



**MIL Resources Limited and its Controlled Entities
Half-year ended 31 December 2008**

ABN 23 003 669 163

**Appendix 4D
Results for announcement to the market**

				\$
Revenue			to	Nil
Loss before tax	Up	42.6%	to	(294,856)
Loss attributable to equity holders of the parent	Up	42.6%	to	(294,856)

These percentages above are calculated by reference to the results for the previous corresponding period being the half-year ended 31 December 2007.

No dividend has been paid or proposed for the six month period to 31 December 2008.

Control has not been gained or lost over any entities during the period under review.

	As at 31 December 2008	As at 31 December 2007
Net tangible assets per security (cents)	3.6	3.7

This information is provided according to ASX listing rule 4.2A

Appendix 4D, Directors' Report and the Financial Report for the half year ended 31 December 2008 should be read in conjunction with the 30 June 2008 annual financial report.

**MIL Resources Limited
and its Controlled Entities
ABN 23 003 669 163**

**HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2008**

Directors' Report

The directors present their report together with the consolidated financial report for the half-year ended 31 December 2008 and the auditors' review report thereon.

DIRECTORS

The names of the Company's directors in office during or since the end of the half-year and until the date of this report are as below.

PJD Elliott (Managing Director and Chairman),
JD Beecher (Executive Director and Company Secretary)
MR Richmond (Non-Executive Director)
J Haggman (Executive Director)

Directors were in office for the entire period unless otherwise stated.

REVIEW AND RESULTS OF OPERATIONS

The net loss for the half-year was \$294,856 (2007 loss: \$513,620).

The principal activities of the consolidated entity during the course of the half-year consisted of the pursuit of opportunities to invest in and develop a number of activities in the resource sector, these activities include;

Titan Mines Limited

- Over 200 representative test pit and augur drill samples were collected from the Barracouta and Threadfin iron sands prospects. The samples have been sent to Metcon Laboratories in Sydney for metallurgical test work,
- EL 1623 Sandbank Bay covering 389 km² of prospective iron sands targets was granted to Titan Mines Limited by the PNG Minister for Mining,

Titan Metals Limited

- Titan Metals Limited was granted two exploration licences – Poi (EL 1628) and Domara (EL 1637), which adjoin the Amazon Bay Iron sands Project. Titan Metals holds another six exploration licence applications,

Magnesium

- Pursuing possible joint venture or licence opportunities for the MIL-DOW Magnesium Process Technology,
- Having discussions with a 3rd party in respect of the magnesite resources the Company owns in South Australia, which did not lead to an offer being made. Other options to gain some commercial benefit from these deposits continue to be reviewed, and

Other

- A number of possible other resources investments were reviewed during the first half of the year.

SUBSEQUENT EVENTS

The directors are not aware of any significant changes in the state of affairs of the consolidated entity occurring between 31 December 2008 and the date of this report

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration in relation to the review for the half year is set out on page 4 and forms part of the director's report for the half year ended 31 December 2008.

Dated at Sydney this 25 February 2009

Signed in accordance with a resolution of the directors.



James Beecher
Director



**MIL Resources Limited
and its Controlled Entities**

**LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS
OF MIL RESOURCES LIMITED**

I declare that, to the best of my knowledge and belief, in relation to the review for the half year ended 31 December 2008 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.

KPMG

Anthony Jones
Partner
Sydney

25 February 2009

MIL Resources Limited and its Controlled Entities

Consolidated interim income statement For the half-year ended 31 December 2008

	2008	2007
	\$	\$
Consultants expenses	(260,000)	(294,260)
Corporate expenses	(22,890)	(84,205)
Employment expense	(22,169)	(20,456)
Occupancy expense	(36,124)	(89,814)
Other operating expenses	(66,334)	(186,037)
	(407,517)	(674,772)
Operating loss before financing costs	(407,517)	(674,772)
Financial income	116,064	171,685
Financial expenses	(242)	(2,594)
	115,822	169,091
Net financing income	115,822	169,091
Share of losses of equity accounted investees, net of income tax	(3,161)	-
	(294,856)	(513,620)
Loss before tax	(294,856)	(513,620)
Income tax expense	-	-
	(294,856)	(513,620)
Net loss for the period	(294,856)	(513,620)
Basic and diluted loss (cents) per share	4 (0.2)	(0.4)

The consolidated interim income statement is to be read in conjunction with the notes to the half-year financial statements set out on pages 9 to 11.

MIL Resources Limited and its Controlled Entities

Consolidated interim statement of changes in equity For the half-year ended 31 December 2008

	Issued Capital	Foreign Currency translation Reserve	Value of Options Issued	Accumulated losses	Total Equity
Equity	\$	\$	\$	\$	\$
Balance at 1 July 2007	91,202,475	71,211	243,140	(90,523,536)	993,290
Net loss for the period	-	-	-	(513,620)	(513,620)
Shares Issued	4,798,455	-	-	-	4,798,455
Share compensation expense	-	-	46,250	-	46,250
Transfer to accumulated losses	-	(71,211)	-	71,211	-
<i>Balance at 31 December 2007</i>	96,000,930	-	289,390	(90,965,945)	5,324,375
Balance at 1 July 2008	96,990,077	-	554,390	(91,511,669)	6,032,798
Net loss for the period	-	-	-	(294,856)	(294,856)
<i>Balance at 31 December 2008</i>	96,990,077	-	554,390	(91,806,525)	5,737,942

The consolidated interim statement of changes in equity is to be read in conjunction with the notes to the half-year financial statements set out on pages 9 to 11.

MIL Resources Limited and its Controlled Entities

Consolidated Interim Balance Sheet As at 31 December 2008

	31 Dec 2008	30 June 2008
CURRENT ASSETS		
Cash and cash equivalents	2,889,297	3,649,389
Other receivables	155,858	243,577
Inventory	16,911	16,911
TOTAL CURRENT ASSETS	3,062,066	3,909,877
NON-CURRENT ASSETS		
Investment in associates	3,486,289	3,489,450
Property, plant and equipment	8,940	7,621
TOTAL NON-CURRENT ASSETS	3,495,229	3,497,071
TOTAL ASSETS	6,557,295	7,406,948
CURRENT LIABILITIES		
Trade and other payables	819,353	1,374,150
TOTAL CURRENT LIABILITIES	819,353	1,374,150
TOTAL LIABILITIES	819,353	1,374,150
NET ASSETS	5,737,942	6,032,798
EQUITY		
Issued capital	96,990,077	96,990,077
Value of options issued	554,390	554,390
Foreign currency translation reserve	-	-
Accumulated losses	(91,806,525)	(91,511,669)
TOTAL EQUITY	5,737,942	6,032,798

The consolidated interim balance sheet is to be read in conjunction with the notes to the half-year financial statements set out on pages 9 to 11.

MIL Resources Limited and its Controlled Entities

Consolidated Interim Statement of Cash Flows For the half-year ended 31 December 2008

	2008	2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash paid to suppliers and employees	(451,309)	(719,364)
Sundry receipts	-	12,061
	<hr/>	<hr/>
NET CASH USED IN OPERATING ACTIVITIES	(451,309)	(707,303)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	92,275	195,621
Disposal of property, plant and equipment	11,000	11,000
	<hr/>	<hr/>
NET CASH PROVIDED BY INVESTING ACTIVITIES	103,275	206,621
	<hr/>	<hr/>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from the issue of share capital	-	5,189,124
Share issue cost	-	(303,882)
Receipt of maturing deposits	83,268	-
Advances to associates	(495,326)	(455,770)
	<hr/>	<hr/>
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES	(412,058)	4,429,472
	<hr/>	<hr/>
NET (DECREASE) / INCREASE IN CASH HELD	(760,092)	3,928,435
CASH AND CASH EQUIVALENTS AT 1 JULY	3,649,389	1,134,244
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	2,889,297	5,062,679
	<hr/> <hr/>	<hr/> <hr/>

The consolidated interim statement of cash flows is to be read in conjunction with the notes to the half-year financial statements set out on page 9 to 11.

MIL Resources Limited and its Controlled Entities

Notes to the Consolidated Interim Financial Statements For the half-year ended 31 December 2008

1. SIGNIFICANT ACCOUNTING POLICIES

MIL Resources Limited is a listed public company, incorporated and domiciled in Australia. The consolidated interim financial report for the six months ended 31 December 2008 comprises the Company and its subsidiaries (the “consolidated entity”) and the consolidated entity’s interest in jointly controlled entities.

The consolidated interim financial report was authorised for issue by the directors on 25 February 2009.

(a) Statement of compliance

The consolidated interim financial report is a general purpose report which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2008.

(b) Significant accounting policies

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2008.

2. SEGMENT REPORTING

The Company operates in one segment only, being the Asia-Pacific mining industry.

Notes to the Consolidated Interim Financial Statements (continued)
For the half-year ended 31 December 2008

3. CAPITAL

	Fully Paid Ordinary Shares	
	Number of Shares	
	2008	2007
On issue at 1 July	159,698,641	40,540,170
Shares issued	-	104,158,471
On issue at 31 December	159,698,641	144,698,641

As at 31 December 2008 there were 60,329,111 (2007: 52,829,111) listed primary options issued that are due to expire on 31 May 2012. Each primary option is convertible into 1 ordinary share, and the holder will be automatically granted a secondary option for no cash consideration. The exercise price for these primary options is \$0.10.

As at 31 December 2008 there were outstanding 2,090,200 (2007: 2,209,200) Unlisted Options with various expiry dates and various exercise prices.

Dividends

No dividends were paid or proposed in the period to 31 December 2008 (2007: \$ nil).

4. EARNINGS PER SHARE

Basic loss per share

The calculation of the basic and diluted loss per share at 31 December 2008 was based on the net loss for the period of \$294,856 (2007: \$513,620) and a weighted average number of ordinary shares outstanding for the period ended 31 December 2008 of 159,698,641 (2007: 126,539,000).

5. RELATED PARTIES

Transaction arrangements with key management personnel

Compensation arrangements are substantially as set out in the consolidated entity's 30 June 2008 annual report.

Notes to the Consolidated Interim Financial Statements (continued)
For the half-year ended 31 December 2008

6. EQUITY ACCOUNTING INVESTEEES

The Group's share of the loss in its equity accounted investees for the year was \$3,161 (2007: \$nil)

Details of investments in associates are as follows:

2008				Ownership interest	Consolidated Share of net (loss)	Equity accounted investment carrying amount
Associates	Principal activity	Place of Incorporation	Reporting date	%		
Titan Mines Limited	Exploration	PNG	31 Dec	25%	(3,164)	2,788,008
Titan Metals Limited	Exploration	PNG	31 Dec	50%	3	698,281
Total					<u>(3,161)</u>	<u>3,486,289</u>

7. SUBSEQUENT EVENTS

The directors are not aware of any significant changes in the state of affairs of the consolidated entity occurring between 31 December 2008 and the date of this report.

DIRECTORS' DECLARATION

In the opinion of the directors of MIL Resources Limited:

- a) the financial statements and notes set out on pages 5 to 11, are in accordance with the Corporations Act, 2001, including:
 - i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2008 and of its performance, as represented by the results of its operations and cash flows 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; and
- 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.

Dated at Sydney this 25 February 2009

Signed in accordance with a resolution of the directors:



James Beecher
Director



Independent auditor's review report to the members of MIL Resources Limited

We have reviewed the accompanying interim financial report of MIL Resources Limited which comprises the consolidated interim balance sheet as at 31 December 2008, income statement, 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 1 to 7 and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim 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 an opinion on the interim 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 interim 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 2008 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of MIL Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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.



**Independent review report to the members of
MIL Resources Limited (continued)**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of MIL 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 2008 and of its performance for the half-year ended on that date; and
- b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

KPMG

Anthony Jones
Partner

Sydney

25 February 2009