

DARTMININGNL

DART MINING NL

ABN 84 119 904 880

Financial report for the half-year ended 31 December 2009

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Directors' report

The Directors of Dart Mining NL submit herewith the financial report of Dart Mining NL and its subsidiary (the Group) for the half-year ended 31 December 2009. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

The names of the Directors of the Company during or since the end of the half-year are:

Name

Christopher J Bain
Bernard R Hochwimmer
Dean G Turnbull
Stephen G Poke
Richard G Udovenya

Review of operations

During the half-year ended 31 December 2009, Dart Mining NL continued its exploration activities for gold and base metals in north-east Victoria. A significant molybdenum geochemical discovery in north-east Victoria was the highlight of activities during the half-year period.

Capital raising

During the half-year ended 31 December 2009, the Company raised \$1,151,949 through the issue of new ordinary shares under a Share Purchase Plan and calls made on partly paid shares. At the date of this report, calls on 7,061,668 partly paid shares remain unpaid. These shares have therefore been forfeited and will be offered for sale by auction.

Financial position

The net assets and cash reserves of the Group as at 31 December 2009 were \$4,371,069 and \$898,610 respectively. The Directors strive to maximise the return on the Group's funds by investing surplus funds and minimizing expenditure on corporate overheads in order to pursue its exploration program.

Auditor's independence declaration

The auditor's independence declaration is included on page 2 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Christopher J Bain

Director

Melbourne, 24 February 2010

The Board of Directors
Dart Mining NL
Level 3
15 Queen Street
Melbourne VIC 3000

Dear Board Members

Dart Mining NL

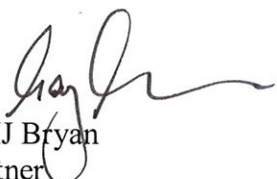
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Dart Mining NL.

As lead audit partner for the review of the financial statements of Dart Mining NL for the financial year half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely,

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU


CMJ Bryan
Partner
Chartered Accountants
Melbourne, 24 February 2010

Directors' declaration

The Directors declare that:

- (a) in the Directors' 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 Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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



Christopher J Bain

Director

Melbourne, 24 February 2010

**Condensed consolidated statement of comprehensive income
 for the half-year ended 31 December 2009**

| | Consolidated | |
|--|------------------|------------------|
| | Half-year ended | |
| | 31 Dec 2009 | 31 Dec 2008 |
| | \$ | \$ |
| Revenue | 5,993 | 41,167 |
| Exploration costs written off | - | (114,007) |
| Employment related costs | (188,066) | (294,885) |
| Professional fees | (54,440) | (58,317) |
| Depreciation expenses | (30,859) | (33,421) |
| Office expenses | (6,473) | (15,721) |
| Administration expenses | (73,346) | (107,699) |
| Travel expenses | (19,495) | (54,550) |
| Other expenses | (19,048) | (30,109) |
| Loss before income tax | (385,734) | (667,542) |
| Income tax expense | - | - |
| Net loss for the period | (385,734) | (667,542) |
| Attributable to equity holders of Dart Mining NL | (385,734) | (667,542) |
| Other comprehensive income | - | - |
| Total comprehensive income | (385,734) | (667,542) |
| Earnings per share | | |
| From continuing operations: | | |
| Basic (cents per share) | (0.74) | (1.56) |
| Diluted (cents per share) | (0.74) | (1.56) |

Notes to the condensed consolidated financial statements are included on pages 8 and 9

**Condensed consolidated statement of financial position
 as at 31 December 2009**

| | Consolidated | |
|----------------------------------|------------------|------------------|
| | 31 Dec 2009 | 30 June 2009 |
| | \$ | \$ |
| Current assets | | |
| Cash and cash equivalents | 898,610 | 390,591 |
| Trade and other receivables | 42,939 | 17,875 |
| Other financial assets | 4,535 | 18,894 |
| Total current assets | 946,084 | 427,360 |
| Non-current assets | | |
| Other receivables | 40,000 | 40,000 |
| Property, plant and equipment | 126,642 | 148,596 |
| Deferred exploration expenditure | 3,485,627 | 3,143,518 |
| Total non-current assets | 3,652,269 | 3,332,114 |
| Total assets | 4,598,353 | 3,759,474 |
| Current liabilities | | |
| Trade and other payables | 193,959 | 83,916 |
| Provisions | 33,325 | 10,916 |
| Total current liabilities | 227,284 | 94,832 |
| Total liabilities | 227,284 | 94,832 |
| Net assets | 4,371,069 | 3,664,642 |
| Equity | | |
| Issued capital | 6,502,810 | 5,422,823 |
| Reserves | 257,591 | 245,417 |
| Accumulated losses | (2,389,332) | (2,003,598) |
| Total equity | 4,371,069 | 3,664,642 |

Notes to the condensed consolidated financial statements are included on pages 8 and 9

**Condensed consolidated statement of changes in equity
 for the half-year ended 31 December 2009**

| | Share capital | Capital raising costs | Options reserve | Accumulated losses | Total |
|---|------------------|-----------------------|-----------------|--------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2008 | 6,012,503 | (836,595) | 212,266 | (856,795) | 4,531,379 |
| Loss for the period | - | - | - | (667,542) | (667,542) |
| Other comprehensive income for the period | - | - | - | - | - |
| Balance at 31 Dec 2008 | 6,012,503 | (836,595) | 212,266 | (1,524,337) | 3,863,837 |
| Performance rights issued | - | - | 33,151 | - | 33,151 |
| Shares issued | 270,500 | - | - | - | 270,500 |
| Capital raising costs | - | (23,585) | - | - | (23,585) |
| Loss for the period | - | - | - | (479,261) | (479,261) |
| Other comprehensive income for the period | - | - | - | - | - |
| Balance at 30 June 2009 | 6,283,003 | (860,180) | 245,417 | (2,003,598) | 3,664,642 |
| Performance rights issued | - | - | 12,174 | - | 12,174 |
| Shares issued | 1,000,000 | - | - | - | 1,000,000 |
| Call on partly paid shares | 151,949 | - | - | - | 151,949 |
| Capital raising costs | - | (71,962) | - | - | (71,962) |
| Loss for the period | - | - | - | (385,734) | (385,734) |
| Other comprehensive income for the period | - | - | - | - | - |
| Balance at 31 Dec 2009 | 7,434,952 | (932,142) | 257,591 | (2,389,332) | 4,371,069 |

Notes to the condensed consolidated financial statements are included on pages 8 and 9

**Condensed consolidated cash flow statement
 for the half-year ended 31 December 2009**

| | Consolidated | |
|---|-----------------|-------------|
| | Half-year ended | |
| | 31 Dec 2009 | 31 Dec 2008 |
| | \$ | \$ |
| Cash flows from operating activities | | |
| Interest received | 5,403 | 68,092 |
| Payments to suppliers and employees | (160,285) | (604,832) |
| Net cash used in operating activities | (154,882) | (536,740) |
| Cash flows from investing activities | | |
| Payments for exploration | (418,181) | (1,239,437) |
| Payments for property, plant and equipment | (8,905) | (55,701) |
| Net cash used in investing activities | (427,086) | (1,295,138) |
| Cash flows from financing activities | | |
| Proceeds from capital raising | 1,151,949 | - |
| Payments for capital raising costs | (71,962) | - |
| Proceeds from release of bonds | 10,000 | - |
| Net cash provided by financing activities | 1,089,987 | - |
| Net increase / (decrease) in cash and cash equivalents | 518,019 | (1,831,878) |
| Cash and cash equivalents at the beginning of the period | 390,591 | 2,304,148 |
| Cash and cash equivalents at the end of the period | 898,610 | 472,270 |

Notes to the condensed consolidated financial statements are included on pages 8 and 9

Notes to the condensed consolidated financial statements

1. Significant accounting policies

Statement of compliance

The half-year financial report 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*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have 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.

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 annual financial report for the financial year ended 30 June 2009. The Company has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations. The adoption of these Standards has not resulted in any restatement to the results of previous periods presented.

New and revised standards and interpretations effective for the current reporting period and applicable to the Group include AASB 8 *Segment Reporting* and AASB 101 *Presentation of Financial Statements*. The adoption of these new and revised standards has resulted in changes to the presentation or disclosure in the Group's financial statements as follows:

- Statement of Comprehensive Income has replaced Income Statement and Balance Sheet has been re-named Statement of financial position.
- Additional disclosure in relation to the Group's operating segments has been added.

Going concern

The Group is involved in the exploration and evaluation of mineral tenements and as such expects to be cash absorbing until these tenements demonstrate that they contain economically recoverable reserves.

For the half-year ended 31 December 2009 the Group reported a net loss of \$385,734 (2008: \$667,542) and used cashflows in operations of \$154,882 (2008: \$536,740). As at 31 December 2009, the Group has a surplus of current assets over current liabilities of \$718,800 (2008: \$332,528) including cash reserves of \$898,610 (2008: \$390,591).

The balance of these cash reserves broadly approximates the Group's planned expenditure budget including exploration activities for the 12 months to 1 March 2011. However in order to fully implement its exploration strategy the Group would be required to raise additional funds within the next 12 months.

Notwithstanding the above, the financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

To continue as a going concern the Group requires additional funding to be secured from sources including:

- an equity capital raising,
- the potential farm out of participating interests in the group's tenements, and
- the generation of sufficient funds from operating activities including the successful development of the existing tenements.

Having carefully assessed the uncertainties relating to the likelihood of securing additional funding, the Group's ability to effectively manage their expenditures and cash flows from operations and the opportunity to farm out participating interests in existing permits the directors believe that the group will continue to operate as a going concern for the foreseeable future and therefore it is appropriate to prepare the financial statements on a going concern basis.

In the event that the assumptions underpinning the basis of preparation do not occur as anticipated, there is significant uncertainty whether the Group will continue to operate as a going concern. If the Group is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the classification of liabilities that might be necessary should the Group not continue as a going concern.

2. Segment information

The Group's activities consist of gold and base metal exploration in one geographic region of North-East Victoria. There are no other significant classes of business, either singularly or in aggregate. Internal monthly management reports are provided to the Group's CEO that consolidate operations in one segment. Therefore the Group's activities are classed as one business segment and as a result operating result and financial information are not separately disclosed in this note.

3. Dividends

No dividends have been paid, declared or recommended for payment.

4. Issuances, repurchases and repayments of equity securities

During the half-year reporting period, the Company issued 20,000,000 ordinary shares for \$1,000,000. In addition, \$151,949 was received from calls on 1,688,332 partly paid shares. A further \$11,250 from calls on 125,000 partly paid shares were received subsequent to 31 December 2009. There were no other movements in the ordinary share capital or other issued share capital of the company in the current or prior half-year reporting period.

5. Contingencies and commitments

No contingent liabilities or assets existed at the date of this report except under tenement licences in Victoria where the company is required to rehabilitate each licence area to its original state subsequent to any exploration works.

6. Subsequent events

As announced on the ASX on the 15th of February 2010 the Group is expecting to hold a public auction of certain forfeited unquoted partly paid shares on the 16th of March 2010.

Independent Auditor's Review Report to the Members of Dart Mining NL

We have reviewed the accompanying half-year financial report of Dart Mining NL, which comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration 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 as set out on pages 3 to 9.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation 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-year 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 *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 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 Dart Mining NL, 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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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 Dart Mining NL 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 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the consolidated entity has incurred net loss of \$385,734, used operating cash flows of \$154,882 for the 6 months ending 31 December 2009 and is relying on raising additional funding to implement its planned exploration strategy. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU


C M J Bryan
Partner
Chartered Accountants
Melbourne, 24 February 2010