



APPENDIX 4D
31 DECEMBER 2010

MGT Resources Limited

ACN 131 715 645

HIGHLIGHTS OF RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2010	2009	Percentage increase/(decrease)
Revenue from ordinary activities	Nil	Nil	Nil
(loss) from ordinary activities after tax attributable to members	(\$ 824,246)	(\$649,030)	(27%)
(loss) for the period attributable to members of the company	(\$ 672,416)	(535,211)	(26%)

Dividends

	Amount per tradeable security	Franked amount per security	Percentage increase/(decrease)
Interim dividend (cents per share)	Nil	Nil	Nil
Record date for determining entitlements to the dividends was:	Not Applicable		

Refer to the attached announcement and interim financial report for further information on the results for the half-year ended 31 December 2010. This information should be read in conjunction with the Company's most recent annual financial report and company announcements.

Net Tangible Assets per share

	31 December 2010	31 December 2009	Percentage increase/(decrease)
Net Tangible Assets per share	\$ 0.11	\$0.11	Nil

Acquisition and/or Disposal

There were no acquisition or disposals of subsidiaries during the half-year ended 31 December 2010.

This report is based on the consolidated half-year financial report which has been subject to a review. There are no audit disputes or qualifications. AASB standards, other authoritative pronouncements and Urgent Issues Group Interpretations have been used in compiling the information in this Appendix 4D.



Gary Kuo

Director

Sydney, 14 March 2011



MGT Resources Limited

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2010

MGT RESOURCES LIMITED

ACN 131 715 645

TABLE OF CONTENTS

DIRECTOR'S REPORT	1
AUDITORS' INDEPENDENCE DECLARATION	3
DIRECTORS' DECLARATION	4
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	5
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	6
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	7
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW	8
NOTES TO THE FINANCIAL STATEMENT	9
AUDITOR'S REPORT	13

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
DIRECTORS' REPORT

The Directors of MGT Resources Limited submit herewith the half-year financial report of the company for the half-year ended 31 December 2010. In order to comply with the provisions of the Corporations Act 2001, the directors reports as follows:

Information about the directors and senior management

The names of the Directors in office at any time during or since the end of the half-year are:

<u>Name</u>	<u>Particulars</u>
Jonathan Paul Back	Chairman, appointed 04 September 2008
George Monemvasitis	Director, appointed 30 June 2008
Gary Kuo	Director, appointed 07 January 2011
Robert Vagnoni	Director, appointed 01 February 2011
Hai Jun Li	Non-Executive Director, appointed 14 April 2009

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

<u>Name</u>	<u>Particulars</u>
Rado Jacob Rebek	Director, resigned 07 January 2011

Principal activities

The consolidated entity's principal activities in the course of the financial year were identifying and negotiating with the holders of exploration and mining tenements in Australia and elsewhere to determine the potential viability of those projects and to provide seed capital and development capital to assist in determining the potential for further development and commercial exploitation.

Result

The consolidated net loss for the half-year ended 31 December 2010 after providing for income tax was \$824,246.

Review of operations

MGT Resources Limited and its controlled entities ("the Group") has recently completed an upgrade and refurbishment of the Mt Veteran Tin Mill, and in late December 2010 commissioned the Mill for an initial pilot run.

The Group has continued to perform drilling and exploration work at selected targets within its EPMs and MLAs within the Mt Garnet region, along with surface sampling at its Pyramid Gold project near Charters Towers in preparation for a drilling program in 2011.

During October 2010, the company raised \$1,700,000 by way of a share placement to local and offshore institutional investors. The share placement of 6,800,000 full paid shares at \$0.25 was fully subscribed in October 2010 resulting in a total of \$1,700,000 capital raised.

As the Group continues to pursue its objectives of seeking further investment opportunities in the resource sector, the additional capital raising will assist the Group with its core objectives: the

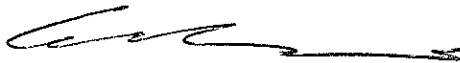
As the Group continues to pursue its objectives of seeking further investment opportunities in the resource sector, the additional capital raising will assist the Group with its core objectives: the completion of the upgrade work to the mill, together with other project development and exploration activities.

Auditor's independence declaration

The auditor's independence declaration is included on page 3 of the financial report.

This directors' report has been made and signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



Gary Kuo
Director
Sydney, 14 March 2011

AUDITORS' INDEPENDENCE DECLARATION

In relation to the review for the half-year ended 31 December 2010, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in 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.

DUNCAN DOVICO CHARTERED ACCOUNTANTS



Rosemary Megale

Partner

Sydney, 14 March 2011

The directors of MGT Resources declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (a) In the director's opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and.
 - (b) In the director's opinion, complying with Accounting Standard AASB 134 "Interim Financial Reporting".

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Gary Kuo
Director
Sydney, 14 March 2011

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF- YEAR ENDED 31 DECEMBER 2010

		Consolidated	
	Note	2010 \$	2009 \$
Revenue			-
Other income		50,670	34,799
Employee benefits expense		(234,372)	(101,202)
Depreciation expense		(65,309)	(30,143)
Consultancy expense		(45,205)	(13,433)
Other expenses		(530,030)	(539,051)
(Loss) before income tax		(824,246)	(649,030)
Income tax expense/(benefit)	3	-	-
(Loss) for the half-year		(824,246)	(649,030)
Other comprehensive income, net of tax		(28,121)	-
Total comprehensive income for the half-year		(852,367)	(649,030)
Attributable to:			
Equity holders of the parent		(700,537)	(535,211)
Non-controlling interests		(151,830)	(113,819)
		(852,367)	(649,030)
Earnings per share			
Basic (losses) (cents per share)	6	(1.19)	(1.24)
Diluted (losses) (cents per share)	6	(1.19)	(1.24)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Notes	Consolidated 31 December 2010 \$	30 June 2010 \$
Current assets			
Cash and cash equivalents		325,363	959,126
Trade and other receivables		525,330	273,574
Other financial assets		181,816	209,936
Total current assets		1,032,509	1,442,636
Non-current assets			
Exploration and evaluation expenditure	4	3,812,151	3,332,086
Plant & Equipment		2,736,953	1,706,656
Total non-current assets		6,549,104	5,038,742
Total assets		7,581,613	6,481,378
Current liabilities			
Trade and other payables		572,893	331,733
Borrowings		52,365	51,843
Provisions		32,024	41,306
Total current liabilities		657,282	424,882
Non-current liabilities			
Borrowings		573,389	482,431
Provisions		912	3,171
Total non-current liabilities		574,301	485,602
Total liabilities		1,231,583	910,484
Net assets		6,350,030	5,570,894
Equity			
Issued capital		5,886,518	4,252,508
Reserves		(79,272)	(51,151)
Retained earnings		130,102	802,518
Non-controlling interest		412,682	567,019
Total equity		6,350,030	5,570,894

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

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

Consolidated	Fully paid ordinary shares	Retained Earnings	Revaluation Reserve	Non- controlling Interests	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2010	4,252,508	802,518	(51,151)	567,019	5,570,894
(Loss) for the period	-	(672,416)	-	(151,830)	(824,246)
Other comprehensive income for the half year	-	-	(28,121)	-	(28,121)
Total comprehensive income for the half-year	-	(672,416)	(28,121)	(151,830)	(852,367)

**Transactions with owners in
their capacity as owners:**

Contributions of equity, net of transaction costs	1,634,010	-	-	(2,507)	1,631,503
	1,634,010	-	-	(2,507)	1,631,503
Balance at 31 December 2010	5,886,518	130,102	(79,272)	412,682	6,350,030

Consolidated	Fully paid ordinary shares	Retained Earnings	Revaluation Reserve	Non- controlling Interests	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2009	3,255,092	1,513,465	7,600	715,784	5,491,941
(Loss) for the period	-	(535,211)	-	(113,819)	(649,030)
Other comprehensive income for the half year	-	-	(7,200)	-	(7,200)
Total comprehensive income for the half-year	-	(535,211)	(7,200)	(113,819)	(656,230)

**Transactions with owners in
their capacity as owners:**

Contributions of equity, net of transaction costs	575,000	-	-	-	575,000
	575,000	-	-	-	575,000
Balance at 31 December 2009	3,830,092	978,254	400	601,965	5,410,711

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

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Notes	Consolidated 2010	2009 \$
Cash flows from operating activities			
Receipts from customers		-	-
Payments to suppliers and employees		(804,744)	(445,153)
Interest received		17,670	34,799
Net cash provided by/(used in) operating activities		(787,074)	(410,354)
Cash flows from investing activities			
Payment for investment in shares		-	(250,400)
Proceeds from sale of investment		6,000	-
Payment for property, plant & equipment		(1,095,606)	(182,043)
Payments for exploration costs		(480,065)	(510,752)
Net cash provided by/(used in) investing activities		(1,569,671)	(943,195)
Cash flows from financing activities			
Proceeds from issues of equity securities		1,631,504	575,000
Proceed from borrowing		100,000	111,079
Payment for lease liabilities		(8,522)	(4,044)
Loan to related party		-	(50,000)
Net cash provided by/(used in) financing activities		1,722,982	632,035
Net increase in cash and cash equivalents		(633,763)	(721,514)
Cash and cash equivalents at the beginning of the half-year		959,126	2,580,691
Cash and cash equivalents at the end of the half-year		325,363	1,859,177

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Summary of significant accounting policies

(a) Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2010 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 *Interim Financial Reporting* ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2010 and considered together with any public announcements made by MGT Resources Limited during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations of the NSX listing rules.

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

(b) Changes in accounting policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2010 annual financial report for the financial year ended 30 June 2010

2. Segment information

The Group operates predominantly in one business segment and one geographical segment being the mining industry in Australia. The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The segment information provided is consistent with the internal management reporting. The group operates predominantly in one business segment and one geographical segment being the mining industry in Australia.

No revenue from this activity has been earned to date as the Group is still in the exploration and evaluation stage.

3. Income taxes

The deferred tax asset in respect of tax losses and temporary differences were not brought to account for the consolidated entity during the half-year ended 31 December 2010. These will be brought to account only when the benefit attributable to the consolidated entity as a result of deriving current and future assessable income is able to be quantified with a significant degree of certainty and is of a nature and of an amount sufficient to enable the benefit to be realised. The consolidated entity continues to comply with deductibility conditions imposed by tax legislation and no changes in tax legislation adversely affecting the consolidated entity in realising the benefit.

4. Exploration and evaluation of assets

	Half-year ended 31 December 2010 \$	Full year ended 30 June 2010 \$
Balances at the beginning of the period	3,332,086	2,110,964
	-	
Expenditure incurred during the year	480,065	1,221,122
(Impairment) of exploration expenditure	-	-
Balances at the end of the period	<u>3,812,151</u>	<u>3,332,086</u>

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation of asset may exceed its recoverable amount. The ultimate recoverability of exploration and evaluation expenditure is dependent upon the successful development or sale.

5. Issued Share Capital

Issue of ordinary shares during the half-year

	Half-year ended 31 December 2010 No of Shares	Full year ended 30 June 2010 No of Shares
Share capital as at beginning of period	52,750,426	48,750,426
January 2010 Issue of Shares	-	4,000,000
October 2010 Issue of Shares (a)	6,800,000	-
Share capital as at end of period	<u>59,550,426</u>	<u>52,750,426</u>
Balances at the end of the period	<u>\$5,886,518</u>	<u>\$4,252,508</u>

(a) . The share placement of 6,800,000 full paid shares at \$0.25 was fully subscribed in October 2010 resulting in a total of \$1,700,000 capital raised.

MGT RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	31 December 2010	31 December 2009
	Cents per share	Cents per share
6. Earnings per share		
Basic earning per share	(1.19)	(1.24)
Diluted earnings per share	(1.19)	(1.24)
Basic earning per share	\$	\$
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Net profit/(loss)	(672,416)	(535,211)
Earnings used in the calculation of basic EPS from continuing operations	(672,416)	(535,211)
	No.	No.
Weighted average number of ordinary shares for the purpose of basic earnings per share	56,603,151	43,209,667
Diluted earnings per share	\$	\$
The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:		
Net profit/(loss)	(672,416)	(535,211)
Earnings used in the calculation of diluted EPS from continuing operations	(672,416)	(535,211)
	No.	No.
Weighted average number of ordinary shares for the purpose of diluted earnings per share	56,603,151	43,209,667

7. Related party transactions

The company loaned to a director an amount of \$ 111,042 for the half-year ended 31 December 2010. No interest is charged on the loan and the loan is expected to be repaid before 30 June 2011.

The company borrowed an additional \$ 100,000 from the Chairman during the half year ended 31 December 2010 to fund operations of the entity. The condition of the additional loan remains unchanged to the deed of charge entered into by the company with the Chairman on the 29th of June 2010.

8. Dividends paid or proposed

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

9. Contingent liabilities

There are no contingent liabilities not provided for in the financial statements of the consolidated entity as at 31 December 2010.

10. Subsequent Events

The company had lodged a prospectus to ASIC for a Rights issue of 3 new MGT Mining shares for every 2 MGT Mining shares held, issued at \$0.03, to raise \$2,380,819 capital. The prospectus has since been withdrawn and there are no further plans to continue with this scheme.

No other matter or circumstance has arisen since 31 December 2010 that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Independent Audit Review Report to the members of MGT Resources Limited

Scope

We have reviewed the accompanying financial report of MGT Resources Limited and its controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2010, and the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flow for the half year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company at the year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of MGT Resources Limited are responsible for the preparation 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-yearly financial report based on our review. We conducted our review in accordance with Auditing Standard on review Engagements ASRE 2410 Review of Interim and Other Financial Reports 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 half-year financial report is not in accordance with the Corporation Act 2001 including giving a true and fair view of the company's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Australian Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of MGT Resources 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-yearly 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 assurances 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 followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Electronic Presentation

This auditor's report relates to the financial report of MGT Resources Limited for the half-year ended 31 December 2010 included on MGT Resources Limited's web site. The company's directors are responsible for the integrity of the company's web site. We have not been engaged to report on the integrity of the company's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

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 MGT Resources Limited and its controlled entities is not in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position at 31 December 2010 and of its performance for the half-year ended on that date; and
- (ii) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

DUNCAN DOVICO CHARTERED ACCOUNTANTS



Rosemary Megale

Partner

Sydney, 14 March 2011