has also acted to ensure that all Australian funds since 2008 have been invested conservatively with only the four major Australian banks in cash on deposit or cash at call.
- **Ability to liquidate a non-current asset:** AMIRA owns a strata title floor of a building in Melbourne that was valued at $1.225 million in December 2010. The building is unencumbered and may be mortgaged or sold to improve the liquidity of the Group. If this occurred, AMIRA would be required to rent or lease office accommodation for its Melbourne office.

AMIRA has modelled its projected cash flows for the period ending 30 June 2013 based on a conservative level of new business activity as well as the continued oversight of existing projects. This modelling indicates that AMIRA anticipates remaining cash positive during this period and therefore should continue as a going concern. Any amounts redeemed from funds held in Collateralised Debt Obligations (CDOs) will be additional to this and will increase the cash balance available to AMIRA.

2.2 Compliance with International Financial Reporting Standards (IFRS)

The financial report is not in compliance with IFRS as AMIRA has elected to prepare a special purpose financial report rather than general purpose financial report on the basis that it is not a reporting entity as defined in Australian Accounting Standards and concepts.

The directors have prepared the financial report in accordance with all Accounting Standards and mandatory reporting requirements in Australia with the following exceptions that relate to disclosure requirements:

- AASB 7 Financial Instruments: Disclosures;
- AASB 112 Income Taxes;
- AASB 116 Property, Plant and Equipment;
- AASB 117 Leases;
- AASB 124 Related Party Disclosures; and
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets

2.3 New accounting standards and interpretations

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows:

AASB 101 Presentation of Financial Statements as outlined in AASB 2011-9 Amendments to Australian Accounting Standards- Presentation of Items of Other Comprehensive Income

AMIRA has applied AASB 2011- 9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

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2.4 Basis of consolidation

The consolidated financial statements consist of the financial statements of AMIRA International Limited and the entities it controlled during and at the end of the year 30 June 2013 as outlined under note 2.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, AMIRA has eliminated in full, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions.

2.5 Foreign currency translation

2.5.1 Functional currency translation

The functional and presentation currency of AMIRA International Limited is Australian dollars ($). The African entity's functional currency is South African Rand, the North American entity's functional currency is US dollars and the South American entity's functional currency is Chilean Pesos. These are translated to presentation currency as below.

2.5.2 Transactions and balances

Transactions in foreign currency are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the balance sheet date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

2.5.3 Translation of group companies functional currency to presentation currency

The results of the North American, South American and African subsidiaries are translated into Australian dollars at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at balance date.

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in the African and North American subsidiaries are taken to the foreign currency translation reserve.

2.6 Cash and cash equivalents – refer note 6

Cash and cash equivalents in the balance sheet consist of cash at banks and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

2.7 Trade and other receivables – refer note 7

Trade receivables are recognised at cost and are generally payable within 30 days of invoice. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group may not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 120 days overdue are considered objective evidence of impairment.

2.8 Investments and other financial assets – refer note 8

Investments and financial assets in the scope of "AASB 139 Financial Instruments: Recognition and Measurement" are categorised as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments or available-for-sale financial assets**.** The classification depends on the purpose for which the investments were acquired. The designation of each financial asset is re-evaluated at each financial year end.

When financial assets are initially recognised, they are measured at fair value, plus in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

2.8.1 Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the balance sheet. CDOs with maturities after 12 months are classified as non current.

In most cases, fair value is determined by reference to an active market. However, in the case of the financial products referred to as Collateralised Debt Obligations (CDOs), AMIRA has been unable to determine independently the fair value. AMIRA has therefore relied on the advice from the issuer to determine the carrying value of these financial assets. At the present time, there is no liquid market for these ANZ products.

2.9 Property, plant and equipment – refer note 9
Property, plant and equipment are carried at historical cost less accumulated depreciation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Land – not depreciated;
- Building – 40 years;
- Furniture, fixtures and fittings - 5 years; and
- Computer equipment and software – 3 years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

2.10 Impairment of non-financial assets other than goodwill
AMIRA conducts an annual review of asset values that is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets, other than goodwill, that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have been reversed.

2.11 Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether or not the arrangement conveys a right to use the asset.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Financial Report

2.12 Trade and other payables and other liabilities – refer note 10

Trade and other payables are carried at cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments for these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

2.13 Project balances – refer note 11

This account represents:

- The amount that is due and payable within the next 12 months to principally external parties for research undertaken in accordance with agreed project milestones. This amount is only payable after the project sponsors have made their annual commitment payment for the project to AMIRA; and
- The unearned revenue of AMIRA for project management fees. This amount is amortised after the commencement of a project over the remaining life of the project.

2.14 Provisions – refer notes 12 and 13

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate may be made of the amount of the obligation.

AMIRA has provisions for the following:

2.14.1 Wages, salaries, annual leave and personal leave

Liabilities for wages and salaries, and annual leave that the Group expects to settle within 12 months of the reporting date are recognised for employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Personal leave expense is recognised when the leave is taken and is measured at the rates paid or payable. Personal leave is not payable on termination of employment.

2.14.2 Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made for services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

2.14.3 Employee incentives

Liabilities for employee incentives or bonuses expected to be settled within 12 months of the reporting date are recognised for employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

2.15 Revenue recognition – refer note 4

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue may be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

2.15.1 Membership fees

AMIRA generally invoices its members on an annual basis for the financial year at the fees set by the board for each level or category of membership (refer note 1). The income for membership is recognised as earned over the year in which it is levied.

2.15.2 Management fees
AMIRA earns management fees for the development and oversight of projects. Each project's value is determined by the amount that sponsors agree to commit to the project over the project life. This is generally 3 years and this total value of a new project is referred to as "new business". The fees earned by AMIRA are calculated at an agreed % on the value of new business gained during the period. The difference between AMIRA's management fees and the amount committed and paid by the sponsors, represents the amount payable to the researchers for the project.

Management fees in a given year consist of:
- Development fees on new business; and
- Oversight fees on continuing business (i.e. projects in progress).

AMIRA recognises the development fee as revenue in the period in which a project commences. The date of commencement is the date when AMIRA has received sufficient sponsor agreements from its members giving an irrevocable commitment to fund the project on an annual basis over the life of the project. The development fee is 50% of the total management fees that will apply to that project over its life.

The oversight fees on continuing businesses revenue are recognised in the profit and loss on an amortised basis of equal monthly instalments over the expected life of the project.

2.15.3 Subscription fees
AMIRA earns revenue by providing on-line access to an encyclopaedia of ore deposits (www.datametallogenica.com). This project (referred to as DM) is designed to be self funding. Where costs incurred in maintaining the data base exceed subscriptions received, the excess is charged against the project balances ledger. The project balance has a credit balance remaining from an earlier external project on DM. When the surplus arises, there is an agreement made by the sponsors that the balance may be used for the future activities of DM.

2.15.4 Interest revenue
Revenue is recognised as and when interest accrues from the funds invested.

2.15.5 Dividends
Revenue is recognised when a dividend is declared.

2.16 Income tax and other taxes

2.16.1 Income tax
Earnings of the parent entity AMIRA are exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997. The African entity, AMIRA South Africa is also a tax exempt body. In AMIRA North America, taxes are levied at the rate of 15% on taxable income that is computed as costs incurred plus 10%.

2.16.2 Other taxes
Revenue, expenses and assets are recognised net of the amount of the goods and services tax (GST) except:

- When the GST incurred is not recoverable from the taxation authority in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- Receivable and payable that are stated inclusive of GST.
  The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivable or payables in the balance sheet.

Financial Report

3 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances. This forms the basis of the determination of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management have identified the following critical accounting policies from which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

3.1 Significant accounting judgements

Revenue recognition

AMIRA recognises revenue in accordance with its policy as outlined in note 2.15.

4 Revenue – operating revenue and other income

	Consolidated		Parent	
	2013 $	2012 $	2013 $	2012 $
Operating revenue				
Management fees	1,959,275	2,699,926	1,954,677	2,646,476
Membership and subscriptions	1,903,981	1,912,480	1,890,501	1,912,480
Total operating revenue	**3,863,256**	**4,612,406**	**3,845,178**	**4,558,956**
Other income				
Interest	357,798	408,876	355,482	405,264
Sundry income	54,102	389,815	34,082	380,588
Net gain/(loss) on foreign exchange	(36,721)	(63,299)	(35,455)	(74,678)
Total other income	**375,179**	**735,392**	**354,109**	**711,174**
Total revenue	**4,238,435**	**5,347,798**	**4,199,287**	**5,270,130**

5 Expenses

	Consolidated		Parent	
	2013	2012	2013	2012
	$	$	$	$
Operating expenses - before depreciation and amortisation and impairment				
Salaries and employee benefits	2,750,312	3,490,750	2,237,955	2,885,080
Travel and communications	522,210	939,328	380,546	760,387
Consultants	294,962	273,558	253,742	248,220
Administration	358,907	491,246	256,297	375,988
North American marketing	-	-	341,730	330,261
Total- operating expenses – before depreciation and amortisation and impairment	**3,926,391**	**5,194,882**	**3,470,270**	**4,599,936**
Net impairment and fair value movement of investments				
Impairment relating to:				
Available for sale securities	-	(11,390)	-	(11,390)
Held to maturity investments	-	(313)	-	(313)
Net impairment	**-**	**(11,703)**	**-**	**(11,703)**
Net loss / (gain) on financial assets at fair value through profit or loss relating to:				
• CDOs	(48,300)	(222,617)	(48,300)	(222,617)
Total net loss / (gain) on financial assets at fair value through profit or loss	**(48,300)**	**(222,617)**	**(48,300)**	**(222,617)**
Total net impairment/ fair value movement	**(48,300)**	**(234,320)**	**(48,300)**	**(234,320)**
Depreciation and amortisation				
Building	32,920	32,218	32,920	32,218
Office equipment and software	47,353	47,251	42,330	42,664
Total – depreciation and amortisation	**80,273**	**79,469**	**75,250**	**74,882**
Total expenses	**3,958,364**	**5,040,031**	**3,497,220**	**4,440,498**

6 Current assets – cash and cash equivalents

	Consolidated		Parent	
	2013 $	2012 $	2013 $	2012 $
Cash at bank and on hand	1,492,904	2,328,405	601,069	1,453,912
Deposits at call	9,022,806	7,665,996	9,022,806	7,665,996
Total	**10,515,710**	**9,994,401**	**9,623,875**	**9,119,908**

7 Current assets – trade and other receivables and other assets

	Consolidated		Parent	
	2013 $	2012 $	2013 $	2012 $
Trade receivables	4,714,808	7,628,050	3,996,509	6,887,706
Allowance for impairment	-	(48,893)	-	(48,893)
Net trade receivables	**4,714,808**	**7,579,157**	**3,996,509**	**6,838,813**
Add other receivables				
Sundry debtors	-	25,648	-	25,648
Interest receivable	43,213	76,239	43,213	76,239
Net receivable – goods and services tax	(162,061)	(59,210)	(162,061)	(59,210)
Intercompany balances				
Amounts owed from subsidiaries	-	-	3,243,192	2,506,159
Total trade and other receivables	**4,595,960**	**7,621,834**	**7,120,853**	**9,387,649**
Other assets				
Prepayments	72,533	53,410	72,534	53,410
Total other assets	**72,533**	**53,410**	**72,534**	**53,410**

8 Current assets - financial assets at fair value through profit or loss, held to maturity investments and available for sale securities

Financial assets at fair value through profit or loss	Consolidated		Parent	
	2013 $	2012 $	2013 $	2012 $
CDOs at cost	-	500,000	-	500,000
Movement in fair value	-	(48,300)	-	(48,300)
Net financial assets at fair value	**-**	**451,700**	**-**	**451,700**

CDOs

The CDO held at 30 June 2012 was an ANZ, Averon CPP LTD that cost $500,000. It had a maturity date of 20 June 2013.

9 Non-current assets – property, plant and equipment

	Consolidated		Parent	
	2013	2012	2013	2012
	$	$	$	$
Carrying values				
Building				
At cost	1,316,419	1,316,419	1,316,419	1,316,419
Accumulated depreciation	(65,129)	(32,218)	(65,129)	(32,218)
Net book value	**1,251,290**	**1,284,201**	**1,251,290**	**1,284,201**
Office equipment and software				
At cost	459,618	456,786	442,466	434,921
Accumulated depreciation	(373,104)	(331,986)	(373,104)	(331,986)
Net book value	**86,514**	**124,800**	**69,362**	**102,935**
Total net book value for property, plant and equipment	**1,337,804**	**1,409,001**	**1,320,652**	**1,387,136**

10 Current liabilities – trade and other payables and other liabilities

	Consolidated		Parent	
	2013	2012	2013	2012
	$	$	$	$
Trade and other payables				
Trade creditors	3,275,807	3,392,450	2,658,892	2,740,154
Accruals	78,078	173,911	78,078	173,911
Total – trade and other payables	**3,353,885**	**3,566,361**	**2,736,970**	**2,914,065**
Other liabilities				
Project sponsor calls received in advance	57,398	59,593	57,398	59,593
Unearned subscription revenue	1,864,177	1,896,878	1,864,178	1,896,877
Total – other liabilities	**1,921,575**	**1,956,471**	**1,921,576**	**1,956,470**

11 Current liabilities – project balances

	Consolidated		Parent	
	2013	2012	2013	2012
	$	$	$	$
Total project balances	**8,899,841**	**11,877,452**	**9,394,238**	**12,240,585**

This balance represents the amount owed by AMIRA to researchers as well as unearned management fees – refer note 1.1 Project management fees.

12 Current liabilities – provisions

	Consolidated		Parent	
	2013	2012	2013	2012
	$	$	$	$
Annual leave	307,834	216,368	247,966	171,867
Long service leave	275,552	208,565	275,552	208,565
Bonuses	71,726	125,000	71,726	125,000
Total – current provisions	**655,112**	**549,933**	**595,244**	**505,432**

13 Non-current liabilities – employee benefits provisions

	Consolidated		Parent	
	2013	2012	2013	2012
	$	$	$	$
Long service leave	34,300	29,732	34,300	29,732
Total- non-current provisions	**34,300**	**29,732**	**34,300**	**29,732**
Total current and non-current employee benefit provisions	**689,413**	**579,665**	**629,545**	**535,164**

14 Contributed equity

There is no share capital as the company is a company limited by the guarantee of its members that is capped at $10 per member.

15 Retained earnings

	Consolidated		Parent	
	2013	2012	2013	2012
	$	$	$	$
Opening balance	1,150,980	849,686	2,373,354	1,543,722
Net surplus/ (deficit)	270,900	301,294	702,067	829,632
Closing balance	**1,421,880**	**1,150,980**	**3,075,421**	**2,373,354**

16 Cash flow statement reconciliation

	Consolidated		Parent	
	2013 $	2012 $	2013 $	2012 $
Operating surplus/ (deficit)	270,900	301,294	702,067	829,632
Impairment and fair value movement of financial instruments	(48,300)	(234,320)	(48,300)	(234,320)
Foreign exchange loss/(gain)	35,454	63,299	35,454	74,678
Depreciation of fixed assets				
• Office equipment and software	47,353	47,251	42,330	42,664
• Building	32,920	32,218	32,920	32,218
Changes in assets and liabilities				
(Increase)/ decrease trade receivables	3,110,941	(3,033,100)	2,891,789	(3,608,536)
(Increase)/ decrease sundry debtors	25,648	696	25,648	696
(Increase)/ decrease prepayments	(19,124)	(1,040)	(19,124)	(1,040)
(Increase)/ decrease interest receivable	33,026	(66,158)	33,026	(66,158)
Increase/(decrease) project balances	(2,977,614)	(173,029)	(2,846,347)	357,279
Increase/(decrease) trade creditors and accruals	(212,476)	1,723,416	(177,095)	1,184,758
(Increase)/ decrease GST receivable	(102,851)	(57,020)	(102,851)	(57,020)
Increase/(decrease) in other liabilities	(34,895)	74,330	(34,895)	74,330
Increase/(decrease) employee entitlements	109,748	(50,534)	94,381	(40,533)
Net cash flows generated (used) in operating activities	**270,730**	**(1,372,697)**	**629,003**	**(1,411,352)**

17 Superannuation contributions

No AMIRA Group employees are members of a defined benefit superannuation fund or plan. AMIRA expenses the employer superannuation contributions as incurred to accumulation plans. The amounts paid depend on the relevant legislative requirements in the country where each employee reside and on the individual employment contract that an employee has with its employer.

Financial Report

18 Events after balance date

No events after balance date to report.

19 Auditor's remuneration

	Consolidated		Parent	
	2013 $	2012 $	2013 $	2012 $
Amounts received or due and receivable by Grant Thornton Audit Pty Ltd. (2012 Ernst & Young) for:				
• audit of the financial report	37,000	47,000	37,000	47,000
Total	**37,000**	**47,000**	**37,000**	**47,000**

Financial Report

Directors' declaration

In the opinion of the directors of AMIRA International Limited:

- The financial statements and notes are in accordance with the Corporations Act 2001, including:
  - Complying with the relevant Australian Accounting Standards to the extent described in note 2, and Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - Giving a true and fair view of the Company's and the consolidated Group's financial position as at 30 June 2013 and of their performance for the financial year ended on that date.
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Neville Plint
Chairman

Place: Johannesburg

Date: 23 October 2013

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Independent Auditor's Report
To the Members of AMIRA International Limited

We have audited the accompanying financial report, being a special purpose financial report, of AMIRA International Limited (the "Company"), which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the 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 an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to 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 judgement, 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 Company's preparation of the financial report that gives a true and fair view 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 Company'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 AMIRA International Limited is in accordance with the Corporations Act 2001, including:

i giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2; and

ii complying with Australian Accounting Standards to the extent described in Note 1 and complying with and the Corporations Regulations 2001.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Brock Mackenzie
Partner - Audit & Assurance

Melbourne, 23 October 2013