



# **INTERIM FINANCIAL REPORT**

**For the half-year ended 31 December 2012**

19<sup>th</sup> February 2013

TriAusMin Limited

ABN 22 062 002 475

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**TRIAUSMIN LIMITED**  
**ABN 22 062 002 475**

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**DIRECTORS REPORT**

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Your directors present their report together with the financial report on the consolidated entity (referred to hereafter as “TriAusMin”, the “Company” or the ‘Company’) consisting of TriAusMin Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2012.

**Directors**

The following persons were directors of the Company throughout the half-year ended 31 December 2012 and up to the date of this report:

Mr. W F Killinger AM (Chairman until January 29, 2013)  
Dr. J W Gill (Chairman from January 29, 2013)  
Mr. A J E Snowden  
Mr. W R Taylor  
Dr. R I Valliant

**Principal activities**

The principal activities of the Company during the financial half-year were mineral exploration and project evaluation of the Company’s tenements. There were no significant changes in the nature of the activities of the Company that occurred during the half-year.

**Dividends**

No dividends were paid or declared since the start of the financial half-year. No recommendation for payment of dividends has been made.

**Operating result**

During the half-year under review, the Company incurred a loss of \$783,078 (2011: \$835,744). During the half-year, the Company capitalised \$714,659 (2011: \$1,584,022) of exploration and evaluation expenses.

**Property Assets and Strategy**

The Company’s main business activity is to conduct mineral exploration and the development of its property assets located in the Lachlan Fold Belt of NSW. The Company’s tenements are 100% owned except as noted below and comprise early-stage exploration land holdings and advanced-stage, near-development decision projects. The Company has positioned itself to be able to build on its base and precious metal assets through new discoveries led by current, well-reasoned exploration plans.

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## **The Woodlawn Project**

The Company holds a significant land position at Woodlawn near Goulburn, New South Wales, Australia. It has delineated two significant poly-metallic resource-based assets; the Woodlawn Retreatment Project (“WRP”) and the Woodlawn Underground Project (“WUP”). The WRP involves recovering and reprocessing tailings produced from the previous Woodlawn mining operations. The WUP involves evaluating the underground mining resource for potential re-commencement of underground mining operations.

While in production, the Woodlawn open pit and underground mine produced approximately 13.4 million tonnes of high-grade ore from a number of separate, fault-bounded massive sulphide lenses mined to a maximum depth of 630 metres below surface. An Indicated Resource<sup>1</sup> of 8.6 million tonnes grading 10.28% zinc, 4.00% lead, 1.8% copper, 84 grams per tonne of silver and 0.5 grams per tonne of gold previously released by the Company exists in the vicinity of the historic underground workings. It is TriAusMin’s objective to establish producing operations for the WRP and WUP.

### **Woodlawn Retreatment Project (WRP)**

**Project Background** - The Woodlawn Mine operated from 1978 to 1998 during which time it processed 13.8 million tonnes (Mt) of ore grading 9.1% zinc, 3.6% lead, 1.6% copper, 74 g/t silver and 0.52 g/t gold. The tailings dams remain from processing this ore and contain economic levels of metals that warrant reprocessing using current technology.

The WRP mine plan envisions retreating approximately 11 Mt of tailings contained within the three existing tailings dams (North, South and West) using modern fine-grinding techniques to improve metallurgical recoveries. The planned production rate is 1.5 Mt per annum to produce zinc, copper and lead concentrates containing by-product silver and gold.

In 2012 an Environmental Assessment (EA) study was carried out by Parsons Brinckerhoff and submitted to the regulators. As at December 31, 2012 the Company was awaiting the issuance of the draft Conditions of Consent from the Dept of Planning and Infrastructure which was received on January 8, 2013.

GR Engineering Services Limited undertook a Front-End Engineering and Design (“FEED”) Study which has provided the final engineering design and an update to the capital and operating cost estimates to a +/- 10% level of accuracy.

A key component of the FEED study was a series of metallurgical tests focusing on the selection of grinding equipment and the production of separate copper, lead and zinc concentrates. The metallurgical test work and FEED study is complete and forms the basis of many of the major input assumptions for the WRP Business Case.

### **Mining Method**

Hydraulic mining will be used to mine the tailings in a slurry form using high pressure water pumps and monitors at a rate of 4,300 tonnes per day (1.5 Mt per annum) to be transferred to the processing plant. This method is a simple, proven, low risk, low cost mining method.

### **Mineral Processing**

Standard sulfide flotation processes will be used to produce separate copper, lead and zinc concentrates with by-product silver and gold. The metallurgical test work demonstrated that efficient mineral liberation is achieved at 30 microns and this can be achieved through the application of IsaMill™ fine grinding technology.

The key features of the process plant are:

- **Feed preparation thickener** – feed delivery from the mining cycle will be through an 18 m diameter thickener to increase the feed density to the level required by the grinding circuit.

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- **Primary grinding** – the primary grind has been set at 30 micron to ensure maximum liberation and maximum recovery. This will be achieved through the use of a 3 MW IsaMill™ M10000 unit.
- **Talc flotation** – the highest quality final concentrates are achieved with talc pre-float and includes rougher and cleaner stages.
- **Copper Flotation** – selective copper flotation will be achieved through a circuit consisting of rougher, scavenger, cleaner and re-cleaner cells.
- **Lead flotation** – selective lead flotation will be achieved through a circuit similar to copper with the addition of a regrind mill with a target grind size of 15 micron.
- **Zinc flotation** – a regrind mill has also been specified for the zinc circuit with a number of additional banks of cells to accommodate higher concentrate volumes.
- **Concentrate dewatering and storage** – recovered concentrates will be thickened and then filtered to reduce the moisture level so that it is acceptable for transport. The concentrates will be stored separately on site for transport to port.

### Infrastructure and Site Logistics

Considerable supporting infrastructure including power, roads and water remain in place at the Woodlawn site presenting a significant cost benefit in project development.

- The existing 66kV transmission line and the onsite 66/11kV sub-station have sufficient capacity to meet the power demands for the operations and no additional offsite power infrastructure is required to be built.
- A 300 m access road will be constructed to link the site with the existing sealed Collector Road, which provides a B-double rated route to the major service centres and ports for concentrate shipping.
- Process water is available on site from the existing bore field. In addition, the existing evaporation dams that serviced the former mining operations will also be utilised to manage any fluctuations in the water balance.
- New infrastructure aside from the processing plant will include site offices, workshops and laboratory.
- Local communities are expected to provide supplies, services, accommodation and labour to the Project.

### Development Timing

Construction is expected to take approximately 58 weeks from the time of award of a construction contract (Subject to early orders for long lead time equipment). A further 15 weeks has been allowed for commissioning of the plant as well as a further 6 month ramp-up period to full plant throughput and design recoveries.

The Company believes that the Project could achieve first commercial production in 2014, subject to financing and the receipt of all regulatory approvals.

### Capital Costs

The construction capital cost estimate is provided below. The process plant and infrastructure estimates are to an overall accuracy of +/-10% and basis Q4 2011. The mining capital estimates are based on January 2012 pricing quotes.

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**Table 2: Woodlawn Retreatment Project Construction Capital Cost Estimate.**

<b>PROCESS PLANT AREA</b>	<b>CAPITAL COST A\$M</b>
Process Plant	\$53.5
Infrastructure	\$11.3
Engineering, P&G, Commissioning, First Fills	\$18.1
Contingency	\$5.6
TSF 4 Construction (non GRES)	\$2.6
Mining Capital + Mobilisation (non GRES)	\$1.7
<b>TOTAL CONSTRUCTION CAPITAL ESTIMATE</b>	<b>\$92.8 (US\$96.5)</b>

Working capital of A\$5 million is required to cover pre-revenue operating costs in addition to the construction capital. Minimal sustaining capital will be required during the 7.5 year mine life. Closure costs have been estimated at A\$4.5 million.

**Operating Costs**

Site costs, with the exception of mining, were estimated to an overall accuracy of +/-10% and basis Q3 2011. Mining costs are based on a January 2012 pricing quote from a suitably experience mining contractor.

Offsite costs include the transport of concentrates to port, storage and ship loading charges and a charge for ocean freight. These were independently sourced from third party discussions and quotes.

**Statutory Approvals**

The WRP and WUP project approvals fall within the NSW Department of Planning & Infrastructure Part 3A development approval process. In 2012, a number of activities were successfully completed to advance the approval process. Parsons Brinckerhoff was retained to compile the Environmental Assessment (EA) submission document and this has passed through various statutory review and assessment steps. This review process culminated in placing the EA on public exhibition for wider community comment. Following the receipt of a limited number of comments the Company provided a formal response to the points raised (Submissions Report) and as of 31 December 2012 it was awaiting the receipt of the draft Conditions of Consent. On January 8 2013 the Company received the draft Conditions of Consent which is currently under review.

**Woodlawn Reserves**

An independent Technical Report on the WRP which conforms to the Australasian Joint Ore Reserve Committee ("JORC") and Canadian National Instrument NI43-101 was issued on January 14, 2010 by Scott Wilson Roscoe Postle Inc<sup>1</sup> ("Scott Wilson"). The Technical Report confirmed the findings of a feasibility study completed in 2008 and concluded that the Reserves could be re-classified into 5.3 Mt of Proven Ore Reserves grading 0.52% copper, 1.33% lead, 2.33% zinc, 30.57 g/t silver and 0.30 g/t gold and a further 5.94 of Mt of Probable Ore Reserves grading 0.49% copper, 1.36% lead, 2.25% zinc, 31.05 g/t silver and 0.28 g/t gold. It further noted that at long term forecast metal prices, the WRP has the potential to achieve attractive project economics.

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**Woodlawn Underground Project (WUP)**

A key objective of the Company's work on the WUP has been to confirm that ore lenses mined at Woodlawn extended beyond the limits of previous mining operations which terminated in 1998.

**Diamond Drilling**

During 2012, the Company completed its diamond drilling program targeting the plunge extensions of the previously mined massive sulfide ore lenses at the Woodlawn Mine. A total of four holes were drilled for a total of 3,024 metres (Table 1). The program consisted of two parent holes and two wedges that were navi-drilled off the parent hole.

The drill program was highly successful and confirmed that the I, D, B, J and C mineralised lenses extend below the previously mined areas.

Significant results from the drilling program included:

**WLTD011:**

9.9m @ 1.64% Cu, 1.22% Pb, 6.09% Zn, 14.13g/t Ag, 0.72g/t Au from 542.6m I Lens  
15.0m @ 0.17% Cu, 1.94% Pb, 5.04% Zn, 22.13g/t Ag, 0.19g/t Au from 676m D Lens  
4.0m @ 3.31% Cu, 12.84g/t Ag from 849m B Lens  
12.1m @ 4.84% Cu, 14.87g/t Ag from 870m B Lens

**WLTD011W1:**

14.5m @ 3.66% Cu, 3.71% Pb, 11.72% Zn, 121g/t Ag, 1.92g/t Au from 551m I Lens  
7.3m @ 1.86% Cu, 1.82% Pb, 6.08% Zn, 54g/t Ag, 2.89g/t Au from 631m I2 Lens  
8.0m @ 1.18% Cu, 3.88% Pb, 10.67% Zn, 57g/t Ag, 0.60g/t Au from 700m D Lens

**WLTD011W2:**

9.0m @ 2.92% Cu, 4.64% Pb, 8.61% Zn, 167g/t Ag, 2.07g/t Au from 564m I Lens  
8.9m @ 2.70% Cu, 3.02% Pb, 6.34% Zn, 71g/t Ag, 1.24g/t Au from 648m I2 Lens

**WLTD012:**

4.0m @ 3.07% Cu from 804.0 m J Lens

The drilling program extended the B Lens vertically by 125m, I Lens by 230m and D Lens by 350m below the deepest previously mined stopes in the respective lenses. J lens was extended significantly to the south (80m) of the previously defined mineralisation below the former workings. These significant intersections continue to add support to the ability to define additional high grade resources away from the former operations and have provided solid evidence in support of a 6-7 million tonne Exploration Target<sup>(a)</sup> for the next 200 vertical metres below the previous excavations.

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<sup>(a)</sup> The Exploration Target is conceptual and, to date, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. The Exploration Target assumes the continuation of down dip mineralisation and is based on the historical mine production (13 Mt @ 9.8% Zn, 1.6% Cu, 3.6% Pb, 74g/t Ag & 0.52g/t Au) and the remaining Measured, Indicated & Inferred Resource (10 Mt @ 10.2% Zn, 1.8% Cu, 4.0% Pb, 84 g/t Ag & 0.51g/t Au) to the 2150m RL

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**Table 1:** 2012 WUP diamond drill hole specifications (DGPS collar pick-ups)

Hole ID	Hole Type	East (Mine Grid)	North (Mine Grid)	RL (Mine Grid)	EOH (m)	Dip (°)	Azimuth (mine grid)
WLTD011	parent	8680.71	19729.46	2786.99	937.1	-75	80.5
WLTD011W1	daughter	8680.71	19729.46	2786.99	1001.0	-75	80.5
WLTD011W2	daughter	8680.71	19729.46	2786.99	780.8	-75	80.5
WLTD012	parent	8887.98	19377.75	2792.64	974.3	-70	80.0

### Downhole EM Survey

A down-hole electromagnetic (DHEM) survey was completed on WLTD012 from 240 to 970m. A number of conductors were identified by the survey, the most significant being an off-hole conductor interpreted to be located at a vertical depth of 300 metres in an undrilled area between the D and H Lenses. This conductor may represent a new mineralised lens and is a priority target for the next phase of drilling.

### Lewis Ponds Project

Work at Lewis Ponds Project had focussed on re-evaluating the extensive exploration database that has been accumulated from the prior activities on the tenement. The McPhillamy's discovery, located approximately 20km to the south of Lewis Ponds, has renewed interest for undiscovered buried gold occurrences on the tenement and, also, as a result of interpreting the data from a tenement-wide airborne electromagnetic geophysics survey a number of high priority EM anomalies have been identified

A selection of the high priority anomalies were drill tested in the December quarter 2011. The Company completed 2,186m of drilling within the Lewis Ponds tenement. The drilling was comprised of 869m of reverse circulation (RC) drilling targeting the up plunge continuation of the Lewis Ponds "Main Zone" mineralisation and 1,317m of diamond drilling targeting a series of electromagnetic anomalies derived from the 2010 VTEM survey over the tenement.

The RC drilling results returned a number of significant intercepts from the up-plunge zone targeted including;

- LPRC039: 37m @ 1.65% Zn, 0.91% Pb, 0.19% Cu, 0.53g/t Au & 53g/t Ag (from 35m)  
**including 4m @ 9.07% Zn, 3.95% Pb, 0.81% Cu, 3.63g/t Au & 253g/t Ag (from 66m)**
- LPRC037: 28m @ 1.85% Zn, 0.57% Pb, 0.20% Cu, 0.40g/t Au & 44g/t Ag (from 55m)  
**including 9m @ 4.19% Zn, 1.25% Pb, 0.42% Cu, 0.73 g/t Au & 76g/t Ag (from 69m)**
- LPRC038: 32m @ 1.36% Zn, 0.53% Pb, 0.13% Cu, 0.50g/t Au & 36g/t Ag (from 82m)  
**including 5m @ 3.38% Zn, 1.16% Pb, 0.31% Cu, 1.20g/t Au & 92g/t Ag (from 102m)**
- LPRC041: 56m @ 1.11% Zn, 0.81% Pb, 0.19% Cu, 0.26g/t Au & 49g/t Ag (from 13m)  
**including 7m @ 3.35% Zn, 1.43% Pb, 0.38% Cu, 0.88g/t Au & 88g/t Ag (from 60m)**



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These results represent the first phase in testing the near-surface extension to the Main Zone mineralisation that may support the development of an open pit mining operation. Future exploration work at Lewis Ponds will be dependent upon the availability of financial resources to allocate to this project.

### Mulloon (100% TriAusMin)

During 2012, a soil sampling program was undertaken at the Bombay prospect, approximately 45 kilometres south of Woodlawn mine in the southern part of EL7469. The tenement is prospective for Volcanic Massive Sulfide (VMS) base metal and Intrusion Related Gold System (IRGS) mineralisation and has received little exploration focus since the 1960's. The area features at least four known mineral occurrences and recent work located numerous previously unrecorded historical mine workings.

### Soil Survey Results

A total of 601 samples were collected along a 400 metre by 50 metre sample grid and results indicate a number lead and / or zinc anomalies. Two significant anomalies are of interest:

1. A lead anomaly of approximately 500 metres strike and 450 metres width. The anomaly straddles the boundary between the Ballallaba Granite and the Long Flat Volcanics.
2. A lead-zinc anomaly that extends over 700 metres in strike length and is located in the Hills Prospect where a number of gossanous vein samples have been taken.

### Rock Sample Results

Nineteen rock samples were collected from historical workings, sub-crops and outcrops. The results from 5 samples strongly anomalous gold, silver, copper and zinc values with maximums of **2.89g/t Au, 97.3g/t Ag, 4340ppm Cu and 9.34% Zn**.

**Table 3:** Assay results for Bombay rock samples significant results (\*grid is GDA94, MGA Zone 55)

Sample ID	East*	North*	Collection method	Au g/t	Ag g/t	Cu ppm	Pb ppm	Zn %
BBRC001	741325	6071320	grab	0.18	<b>71.4</b>	435	2220	0.08
BBRC002	741325	6071320	grab	<b>1.23</b>	50.4	4340	180	<b>9.09</b>
BBRC003	741325	6071320	grab	0.06	18.2	171	276	0.05
BBRC004	741328	6071320	grab	<b>2.89</b>	<b>97.3</b>	2370	314	<b>9.34</b>
BBRC005	741329	6071320	grab	0.12	9.3	106	226	0.16

Following the encouraging soil and rock sample results and the interpreted geological setting, infill sampling of the anomalies and further reconnaissance work is planned. An infill soil sampling program was undertaken in December 2012 and results are pending.

### Cullarin (68.2% TriAusMin)

During 2012 the Company was granted EL 7954, which covers both the existing EL 6686 and EL 6292 and an additional 12 units of prospective Silurian felsic volcanic geology. The consolidation of the two exploration licences into a single tenement was done to better support exploration planning and ground activity.

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**Overflow (85% TriAusMin)**

During 2012 the Company was granted EL 7941, which covers an additional 9 units that were covered in the VTEM survey flown in 2011. The additional units covered contain felsic-sedimentary contacts, which are considered prospective for polymetallic sulfide mineralisation. An extensive data compilation exercise was completed in 2012 providing a list of key regional prospects.

**Calarie (100% TriAusMin) – Goodrich Resources Limited**

On July 11 2011, TriAusMin entered into a Farm-In Agreement with Goodrich Resources Limited whereby Goodrich may earn a 75% interest in the Calarie project tenements through exploration expenditure over a three year period.

Goodrich has completed an initial exploration programme comprising two induced polarisation (IP) surveys; 3D modelling and reprocessing of existing and new IP data; and also the drilling of six (6) reverse circulation (RC) holes (totalling 1,002 m) into three target zones. The results of the IP work and drilling programme are being compiled.

Farm in partner, Goodrich Resources Limited (“Goodrich”), reported on May 9 2012, that they had completed a dipole-dipole induced polarisation (IP) survey at the Bald Hill prospect which detected two strong chargeability anomalies that Goodrich plans to drill. By year end Goodrich had completed the drilling of one of the IP targets the results of which have yet to be reported.

**Significant changes in state of affairs**

There were no significant changes in the state of affairs of the Company that occurred during the financial year.

**Events after Balance Date**

On January 29, 2013, the Company announced that Dr James Gill had been appointed Chairman of the Company. Dr Gill replaces Mr. Killinger who remains a Director of the Company.

On February 1, 2013 the Company announced that it had commenced a drilling program at the Woodlawn Underground Project.

On February 18, 2013, the Company received a tax refund of \$1,114,566 from the Australian Taxation Office. These funds will be used as part of the Company’s working capital.

**Likely developments, prospects and business strategies**

The Company intends to continue with its plans to support the development of the WRP and WUP and evaluate the exploration databases for Woodlawn, Lewis Ponds and Overflow tenements. It also intends to implement field exploration activities on its other tenements to progress the further potential discovery of gold and base metal occurrences. The Company will continue to monitor global metals and capital markets for opportunities to advance financing arrangements required for the WRP and WUP with a view to facilitating the establishment of mining operations in the near term. Specific details of likely developments in the operations of the Company, prospects and business strategies and their expected results in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

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**JORC Compliance and Declarations**

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**NOTE 1:**

*The information in this release that relates to Mineral Resources or Ore Reserves associated with the Woodlawn Retreatment Project is based on information compiled by qualified person, Mr. Richard Lambert, P.E. a professional engineer and Registered Member of SME. Mr. Richard Lambert is Principal Mining Engineer and Executive Vice President of Roscoe Postle Associates, Inc. He is independent of TriAusMin applying the test set out in Section 1.4 of NI 43-101. He has sufficient experience relevant to the style of mineralization and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) and by reason of his education, affiliation with a professional association (as defined in NI43-101) and past relevant work experience, fulfils the requirements to be a "qualified person" for the purposes of NI43- 101.*

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**NOTE 2:**

*The technical information in this news release relating to the Woodlawn Mineral Resources is based on information compiled by Mr Robin Rankin, who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and accredited by the AusIMM since 2000 as a Chartered Professional (CP) in the geology discipline. Mr Rankin consultants to TriAusMin Limited as Principal Consulting Geologist of independent geological consultancy GeoRes. He has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results and "qualified person" as this term is defined in Canadian National Instrument 43-101 ("NI 43-101"). Mr Rankin consents to the inclusion in this news release of the information in the form and context in which it appears.*

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Dr James W Gill  
**Chairman**



A. J. E. Snowden  
**Chairman- Audit Committee**

**Sydney**  
**19 February 2013**

## DECLARATION OF INDEPENDENCE BY JOHN BRESOLIN TO THE DIRECTORS OF TRIAUSMIN LIMITED

As lead auditor for the review of TriAusmin Limited for the half-year ended 31 December 2012, 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
- no contraventions of any applicable code of professional conduct in relation to the review.

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



John Bresolin

Partner

**BDO East Coast Partnership**

Sydney, NSW

19 February 2013

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the half-year ended 31 December 2012**

All amounts shown are expressed in Australian dollars	Note	Six months ended December 31	
		2012	2011
		\$	\$
<b>Continuing operations</b>			
Other income		22,609	51,123
Salary costs (including directors' fees)		(465,856)	(411,549)
Share based payments – (expense)/credit		(38,252)	(55,852)
Professional and legal fees		(85,753)	(55,070)
Rent expense		(36,197)	(37,631)
Share registry expenses		(29,734)	(71,402)
Travel and accommodation		(65,404)	(102,485)
Insurance expense		(12,467)	(55,924)
Depreciation and amortisation		(11,051)	(11,577)
Computer expenses		(20,622)	(34,327)
Other expenses		(40,351)	(51,050)
<b>Loss before income tax expense</b>		<b>(783,078)</b>	<b>(835,744)</b>
Income tax expense			-
<b>Loss for the half-year</b>		<b>(783,078)</b>	<b>(835,744)</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the half-year</b>		<b>(783,078)</b>	<b>(835,744)</b>
Loss attributable to members		<b>(783,078)</b>	<b>(835,744)</b>
Total comprehensive income attributable to members		<b>(783,078)</b>	<b>(835,744)</b>
<b>Earnings per share attributable to the ordinary equity holders of the company</b>			
Basic loss per share (cents)		(0.35)	(0.52)
Diluted loss per share (cents)		(0.35)	(0.52)

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 31 December 2012**

	Note	31 December 2012 \$	30 June 2012 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	2,297,935	1,448,575
Trade and other receivables		33,159	253,878
Other assets		26,959	16,278
<b>TOTAL CURRENT ASSETS</b>		<b>2,358,053</b>	<b>1,718,731</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		199,702	210,753
Exploration and evaluation expenditure	3	27,757,216	27,042,556
<b>TOTAL NON-CURRENT ASSETS</b>		<b>27,956,918</b>	<b>27,253,309</b>
<b>TOTAL ASSETS</b>		<b>30,314,971</b>	<b>28,972,040</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		125,372	716,457
Provisions		39,942	27,627
<b>TOTAL CURRENT LIABILITIES</b>		<b>165,314</b>	<b>744,084</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		30,000	30,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>30,000</b>	<b>30,000</b>
<b>TOTAL LIABILITIES</b>		<b>195,314</b>	<b>774,084</b>
<b>NET ASSETS</b>		<b>30,119,657</b>	<b>28,197,956</b>
<b>EQUITY</b>			
Contributed equity	4	41,243,917	38,577,391
Reserves		2,931,199	2,892,946
Accumulated losses		(14,055,459)	(13,272,381)
<b>TOTAL EQUITY</b>		<b>30,119,657</b>	<b>28,197,956</b>

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the half-year ended 31 December 2012**

	Note	CONTRIBUTED EQUITY	FULLY PAID UNISSUED CAPITAL	OPTIONS RESERVE	ACCUMULATED LOSSES	TOTAL EQUITY
		Ordinary Shares				
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2011</b>		<b>35,167,279</b>	-	<b>2,782,000</b>	<b>(11,716,070)</b>	<b>26,233,209</b>
Shares issued during half-year		3,095,013	-	-	-	3,095,013
Transaction costs		(37,709)	-	-	-	(37,709)
Fully paid unissued capital		-	322,771	-	-	322,771
Share based charge		-	-	55,853	-	55,853
Total comprehensive income attributable to members		-	-	-	(835,744)	(835,744)
<b>Balance at 31 December 2011</b>	4	<b>38,224,583</b>	<b>322,771</b>	<b>2,837,853</b>	<b>(12,551,814)</b>	<b>28,833,393</b>
<b>Balance at 1 July 2012</b>		<b>38,577,391</b>	-	<b>2,892,947</b>	<b>(13,272,381)</b>	<b>28,197,957</b>
Shares issued during half-year		2,934,395	-	-	-	2,934,395
Transaction costs		(267,869)	-	-	-	(267,869)
Fully paid unissued capital		-	-	-	-	-
Share based charge		-	-	38,252	-	38,252
Total comprehensive income attributable to members		-	-	-	(783,078)	(783,078)
<b>Balance at 31 December 2012</b>	4	<b>41,243,917</b>	-	<b>2,931,199</b>	<b>(14,055,459)</b>	<b>30,119,657</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the half-year ended 31 December 2012**

	Note	Six months ended December 31	
		2012	2011
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(748,857)	(824,905)
Interest received		22,608	51,123
R & D Tax Refund		141,923	-
Net cash used in operating activities		<b>(584,326)</b>	<b>(773,782)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		-	(36,885)
Payments for exploration activities		(1,232,840)	(1,793,570)
Net cash used in investing activities		<b>(1,232,840)</b>	<b>(1,830,455)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		2,934,395	3,282,617
Payment of share issue cost		(267,869)	(37,709)
Net cash provided by financing activities		<b>2,666,526</b>	<b>3,244,908</b>
Net increase in cash & cash equivalents held		849,360	640,671
Cash & cash equivalents at beginning of the half-year		1,448,575	3,074,711
Cash & cash equivalents at the end of the half-year	2	<b>2,297,935</b>	<b>3,715,382</b>

*The above consolidate statement of cash flows should be read in conjunction with the accompanying notes.*



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### for the half-year ended 31 December 2012

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#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### a) General

This general purpose financial report for the half-year reporting period ended 31 December 2012 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by TriAusMin Limited (ASX:TRO) ("TriAusMin" or the "Company") during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. The financial report was authorized for issue by the Directors on 19 February 2012.

The accounting policies adopted in the preparation of the half-year financial report are consistent with those of the previous financial year and corresponding half-year reporting periods.

##### b) Going concern basis of accounting

The half-year Financial Report has been prepared on the basis of a Going Concern, notwithstanding the fact that material uncertainties exist, going forward, which cast significant doubt on the Company's ability to continue as a going concern. The Company incurred a loss for the half-year after tax of \$783,078 (2011: \$835,744) and a net cash out flow from operating activities of \$584,326 (2011: \$773,782). The Company acquires mineral tenements and then applies its expertise to conduct mineral exploration in search of base and precious metals deposits. In addition to the many uncertainties inherent in the mineral exploration and development industry, the Company does not yet have a significant revenue stream and must rely on raising money in the capital markets. Management has a long history of successfully raising money, but there is no guarantee that adequate funds will be available when needed in the future.

The half-year Financial Report has been prepared on the basis of a Going Concern, as the Directors believe that adequate funding will be raised to enable the Company to pay its debts as and when they become due for a period of twelve months from the date of approving this Report. In the event that the Company is delayed in raising development funding and or committing to development of its core tenement, the Company may need to either reduce its rate of expenditure or raise additional working capital to ensure that it can continue to meet its obligations as and when they fall due.

Expenditure commitments include obligations arising from farm-in arrangements, and annual minimum work obligation for exploration permits. Minimum work obligation, may be subject to negotiation and approval and could be varied, they may also be satisfied by farm-out, sale, relinquishment or surrender.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the half-year ended 31 December 2012**

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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****b) Going concern basis of accounting (continued)**

The Company has limited financial resources and will need to raise additional capital from time to time. Any such fund raisings will be subject to factors beyond the control of the Company and its Directors. When the Company requires further funding for its program, then it is the Company's intention that the additional funds would be raised in a manner deemed most expedient by the Board of Directors at the time, taking into account working capital, exploration results, budgets, share market conditional, capital raising opportunities and the interest of industry in co-participations in the Company's programs.

It is the Company's plan that this capital will be raised by any one or a combination of the following: placement of shares to excluded offerees, pro-rata issue to shareholders, and/or a further issue of shares to the public.

Should these methods not be considered to be viable, or in the best interest of shareholders, then it would be the Company's intention to meet its obligations by either partial sale of the Company's interests or through farm-out arrangements.

In the event that the Company is not able to raise sufficient working capital within the time frame required, it may not be able to realise its assets and crystallise its liabilities in the normal course of business at the amounts stated in this half-year Financial Report.

Should the Company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the half-year ended 31 December 2012**

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**NOTE 2: CASH**

	<b>31 December 2012</b>	<b>30 June 2012</b>
	\$	\$
Cash is shown in the statement of financial position as:		
Cash at bank	797,935	448,575
Term deposits	1,500,000	1,000,000
	2,297,935	1,448,575

**NOTE 3 EXPLORATION EXPENDITURE**

Exploration and evaluation expenditure carried forward in respect of mining areas of interest.

	<b>31 December 2012</b>	<b>30 June 2012</b>
	\$	\$
Balance at beginning of period	27,042,556	23,389,411
Capitalised exploration expenditure written off	-	-
Capitalised exploration expenditure, at cost	714,659	3,653,145
Balance at end of period	27,757,215	27,042,556

The Director's have determined that the carrying values of exploration and evaluation expenditure has not been impaired as of 31 December 2012 (2011: Nil), based on the current values they are expected to be recouped through successful development, or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, and progress in the area of interest is continuing.

The above carrying values do not purport to represent the amount receivable by the Company in the event the interests in the mining tenements were farmed out or sold or the future value in use to the Company.

**TRIAUSMIN LIMITED**  
**ABN 22 062 002 475**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the half-year ended 31 December 2012**

**NOTE 4: CONTRIBUTED EQUITY**

	31 December 2012	30 June 2012
	\$	\$
251,389,050 (2011: 197,170,063) Ordinary fully paid shares	41,243,917	38,577,391

	31 Dec 2012	30 Jun 2012	31 Dec 2012	30 Jun 2012
	\$	\$	Number	Number

*Reconciliation of issued capital*

a) *Ordinary shares*

Opening balance	38,577,391	35,167,279	201,111,240	158,995,945
Shares issued	2,934,395	3,447,821	50,277,810	42,115,295
Cost of share issue	(267,869)	(37,709)	-	-
Closing balance	41,243,917	38,577,391	251,389,050	201,111,240

b) *Unquoted options:*

Date	Details	Exercise price <sup>2</sup>	Expiry date	Number
1 July 2012	Opening balance <sup>1</sup>		Various	7,783,334
	Options cancelled	Various	Various	(1,666,667)
	Options Issued <sup>1</sup>		Various	650,000
31 December 2012	Closing balance <sup>1</sup>		Various	6,766,667

Note 1: Outstanding and exercisable

Note 2: Weighted average price in cents

**TRIAUSMIN LIMITED**  
**ABN 22 062 002 475**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the half-year ended 31 December 2012**

**NOTE 5: JOINT VENTURES**

The Company has the following material joint ventures	31/12/12	30/06/12
Black Range JV <sup>1</sup>	75.48%	70%
Cullarin JV <sup>2</sup>	68.2%	65.1%
Calarie JV Goodrich <sup>3</sup>	100%	100%
Interest shown in the Statement of Financial Position as Exploration expenditure	<u>\$430,787</u>	<u>\$425,446</u>

Note 1: TriAusMin has a 75.48% interest in the Black Range JV with Mount Conqueror Minerals NL and Central West Gold NL to explore on 6 of the 16 units that comprise EL 5878.

2: Cullarin JV relates to EL 7954.

3: In July 2011, the Company reached an agreement with Goodrich Resources Ltd, whereby Goodrich may earn a 75% interest in the Calarie project tenements through the expenditure of A\$2,500,000 within a three year period. Total expenditure spent by Goodrich Resources Ltd up until 31 December 2012 has been \$359,000

**NOTE 6: COMMITMENTS FOR EXPENDITURE**

a) Exploration commitments

In order to maintain current rights of tenure to granted exploration tenements, the Company is required to perform exploration work to meet the minimum expenditure requirements specified by various state governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report. The annual minimum expenditure requirements for each of the Company's tenements are as follows:

Tenement Number	Tenement Name	Expenditure Commitment
Exploration Licence 5583	Lewis Ponds	\$81,000
Exploration Licence 7257	Woodlawn	\$92,000
S(C&PL)L 20 (Special Mining Lease)	Woodlawn	N/A
Exploration Licence 5878	Overflow	\$46,000
Mining Lease 739	Calarie <sup>1</sup>	\$35,000
Exploration Licence 7468	Cullarin South	\$43,000
Exploration Licence 7469	Mulloon	\$62,000
Exploration Licence 7941	Overflow	\$24,500
Exploration Licence 7954	Cullarin	\$86,000
Exploration License 7023	Calarie <sup>1</sup>	\$42,000
		<u>\$511,500</u>

<sup>1</sup>Goodrich is obliged to meet these expenditure commitments under the Farm-in agreement.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the half-year ended 31 December 2012**

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**NOTE 7: COMMITMENTS FOR EXPENDITURE (CONTINUED)**

- b) Operating lease commitment

Operating lease commitment on rental property amounts to \$4,379 per month over the remaining period of the lease until October 2013

**NOTE 8: CONTINGENT LIABILITIES**

- a) Performance bonds

The Company has entered into performance bonds with the National Australia Bank Limited in relation to environmental rehabilitation amounting to \$158,000 and rental commitments amounting to \$39,411. These bonds are secured by a way of mortgage against the Company's Lewis Ponds freehold land.

- b) Agreement with Veolia Environmental Services (Australia) Pty Ltd ("Veolia")

On the 30 November 2011, the Company, and Tarago Operations Pty Ltd ("TOP") a wholly owned subsidiary of the Company, entered into an agreement with Veolia in which it was agreed that Special Mining Lease 20 (SML 20) would be transferred to TOP. Under the terms of this agreement and subject to completion of the transfer of SML 20 to TOP, the Company has agreed:

- (i) To assume the environmental liabilities associated with the Woodlawn site, excluding Veolia's area of operation. The value of the environment liability will be determined as part of the development approval process for the Woodlawn Project. The Company will be required to provide a performance bond with the NSW Department of Primary Industries ("DPI") as surety against completion of environmental rehabilitation once mining on the site is complete. The Company estimates that the bond will be an amount of not less than \$4 million, although the amount is yet to be confirmed.
- (ii) Subject to certain approvals being received by Veolia and the Company, the Company will receive "free-on-board" compost from Veolia to be utilized in the rehabilitation of the site.
- (iii) To fully indemnify Veolia for all direct and or consequential loss and damage suffered by Veolia as a result of or caused by or contributed to by any act or omission or default of the Company, or TOP, connected with its operation at the Woodlawn site.

None of these contingent liabilities has been provided for in the financial report.

**NOTE 9: EVENTS AFTER BALANCE DATE**

On January 29, 2013, the Company announced that Dr James Gill had been appointed Chairman of the Company. Dr Gill replaces Mr. Killinger who remains a Director of the Company.

On February 1, 2013 the Company announced that it had commenced a drilling program at the Woodlawn Underground Project.

On February 18, 2013, the Company received a tax refund of \$1,114,566 from the Australian Taxation Office. These funds will be used as part of the Company's working capital.

**TRIAUSMIN LIMITED**  
**ABN 22 062 002 475**

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## **DIRECTORS' DECLARATION**

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In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



**Dr James W Gill**  
**Chairman**



**A. J. E. Snowden**  
**Chairman- Audit Committee**

**Sydney**  
**19 February 2013**

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of TriAusmin Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of TriAusmin Limited, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's 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 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 the consolidated entity's financial position as at 31 December 2012 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 TriAusmin 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*, which has been given to the directors of TriAusmin Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Qualified 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 the TriAusmin 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 2012 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*.

### Emphasis of Matter

Without further qualifying our conclusion, we draw attention to Note 1 (b) in the financial report, which indicates that the consolidated entity incurred a net loss of \$783,078 during the half-year ended 31 December 2012 and reflected net operating cash outflows of \$584,326. These conditions, along with other matters as set forth in Note 1(b), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

### BDO East Coast Partnership



John Bresolin

Partner

Sydney, NSW

19 February 2013