



ACN 007 761 186  
And Controlled Entities

# Report for the Half-Year Ended 31 December 2010

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# Corporate Particulars

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## Directors

Peter H Hunt (Chairman)  
Michael Ruane  
Jon W Brien

## Company Secretary

Bianca Taveira  
John Sendziuk (resigned 27 January 2011)  
Ross Paterson (appointed 17 February 2011)

## Registered Office

C/- RSM Bird Cameron  
Suite 1  
18 Parry Street  
FREMANTLE WA 6160  
T 08 9336 1266 | F 08 9430 6744

## Principal Place of Business

159 Stirling Highway  
NEDLANDS WA 6009  
T 08 9386 9534 | F 08 9386 9473

## Share Registry

Corporate Investor Services Pty Ltd  
Level 2, Reserve Bank Building  
45 St George's Terrace  
PERTH WA 6000  
T 08 9323 2000 | F 08 9323 2033

## Auditors

BDO Audit (WA) Pty Ltd  
38 Station Street  
SUBIACO WA 6008  
T 08 6382 4600 | F 08 6380 4601

## Bankers

National Australia Bank Ltd

# Directors' Report

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Your Directors present their report on the consolidated financial statements for the half-year ended 31 December 2010.

## Directors

The following persons hold office as Directors of Intermin Resources Ltd at the date of this report or were Directors at a time during the half-year:

Peter Hayden Hunt, FCA (Chairman)

Jon William Brien, AWASM, BSc. (Hons)

Michael Ruane, PhD MRACI

## Review and Results of Operations

The principal continuing activity of Intermin Resources Ltd and its controlled entity during the half year to 31 December 2010 was exploration for and development of mineral deposits.

The economic entity incurred a profit of \$1,222,272 (2009: Profit \$554,642) for the half year.

During the half year to 31 December 2010 exploration and development activities progressed well for the Company despite limitations on available cash.

Drilling at the Teal prospect at Binduli has outlined a gold resource currently around 80,000 ounces but with potential to host significantly greater resources with further exploration.

Design of a Starter Pit at Teal has been completed, aimed at producing ca 30,000 ounces of gold over an eight month mining campaign. Intermin plans to commence this campaign as soon as Statutory Approvals are in place and an acceptable ore treatment option becomes available.

Documentation for the various approvals has been prepared and lodged. Negotiations in respect of ore treatment are in progress. It is hoped that the decision to commence mining of the Teal supergene gold resource can be made by the end of June 2011. Exploration at the other Binduli prospects is continuing.

At Menzies Farm-In with Regal Resources Ltd, the Company had expended over \$800,000 on exploration by the end of the half year period and thereby has earned a 50% interest in the Joint Venture Tenements. Intermin plans to expend a further \$400,000 over the forthcoming field season to earn a further 30% interest in the Regal Joint Venture tenements. Results at Menzies have been very encouraging, although no new JORC compliant gold resources can be reported at this time.

High grade (10+g/t) gold intercepts have been obtained at Lady Shenton, Ballarat Menzies and Klondyke prospects within the Menzies project. Lady Shenton drilling has been particularly encouraging, with what appears to be a new ore shoot on the northern extensions of the previous workings. Past production at Lady Shenton comprised 185,000 tonnes from underground at 32g/t and 314,000 tonnes of open pit ore (1992) at 2.62g/t.

Exploration and development work continued during the period on the Company's Julia Creek Vanadium/Molybdenum project in Queensland. Infill drilling in the Richmond sector (Lilyvale) outlined a relatively high grade Indicated Mining Resource of V/Mo mineralisation of 87.7 million tonnes grading 0.55% V<sub>2</sub>O<sub>5</sub> and 384g/t MoO<sub>3</sub>. Waste to ore ratio for this mineralisation is estimated to be approximately 1:1.

Process flow sheets and metallurgical parameters have been established and a feasibility study is in progress for an operation capable of producing 10,000 tonnes per annum of V<sub>2</sub>O<sub>5</sub> from the Lilyvale resource.

The Company has recently provided resource and technical information to a number of potential joint venture partners on a confidential basis for their assessment of the project.

The Company has recently disposed of some of its tradeable assets to fund exploration and development activities. It also plans to seek further funding through the Market and Shareholders in the near future to maintain and if possible accelerate the development of Intermin over the next annual period.

# Directors' Report

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## Auditor's Independence Declaration

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from BDO Audit (WA) Pty Ltd, the consolidated entity's auditors, as presented on page 11 of this half-year's financial report.

This report is signed in accordance with a resolution of directors made pursuant to S306(3) of the Corporations Act 2001, and on behalf of the Board by:

**MICHAEL RUANE**  
**DIRECTOR**



11 March 2011

# Consolidated Statement of Comprehensive Income for the Half-Year ended 31 December 2010

	Consolidated	
	December 2010 \$	December 2009 \$
<b>Revenue from continuing operations</b>	<b>182,848</b>	<b>529,124</b>
Net income on disposal of investments	23,902	120,059
Net change in fair value on financial assets at fair value through profit or loss	1,486,229	1,268,364
Other income	13,279	71,615
Employee benefits expense	(107,683)	(145,028)
Depreciation	(38,980)	(48,242)
Other expenses from continuing operations	(21,379)	(227,118)
Exploration expenditure	-	(962,279)
Impairment of tenements	(73,919)	(233,278)
Equity accounting for investment in Jinka	(242,025)	-
Profit from continuing operations before income tax	1,222,272	373,217
Income tax (expense)/benefit	-	181,425
Profit for the half-year	1,222,272	554,642
<b>Other comprehensive income</b>	-	-
<b>Other comprehensive income net of tax</b>	-	-
<b>Total comprehensive income attributable to members of Intermin Resources Ltd</b>	<b>1,222,272</b>	<b>554,642</b>
Basic earnings per share	1.33 cents	0.48 cents
Diluted earnings per share	1.33 cents	0.48 cents

*The accompanying notes form part of these financial statements*

# Consolidated Statement of Financial Position as at 31 December 2010

	Consolidated	
	December 2010 \$	June 2010 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	251,830	257,328
Trade and other receivables	573,241	1,099,782
Total current assets	825,071	1,357,110
<b>NON-CURRENT ASSETS</b>		
Financial assets at fair value through profit or loss	4,279,204	2,892,216
Investments accounted for using the equity method	1,044,768	1,286,793
Other financial assets	160,000	167,035
Plant and equipment	357,145	396,125
Exploration assets	2,121,092	1,596,481
Total non-current assets	7,962,209	6,338,650
<b>Total assets</b>	<b>8,787,280</b>	<b>7,695,760</b>
<b>CURRENT LIABILITIES</b>		
Borrowings	50,000	50,000
Trade and other payables	86,386	217,138
Total current liabilities	136,386	267,138
<b>NON CURRENT LIABILITY</b>		
Provisions	100,000	100,000
Total non-current liabilities	100,000	100,000
Total liabilities	236,386	367,138
<b>Net assets</b>	<b>8,550,894</b>	<b>7,328,622</b>
<b>EQUITY</b>		
Contributed equity	15,738,558	15,738,558
Reserves	144,976	144,976
Accumulated losses	(7,332,640)	(8,554,912)
<b>Total equity</b>	<b>8,550,894</b>	<b>7,328,622</b>

*The accompanying notes form part of these financial statements*

# Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2010

	Contributed Equity	Asset Revaluation Reserve	Available for Sale Revaluation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2009</b>	15,734,339	144,976	1,358,487	(7,381,563)	9,856,239
<b>Comprehensive income for the half-year</b>					
Loss for the half-year	-	-	-	554,642	554,642
<i>Other comprehensive income</i>					
Reclassification due to the early adoption of AASB 9	-	-	(1,358,487)	1,358,487	-
<b>Total comprehensive income for the half-year</b>	-	-	(1,358,487)	1,913,129	554,642
Transactions with owners in their capacity as owners	-	-	-	-	-
<b>Balance at 31 December 2009</b>	<b>15,734,339</b>	<b>144,976</b>	<b>-</b>	<b>(5,468,434)</b>	<b>10,410,881</b>
<b>Balance at 1 July 2010</b>	15,738,558	144,976	-	(8,554,912)	7,328,622
<b>Comprehensive income for the half-year</b>					
Profit for the half year	-	-	-	1,222,272	1,222,272
<b>Total comprehensive income for the half-year</b>	-	-	-	1,222,272	1,222,272
Transactions with owners in their capacity as owners	-	-	-	-	-
<b>Balance at 31 December 2010</b>	<b>15,738,558</b>	<b>144,976</b>	<b>-</b>	<b>(7,332,640)</b>	<b>8,550,894</b>

*The accompanying notes form part of these financial statements*

# Consolidated Statement of Cash Flows for the Half-Year ended 31 December 2010

	Consolidated	
	December 2010 \$	December 2009 \$
<b>Cash flows from Operating Activities</b>		
Receipts from customers	137,051	81,716
Payments to suppliers and employees	(70,967)	(650,856)
Payments for mineral exploration and mining activities	-	(848,990)
Interest received	42,223	72,422
Taxation refund	-	181,425
Net cash inflow/(outflow) from operating activities	<u>108,307</u>	<u>(1,164,283)</u>
<b>Cash flows from Investing Activities</b>		
Proceeds from financial assets	123,143	585,542
Proceeds on sale of plant and equipment	10,000	-
Payments made for exploration costs relating to other entities	(159,469)	-
Transfers from term deposits	656,211	-
Payment for mineral exploration tenements	(743,690)	(72,513)
Net cash inflow/(outflow) from investing activities	<u>(113,805)</u>	<u>513,029</u>
<b>Cash flows from Financing Activities</b>		
Net (repayment of)/proceeds from borrowings	-	50,000
Net cash inflow/(outflow) from financing activities	<u>-</u>	<u>50,000</u>
Net decrease in cash and cash equivalents	<u>(5,498)</u>	<u>(601,254)</u>
Cash and cash equivalents at the beginning of the half-year	<u>257,328</u>	<u>3,864,959</u>
<b>Cash and cash equivalents at the end of the half-year</b>	<b><u>251,830</u></b>	<b><u>3,263,705</u></b>

*The accompanying notes form part of these financial statements*

# Notes to the Financial Statements for the Half-Year ended 31 December 2010

## 1 BASIS OF PREPARATION

The half-year financial statement is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

This half-year financial statement does not include all the notes of the type normally included in the annual financial statement. Accordingly, the half year financial statement should be read in conjunction with the Annual Financial Statement for the year ended as at 30 June 2010. It is also recommended that the half-year financial statement be considered together with any public announcements made by Intermin Resources Ltd and its controlled entity during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period.

## 2 EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to year end, the company has issued a prospectus for a renounceable rights issue of approximately 22,961,157 shares, at 12 cents per share, on the basis of one share for every four shares held by Shareholders. The purpose of the offer is to raise \$2,755,338 to provide working capital to fund the company's exploration programs.

There are no other matters or circumstances that have arisen since 31 December 2010 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial periods.

## 3 CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

## 4 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the board that are used to make strategic decisions.

The board considers that the reportable segments are defined by the nature of the exploration activities. As such there are two reportable segments being Vanadium/Molybdenum tenements and Gold tenements.

	Vanadium/ Molybdenum \$	Gold \$	Total \$
<b>31 December 2010</b>			
Revenue	-	104,245	104,245
Exploration expenditure	-	(73,919)	(73,919)
<b>Profit before Income tax</b>	<b>-</b>	<b>30,326</b>	<b>30,326</b>
<b>31 December 2009</b>			
Revenue	-	-	-
Exploration expenditure	(250,197)	(712,082)	(962,279)
<b>Loss before Income tax</b>	<b>(250,197)</b>	<b>(712,082)</b>	<b>(962,279)</b>
<b>31 December 2010</b>			
Total Segment Assets	<b>263,132</b>	<b>1,857,960</b>	<b>2,121,092</b>
<b>30 June 2010</b>			
Total Segment Assets	-	<b>1,596,481</b>	<b>1,596,481</b>

# Notes to the Financial Statements for the Half-Year ended 31 December 2010

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## 4 SEGMENT INFORMATION (continued)

### Segment Profit/(Loss)

Segment Profit/(Loss) reconciles to Profit/(Loss) before Income Tax as follows:

	December 2010 \$	December 2009 \$
<b>Segment Profit/(Loss) before Income Tax</b>	30,326	(962,279)
Interest Revenue	24,879	72,744
Unallocated costs net of Other Revenue	1,439,418	1,262,752
<b>Profit/(Loss) before Income Tax</b>	<b>1,222,272</b>	<b>373,217</b>

## 5 DIVIDENDS

The Directors do not propose to pay a dividend within this financial year.

# Directors' Declaration

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The Directors of the Company declare that:

- 1) The financial statements and notes, as set out within this financial report:
  - (a) comply with the Accounting Standard AASB 134: Interim Financial Reporting, the *Corporations Act 2001*; and other mandatory professional reporting requirements.
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.
- 2) In the Directors' opinion there are reasonable grounds to believe that Intermin Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

**MICHAEL RUANE**  
**DIRECTOR**



11 March 2011

11 March 2011

Board of Directors  
Intermin Resources Limited  
PO Box 1104  
NEDLANDS WA 6009

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF INTERMIN RESOURCES LIMITED**

As lead auditor of Intermin Resources Limited for the period ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Intermin Resources Limited and the entities it controlled during the period.



**Phillip Murdoch**  
Director



**BDO Audit (WA) Pty Ltd**  
Perth, Western Australia

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF INTERMIN RESOURCES LIMITED

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Intermin Resources Limited, which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

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

The directors of the disclosing entity are responsible for the preparation of the half-year financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### 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 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2010 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 Intermin 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-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*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.



## 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 Intermin Resources 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 2010 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*.

BDO Audit (WA) Pty Ltd

BDO  
A handwritten signature in black ink, appearing to read 'P. Murdoch', written over the printed name.

Phillip Murdoch  
Director

Signed in Perth, Western Australia  
Dated this 11<sup>th</sup> day of March 2011