



Financial Information

Year Ended 30 June 2014

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Directors' Report

Year Ended 30 June 2014

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 2014.

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 loss for the year was \$193,290 (2013: surplus \$270,900).

Review of operations

In the year ended 30 June 2014, revenue decreased by \$973,854 from previous year's \$4,238,435 to current year's \$3,264,581.

During the same period, costs decreased by \$506,815 from previous year's \$3,958,364 to current year's \$3,451,549. Most notably, consultants decreased by \$205,692 due to limited consultant engagement and salaries and employee benefits decreased by \$131,400 due to a reduction in staff numbers. Travel and communications decreased by \$201,587 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 2014.

Events arising since the end of the reporting period

There are no other matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either:

- the group's operations in future financial years;
- the results of those operations in future financial years; or
- the group's state of affairs in future financial years.

Likely developments in future years

The directors are reviewing 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.

Details of directors

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

- L Stonehouse resigned on 18 October 2013
- P Kondos resigned on 18 November 2013
- M du Plessis resigned on 4 December 2013
- P Lilly resigned on 21 January 2014
- D Bentley resigned on 25 June 2014
- L Mello appointed on 4 December 2013
- P Blewett appointed on 4 December 2013
- J Meyer appointed 4 December 2013
- G Yeates appointed 9 May 2014

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 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.

Aubrey Paverd, Chairman



Place: Melbourne
Date: 23 October 2014

Directors' Information

The Directors at the date of this report are:

Name	Initial Appointment
A Paverd	25 November 2009
N Plint	25 November 2009
J Pease	26 September 2003
W Valery	22 September 2004
S R Gilbert	24 April 2008
I Sandl	16 November 2011
G Gomes	14 November 2012
J Cucuzza	14 November 2012
A Muir	14 November 2012
J Russell	14 November 2012
L Mello	4 December 2013
P Blewett	4 December 2013
J Meyer	4 December 2013
G Yeates	9 May 2014

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

Aubrey Paverd, B.Sc (Hons), M.Sc., PhD
Compania De Minas Buenaventura

Dr Paverd joined AMIRA International as a non-executive Director in November 2009. Dr Paverd was appointed Chairman in November 2013. He is a member of the Executive Committee and Finance & Audit Committee.

Neville Plint, PhD MBA
Senior Manager - Technology and Innovation, Anglo American

Dr Plint joined AMIRA International as a non-executive Director in November 2009. He is a member of the Executive Committee and Finance & Audit Committee.

Joe Pease, BEng (Met Hons), BEc, MAusIMM, MCIM
Senior Principal Consulting Engineer – Mineralurgy Pty Ltd

Mr Pease joined AMIRA International Limited as a non-executive Director in September 2003. He is a member of the Executive Committee. Mr Pease was appointed Vice-Chairman in November 2013.

Walter Valery, PhD, B.E., M.Eng.Sc, FAusIMM
Global Senior Vice-President - Process Technology and Innovation, Metso Minerals

Dr Valery joined AMIRA International Limited as a non-executive Director in September 2004.

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.

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.

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.

Giuseppe (Joe) Cucuzza, BSc (Hons) Geophysics, MSc Geology
Managing Director, AMIRA International Limited

Mr Cucuzza joined AMIRA International as an Executive Director in November 2012. He is a member of the Executive Committee.

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.

Luiz Mello, MD, PhD
Director of Technology and Innovation of Vale, Chief Executive of Vale Institute of Technology

Dr Mello joined AMIRA International as a non-executive Director in December 2013.

Paul Blewett, LLB
Asia Pacific Regional General Counsel and Company Secretary, Boart Longyear Limited

Mr Blewett joined AMIRA International as a non-executive Director in December 2013.

Johan Meyer, BEng (Metallurgy), MBA
General Manager Technology, Exxaro Resources Ltd

Mr Meyer joined AMIRA International as a non-executive Director in December 2013.

Gavin Yeates, BSc (Hon)
Vice President Mine Optimisation, BHP Billiton

Mr Yeates joined AMIRA International as a non-executive Director in May 2014.

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

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. Mr Stonehouse resigned on 18 October 2013.

Peter Kondos

Senior Manager Research & Development, Barrick Gold Corporation

Dr Kondos joined AMIRA International as a non-executive Director in November 2009. He was a member of the Finance & Audit Committee. Dr Kondos resigned on 18 November 2013.

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. Mr Du Plessis resigned on 4 December 2013.

Peter Lilly, BSCHons PhD

Senior Manager Research & Development, BHP Billiton

Dr Lilly joined AMIRA International as a non-executive Director in April 2012. Dr Lilly resigned on 21 January 2014.

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. Mr Bentley resigned on 25 June 2014.

AMIRA International Limited and its Controlled Entities
Year Ended 30 June 2014

Directors' Meetings

1. During the year ended 30 June 2014, each director attended the following board and committee meetings while a director:

2013 / 2014 Meetings Attended						
Directors	Board		Executive Committee		Finance & Audit Committee	
	Meetings	Attended	Meetings	Attended	Meetings	Attended
A Paverd (Chair)	4	3	4	3	1	1
N Plint	4	3	4	3	1	1
J Pease	4	2	4	4		
W Valery	4	2				
R Gilbert	4	4	4	4		
P Kondos <i>(Resigned 18 Nov 2013)</i>	1	-			1	-
M du Plessis <i>(Resigned 4 December 2013)</i>	2	2				
I Sandl	4	2				
L Stonehouse <i>(Resigned 18 Oct 2013)</i>	-	-				
D Bentley <i>(Resigned 25 June 2014)</i>	4	4				
P Lilly <i>(Resigned 21 January 2014)</i>	2	1				
A Muir	4	3				
J Russell	4	3				
G Gomes	4	1				
J Cucuzza	4	4	4	4	1	1
L Mello <i>(Appointed 4 December 2013)</i>	2	1				
P Blewett <i>(Appointed 4 December 2013)</i>	3	2				
J Meyer <i>(Appointed 4 December 2013)</i>	2	2				
G Yeates <i>(Appointed 9 May 2014)</i>	1	1				

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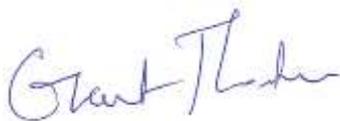
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**Auditor's Independence Declaration
To the Directors of AMIRA International Limited**

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 2014, 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 AUDIT PTY LTD
Chartered Accountants



Brock Mackenzie
Partner - Audit & Assurance

Melbourne, 23 October 2014

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Financial Report

Year Ended 30 June 2014

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AMIRA International Limited and its Controlled Entities
Year Ended 30 June 2014

Statement of profit or loss and other comprehensive income

	Note	Consolidated	
		2014	2013
		\$	\$
Continuous operations			
Revenues from operations	4	3,264,581	4,238,435
Expenses from operations	5	3,451,549	3,958,364
Surplus/ (deficit) before tax		(186,968)	280,071
Income tax (expense)		(6,322)	(9,171)
Net surplus/ (deficit) available to members of the parent entity		(193,290)	270,900
Other comprehensive income			
Items that may be re-classified subsequently to profit and loss			
Exchange differences on translating foreign operations		(17,017)	(164,002)
Total other comprehensive profit/(loss) for the year		(17,017)	(164,002)
Total comprehensive income/(loss) for the period net of tax		(210,307)	106,898

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

AMIRA International Limited and its Controlled Entities
Year Ended 30 June 2014

Statement of financial position

	Note	Consolidated	
		2014	2013
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	7,300,306	10,515,710
Trade and other receivables	7	2,650,028	4,595,960
Other assets	7	47,026	72,534
Total current assets		9,997,360	15,184,204
Non-current assets			
Property, plant and equipment	8	1,271,176	1,337,804
Total non-current assets		1,271,176	1,337,804
Total assets		11,268,536	16,522,008
Liabilities			
Current liabilities			
Trade and other payables	9	1,438,702	3,353,885
Other liabilities	9	1,786,328	1,921,575
Provisions	11	560,516	655,112
Project balances	10	5,980,615	8,899,841
Total current liabilities		9,766,161	14,830,413
Non-current liabilities			
Provision	12	55,387	34,300
Total non-current liabilities		55,387	34,300
Total liabilities		9,821,548	14,864,713
Net assets/(net liabilities)		1,446,988	1,657,295
Equity			
Members' interest			
Retained surplus	14	1,228,590	1,421,880
Gain on asset revaluation		380,165	380,165
Foreign currency translation reserve		(161,767)	(144,750)
Total equity		1,446,988	1,657,295

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

AMIRA International Limited and its Controlled Entities
Year Ended 30 June 2014

Statement of changes in equity

Consolidated

	Note	Retained Earnings	Foreign Currency Translation Reserve	Gain on Asset Revaluation	Total
		\$	\$	\$	\$
Balance at 30 June 2012	14	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	14	1,421,880	(144,750)	380,165	1,657,295
Net surplus (deficit)		(193,290)	-	-	(193,290)
Other comprehensive income net of tax		-	(17,017)	-	(17,017)
Balance at 30 June 2014	14	1,228,590	(161,767)	380,165	1,446,988

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

AMIRA International Limited and its Controlled Entities
Year Ended 30 June 2014

Statement of Cash flows

	Note	Consolidated	
		2014	2013
		\$	\$
Cash flow from operating activities			
Receipts relating to projects		10,672,583	14,494,802
Payments relating to projects		(12,677,296)	(12,564,014)
Receipts relating to subscriptions and other income		1,767,959	1,890,501
Receipts from sundry income		26,182	54,102
Interest received		249,462	331,181
(Payment)/receipt of income tax		(6,322)	(9,171)
Payments to other suppliers and employees		(3,231,989)	(3,926,671)
Net cash flows from/(used in) operating activities	15	(3,199,421)	270,730
Cash from investing activities			
Proceeds from sale/maturity of financial instruments		-	500,000
Purchase of property, plant & equipment		(10,768)	(9,093)
Net cash flows from investing activities		(10,768)	490,907
Net increase/(decrease) in cash and cash equivalents		(3,210,189)	761,637
Net foreign exchange difference		(5,215)	(240,328)
Cash and cash equivalents at beginning of period		10,515,710	9,994,401
Cash and cash equivalents at end of period	6	7,300,306	10,515,710

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

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 2014:

- 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.

As at 30 June 2014 the AMIRA Group had 23 employees. Of these employees, 18 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 2014 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 2014 in accordance with a resolution of the directors on 23 October 2014.

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 2014, the AMIRA Group had a surplus of current assets over current liabilities of \$231,199 (2013: \$353,791) and a surplus of net assets of \$1,446,988 (2013: \$1,657,295).

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 2014 and to the date of this report.

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 2014, 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 2014 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

The Group has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 July 2013.

Information on these new standards is presented below:

AASB 10 Consolidated Financial Statements

AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements (AASB 127) and AASB Interpretation 112 Consolidation - Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

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 2014 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.

2.9 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.

2.12 Trade and other payables and other liabilities – refer note 9

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 10

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 11 and 12

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.dmgeode.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.

2.17 Comparative figures

Certain balances have been reclassified in the prior year to conform to current year presentation.

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	
	2014	2013
	\$	\$
Operating revenue		
Management fees	1,115,046	1,959,275
Membership and subscriptions	1,767,959	1,903,981
Total operating revenue	2,883,005	3,863,256
Other income		
Interest	241,105	357,798
Sundry income	129,755	54,102
Net gain/(loss) on foreign exchange	10,716	(36,721)
Total other income	381,576	375,179
Total revenue	3,264,581	4,238,435

5 Expenses

	Consolidated	
	2014	2013
	\$	\$
Operating expenses - before depreciation and amortisation and impairment		
Salaries and employee benefits	2,618,912	2,750,312
Travel and communications	320,623	522,210
Consultants	89,270	294,962
Administration	346,435	358,907
Bad and doubtful debts expense	480	-
Total- operating expenses – before depreciation and amortisation and impairment	3,375,720	3,926,391
 Net impairment and fair value movement of investments		
Net loss / (gain) on financial assets at fair value through profit or loss relating to:		
• Collateralised Debt Obligations	-	(48,300)
Total net loss / (gain) on financial assets at fair value through profit or loss	-	(48,300)
Total net impairment / fair value movement	-	(48,300)
 Depreciation and amortisation		
Building	32,910	32,920
Office equipment and software	42,919	47,353
Total – depreciation and amortisation	75,829	80,273
 Total expenses	3,451,549	3,958,364

6 Current assets – cash and cash equivalents

	Consolidated	
	2014	2013
	\$	\$
Cash at bank and on hand	707,124	1,492,904
Deposits at call	6,593,182	9,022,806
Total	7,300,306	10,515,710

7 Current assets – trade and other receivables and other assets

	Consolidated	
	2014	2013
	\$	\$
Trade receivables	2,638,149	4,714,808
Allowance for impairment	-	-
Net trade receivables	2,638,149	4,714,808
Add other receivables		
Sundry debtors	1,421	-
Interest receivable	34,856	43,213
Net receivable – goods and services tax	(24,398)	(162,061)
Total trade and other receivables	2,650,028	4,595,960
 Other assets		
Prepayments	47,026	72,534
Total other assets	47,026	72,534

8 Non-current assets – property, plant and equipment

	Consolidated	
	2014	2013
	\$	\$
Carrying values		
Building		
At cost	1,316,419	1,316,419
Accumulated depreciation	(98,039)	(65,129)
Net book value	1,218,380	1,251,290
 Office equipment and software		
At cost	153,778	459,618
Accumulated depreciation	(100,982)	(373,104)
Net book value	52,796	86,514
 Total net book value for property, plant and equipment	1,271,176	1,337,804

9 Current liabilities – trade and other payables and other liabilities

	Consolidated	
	2014	2013
	\$	\$
Trade and other payables		
Trade creditors	1,264,255	3,275,807
Accruals	174,447	78,078
Total – trade and other payables	1,438,702	3,353,885
Other liabilities		
Project sponsor calls received in advance	53,080	57,398
Unearned subscription revenue	1,733,248	1,864,177
Total – other liabilities	1,786,328	1,921,575

10 Current liabilities – project balances

	Consolidated	
	2014	2013
	\$	\$
Total project balances	5,980,615	8,899,841

This balance represents the amount owed by AMIRA to researchers as well as unearned management fees – refer note 2.15.2 Project management fees.

11 Current liabilities – provisions

	Consolidated	
	2014	2013
	\$	\$
Annual leave	286,381	307,834
Long service leave	274,135	275,552
Bonuses	-	71,726
Total – current provisions	560,516	655,112

12 Non-current liabilities – employee benefits provisions

	Consolidated	
	2014	2013
	\$	\$
Long service leave	55,387	34,300
Total- non-current provisions	55,387	34,300
Total current and non-current employee benefit provisions	615,903	689,413

13 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.

AMIRA International Limited and its Controlled Entities
Year Ended 30 June 2014

14 Retained earnings

	Consolidated	
	2014	2013
	\$	\$
Opening balance	1,421,880	1,150,980
Net surplus/ (deficit)	(193,290)	270,900
Closing balance	1,228,590	1,421,880

15 Cash flow statement reconciliation

	Consolidated	
	2014	2013
	\$	\$
Operating surplus/ (deficit)	(193,290)	270,900
Impairment and fair value movement of financial instruments	-	(48,300)
Foreign exchange loss/(gain)	(10,716)	35,454
Bad debt expense	480	-
Depreciation of fixed assets		
• Office equipment and software	42,919	47,353
• Building	32,910	32,920
Changes in assets and liabilities		
(Increase)/ decrease trade receivables	2,076,659	2,905,239
(Increase)/ decrease sundry debtors	(1,421)	25,648
(Increase)/ decrease prepayments	25,508	(19,124)
(Increase)/ decrease interest receivable	8,357	33,026
Increase/(decrease) project balances	(2,919,223)	(2,977,614)
Increase/(decrease) trade creditors and accruals	(1,915,183)	(212,476)
Increase/(decrease) GST receivable	(137,663)	102,851
Increase/(decrease) in other liabilities	(135,248)	(34,895)
Increase/(decrease) employee entitlements	(73,510)	109,748
Net cash flows generated (used) in operating activities	(3,199,421)	270,730

16 Related party transactions

During the year AMIRA International Limited charged its U.S.A. subsidiary, AMIRA North America Inc. \$132,430 (USD\$125,000) for general administrative costs. AMIRA North America Inc. charged its parent, AMIRA International Limited \$279,657 (USD\$256,815) for general administrative costs. Both transactions were non cash in nature and eliminated upon consolidation.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

17 Contingent liabilities

A Human Resource (HR) legal claim was brought against the AMIRA Group in July 2014. Unless recognised as a provision (see Note 11), management considers these claims to be unjustified and the probability that they will require settlement at the AMIRA Group's expense to be remote. This evaluation is consistent with external independent HR advice.

Further information on these contingencies is omitted so as not to seriously prejudice the AMIRA Group's position in the related disputes.

18 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.

19 Parent Entity information

Information relating to AMIRA International Limited ('the Parent Entity')

	2014	2013
	\$'000	\$'000
Statement of financial position		
Current assets	12,234,799	16,817,262
Total assets	13,494,522	18,137,914
Current liabilities	9,396,968	14,648,028
Total liabilities	9,452,355	14,682,328
Net assets	4,042,167	3,455,586
Retained earnings	3,662,002	3,075,421
Asset revaluation reserve	380,165	380,165
Total equity	4,042,167	3,455,586
Statement of profit or loss and other comprehensive income		
Surplus for the year	586,581	702,067
Other comprehensive income	-	-
Total comprehensive income	586,581	702,067

20 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

21 Auditor's remuneration

	Consolidated	
	2014	2013
	\$	\$
Amounts received or due and receivable by Grant Thornton Audit Pty Ltd. for:		
• audit of the financial report	32,500	37,000
Total	32,500	37,000

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 2014 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.



Aubrey Pavard
Chairman

Place: Melbourne

Date: 23 October 2014

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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 2014, 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 company 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 and have determined that the accounting policies used and described in Note 2 to the financial report, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and the needs of the members. 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.

Grant Thornton Audit Pty Ltd ACN 130 913 594
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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 2014 and of their 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 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 AUDIT PTY LTD
Chartered Accountants



Brock Mackenzie
Partner - Audit & Assurance

Melbourne, 23 October 2014