

EVERY DAY MINE SERVICES LIMITED

(A.C.N. 124 279 750)

APPENDIX 4E

PRELIMINARY FINAL REPORT

1. Highlights of Results
2. Financial Report 30 June 2010

31 August 2010

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30 June 2010

Results For Announcement To The Market For The Year Ended 30 June 2010

Name of entity	EVERY DAY MINE SERVICES LIMITED
ACN	124 279 750

Results		A\$ million
Revenue from group	▲ 15.9%	26.9
Reported profit after tax and minorities attributable to members	▼ (68.0) %	(4.1)

Dividends/distributions	Amount per security	Franked amount per security
Final 2010 dividend	0.0 cents	N/A
Interim 2010 dividend	0.0 cents	N/A

Record date for determining entitlements to the final dividend N/A

Payment date of the final dividend N/A

		2010	2009
Net tangible assets per ordinary share	▼(26.2)%	9.0 cps	12.2 cps

Audit / Review Status

This report is based on accounts to which one of the following applies			
The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	✓	The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: N/A			

The Annual General Meeting will be held as follows:

Place **, Sydney, NSW
Date ** November 2009
Time 10:00am

** Date and location of the Annual General Meeting will be advised upon release of the full Annual Report by 30th September 2010

Approximate date the Annual Report will be available by 30th September 2010

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Review of Operations

	FY 10 Actual A\$ million	FY 09 Actual A\$ million	Change
Revenue	\$26.9m	\$23.2m	▲ 15.9%
EBITDA	\$1.5m	\$(2.9)m	▲ 151.7%
EBITDA Margin	5.8%	(12.5)%	▲ 144.0%
Net Profit/(Loss) Before Tax	\$(4.1)m	\$(14.9)m	▼ 72.5 %
Net Profit/(Loss) After Tax	\$(4.1)m	\$(12.8)m	▼ 68.0 %
Net Profit/(Loss) After Tax Margin	(15.2)%	(55.2)%	▼ 72.4%
Earnings/(Loss) per Share	(2.0)cps	(9.5)cps	▼ 78.9%

EDMS experienced a year of contrasting halves in 2009/10, with an increase in work in the first half of the year over the previous six months. The second half of 2009/10, particularly the final quarter, was impacted heavily by the standby of a significant portion of the surface rig fleet due to regulatory delays and equipment breakdown.

Wet weather also played a part in revenue reduction in New South Wales in the final quarter of the 2009/10 financial year.

EDMS has recognised there are some inefficiencies in its operations, and responded by the reorganisation of its operating entities, recruitment of key staff to implement and manage more robust processes and focussing strongly on cash management.

EDMS continues to focus on the importance of developing and maintaining a strong safety culture within our operations and across the group as whole.

Financial Statements

Revenue

The Group revenue for the full year was \$26.9million, an increase of 15.9 per cent on the corresponding period. The increase in revenue is attributable to the move into coal and gas exploration drilling, which has reduced the effects of the slower recovery of base metals caused by the global financial crisis in late 2008 and 2009.

Revenue contribution by Every Day Mine Services Operations Pty Ltd was hit hard by the slow base metals recovery with our drill rigs and labour services involved in this commodity sector suffering from inconsistent demand.

G.O.S. Drilling Pty Ltd and Australian Gas Drilling Pty Ltd experienced more consistent demand for its surface rigs in the first half of the year but significant wet weather and substantial standby on a number of projects impacted heavily on profitability in the second half of the year.

A number of rigs mobilised to a new contract, the Aston Resources - Maules Creek project, in the last days of the financial year, however this provided only a small contribution to the 2009/10 revenue, there is a strong expectation of an improved 2010/11 year.

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Loss

Net loss after tax attributable to equity holders was \$(4.1) million. This represents a significant decrease from the prior year's result. After a promising first half performance, a combination of management issues, inclement weather, and project interruptions in the second half of year has not delivered as forecast. Delays in commissioning and putting in use new rigs has also contributed to the loss. Further contributing to the loss was a number of one off items including:

- A write off of \$1.384m of inventory
- A write off of \$0.197m for the Mine Mixers investment

Interest

Net interest expense increased to \$1.37 million from \$0.687 million in the prior year.

Cash flow and balance sheet

Cash from operations was \$(3.384) million, down from \$0.102 million in the prior period.

Capital expenditure totalled \$9.105 million for the year, compared to \$3.327 million in the prior period. The majority of this expenditure was incurred on new rigs and ancillary gear for use in the coal and energy sectors.

Mining outlook

The mining services sector had been hit hard over the past 18 months. The outlook for the mining industry is optimistic with price rises in base metals and growth in China's demand for commodity imports such as coal, iron ore and copper.

Exploration and feasibility study projects in both coal and gas has increased significantly in both New South Wales and Queensland resulting in an increase in tendering and proposal activity in the latter part of the 2009/10 early part of the 2010/2011 financial years.

Recent recovery in the base metals mines also provides optimism for the underground services provided by the Company.

Strategy

A new executive management team has been assembled with a more strategic focus on the sustainable growth of the business and this team will place emphasis on improving the commercial outcomes of current and future contracts, implementing more robust systems and processes and increasing the return on assets.

In the short to medium term, the demand for surface rigs in coal and energy is likely to result in more optimal utilisation of the fleet. Consequently, EDMS will generate a greater proportion of its revenue from its surface fleet.

Whilst underground services are increasing month to month, the highly competitive nature of the underground drilling market has seen contract terms shorten and margins decrease.

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EDMS will develop additional revenue streams by further development of its existing Labour Hire services as well as growing contract maintenance and servicing packages.

EDMS is confident of achieving a strong profit recovery in FY11 through efficiency gains, commercial and contractual improvements and a return on capital focus.

A strategic plan is currently under development and will be rolled out in the first quarter of the 2010/11 financial year.



**Stephen McCoy
Managing Director**

31 August 2010

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	JUNE 2010 \$ '000	JUNE 2009 \$ '000
Revenue		26,882	23,165
Cost of sales		(24,710)	(24,613)
Gross profit/(loss)		<u>2,172</u>	<u>(1,448)</u>
Other revenue		1,493	257
Administration expenses		(2,172)	(1,765)
Finance costs		(1,337)	(687)
Depreciation and amortisation		(4,063)	(4,513)
Impairment		(198)	(6,703)
Loss before income tax expense		<u>(4,105)</u>	<u>(14,859)</u>
Income tax benefit	2	0	2,104
Net loss attributable to equity holders of the parent company		<u>(4,105)</u>	<u>(12,755)</u>
Other comprehensive income		<u>0</u>	<u>0</u>
Total comprehensive loss for the year		<u><u>(4,105)</u></u>	<u><u>(12,755)</u></u>
Earnings per share		\$(0.02)	\$(0.10)
Diluted earnings per share		\$(0.02)	\$(0.10)

The accompanying notes form part of the financial statements

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Notes	June 2010 \$ '000	June 2009 \$ '000
Current assets			
Cash and cash equivalents	3	184	664
Receivables	4	6,490	2,378
Inventories		6,135	4,783
Available for sale financial assets		3	149
TOTAL CURRENT ASSETS		12,812	7,974
Non-current assets			
Property, plant and equipment	5	23,160	19,047
Deferred tax assets		5,113	2,948
Intangible assets		3	3
TOTAL NON-CURRENT ASSETS		28,276	21,998
TOTAL ASSETS		41,088	29,972
Current liabilities			
Bank overdraft		3,423	2,953
Payables		3,400	4,024
Borrowings		2,982	1,979
Provisions		853	478
Current tax liability		0	257
TOTAL CURRENT LIABILITIES		10,658	9,691
Non-current liabilities			
Borrowings		7,006	5,296
Provisions		102	0
Deferred tax liabilities		3,117	940
TOTAL NON-CURRENT LIABILITIES		10,225	6,236
TOTAL LIABILITIES		20,883	15,927
NET ASSETS		20,205	14,045
EQUITY			
Contributed equity		32,956	24,566
Reserves		1,984	109
Accumulated losses		(14,735)	(10,630)
TOTAL EQUITY		20,205	14,045

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Ordinary shares	Accumulated losses	Option Reserve	Total
	\$ '000	\$ '000	\$ '000	\$ '000
Balance at 1 July 2008	22,903	2,125	80	25,108
Comprehensive loss for the year	-	(12,755)	-	(12,755)
Options issued	-	-	29	29
Shares issued during the year	1,852	-	-	1,852
Share issue costs	(92)	-	-	(92)
Net movement of deferred tax on share issue costs	(97)	-	-	(97)
Balance at 30 June 2009	24,566	(10,630)	109	14,045
Balance at 1 July 2009	24,566	(10,630)	109	14,045
Comprehensive loss for the year	-	(4,105)	-	(4,105)
Options issued	-	-	1,875	1,875
Shares issued during the year	10,002	-	-	10,002
Share issue costs	(1,936)	-	-	(1,936)
Net movement of deferred tax on share issue costs	324	-	-	324
Balance at 30 June 2010	32,956	(14,735)	1,984	20,205

The accompanying notes form part of the financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Note	JUNE 2010 \$ '000	JUNE 2009 \$ '000
Cash Flows from Operating Activities			
Receipts from customers		23,266	28,234
Payments to suppliers and employees		(25,065)	(27,445)
		(1,799)	789
Interest received		9	6
Interest paid		(1,337)	(693)
Income tax paid		(257)	-
Net cash (used in)/ from operating activities		(3,384)	102
Cash Flows from Investing Activities			
Payments for property, plant & equipment		(9,105)	(3,327)
Proceeds from sale of property, plant and equipment		791	1,446
Net cash used in investing activities		(8,314)	(1,881)
Cash Flows from Financing Activities			
Net proceeds from issue of shares		8,035	1,760
Hire purchase loan borrowings/(repaid)		2,713	(1,678)
Net cash from financing activities		10,748	82
Net decrease in cash and cash equivalents		(950)	(1,697)
Cash & cash equivalents at the beginning of the year		(2,289)	(592)
Cash & cash equivalents at the end of the year	3	(3,239)	(2,289)

The accompanying notes form part of the financial statements

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

The Preliminary Financial Reports of Every Day Mine Services Limited ("**EDMS**") and its subsidiaries ("**the Group**") for the year ended 30 June 2010 do not include all the notes of the type that would normally be included within the annual financial report, and therefore cannot be expected to provide as full an understanding of the financial performance and financial position of the Group as the full financial report.

Basis of Preparation

The Preliminary Financial Reports have been prepared on an accruals basis and are based on historical costs as modified by the revaluation of financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Unless otherwise detailed in this note, accounting policies have been consistently applied by the entities in the Group, and are consistent with those applied in the 30 June 2009 annual report.

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JUNE 2010 JUNE 2009
\$ '000 \$ '000

Note 2. Taxation

The major components of income tax (benefit)/expense:

Current income tax

Current income tax charge

0 0

Deferred income tax

Relating to origination and reversal of temporary differences

0 (2,104)

Income tax (benefit)/expense reported in the income statement

0 (2,104)

Reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate.

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

Accounting (loss)/profit before tax from continuing operations

(4,105) (14,858)

Benefit/(Tax) at the Group's statutory income tax rate of 30%

1,231 4,457

Tax effect of:

- Temporary differences

(1,231) (2,353)

0 2,104

Note 3. Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 30 June:

Cash at bank and on hand

184 664

Bank overdraft

(3,423) (2,289)

Net cash and cash equivalents

(3,239) (1,625)

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JUNE 2010 JUNE 2009
\$ '000 \$ '000

Note 4. Trade and other receivables

Trade and other receivables comprise:

Trade debtors	5,968	2,299
Accrued Income	405	0
Bond rentals	24	22
Prepayments and deposits	93	57
	<u>6,490</u>	<u>2,378</u>

Note 5. Property, plant and equipment

	Land	Buildings	Motor Vehicles	Plant and Equipment	Office Equipment	Total
	\$ '000's	\$ '000's	\$ '000's	\$ '000's	\$ '000's	\$ '000's
<u>Cost</u>						
Balance 1 st July 2008	307	1,291	2,571	24,986	162	29,317
Additions	13	-	82	3,093	139	3,327
Disposals	-	(411)	(1,374)	(2,128)	(2)	(3,915)
Impairment write down	-	-	-	(3,041)	-	(3,041)
Balance June 2009	<u>320</u>	<u>880</u>	<u>1,279</u>	<u>22,910</u>	<u>299</u>	<u>25,688</u>
<u>Depreciation</u>						
Balance 1 st July 2008	-	25	491	2,159	27	2,702
Depreciation for the year	-	36	451	3,670	66	4,223
Disposals written Back	-	(17)	(267)	-	-	(284)
Balance 30th June 2009	<u>-</u>	<u>44</u>	<u>675</u>	<u>5,829</u>	<u>93</u>	<u>6,641</u>
Balance 30th June 2009	<u><u>320</u></u>	<u><u>836</u></u>	<u><u>604</u></u>	<u><u>17,081</u></u>	<u><u>206</u></u>	<u><u>19,047</u></u>

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	Land \$ '000's	Buildings \$ '000's	Motor Vehicles \$ '000's	Plant and Equipment \$ '000's	Office Equipment \$ '000's	Total \$ '000's
<u>Cost</u>						
Balance 1 st July 2009	320	880	1,279	22,910	299	25,688
Additions	0	-	146	8,879	80	9,105
Disposals	-	(403)	0	(1,672)	0	(2,075)
Work in Progress	-	-	-	743	(43)	700
Balance 30 th June 2010	320	477	1,425	30,860	336	33,418
<u>Depreciation</u>						
Balance 1st July 2009	-	44	675	5,829	93	6,641
Depreciation for the year	-	18	254	3,711	78	4,061
Disposals written Back	-	(29)	0	(415)	-	(444)
Balance 30th June 2010	-	33	929	9,125	171	10,258
Balance 30th June 2010	320	444	496	21,735	165	23,160