



ASHBURTON MINERALS LTD

ASH 28 002 BOX 442

20 February 2004

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
20 Bond Street  
SYDNEY NSW 2000

*Via Electronic Announcement*

- **HALF YEARLY FINANCIAL REPORT FOR PERIOD ENDING 31 DECEMBER 2003**

Please find attached the Company's Half Year Financial Report for the period ending 31 December 2003, prepared pursuant to a review by the Company's auditor.

Yours faithfully,

Rodney Dunn  
Director



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**ASHBURTON MINERALS LTD**  
**ACN 008 894 442**

**Half Yearly Financial Report**

**31 December 2003**

# ASHBURTON MINERALS LTD

## HALF YEARLY FINANCIAL REPORT 31 DECEMBER 2003

### CORPORATE DIRECTORY

#### Directors

RW Crabb  
Chairman

TP Dukovic  
Managing Director

RJ Dunn  
Executive Director

#### Company Secretary

RG Ledger

#### Principal & Registered Office

Suite 3, 2 Richardson Street  
WEST PERTH WA 6005  
Telephone: (08) 9321 6600  
Facsimile: (08) 9321 6633

#### Postal Address

PO Box 517  
WEST PERTH WA 6872

#### Auditors

Moore Stephens BG  
Chartered Accountants  
Level 3, 12 St George's Terrace  
PERTH WA 6000

#### Bankers

ANZ Limited  
1275 Hay Street  
WEST PERTH WA 6005

#### Solicitors

Blakiston & Crabb  
1202 Hay Street  
WEST PERTH WA 6000

#### Share Registry

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

#### Stock Exchange Listing

Australian Stock Exchange  
ASX Code: ATN

# ASHBURTON MINERALS LTD

## THE DIRECTORS REPORT

Your directors present the following report for the half-year ended 31 December 2003.

## DIRECTORS INFORMATION

The names of the directors in office at the date of this report are:

<b>Director</b>	<b>Qualifications &amp; Experience</b>	<b>Special Responsibilities</b>
RW Crabb	B. Juris, LLB & MBA	Chairman
TP Dukovic	BSc (Hons), MAIG 17 Years Experience	Managing Director
RJ Dunn	20 Years Experience	Executive Director

## REVIEW OF OPERATIONS

The details of the consolidated entity's activities during the half-year have been reported in detail in the quarterly reports submitted to the Australian Stock Exchange for the quarters ended 30 September 2003 and 31 December 2003.

The consolidated entity incurred an operating loss after income tax of \$752,338.

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North, Western Australia 6002  
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**INDEPENDENT REVIEW REPORT  
TO THE MEMBERS OF  
ASHBURTON MINERALS LIMITED**

**Scope**

We have reviewed the financial report of Ashburton Minerals Limited for the half-year ended 31 December 2003 as set out on pages 4 to 8. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year. The company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission/Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

**Statement**

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 Ashburton Minerals Limited is not in accordance with:

(a) the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position at 31 December 2003 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations; and

(b) other mandatory professional reporting requirements.

*Moore Stephens BG*  
**Moore Stephens BG**  
Chartered Accountants

*Neil Pace*  
**Neil Pace**  
Partner

Date *18 February 2004*

# ASHBURTON MINERALS LTD

## DECLARATION BY DIRECTORS

In the opinion of the directors of the Company:

1. The accompanying consolidated financial statements:
  - a) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations;
  - and
  - b) give a true and fair view of the financial position of the consolidated entity as at 31 December 2003 and its performance for the half-year ended on that date.
2. At the date of this declaration, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

dated 16th day of February 2004



**RJ Dunn**  
**Director**

# ASHBURTON MINERALS LTD

## CONDENSED STATEMENT OF FINANCIAL POSITION As At 31 December 2003

	<b>Consolidated</b>	
	<b>31/12/03</b>	<b>30/06/03</b>
<b>CURRENT ASSETS</b>		
Cash	4,366,778	100,540
Receivables	68,292	41,043
Other Financial Assets	2,000	2,000
<b>TOTAL CURRENT ASSETS</b>	<b>4,437,070</b>	<b>143,583</b>
<b>NON CURRENT ASSETS</b>		
Investments accounted for using Equity Method	1	1
Other Financial Assets	1	1
Property, Plant & Equipment	1,097,715	32,811
Exploration Tenements	3,604,212	1,898,809
<b>TOTAL NON CURRENT ASSETS</b>	<b>4,701,929</b>	<b>1,931,627</b>
<b>TOTAL ASSETS</b>	<b>9,138,999</b>	<b>2,075,205</b>
<b>CURRENT LIABILITIES</b>		
Payables	67,489	165,166
<b>TOTAL CURRENT LIABILITIES</b>	<b>67,489</b>	<b>165,166</b>
<b>NON CURRENT LIABILITIES</b>		
Provisions	2,600,000	-
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>2,600,000</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>2,667,489</b>	<b>165,166</b>
<b>NET ASSETS</b>	<b>6,471,510</b>	<b>1,910,039</b>
<b>EQUITY</b>		
Contributed Equity	20,015,435	14,761,847
Reserves	468,059	408,109
Accumulated Losses	(14,011,984)	(13,259,917)
<b>TOTAL EQUITY</b>	<b>6,471,510</b>	<b>1,910,039</b>

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

# ASHBURTON MINERALS LTD

## CONDENSED STATEMENT OF FINANCIAL PERFORMANCE For the half-year ended 31 December 2003

	Note	Consolidated	
		31/12/03	31/12/02
Revenue from sale of goods or services		-	-
Other revenues from ordinary activities		<u>33,607</u>	<u>2,025</u>
Total Revenue		33,607	2,025
Expenses from ordinary activities:			
Consultants Fees		(37,236)	-
Depreciation expenses		(6,325)	(5,018)
Exploration expenses written off in respect of interests abandoned		-	-
Employee expenses (salaries, wages & superannuation)		(232,720)	(134,668)
Mine project costs		(315,279)	-
Occupancy costs		(20,216)	-
Other expenses from ordinary activities		(174,169)	(199,839)
Loss from ordinary activities before related income tax expense		(752,338)	(337,500)
Income tax (expense)/benefit relating to ordinary activities		-	-
Loss from ordinary activities after related income tax expense		(752,338)	(337,500)
Profit/(loss) from extraordinary item after related income tax expense		-	-
Net Loss		(752,338)	(337,500)
Net loss attributable to outside equity interests		-	-
Net loss attributable to members of parent entity		(752,338)	(337,500)
Non-Owner transaction changes in equity:			
Total revenues, expenses and valuation adjustments attributable to members of the parent entity recognised directly in equity		-	-
Total changes in equity from non-owner related transactions attributable to members of the parent entity		<u>(752,338)</u>	<u>(337,500)</u>

The above condensed statement of financial performance should be read in conjunction with the accompanying notes



# ASHBURTON MINERALS LTD

## CONDENSED STATEMENT OF CASH FLOW For the half-year ended 31 December 2003

	31/12/03	31/12/02
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and consultants	(816,491)	(344,718)
Interest Received	33,607	1,973
Dividends Received	-	52
<hr/>		
Net Cash used by operating activities	(782,884)	(342,693)
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Cash flows from investing activities		
Payments for plant and equipment	(44,922)	-
Proceeds from sale of plant and equipment	25,910	-
Proceeds from sale of share investments	-	118,395
Payments for exploration expenditure	(145,403)	(102,650)
Payments for share investments	-	(22,840)
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Net Cash provided by (used in) investing activities	(164,415)	(7,095)
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Cash from financing activities	-	-
Proceeds from issue of shares	5,313,537	696,100
Loan repayments	(100,000)	-
Loans from associated entity	-	150,000
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Net Cash provided by (used in) financing activities	5,213,537	846,100
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Net Increase (decrease) in cash held	4,266,238	496,312
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Cash at 1 July 2003	100,540	124,501
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Cash at 31 December 2003	4,366,778	620,813
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The above condensed statement of cash flows should be read in conjunction with the accompanying notes

# ASHBURTON MINERALS LTD

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the half-year ended 31 December 2003

### NOTE 1: STATEMENT OF ACCOUNTING POLICY

This general purpose half-year consolidated financial report has been prepared in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements. It is recommended that these accounts be read in conjunction with the financial accounts for year ended 30 June 2003 and any public announcements made by Ashburton Minerals Ltd during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those of the previous financial year and corresponding half-year.

For the purpose of preparing the half-year consolidated accounts, the half-year has been treated as a discrete reporting period.

### NOTE 2: OPERATING LOSS BEFORE INCOME TAX

Operating loss before income tax has been arrived at after crediting and charging the following specific items:

	<b>31/12/03</b>	<b>31/12/02</b>
Crediting as Income:	\$	\$
Interest received	33,607	1,973
Charging as Expense:		
Drummond Basin Mine Project costs	315,279	-

### NOTE: 3 EARNINGS PER SHARE

	<b>31/12/03</b>	<b>31/12/02</b>
	<b>Cents/share</b>	<b>Cents/share</b>
Basic earnings per share (loss)	(0.17)	(0.13)
Diluted earnings per share	N/A	N/A
	<b>Number</b>	<b>Number</b>
Weighted number of ordinary shares on issue at end of the half year	42,621,075	249,207,037

A 1:15 consolidation of share capital was effective from 19 August 2003.