

**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 2009

**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	2.4%	to	556,722
Profit (loss) for the period ( <i>item 1.9</i> )	up	13.1%	to	(560,010)
Profit (loss) for the period attributable to members of the parent ( <i>item 1.11</i> )	up	13.1%	to	(560,010)
<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: 12 March 2010.



**AUSMINERALS LIMITED**

ACN 51 099 336 866

# **Interim Financial Report**

**For the Half Year ended  
31 December 2009**

## **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 2009.

### **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

### **Review of Operations**

The first six months of this financial year have been quite busy with completion and automation of our production expansion facilities in Victoria. Shortage of spare capital has been a major hindrance to progress overall but we have been able to get the projects completed in spite of this, with the help of the dedicated team now in place in Victoria.

We will shortly turn our attention to development of our gold assets to take advantage of the continuing high gold price and to this end we are formulating plans to raise the necessary capital. Subject to securing a fair price we have under consideration the possible sale of the Kurdeez lime operations as a "going concern" to generate sufficient funds to pay down debt and provide a sufficient cash reserves to aggressively develop the Leonora Gold leases.

### **Leonora Gold Operations**

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. Gold prices remain high and the group's focus will now shift to completion of drilling of some of the WA prospects and subsequent development to production stage. Various funding options are being weighed up for this and announcements will be made when plans have been finalized.

The team responsible for the completion of construction in Victoria is available at short notice to attend to the company's needs in Leonora and they look forward to tackling gold development in the near future.

### **Kurdeez Lime Operations**

The new Grinding Plant is fully operational and marketing of ultra-fine products has commenced in earnest. This plant is critical for production of the fine powder used in the new Pelletizing Plant and stock of pelletized products is being accumulated in anticipation of a busy season commencing March 2010. More sophisticated agricultural and horticultural blends will be developed as more operating experience is gained and we expect this to contribute significantly to future profitability.

The new Grinding Plant is also now producing products suitable for use in industrial applications such as rubber and plastics manufacturing and considerable effort is going into establishing a customer base in this sector to help quarantine the company from the vagaries of the traditional seasonal business that has been the mainstay of the group in the past. Other industries that are being targeted include paint and ceramics manufacturing which will use feldspar from Ausminerals' deposits in South Australia, making us one of only two Australian producers of this valuable industrial mineral.

For the past 6 months the dairy industry has been very depressed because of the reduction in milk prices at the farm gate. We have fortunately seen prices gradually starting to rise again recently and if this trend continues this should lead to a good season commencing March/April 2010.

We look forward to being able to reward you for your support and patience in the not too distant future.

**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  
12 March 2010



Chartered Accountants  
& Business Advisers

## AUDITORS' INDEPENDENCE DECLARATION

As lead auditor for the review of Ausminerals Limited for the half year ended 31 December 2009, I declare that, to the best of my knowledge and belief there have been:

- i no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- ii no contraventions of any applicable code of professional conduct in relation to the review.

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

PKF

Bruce Gordon  
Partner

Dated 12 March 2010

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DX 10173 | Sydney Stock Exchange | New South Wales

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# Statements of Comprehensive Income

For The Half Year ended 31 December 2009

		31 Dec 2009	31 Dec 2008
Continuing Operations	Note	\$	\$
Revenue	2	540,222	543,951
Cost of sales		404,709	417,521
Gross profit		135,513	126,430
Other income		16,500	-
Exploration and evaluation expenditure		38,885	30,631
Depreciation and amortisation expense	3	228,976	225,909
Administration expense		404,366	307,972
Finance costs		39,796	44,599
Float expenses		-	12,238
<b>Profit/(loss) before taxation</b>		(560,010)	(494,919)
Income tax benefit/(expense)		-	-
<b>Profit/ (loss) after taxation</b>		(560,010)	(494,919)
<b>Other Comprehensive Income/(Expense)</b>			
Impairment of Property, Plant and Equipment	3	(1,714,566)	-
Other Comprehensive Income for the period		(1,714,566)	-
<b>Total Comprehensive Income/(Expense) for the period</b>		(2,274,576)	(494,919)

The accompanying notes form part of these financial statements.

# Consolidated Statements of Financial Position

		31 Dec 2009	30 June 2009
	Note	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,456	1,485
Trade and other receivables		144,952	414,271
Inventories		53,705	72,205
Other financial assets		-	-
<b>Total Current Assets</b>		<b>200,113</b>	<b>487,961</b>
<b>Non-current Assets</b>			
Property, plant and equipment	3	2,056,400	3,877,088
Intangible assets		-	-
Investments		-	-
Exploration and evaluation expenditure		1,115,927	1,115,927
Extractive Licence		43,626	46,528
<b>Total Non-current Assets</b>		<b>3,215,953</b>	<b>5,039,543</b>
<b>TOTAL ASSETS</b>		<b>3,416,066</b>	<b>5,527,504</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		560,128	645,387
Provisions		132,568	118,897
Accruals		100,000	-
Interest bearing liabilities		266,952	203,826
Other financial liabilities		580,309	456,617
<b>Total Current Liabilities</b>		<b>1,639,957</b>	<b>1,424,727</b>
<b>Non-current Liabilities</b>			
Other financial liabilities		43,256	95,348
Borrowings		780,000	780,000
Deferred tax liabilities		-	-
<b>Total Non-current Liabilities</b>		<b>823,256</b>	<b>875,348</b>
<b>TOTAL LIABILITIES</b>		<b>2,463,213</b>	<b>2,300,075</b>
<b>NET ASSETS</b>		<b>952,853</b>	<b>3,227,429</b>
<b>EQUITY</b>			
Contributed equity		3,397,920	3,397,920
Accumulated losses		(6,389,745)	(5,829,735)
Reserves		3,944,678	5,659,244
<b>TOTAL EQUITY</b>		<b>952,853</b>	<b>3,227,429</b>

The accompanying notes form part of these financial statements.



## Consolidated Statements of Changes in Equity

	Ordinary Shares	Asset Revaluation Reserve	Options Reserve	Accumulated Losses	Total
For the half year ended 31 December 2009	\$	\$	\$	\$	\$
<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)
Transactions with owners in their capacity as owners:					
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>-</u>	<u>0</u>	<u>4,818,501</u>

	Ordinary Shares	Asset Revaluation Reserve	Options Reserve	Accumulated Losses	Total
Consolidated	\$	\$	\$	\$	\$
<b>Balance at 1 July 2009</b>	3,397,920	5,659,244	-	(5,829,735)	3,227,429
Profit/(loss) for the year	-	-	-	(560,010)	(560,010)
Impairment Provision	-	(1,714,566)	-	-	(1,714,566)
Transactions with owners in their capacity as owners:					
Issue of share capital	-	-	-	-	-
<b>Balance at 31 December 2009</b>	<u>3,397,920</u>	<u>3,944,678</u>	<u>-</u>	<u>(6,389,745)</u>	<u>952,853</u>

The accompanying notes form part of these financial statements.

# Consolidated Cash Flow Statements

For the Half Year ended 31 December 2009

	Note	31 Dec 2009 \$	31 Dec 2008 \$
<b>Cash flows from operating activities</b>			
Receipts from mineral mining and production		826,041	559,710
Overheads and Salaries		(712,723)	(625,652)
Borrowing costs		(39,796)	(44,599)
Sundry expenses		1,475	(9,052)
Sundry Income		16,500	471
<b>Net cash flows (used in) /provided by operating activities</b>		<u>91,497</u>	<u>(119,122)</u>
 <b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(125,853)	(123,359)
Payments for exploration expenditure		-	-
<b>Net cash flows provided by / (used in) investing activities</b>		<u>(125,853)</u>	<u>(123,359)</u>
 <b>Cash flows from financing activities</b>			
Bank loan		-	480,000
Proceeds from issue of ordinary shares		-	30,000
Contributions from Shareholder		-	3,794
Float expenses		-	(12,238)
<b>Net cash flows (used in) / provided by financing activities</b>		<u>-</u>	<u>501,556</u>
 Cash and cash equivalents at beginning of the year		(202,340)	(428,296)
Net increase / (decrease) in cash and cash equivalents		<u>(34,356)</u>	<u>259,075</u>
 <b>Cash and cash equivalents at the year end</b>		<u>(236,696)</u>	<u>(169,221)</u>

The accompanying notes form part of these financial statements.

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# Notes to the Financial Statements

For the Half Year ended 31 December 2009

## 1: SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with the Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Ausminerals Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2009, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

### (b) Accounting Standards not Previously Applied

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

### (c) Presentation of Financial Statements

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

- The replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense note recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- The adoption of the single statement approach to the presentation of the Statement of Comprehensive Income ; and
- Other financial statements are renamed in accordance with the Standard.

### (d) Operating Segments

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the board of directors. In this regard, such information is provided using different measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included.

As a result of the adoption of the revised AASB 8, certain cash generating units have been redefined having regard to the requirements in AASB 136: Impairment of Assets

### (e) Going Concern

The Group has recorded a loss of \$560,010 for the half year ended 31 December 2009 (31 December 2008 – loss of \$494,919) and current liabilities of the consolidated entity exceed its current assets by \$ 1,439,844 (30 June 2009 - \$936,766).

Property, Plant and equipment is recorded in the financial statements at \$2,056,400 (30 June 2009 - \$3,877,088) and exploration and evaluation expenditure at \$1,115, 927 (30 June 2009 - \$1,115,927).

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## Notes to the Financial Statements

### For the Half Year to 31 December 2009 (Continued)

As disclosed in Note 7, the Directors have decided it would be in the best interests of the Group to list the assets of Kurdeez Lime Pty Limited for sale as a going concern. The bank holds a fixed and floating charge over the plant and equipment held by Kurdeez Lime Pty Ltd. Should the sale proceed as planned, the charge held will be discharged, resulting in the non current borrowings, which currently have repayment dates of 2012 and 2013, becoming immediately repayable.

Following the repayments of these borrowings and other liabilities the Directors believe there will be sufficient funds to continue to operate until further funds can be raised in order to pursue the exploration programmes.

The on going viability of the Group and the recoverability of its non-current assets are dependent either on their sale or the successful generation of positive cash flows from the lime producing operations and the ability to fund, develop and operate its exploration programmes.

These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern

The Financial Report has been prepared on the basis of a going concern. This basis presumes that either the production of higher quality lime products will be successful or the sale will proceed as planned 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 a going concern.

#### (f) Impairment

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

Impairment losses are charged to the Income Statement except where they apply to the revaluation reserve. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

As indicated in Note 7, the Directors have decided it would be in the best interests of the company to list the assets of Kurdeez Lime Pty Limited and Victorian Agriculture Pty Limited for sale as a going concern in order to pay down company debt and generate funds in order to develop its Gold leases. Accordingly an impairment provision has been raised in this financial period of \$1,714,566 and charged to the asset revaluation reserve offsetting a previous increment. This amount reflects the difference between the net book value of assets being offered for sale and the anticipated sale price.

## Notes to the Financial Statements

For the Half Year to 31 December 2009 (Continued)

### 2: REVENUE

	Consolidated	
	31 Dec 2009	31 Dec 2008
	\$	\$
Revenue	540,222	543,480
Interest income	-	471
Other revenue	16,500	-
	<u>556,722</u>	<u>543,951</u>

### 3: PROPERTY, PLANT AND EQUIPMENT DEPRECIATION

	Computer Equipment	Land and Buildings	Heavy Equipment	Plant and Equipment	Total
<b>31 December 2009</b>	\$	\$	\$	\$	\$
<i>Gross carrying amount</i>					
Opening balance	31,483	2,646,317	563,382	2,233,517	5,474,699
Additions	443	-	-	5,500	5,943
Work in Progress	-	(11,083)	-	127,994	116,911
Impairment Provision	-	(862,335)	(206,185)	(646,046)	(1,714,566)
Closing balance	<u>31,926</u>	<u>1,772,899</u>	<u>357,197</u>	<u>1,720,965</u>	<u>3,882,987</u>
<i>Accumulated depreciation</i>					
Opening balance	7,339	288,488	312,419	989,365	1,597,611
Depreciation expense	1,299	36,552	42,832	148,293	228,976
Closing balance 31/12/2008	<u>8,638</u>	<u>325,040</u>	<u>355,251</u>	<u>1,137,658</u>	<u>1,826,587</u>
Net book value	<u>23,288</u>	<u>1,447,859</u>	<u>1,946</u>	<u>583,307</u>	<u>2,056,400</u>
<b>30 June 2009</b>					
<i>Gross carrying amount</i>					
Opening balance	31,483	2,646,317	842,229	3,050,512	6,570,541
Additions	-	-	24,300	275,165	299,465
Disposals	-	-	(18,300)	-	(18,300)
Work in Progress	-	-	-	11,083	11,083
Impairment Provision	-	-	(284,847)	(1,103,243)	(1,388,090)
Closing balance	<u>31,483</u>	<u>2,646,317</u>	<u>563,382</u>	<u>2,233,517</u>	<u>5,474,699</u>
<i>Accumulated depreciation</i>					
Opening balance	5,821	212,975	235,556	700,807	1,155,159
Depreciation expense	1,518	75,513	80,934	288,558	446,523
Disposals	-	-	(4,071)	-	(4,071)
Closing balance	<u>7,339</u>	<u>288,488</u>	<u>312,419</u>	<u>989,365</u>	<u>1,597,611</u>
Net book value	<u>24,144</u>	<u>2,357,829</u>	<u>250,963</u>	<u>1,244,152</u>	<u>3,877,088</u>

# Notes to the Financial Statements

For the Half Year to 31 December 2009 (Continued)

## 4: CASH FLOW RECONCILIATION

		Consolidated	
		31 Dec 2009	31 Dec 2008
(a) Reconciliation of net cash provided by (used in) operating activities to operating loss after income tax		(560,010)	(494,919)
Operating loss after income tax			
<i>Adjustments for non-cash and non-operating income and expenses</i>			
Depreciation		228,976	225,909
Amortisation of Extractive Licence		2,902	-
Exploration Expenditure		-	-
Decrease/( Increase) in :			
	Receivables	269,319	(15,759)
	Inventory	18,500	(7,812)
Increase/(Decrease) in:			
	Payables	(85,259)	30,761
	Provisions	201,997	119,762
	Tax	16,951	4,770
	Other	(1,879)	18,166
Net cash used in/(provided by) Operating Activities		91,497	(119,122)
(b) Reconciliation of cash and cash equivalents			
Cash at bank and in hand		1,456	326
Bank Overdraft		(238,152)	(169,547)
Net Position		(236,696)	(169,221)

## 5: GROUP COMPANIES

### (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 (%)	
		2009	2008
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 above.

## For the Half Year to 31 December 2009 (Continued)

### 6: DIVIDENDS PROPOSED

There are no dividends proposed for the half year ended 31 December 2009.

### 7: SUBSEQUENT EVENTS

In February 2010 Ausminerals Limited advised the NSX that it intends to proceed to list the assets of its subsidiaries, Kurdeez Lime Pty Limited and Victorian Agricultural Lime Pty Limited for sale as a going concern. These assets consist of plant and equipment, free hold land and certain mining leases.

As previously reported Ausminerals primary strategic objective is to raise capital to develop its Gold project at Leonora in Western Australia. In the opinion of the Directors the shareholders of Ausminerals would be better advantaged if the planned sale to raised sufficient funds to pay down debt and provide funds to advance managements objective to bring its gold leases into production, particularly whilst gold prices continue to be buoyant.

The Directors envisage that the proposed sale could be finalised within a 3-4 months time frame, however they continue to explore all other avenues to raise capital to complete the stated objective of bring its Gold leases to profitable operations.

The proposed sale, and the terms thereof, has led to the impairment, details of which can be found in Note 1(f)

### 8: OPERATING EXPENDITURE COMMITMENTS

The Ausminerals Group owns Exploration licences which require annual commitments for expenditure in order to retain the licences. This annual expenditure and commitments for capital expenditure is:

	Consolidated	
	31 Dec 2009	31 Dec 2008
	\$	\$
Within one year	202,860	295,970
1 to 5 years	730,160	555,400
> 5 years	-	-
	<u>933,020</u>	<u>851,370</u>

### 9: SEGMENT REPORTING

#### (a) Description of Segments

##### Business Segments

The consolidated entity is organised into the following divisions by product type. The Group's chief operating decision maker, reviews internal reports on this basis.

##### *Limestone and other minerals*

Extraction and processing of limestone and blending of gypsum, feldspar and other base minerals for use in agricultural and industrial applications.

##### *Gold exploration*

Exploration of gold deposits and assessment for extraction.

##### *Other*

Administration and overhead costs of the parent company

##### Geographical segments

The consolidated entity's divisions are centrally managed and only operating within the Australian region.

## Notes to the Financial Statements

**For the Half Year to 31 December 2009 (Continued)**

**9: SEGMENT REPORTING (Continued)**

<b>6 months to December 2009</b>	<b>Limestone \$</b>	<b>Gold \$</b>	<b>Other \$</b>	<b>Consolidated \$</b>
Total Revenues from Operating Activities	540,222	-	16,500	556,722
Segment Result	(233,421)	127	(326,716)	(560,010)
Income Tax expense	-	-	-	-
Depreciation and Amortisation	228,073	363	540	228,976
Loss attributable to members of the consolidated entity	(233,421)	127	(326,716)	(560,010)
Segment assets	2,712,362	623,129	80,575	3,416,066
Segment liabilities	1,630,786	29,843	802,584	2,463,213
Total net assets	1,081,576	593,286	(722,009)	952,853

<b>6 months to December 2008</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total Revenues from Operating Activities	543,480	-	471	543,951
Segment Result	(231,895)	(30,631)	(232,393)	(494,919)
Income Tax expense	-	-	-	-
Depreciation and Amortisation	224,817	427	665	225,909
Loss attributable to members of the consolidated entity	(231,895)	(30,631)	(232,393)	(494,919)
Segment assets	4,805,745	617,960	103,799	5,527,504
Segment liabilities	1,792,152	50,000	457,923	2,300,075
Total net assets	3,013,593	567,960	(354,124)	3,227,429



## Directors' Declaration

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

In the opinion of the Directors of Ausminerals Limited:

- (a) The financial statements and notes on pages 7 to 16 are in accordance with the *Corporations Act 2001*, including:
  - (ii) giving a true and fair view of the company's and the consolidated entity's financial position as at 31 December 2009 and of their performance, represented by the results of its operations and its cash flows, for the financial half year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 : Interim Financial Reporting and *Corporations Regulations 2001*.
- (b) 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.

Dated 12 March 2010, Sydney



Erwin B Bouverie  
Managing Director



Chartered Accountants  
& Business Advisers

## 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 Statement of Financial Position as at 31 December 2009, and the Statement of Comprehensive Income, 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 entities it controlled at 31 December 2009 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.

#### *Auditors' 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 2009 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 audit of the annual financial report.

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

#### *Independence*

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

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### *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 2009 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.

### *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 Group incurred an operating loss of \$560,010 for the half-year ended 31 December 2009 and current liabilities of the consolidated entity exceed current assets by \$1,439,844.

These conditions, along with other matters as set forth in Note 1(e), indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, and therefore whether the company may realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the financial report.



**PKF**



**Bruce Gordon**  
**Partner**

Dated 12 March 2010