

**FORM: Half yearly/preliminary final report**Name of *issuer*

Ausminerals Limited (AUE)

ACN or ARBN

099 336 866

Half yearly  
(tick)

√

Preliminary  
final (tick)Half year/financial year ended  
(‘Current period’)

31 December 2008

**For announcement to the market**Extracts from this statement for announcement to the market (*see note 1*).

				\$A
Revenue ( <i>item 1.1</i> )	up	10.4 %	to	543,951
Profit (loss) for the period ( <i>item 1.9</i> )	down	49.1%	to	(494,919)
Profit (loss) for the period attributable to members of the parent ( <i>item 1.11</i> )	down	49.1 %	to	(494,919)
<b>Dividends</b>		Current period		Previous corresponding period
Franking rate applicable:				
<b>Final dividend</b> ( <i>preliminary final report only</i> )( <i>item 10.13-10.14</i> )				
Amount per <i>security</i>				
Franked amount per <i>security</i>				
<b>Interim dividend</b> ( <i>Half yearly report only</i> ) ( <i>item 10.11 –10.12</i> )				
Amount per <i>security</i>		N/A		N/A
Franked amount per <i>security</i>				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

### NTA Backing

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary <i>security</i>	N/A	N/A

### Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/does not\* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- |   |  |
|---|--|
| <input type="checkbox"/> The financial statements have been audited.  | <input checked="" type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed.  |
5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)
6. The *issuer* does not have a formally constituted audit committee.

Sign here:



(Company Secretary)

Print name: Trevor Stone.

Date: 6th March 2009.



**AUSMINERALS LIMITED**

ACN 51 099 336 866

# **Interim Financial Report**

**For the Half Year ended  
31 December 2008**

## **DIRECTORS' REPORT**

The Directors of Ausminerals Limited hereby present the financial report of the Company and its subsidiaries (" Group" ) for the 6 months period ended 31 December 2008.

### **DIRECTORS**

The names of the Directors of the Company who held office during the period and in office as at the date of this report are:

Erwin Brian Bouverie

Christopher Tony Valttila

Wayne Stephen Wilson

Guy Lindon Kempny

### **REVIEW OF OPERATIONS**

The first six months of the 2008/09 financial year has seen major economic changes globally particularly in relation to reduced commodity prices and high job losses. Fortunately for Ausminerals' area of interest gold prices remain high in Australian dollar terms and the agricultural sector in which we operate has not yet been significantly affected. The Group's product expansion plans appear to be very timely and should ensure that we come out of the downturn very strong.

Compared to a large number of stock exchange listed companies, Ausminerals is fortunate to have cash flow from the Kurdeez Lime operations and our focus remains on expansion of the product range to further increase cash flow. At the end of December 2008 sales have exceeded budget by 2.6%.

#### **Kurdeez Lime Operations**

Construction of the new Pelletizing Plant has been completed and production trials have been successfully undertaken. Packaging equipment has been installed and the first orders for pelletized lime are expected to be fulfilled during the first week of February 2009. Future products will include blends of trace elements and natural soil enhancers which should provide even greater profit margins.

The new Grinding Plant is due to arrive in Australia during the latter part of February 2009 and installation will commence shortly thereafter. This equipment will facilitate the production of higher value finer particle agricultural products as well as industrial products for niche markets such as paint, ceramics, rubber and plastics manufacturing. It will also allow Ausminerals to bring its feldspar deposits into production and become the second Australian supplier of this valuable mineral.

The Kurdeez operation in Victoria remains the mainstay of the Group in terms of cash flow and every effort is being made to capitalize on the opportunities this business provides. The Company has a large agricultural sector customer base and is developing and acquiring products and services which can be sold to existing customers. To this end arrangements have been made to carry a range of fertilizers suitable for the region commencing the second week in February 2009 and this will increase the utilization of trucking and spreading equipment which was acquired last year.

#### **Leonora Gold Operations**

Additional metallurgical test work aimed at identifying the most cost effective and profitable means of gold extraction was completed during the period. This laboratory scale test work will be followed later by bulk trials when funding permits it, and ultimately should result in a suitable plant design. No exploration has taken place on the Leonora gold tenements during the period and none is expected to take place until additional capital can be raised to do so.

We are confident of being able to grow the business with your continued support and look forward to a long and mutually beneficial association.

**Directors Report (Continued)**

**AUDITORS' INDEPENDENCE DECLARATION**

In accordance with the Audit Independence requirements of the *Corporations Act 2001*, the Directors have received and are satisfied with the "Audit Independence Declaration" provided by the Group's external auditors PKF. The Audit Independence Declaration has been attached immediately after the Directors' Report.

This report is signed in accordance with a resolution of the Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.

For and on behalf of the Directors

A handwritten signature in black ink, appearing to read 'Erwin B Bouverie', written in a cursive style.

Erwin B Bouverie

Managing Director  
6<sup>th</sup> March, 2009



Chartered Accountants  
& Business Advisers

## AUDITORS' INDEPENDENCE DECLARATION

To : **The Directors**  
**Ausminerals Limited**

As lead auditor for the review of Ausminerals Limited for the half year ended 31 December 2008 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ausminerals Limited and the entities it controlled during the half year.

PKF

**Bruce Gordon**  
**Partner**  
**Sydney**

6 March 2009

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | [www.pkf.com.au](http://www.pkf.com.au)  
PKF | ABN 83 236 985 726  
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia  
DX 10173 | Sydney Stock Exchange | New South Wales

PKF East Coast Practice is a member of PKF Australia Limited a national association of independent chartered accounting and consulting firms each trading as PKF. The East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice is also a member of PKF International, an association of legally independent chartered accounting and consulting firms.

Liability limited by a scheme approved under Professional Standards Legislation

# Consolidated Income Statement

For The Half Year to 31 December 2008

	Note	31/12/2008 \$	31/12/2007 \$
Revenue	2	543,951	492,865
Cost of sales		417,521	395,558
Gross profit		126,430	97,307
Other income		-	-
Exploration and evaluation expenditure		30,631	49,614
Depreciation and amortisation expense	3	225,909	272,244
Administration expense		307,972	460,688
Finance costs		44,599	31,334
Float Expenses		12,238	254,849
<b>Profit/(loss) before taxation</b>		<b>(494,919)</b>	<b>(971,422)</b>
Income tax benefit/(expense)		-	-
<b>Profit/ (loss) after taxation</b>		<b>(494,919)</b>	<b>(971,422)</b>
<b>Earnings per Share</b>			
Basic (cents per share) profit /(loss)		(1.1)	(2.3)
Diluted (cents per share) profit ( loss)		(1.1)	(2.3)
Weighted Average Shares		44,704,492	42,140,884

# Consolidated Balance Sheet

For the Half Year to December 31st 2008

	Note	31/12/2008 \$	30/06/2008 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		326	483
Trade and other receivables		131,827	147,586
Inventories		49,076	41,264
Other financial assets		-	-
<b>Total Current Assets</b>		181,229	189,333
<b>Non-current Assets</b>			
Plant and equipment	3	5,312,832	5,415,382
Intangible assets		87,240	87,240
Investments		-	-
Exploration and evaluation expenditure		1,115,927	1,115,927
Deferred tax assets		-	-
<b>Total Non-current Assets</b>		6,515,999	6,618,549
<b>TOTAL ASSETS</b>		6,697,228	6,807,882
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		343,021	312,260
Provisions		332,427	207,894
Interest bearing liabilities		169,547	428,779
Other financial liabilities		158,384	154,590
<b>Total Current Liabilities</b>		1,003,379	1,103,523
<b>Non-current Liabilities</b>			
Other Financial Liabilities		95,348	120,939
Borrowings		780,000	300,000
Deferred tax liabilities		-	-
<b>Total Non-current Liabilities</b>		875,348	420,939
<b>TOTAL LIABILITIES</b>		1,878,727	1,524,462
<b>NET ASSETS</b>		4,818,501	5,283,420
<b>EQUITY</b>			
Contributed equity		3,354,160	3,324,160
Accumulated losses		(5,582,993)	(5,088,074)
Reserves		7,047,334	7,047,334
<b>TOTAL EQUITY</b>		4,818,501	5,283,420

## Consolidated Statement of Changes in Equity

For the half year ended 31 December 2008

<b>Consolidated</b>	<b>Ordinary Shares</b>	<b>Asset Revaluation Reserve</b>	<b>Options Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2007</b>	2,916,260	7,047,334	-	(3,587,831)	6,375,763
Profit/(loss) for the year	-	-	-	(971,422)	(971,422)
Issue of share capital	69,400	-	-	-	69,400
<b>Balance at 31 December 2007</b>	<u>2,985,660</u>	<u>7,047,334</u>	<u>0</u>	<u>(4,559,253)</u>	<u>5,473,741</u>

<b>Consolidated</b>	<b>Ordinary Shares</b>	<b>Asset Revaluation Reserve</b>	<b>Options Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2008</b>	3,324,160	7,047,334	-	(5,088,074)	5,283,420
Profit/(loss) for the year	-	-	-	(494,919)	(494,919)
Issue of share capital	30,000	-	-	-	30,000
<b>Balance at 31 December 2008</b>	<u>3,354,160</u>	<u>7,047,334</u>	<u>0</u>	<u>(5,582,993)</u>	<u>4,818,501</u>

# Consolidated Cash Flow Statements

For the Half Year ended 31 December 2008

	Note	31/12/2008 \$	31/12/2007 \$
<b>Cash flows from operating activities</b>			
Receipts from mineral mining and production		559,710	531,217
Overheads and Salaries		(625,652)	(412,493)
Borrowing costs		(44,599)	(31,334)
Sundry expenses		(9,052)	-
Interest received		471	-
<b>Net cash flows (used in) /provided by operating activities</b>		<b>(119,122)</b>	<b>87,390</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(123,359)	(58,293)
Payments for exploration expenditure		-	(120,000)
Investment in subsidiary		-	-
<b>Net cash flows provided by / (used in) investing activities</b>		<b>(123,359)</b>	<b>(178,293)</b>
<b>Cash flows from financing activities</b>			
Bank Loan		480,000	-
Proceeds from issue of ordinary shares		30,000	69,400
Contributions from Shareholder		3,794	-
Float Expenses		(12,238)	(254,849)
<b>Net cash flows (used in) / provided by financing activities</b>		<b>501,556</b>	<b>(185,449)</b>
Cash and cash equivalents at beginning of the year		(428,296)	35,812
Net increase / (decrease) in cash and cash equivalents		259,075	(276,352)
<b>Cash and cash equivalents at the year end</b>		<b>(169,221)</b>	<b>(240,540)</b>

# Notes to the Financial Statements (continued)

For The Half Year to 31 December 2008

---

## 1: SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The half-year consolidated financial report is a general-purpose finance report, which has been prepared in accordance with the requirements of the Corporations Act 2001, AASB 134 "Interim Financial Reporting" and other mandatory reporting requirements. For the purpose of preparing the half-year financial report, the half year has been treated as a discrete report period.

### (b) Significant accounting policies

This half year consolidated financial report has been prepared using the same accounting policies and methods of computation as used in the annual financial report of the Group for the year ended 30 June 2008.

### (c) New Accounting standards and interpretations

The Group has not adopted any new standards and interpretations, as there are no mandatory new standards for the half year reporting periods beginning on or after 1 July 2008.

### (d) Basis of consolidation

The half year consolidated financial report comprises the financial statements of Ausminerals Limited and its subsidiaries as at 31 December, 2008 ("Group")

### (e) Going Concern

The Group has recorded a loss of \$494,919 for the half year ended 31 December 2008 and current liabilities of the consolidated entity exceed its current assets by \$822,150.

Plant and equipment is recorded in the financial statements at \$5,312,832 and exploration and evaluation expenditure at \$1,115,927.

The on going viability of the Group and the recoverability of its non-current assets is dependent on the successful generation of positive cash flows from the lime producing operations and the ability to develop and operate its exploration programmes. The Directors believe that the various projects will be ultimately being successful and that the non-current assets are included in the Financial Report at their recoverable amount.

In order to fund the exploration programmes the Group is currently focussing on producing higher quality lime products to generate surplus funds which can be utilised in the various exploration programmes.

The Financial Report has been prepared on the basis of a going concern. This basis presumes that the production of higher quality lime products will be successful and funds will be available to finance future operations, and the exploration commitments, and that the realisation of assets and settlement of liabilities will occur in the normal course of business.

Should the Group be unable to continue as a going concern, it may be required to realise its assets, including exploration expenditure licenses and plant and equipment, and extinguish its liabilities, other than in the ordinary course of business, and at amounts that differ from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

# Notes to the Financial Statements (continued)

For The Half Year to 31 December 2008

## 2: REVENUE

	Consolidated	
	31 Dec 2008	31 Dec 2007
	\$	\$
Revenue	543,480	492,865
Interest income	471	-
Other revenue	-	-
	<u>543,951</u>	<u>492,865</u>

## 3: DEPRECIATION

	Computer Equipment	Land and Buildings	Heavy Equipment	Plant and Equipment	Total
<b>December 31st, 2008</b>	\$	\$	\$	\$	\$
<i>Gross carrying amount</i>					
Opening balance	31,483	2,646,317	3,127,609	765,132	6,570,541
Additions/WIP	-	-	-	123,359	123,359
Closing balance	<u>31,483</u>	<u>2,646,317</u>	<u>3,127,609</u>	<u>888,491</u>	<u>6,693,900</u>
<i>Accumulated depreciation</i>					
Opening balance	5,821	212,975	235,556	700,807	1,155,159
Depreciation expense	1,092	37,756	47,126	139,935	225,909
Closing balance 31/12/2008	<u>6,913</u>	<u>250,731</u>	<u>282,682</u>	<u>840,742</u>	<u>1,381,068</u>
Net book value	<u>24,570</u>	<u>2,395,586</u>	<u>2,844,927</u>	<u>47,749</u>	<u>5,312,832</u>
<b>June 30th, 2008</b>					
<i>Gross carrying amount</i>					
Opening balance	31,483	2,646,317	3,127,609	666,440	6,471,849
Additions	-	-	-	98,692	98,692
Closing balance	<u>31,483</u>	<u>2,646,317</u>	<u>3,127,609</u>	<u>765,132</u>	<u>6,570,541</u>
<i>Accumulated depreciation</i>					
Opening balance	3,647	107,840	119,217	367,459	598,163
Depreciation expense	2,174	105,135	116,339	333,348	556,996
Closing balance 30/6/2008	<u>5,821</u>	<u>212,975</u>	<u>235,556</u>	<u>700,807</u>	<u>1,155,159</u>
Net book value	<u>25,662</u>	<u>2,433,342</u>	<u>2,892,053</u>	<u>64,325</u>	<u>5,415,382</u>

## 5: Cash flow Reconciliation

		Consolidated	
		31 Dec 2008	31 Dec 2007
(a) Reconciliation of net cash provided by (used in) operating activities to operating loss after income tax		(494,919)	(971,422)
Operating loss after income tax			
<i>Adjustments for non-cash and non-operating income and expenses</i>			
Depreciation		225,909	272,244
Float expenses		-	254,894
Exploration Expenditure		-	120,000
Decrease/( Increase) in :	Receivables	(15,759)	38,352
	Inventory	(7,812)	(20,060)
Increase/(Decrease) in:	Payables	30,761	521,568
	Provisions	119,762	2,470
	Other liabilities	-	16,554
	GST	4,770	-
	Other	18,166	(98,949)
Net cash used in Operating Activities		<u>(119,122)</u>	<u>135,651</u>
(b) Reconciliation of cash and cash equivalents			
Cash at bank and in hand		326	600
Bank Overdraft		<u>(169,547)</u>	<u>(241,140)</u>
Net Position		<u>(169,221)</u>	<u>(240,540)</u>

## 6: RELATED PARTY DISCLOSURES

### (a) Subsidiaries

The Group financial statements include the financial statements of Ausminerals Limited and the subsidiaries listed in the following table:

Name	Country of incorporation	Equity Interest (%)	
		2008	2007
Kurdeez Lime Pty Limited	Australia	100%	100%
Australasian Gold Pty Limited	Australia	100%	100%
Uranium Resources Pty Limited	Australia	100%	100%
Victorian Agricultural Lime Pty Limited	Australia	100%	100%

### (b) Ultimate parent

Ausminerals Limited, an Australian registered entity which is listed on the National Stock Exchange of Australia (NSX), is the ultimate parent of the subsidiaries listed in 6(a).

## 7: DIVIDENDS PROPOSED

There are no dividends proposed for the half year to 31 December 2008.

---

## 8: SUBSEQUENT EVENTS

Since December 31<sup>st</sup>, 2008 to the date of this report there has been no events specific to the Group of which the Directors are aware which have had a material effect on the Group or its financial position.

## 9: OPERATING EXPENDITURE COMMITMENTS

The Ausminerals Group owns Exploration licences which require annual commitments for expenditure in order to retain the licenses. In addition it has a commitment for acquisition of new plant due in March 2009. This annual expenditure and commitments for capital expenditure is:

	Consolidated	
	2008	2007
	\$	\$
Within one year	\$295,970	\$170,000
1 to 5 years	\$555,400	\$170,000
> 5 years	-	-
	<u>\$851,370</u>	<u>\$340,000</u>

---

## Director's Declaration

**The Directors of Ausminerals Limited declare that:**

- (a) In the directors' opinion, the financial statements and notes on pages x to x are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's and the consolidated entity's financial position as at 31<sup>st</sup> December 2008 and of their performance, for the financial half year ended on that date; and
  - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*.
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in note 1;
- (c) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors pursuant to s 303(s) of the *Corporations Act 2001*.

Dated this 6<sup>th</sup> day of March 2009, Sydney



Erwin B Bouverie

Managing Director



Chartered Accountants  
& Business Advisors

## INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Ausminerals Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ausminerals Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the Directors' Declaration of the consolidated entity, comprising the company and the subsidiaries it controlled at 31 December 2008 or from time to time during the half year ended on that date.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Ausminerals Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ausminerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the annual financial report.

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

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | [www.pkf.com.au](http://www.pkf.com.au)

PKF | ABN 83 236 985 726

Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia

DX 10173 | Sydney Stock Exchange | New South Wales

PKF East Coast Practice is a member of PKF Australia Limited a national association of independent chartered accounting and consulting firms each trading as PKF. The East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice is also a member of PKF International, an association of legally independent chartered accounting and consulting firms.

Liability limited by a scheme approved under Professional Standards Legislation



Chartered Accountants  
& Business Advisors

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

#### *Material Uncertainty Regarding Continuation as a Going Concern*

Without qualifying our opinion, we draw attention to Note 1 (e) in the financial report which indicates that the consolidated entity has recorded a loss of \$494,919 for the half year ended 31 December 2008 and current liabilities of the consolidated entity exceed current assets by \$822,150.

The on going viability of the consolidated entity and the recoverability of its non-current assets is dependent on the success in generating positive cash flows from the lime producing operations.

This condition indicates the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts that differ from those stated in the financial report.

#### *Conclusion*

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and *Corporations Regulations 2001*.

PKF

**Bruce Gordon**  
Partner  
Sydney

6 March 2009