

Bondi Mining Ltd

ABN 21 120 723 426

Half Year Report

for the half year ended 31 December 2009

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Directors' Report

The directors of Bondi Mining Ltd submit their report for the half-year ended 31 December 2009.

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Simon O'Loughlin, Chairman
Dr Richard Valenta, Managing Director
Mr Simon Taylor, Non-Executive Director (retired 1 March 2010)
Mr Creagh O'Connor, Non-Executive Director

Operating Result

The Group's loss for the half year ended 31 December 2009 after providing for income tax amounted to \$2,303,509 (2008: \$414,553).

Review of Operations

The company was active in its strategy to advance its uranium portfolio to the discovery stage.

The company carried out extensive exploration on the Murphy project, Northern Territory, in joint venture with the Japanese government resource entity, JOGMEC (Japan Oil, Gas and Metals National Corporation). By the end of calendar 2009 the company had completed 17 holes in three separate programs of deep reverse circulation and diamond drilling for a total of 4111 metres. In addition, the company completed detailed aeromagnetic coverage over the Murphy project by carrying out a 69,000 line kilometer airborne magnetic and radiometric survey over the western part of the project area.

The first deep drilling program comprising a 10 hole diamond and reverse circulation program (1887.5 metres) intersected strong alteration and anomalous uranium at targets UC19 and UC17. At UC19, MURD002 intersected anomalous uranium and copper associated with greater than 100 metre-wide zone of strong hematite-chlorite alteration in a mafic intrusive within the Westmoreland Sandstone with Cu up to 1.04% and U3O8 up to 107.4 ppm. At UC17, MURD006 intersected anomalous uranium associated with hematite-chlorite altered Westmoreland sandstone.

Phase 2 drilling on regional targets in the western part of the Murphy project returned anomalous uranium at the unconformity between Westmoreland Sandstone and underlying reduced Murphy Metamorphics. Drilling has confirmed extensive areas of untested unconformity with underlying basement metamorphics and confirmed modelled depths to the unconformity.

Phase 3 drilling commenced at the UC19 target in late November, focusing on stepouts from the wide zone of anomalous uranium and copper in hematite alteration which was intersected in previous drillhole MURD002. Hole MURD015 is a 290 metre stepout to the east which will test the position of the altered mafic intrusive in a zone of demagnetisation at a shallower target depth to that intersected in hole MURD002. Hole MURD016 is a 270 metre stepout to the south which will test a zone of demagnetized, altered and copper-anomalous mafic intrusive which was originally intersected at 52 metres in a shallow RAB scout hole.

Subsequent to the end of the calendar year, the company successfully negotiated a joint venture with JOGMEC to fund additional exploration on the North Maureen Project in 2010.

During 2009 the company continued with its regional framework study in South Australia and the Northern Territory focusing on the identification of new areas with strong potential for hosting high grade unconformity-style uranium mineralisation. A number of high priority targets were identified, and a program to gain access to these areas continues.

Bondi's highest generative priority during 2009 was to acquire a high quality resource-stage uranium project, and the company made good progress toward this objective, completing studies on a number of selected uranium jurisdictions, and reaching advanced negotiation stage on a number of projects.

The exploration data and results contained in this report are based on information reviewed by Dr Rick Valenta, a fellow of the Australian Institute of Mining and Metallurgy. He is Managing Director of the Company and has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Valenta has consented to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Auditor's independence declaration

The auditor's independence declaration is set out on page 5 and forms part of the directors' report for the half year ended 31 December 2009.

Signed in accordance with a resolution of the directors.



Dr Richard Valenta
Managing Director

5 March 2010

Auditor's Independence Declaration

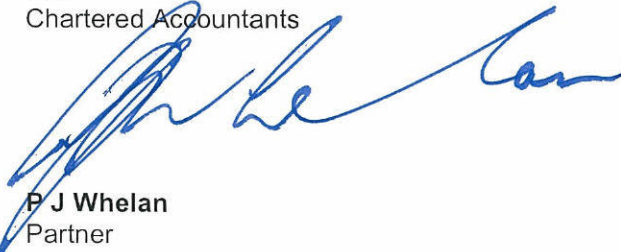
As lead auditor for the review of Bondi Mining Limited for the half year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Bondi Mining Limited and the entities it controlled during the half year.



PKF
Chartered Accountants



P J Whelan
Partner

Signed this 5th day of March 2010.

Consolidated Statement of Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated Half-year ended	
		31 Dec 2009 \$	31 Dec 2008 \$
Revenue		34,013	35,346
Impairment of exploration assets		(1,865,820)	(16,319)
Employee benefit expense		(141,426)	(181,999)
Depreciation expense		(16,483)	(51,435)
Finance costs		(8,294)	-
Share option expense		(20,416)	(73,242)
Other expenses	3	(285,083)	(126,904)
(Loss) before income tax expense		(2,303,509)	(414,553)
Income tax benefit		-	-
(Loss) for the period		(2,303,509)	(414,553)
Other comprehensive income		-	-
Total comprehensive (loss) for the period		(2,303,509)	(414,553)

Earnings per share:

	Cents	Cents
Basic earnings per share	(2.96)	(0.70)
Diluted earnings per share	(2.96)	(0.70)

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the consolidated interim financial report.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2009

	Note	Consolidated	
		31 December 2009 \$	30 June 2009 \$
CURRENT ASSETS			
Cash and cash equivalents		2,388,646	1,958,426
Trade and other receivables		440,185	85,067
Other current assets		82,836	75,822
TOTAL CURRENT ASSETS		2,911,667	2,119,315
NON-CURRENT ASSETS			
Property, plant and equipment		130,345	144,667
Exploration and evaluation assets	4	11,073,915	12,967,829
TOTAL NON-CURRENT ASSETS		11,204,260	13,112,496
TOTAL ASSETS		14,115,927	15,231,811
CURRENT LIABILITIES			
Trade and other payables		90,904	510,989
Short-term provisions		15,219	8,911
TOTAL CURRENT LIABILITIES		106,123	519,900
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		106,123	519,900
NET ASSETS		14,009,804	14,711,911
EQUITY			
Issued capital	5	19,217,245	17,600,555
Reserves		987,216	966,800
Retained earnings		(6,194,657)	(3,855,444)
TOTAL EQUITY		14,009,804	14,711,911

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated interim financial report.

Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Consolidated			
	Issued Capital Ordinary	Accumulated Losses	Share Option Reserve	Total
Note	\$	\$	\$	\$
Balance at 1 July 2008	16,499,233	(1,911,066)	865,598	15,453,765
Comprehensive income for the period	-	(414,553)	-	(414,553)
Revaluation of available for sale financial instruments (net of tax)	-	-	-	-
Cost of share based payment	-	-	73,242	73,242
Balance at 31 December 2008	16,499,233	(2,325,619)	938,840	15,112,454
Balance at 1 July 2009	17,600,555	(3,855,444)	966,800	14,711,911
Comprehensive income for the period		(2,303,509)	-	(2,303,509)
Share Placement	1,700,000	-	-	1,700,000
Transaction Costs	(119,014)	-	-	(119,014)
Cost of share based payment	-	-	20,416	20,416
Issue Costs - Tax benefit not recognised	35,704	(35,704)	-	-
Balance at 31 December 2009	19,217,245	(6,194,657)	987,216	14,009,804

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated interim financial report

Consolidated Statement of Cash Flow

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated	
		Half year ended 31 Dec 2009 \$	Half year ended 31 Dec 2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		20,977	46,144
Payments to suppliers and employees		(482,476)	(391,737)
Interest received		21,901	35,135
NET CASH (USED IN) OPERATING ACTIVITIES		(439,598)	(310,458)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(2,161)	(9,971)
Government exploration related grants		40,909	-
Joint venture receipts		609,000	-
Payments for exploration activities		(1,343,116)	(1,070,006)
NET CASH (USED IN) INVESTING ACTIVITIES		(695,368)	(1,079,977)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,700,000	-
Transaction costs of issue of shares		(134,814)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		1,565,186	-
Net increase/(decrease) in cash and cash equivalents		430,220	(1,390,435)
Cash at the beginning of the period		1,958,426	1,647,737
CASH AT THE END OF THE PERIOD		2,388,646	257,302

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated interim financial report

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting entity

Bondi Mining Ltd (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2009 comprises the Company and its subsidiary (the "consolidated entity").

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2009 is available upon request from the Company's registered office.

b. Statement of compliance

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

The consolidated interim financial report does not include all of 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 2009.

c. Significant accounting policies

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the consolidated financial report as at and for the year ended 30 June 2009.

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. New and revised Standards and interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 8 Operating Segments
- AASB101 Presentation of Financial Statements

AASB 8 Operating Segments

AASB 8 replaced AASB 114 Segment Reporting upon its effective date. Information regarding the operating segments of the Group is presented in Note 2. The amounts reported for the prior period have been restated to conform to the requirements of AASB 8.

AASB101 Presentation of Financial Statements

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present one statement.

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

d. Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, in preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2009.

In the half-year ended 31 December 2009, management reassessed its estimates in respect of:

Carrying value of exploration expenditure

The Group performed a detailed review of its exploration tenements at period end to determine whether the related expenditure should continued to be capitalised under AASB 6 or written off to profit or loss. As a result of this review, management has determined an amount be written off as a result of relinquishments of title and restricted access.

2. SEGMENT INFORMATION

The Group has adopted AASB 8 *Operating Segments* and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 8* with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess its performance. In contrast, the predecessor Standard (AASB 114 *Segment Reporting*) required an entity to identify two sets of segments (business and geographical), using a risk rewards approach, with the entity's 'system of internal financial reporting to 'key management personnel' serving only as the starting point for the identification of such segments. As a result, following the adoption of AASB 8, the identification of the Group's reportable segments has changed.

In prior years, segment information reported externally was analyzed on an industry and geographical basis. However, information reported to the Company's Managing Director for the purposes of resources allocation and assessment of performance is more specifically focused on the areas in which the Group is exploring. The Group's reportable segments under AASB 8 are therefore as follows:

- Exploration activities conducted at the Murphy Project;
- Exploration activities conducted at the North Maureen Project; and
- Exploration activities conducted at other projects.

Information regarding these segments is presented below. Amounts reported for the prior period have been restated to conform to the requirements of AASB 8. The accounting policies of the new reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review.

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Segment Revenue		Segment Result	
	Half Year ended		Half Year ended	
	31-Dec 2009	31-Dec 2008	31-Dec 2009	31-Dec 2008
	\$	\$	\$	\$
Continuing Operations				
Mineral Exploration - Murphy	-	-	-	-
Mineral Exploration - North Maureer	-	-	(74)	-
Mineral Exploration - Other	-	-	(1,865,746)	(16,319)
	-	-	(1,865,820)	(16,319)
Administration/Corporate	34,013	35,346	(437,689)	(398,234)
Consolidated revenue	34,013	35,346		
Profit before income tax			(2,303,509)	(414,553)
Income tax benefit			-	-
Profit/(Loss) for period			(2,303,509)	(414,553)

The revenue reported above represents revenue generated from external customers. There were no intersegment sales during the period.

Segment profit/(loss) represents the profit earned by each segment without allocation of central administration costs, finance costs and income tax (expense)/benefit. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance. The following is an analysis of the Group's assets by reportable operating segment:

	31-Dec 2009	30-Jun 2009
	\$	\$
Continuing Operations		
Mineral Exploration - Murphy	7,895,437	7,949,174
Mineral Exploration - North Maureer	3,178,478	3,152,909
Mineral Exploration - Other	-	1,865,746
Unallocated Assets	3,042,012	2,263,982
	14,115,927	15,231,811

3. OTHER EXPENSES

	Consolidated	
	31 Dec 09	31 Dec 08
	\$	\$
Project Generation	90,947	-
Insurance	33,020	9,642
Office Rent	18,522	13,230
Share Registry Fees	23,526	26,583
Accounting and Bookkeeping	31,228	43,115
Travel Expenses	17,468	5,452
Technical Consultants	35,850	4,474
Audit Fees	9,474	16,000
Other	25,048	8,408
	285,083	126,904

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

4. EXPLORATION AND EVALUATION ASSETS

Consolidated entity	Joint Venture	Other	Total
Capitalised tenement expenditure			
movement reconciliation			
Balance at 1 July 2009	7,949,174	5,018,655	12,967,829
Additions through expenditure	1,172,475	25,643	1,198,118
Reductions through joint venture contributions	(1,089,848)	-	(1,089,848)
Reductions through Government grants	(136,364)	-	(136,364)
Write off of tenements relinquished	-	(1,865,820)	(1,865,820)
Balance at end of year	7,895,437	3,178,478	11,073,915

The ultimate recoupment of exploration costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining leases.

Murphy Uranium Pty Ltd, a wholly owned subsidiary of Bondi Mining Ltd, has entered into a joint venture with Japans JOGMEC to undertake uranium exploration on the Murphy Project in Northern Territory. The Joint Venture agreement provides for sole funding by JOGMEC up to \$3.0 million to earn a 51% equity interest by 31 March 2013. JOGMEC has earned an initial 34% interest by spending \$2.0 million by 31 March 2012.

Please refer to note 7 in relation to a further joint venture agreement announced subsequent to balance date.

5. ISSUED CAPITAL

	Consolidated	
	As at 31 Dec 09 \$	As at 31 Dec 08 \$
Fully paid ordinary shares	19,217,245	16,499,233
	19,217,245	16,499,233
	Half year ended 31 Dec 09	
	Number	\$
Ordinary shares		
Balance at beginning of period	71,662,807	17,600,555
Share Placement at \$0.10 per share	17,000,000	1,700,000
Transaction costs - income tax benefit not recognised	-	35,704
Transaction costs on shares issued	-	(119,014)
Balance at end of period	88,662,807	19,217,245

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

6. SHARE BASED PAYMENTS

The company has established the Bondi Mining Ltd Employee Share Option Plan that entitles employees to receive unlisted options in the entity as an incentive. The terms and conditions of the share option plan are disclosed in the consolidated financial report as at and for the year ended 30 June 2009. There were no grants made during the six months ended 31 December 2009.

7. SUBSEQUENT EVENTS

Murphy Uranium Pty Ltd, a wholly owned subsidiary of Bondi Mining Ltd, has entered into a joint venture with Japans JOGMEC to undertake uranium exploration on the 100% owned North Maureen Project in Northern Territory. The Joint Venture agreement provides for sole funding by JOGMEC up to \$900,000 to earn a 51% equity interest by 31 March 2012. JOGMEC will earn an initial 25% interest by spending \$450,000 by 31 March 2011.

Directors' Declaration

In accordance with a resolution of the directors of Bondi Mining Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001 , including:
 - (i) give a true and fair view of the financial position as at 31 December 2009 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) comply with 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.

On behalf of the Board

A handwritten signature in dark ink, appearing to be 'R. Valenta', with a long horizontal flourish extending to the right.

Dr Richard Valenta
Managing Director

5 March 2010



Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bondi Mining Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bondi Mining Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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 an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company'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 Bondi Mining 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*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that causes us to believe that the half-year financial report of Bondi Mining 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 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 *Corporations Regulations 2001*.

A handwritten signature in blue ink, appearing to be 'PKF'.

PKF
Chartered Accountants

A handwritten signature in blue ink, appearing to be 'P J Whelan'.

P J Whelan
Partner

Signed in Adelaide on this 5th day of March 2010