

DARTMININGNL

DART MINING NL

ABN 84 119 904 880

Financial report for the half-year ended 31 December 2010

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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 2010. 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 2010, Dart Mining NL continued its exploration activities for gold and base metals in north-east Victoria. A significant molybdenum geochemical discovery in the area remain the highlight of activities during the half-year period.

Capital raising

During the half-year ended 31 December 2010, the Company raised \$931,765 through a placement of 15,384,615 new ordinary shares. Further, the Company completed a Rights Issue in February 2011 which raised \$950,151.

Financial position

The net assets and cash reserves of the Group as at 31 December 2010 were \$5,888,471 and \$1,049,585 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

Meibourne, 16 March 2011

The Board of Directors
Dart Mining NL
Level 2, 395 Collins Street
Melbourne VIC 3000

16 March 2011

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 half-year ended 31 December 2010, 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


Craig Bryan
Partner
Chartered Accountants

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, 16 March 2011

**Condensed consolidated statement of comprehensive income
 for the half-year ended 31 December 2010**

	Consolidated	
	Half-year ended	
	31 Dec 2010	31 Dec 2009
	\$	\$
Revenue	12,091	5,993
Exploration costs written off	(7,593)	-
Employment related costs	(296,027)	(188,066)
Professional fees	(42,476)	(54,440)
Depreciation expenses	(3,254)	(30,859)
Office expenses	(8,808)	(6,473)
Administration expenses	(74,287)	(73,346)
Travel expenses	(13,060)	(19,495)
Other expenses	(8,741)	(19,048)
Loss before income tax	(442,155)	(385,734)
Income tax expense	-	-
Net loss for the period	(442,155)	(385,734)
Attributable to equity holders of Dart Mining NL	(442,155)	(385,734)
Other comprehensive income	-	-
Total comprehensive income	(442,155)	(385,734)
Earnings per share		
From continuing operations:		
Basic (cents per share)	(0.49)	(0.74)
Diluted (cents per share)	(0.49)	(0.74)

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

**Condensed consolidated statement of financial position
 as at 31 December 2010**

	Consolidated	
	31 Dec 2010	30 Jun 2010
	\$	\$
Current assets		
Cash and cash equivalents	1,049,585	1,186,319
Trade and other receivables	29,950	60,715
Other financial assets	4,319	14,683
Total current assets	1,083,854	1,261,717
Non-current assets		
Other receivables	40,000	40,000
Property, plant and equipment	75,915	110,423
Deferred exploration expenditure	4,835,684	4,350,629
Total non-current assets	4,951,599	4,501,052
Total assets	6,035,453	5,762,769
Current liabilities		
Trade and other payables	106,558	367,091
Provisions	40,424	28,267
Total current liabilities	146,982	395,358
Total liabilities	146,982	395,358
Net assets	5,888,471	5,367,411
Equity		
Issued capital	8,916,380	7,984,615
Reserves	262,760	231,310
Accumulated losses	(3,290,669)	(2,848,514)
Total equity	5,888,471	5,367,411

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 2010**

	Ordinary share capital \$	Share-based payment reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2009	5,422,823	245,417	(2,003,598)	3,664,642
Loss for the period	-	-	(385,734)	(385,734)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(385,734)	(385,734)
Performance rights issued	-	12,174	-	12,174
Shares issued	928,038	-	-	1,000,000
Call on partly paid shares	151,949	-	-	151,949
Balance at 31 Dec 2009	6,502,810	257,591	(2,389,332)	4,371,069
Balance at 1 July 2010	7,984,615	231,310	(2,848,514)	5,367,411
Loss for the period	-	-	(442,155)	(442,155)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(442,155)	(442,155)
Shares issued	931,765	-	-	931,765
Options issued	-	31,450	-	31,450
Balance at 31 Dec 2010	8,916,380	262,760	(3,290,669)	5,888,471

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 2010**

	Consolidated	
	Half-year ended	
	31 Dec 2010	31 Dec 2009
	\$	\$
Cash flows from operating activities		
Interest received	12,870	5,403
Payments to suppliers and employees	(410,312)	(160,285)
Net cash used in operating activities	(397,442)	(154,882)
Cash flows from investing activities		
Payments for exploration	(661,796)	(418,181)
Payments for property, plant and equipment	(3,870)	(8,905)
Net cash used in investing activities	(665,666)	(427,086)
Cash flows from financing activities		
Proceeds from capital raising	1,000,000	1,151,949
Payments for capital raising costs	(73,626)	(71,962)
Proceeds from release of bonds	-	10,000
Net cash provided by financing activities	926,374	1,089,987
Net increase / (decrease) in cash and cash equivalents	(136,734)	518,019
Cash and cash equivalents at the beginning of the period	1,186,319	390,591
Cash and cash equivalents at the end of the period	1,049,585	898,610

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 2010.

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:

	Effective for reporting periods beginning on or after
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 January 2010
AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash Settled Share-based Payments Transactions	1 January 2010
AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual improvements Project	1 July 2010

The following standards and interpretations have been issued but are not yet effective for the period ending 31 December 2010

	Effective for reporting periods beginning on or after	Expected to be initially applied in the period beginning
AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues	1 February 2011	1 January 2011
AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	1 January 2013	1 January 2013
AASB 124 Related Party Disclosures (December 2009), AASB 2009-12 Amendments to Australian Accounting Standards	1 January 2011	1 January 2011
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual improvements Project	1 January 2011	1 January 2011
AASB 2010-4 Amendments to Australian Accounting Standards	1 January 2011	1 January 2011

Government grants

Government grants are not recognised until there is reasonable assurance that the Group complies with the attached conditions and that the grant will be received.

Government grants that are conditional on costs already incurred or receivable for the purpose of giving financial support to the Group with no future related costs are recognized as revenue in the period they become receivable.

Government grants conditional on the completion of projects relating to identifiable area of interest are recognized as a reduction in the accumulated costs of the area in the statement of financial position.

Notes to the condensed consolidated financial statements

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 15,384,615 ordinary shares for \$1,000,000. In addition, the Company issued 5,000,000 options to its Directors. These options had a fair value at grant date of \$0.0063 per option totaling \$31,450.

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

In February 2011, the Company raised \$950,151 through a renounceable Rights Issue .

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 condensed statement of financial position as at 31 December 2010, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed 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 company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal 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 a 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Dart Mining NL'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 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Dart Mining NL, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 Dart Mining NL'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 the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Craig Bryan
Partner
Chartered Accountants

Melbourne, 16 March 2011