



ASHBURTON
MINERALS LTD

ABN 99 008 894 442

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ABN 99 008 894 442

INTERIM FINANCIAL REPORT 31 DECEMBER 2011

This interim 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 2011 and any public announcements made by Ashburton Minerals Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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CORPORATE DIRECTORY

Directors

R Crabb Chairman
T Dukovcic Managing Director
P Bradford Non-Executive Director

Company Secretary

R J Dunn

Principal & Registered Office

1st Floor, 254 Railway Parade
West Leederville WA 6007
Tel: (08) 9363 7800
Fax: (08) 9363 7801

Website

www.ashmin.com.au

Country of Incorporation

Ashburton Minerals Ltd is domiciled
and incorporated in Australia

Auditors

Moore Stephens
Chartered Accountants
Level 3, 12 St George's Terrace
Perth WA 6000
Tel: (08) 9225 5355
Fax: (08) 9225 6181

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Tel: (08) 9315 2333
Fax: (08) 9315 2233

Home Stock Exchange

Australian Securities Exchange Limited
Level 2 Exchange Plaza
2 The Esplanade
Perth WA 6000

ASX Code: ATN

DIRECTORS' REPORT

Your Directors submit the financial report of Ashburton Minerals Ltd for the half year ended 31 December 2011.

1. Directors

The names of the Directors who held office during or since the end of the half-year:

Rick Crabb	Chairman
Tom Dukovcic	Managing Director
Peter Bradford	Non-Executive Director

2. Results and Review of Operations

The Company incurred an operating loss after income tax of \$4,835,618 for the half-year ended 31 December 2011.

This loss arises mainly from the write-down of the Company's exploration costs incurred against its projects and regarded as unrecoverable, with the Obi gold project accounting for most of this amount.

During the period under review, the Company was involved in active exploration at the Obi gold project in Indonesia, and in Western Australia at the Mt Webb copper project and the Capricorn base metal joint venture.

At Obi, the Company completed a diamond drilling program across the two areas of most intense artisanal workings. A total of 8 holes for 1961.95 metres were completed, with 516 samples collected and assayed for gold and a suite of associated elements. Although some very encouraging intercepts were returned, notably 6.9 m @ 7.18 g/t from hole OAD006, the results on the whole were not sufficient to warrant exercise of the option, which required the payment of US\$2 million and the issue of 30 million Ashburton shares. Consequently, on 30 September 2011 the Company withdrew from the project.

At Mt Webb, the Company continued to generate positive results, both at the key Pokali prospect where a new copper target was delineated as well as regionally through two virgin gold discoveries. At Pokali, geochemical aircore drilling under sand cover away from Pokali hill defined a copper anomaly above 1000 ppm (or, 0.1%) Cu extending for almost 400 m in length. This anomaly lies to the south and southeast of the best result returned from Pokali to date (62 m @ 0.4% Cu in hole PKC024). This target is earmarked for drilling in the 2012 field season. The Company received a WA government co-funded drilling grant of \$60,000 to partly meet costs associated with this work.

Elsewhere at Mt Webb, the regional geochemical program comprised 233 vertical aircore holes drilled through transported sand cover to sample the underlying bedrock. Holes were drilled on a broad 1 km x 1 km pattern across the western and central parts of the project area. Due to access and weather issues, the eastern portion, containing a number of gravity anomalies, remains untested. This work returned several highly anomalous gold and gold-platinum anomalies (up to 2 m @ 0.7 g/t, Au) and marks an exciting new discovery in this ever more prospective project area, which covers 1,270 sq km of the Proterozoic Western Arunta region.

At the Capricorn joint venture (50%; Resource Mining Corporation 50% and managing) initial helicopter-assisted reconnaissance exploration generated a coincident molybdenum-silver-copper-gold anomaly based on results from both vegetation and soil sampling. Follow up closer-spaced sampling over the area of anomalism was implemented, with final results awaited.

DIRECTORS' REPORT (cont)

3. Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 4 for the half-year ended 31 December 2011.

This report is made in accordance with a resolution of the Board of Directors.



Tom Dukovic
Managing Director

Dated this 15th day of March 2012.

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**AUDITOR'S INDEPENDENCE DECLARATION UNDER
S307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
ASHBURTON MINERALS LIMITED**

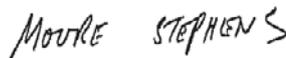
As lead auditor for the review of Ashburton Minerals Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- 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 Ashburton Minerals Limited during the period.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 15th day of March 2012.

ASHBURTON MINERALS LTD
ABN 99 008 894 442

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	31 December 2011	31 December 2010
	\$	\$
Revenue From Ordinary Activities		
Interest income	63,387	72,715
Other income	119,469	48,632
ASX/ASIC costs	(30,875)	(42,574)
Depreciation	(6,420)	(14,731)
Company secretarial fees	(6,955)	-
Consultant fees	(67,143)	(80,428)
Employee benefits expense	(110,864)	(117,564)
Share based payments	-	-
Exploration write-off	(4,295,184)	-
Travel expenses	(708)	(2,277)
Occupancy costs	(28,189)	(57,417)
Public relation expenses	(56,766)	(19,844)
Administration expenses	(408,522)	(130,410)
Foreign exchange rate loss	(3,226)	(755)
	<hr/>	<hr/>
Loss before income tax	(4,831,996)	(344,651)
Income tax expense	(3,622)	(1,352)
	<hr/>	<hr/>
Loss for the period	(4,835,618)	(346,003)

The Company's potential ordinary shares were not considered dilutive as the Company is in a loss position.

The accompanying notes form part of this financial report.

ASHBURTON MINERALS LTD
ABN 99 008 894 442

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Cont.)
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	31 December 2011 \$	31 December 2010 \$
Loss for the period	(4,835,618)	(346,003)
Other Comprehensive Income/(Loss)		
Foreign currency translation differences	65,432	(4,640)
Total comprehensive (loss) for the period	<u>(4,770,186)</u>	<u>(350,643)</u>
Total comprehensive loss attributable to members of the parent entity	<u>(4,770,186)</u>	<u>(350,643)</u>

The accompanying notes form part of this financial report.

ASHBURTON MINERALS LTD
ABN 99 008 894 442

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	31 December 2011 \$	30 June 2011 \$
Current Assets			
Cash and cash equivalents		575,216	2,577,634
Trade and other receivables		49,678	112,450
Total Current Assets		<u>624,894</u>	<u>2,690,084</u>
Non-Current Assets			
Receivables		-	18,810
Property, plant & equipment		13,975	21,545
Other non-current assets		2,585,193	5,321,999
Total Non-Current Assets		<u>2,599,168</u>	<u>5,362,354</u>
Total Assets		<u>3,224,062</u>	<u>8,052,438</u>
Current Liabilities			
Trade and other payables		89,426	123,501
Interest bearing liabilities		-	26,635
Provisions		86,586	23,077
Total Current Liabilities		<u>176,012</u>	<u>173,213</u>
Non-Current Liabilities			
Trade and other payables		-	60,989
Total Non-Current Liabilities		<u>-</u>	<u>60,989</u>
Total Liabilities		<u>176,012</u>	<u>234,202</u>
Net Assets		<u>3,048,050</u>	<u>7,818,236</u>
Equity			
Issues capital		33,386,783	33,386,783
Reserves		552,010	486,578
Accumulated losses		(30,890,743)	(26,055,125)
Total Equity		<u>3,048,050</u>	<u>7,818,236</u>

ASHBURTON MINERALS LTD
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED
31 DECEMBER 2011

	Ordinary	Retained Earnings	Share Option Reserve	Asset Realisation Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2010	28,714,042	(24,604,820)	149,729	32,095	-	(49,444)	4,241,602
Gain/(Loss) attributable to members of Parent Entity	-	(346,003)	-	-	-	-	(346,003)
Shares/Options issued during the half-year	1,620,000	-	45,000	-	-	-	1,665,000
Adjustments from translation of foreign controlled entities	-	-	-	-	-	(4,640)	(4,640)
Transaction Costs	(52,745)	-	-	-	-	-	(52,745)
Balance at 31 December 2010	30,281,297	(24,950,823)	194,729	32,095	-	(54,084)	5,503,214
Balance at 1 July 2011	33,386,783	(26,055,125)	523,229	32,095	-	(68,746)	7,818,236
Gain/(Loss) attributable to members of Parent Entity	-	(4,835,618)	-	-	-	-	(4,835,618)
Shares/Options issued during the half-year	-	-	-	-	-	-	-
Adjustments from translation of foreign controlled entities	-	-	-	-	-	65,432	65,432
Transaction Costs	-	-	-	-	-	-	-
Balance at 31 December 2011	33,386,783	(30,890,743)	523,229	32,095	-	(3,314)	3,048,050

The accompanying notes form part of this financial report.

ASHBURTON MINERALS LTD
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED
31 DECEMBER 2011

	31 December 2011 \$	31 December 2010 \$
Cash Flows From Operating Activities		
Receipts from customers	81,494	95,203
Payments to suppliers and employees	(676,415)	(476,903)
Interest received	63,387	72,715
Finance Cost	-	(5,146)
Tax paid	(3,622)	(1,352)
	(535,156)	(315,483)
Cashflows From Investing Activities		
Payments for plant and equipment	37,975	(6,423)
Proceeds from disposal of non-current assets	-	27,325
Payments for exploration and development expenditure	(1,505,237)	(1,162,255)
	(1,467,262)	(1,141,352)
Cashflows From Financing Activities		
Proceeds from issue of shares	-	1,447,255
Payment of share issue costs	-	-
Proceeds from borrowings	-	20,101
Repayment of borrowings	-	-
	-	1,467,356
Net Increase (Decrease) In Cash Held	(2,004,418)	10,521
Cash at beginning of period	2,577,634	1,946,889
Effects of exchange rates on cash holdings in foreign currency	-	-
	575,216	1,957,410
Cash at end of period	575,216	1,957,410

The accompanying notes form part of these financial statements.

ASHBURTON MINERALS LTD
ABN 99 008 894 442

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED
31 DECEMBER 2011

Note 1: Basis of Preparation of the half yearly report

This general purpose interim financial report for the half-year reporting period ended 31 December 2011 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim 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 2011 and any public announcements made by Ashburton Minerals Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies applied are the same as those applied by Ashburton in its annual report for the year ended 30 June 2011.

Note 2: Segment Information

Management has determined the operating segments be based on a geographical perspective, identifying three reportable segments, being Australia, Indonesia and Brazil. At 31 December 2011, Australia remains the only geographic segment as the Company has recently exited Brazil and Indonesia.

The Group operates exclusively in one business segment of mineral exploration.

	Mineral Exploration	31 December 2011 \$	30 June 2011 \$
Assets	Australia	3,224,062	4,862,841
	Brazil	-	833,476
	Indonesia	-	2,356,121
	Total Assets	3,224,062	8,052,438

Note 3: Loss for the half year

Loss for the half-year includes the following items that are unusual because of their nature, size or incidence:

	31 December 2011 \$	31 December 2010 \$
Exploration Write Off	4,295,184	-

Note 4: Contingent Liabilities

The Directors are not aware of any contingent liabilities as at 31st December 2011.

ASHBURTON MINERALS LTD
ABN 99 008 894 442

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE HALF-YEAR ENDED
31 DECEMBER 2011

Note 5: Contributed Equity

	31 December 2011 Number	31 December 2011 \$
Shares		
Issued and paid-up capital ordinary shares, fully paid	735,685,043	33,386,783
Movements in issued and paid up capital		
Balance at the beginning of the period	735,685,043	33,386,783
Ordinary shares issued during the period	-	-
Less share issue costs		-
Balance at the end of the period	<u>735,685,043</u>	<u>33,386,783</u>

Options

The Company has on issue 22,375,000 options over un-issued capital in the Company.

	31 December 2011 Number of Options
Movements in Options	
Balance at the beginning of the period	22,375,000
Options issued during the period	-
Options exercised during the period	-
Options expired during the period	-
Balance at the end of the period	<u>22,375,000</u>

Terms and Conditions of Contributed Equity

Ordinary shares have the right to receive dividends and, in the event of winding-up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Note 5: Related Party Transactions

The names of each person holding the position of Director of Ashburton Minerals Ltd since the beginning of the financial period are:

- Mr Rick Crabb
- Mr Tom Dukovic
- Mr Peter Bradford

There were no related party transactions during the half year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE HALF-YEAR ENDED
31 DECEMBER 2011

Note 6: Share Based Payments

There were no share based payments during the half year ending 31 December 2011.

Note 7: Events Subsequent to Reporting Date

There were no material events subsequent to the end of the reporting period that have not been reflected in this financial report.

Note 8: Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realization of assets and the settlement of liabilities in the normal course of business.

The ability of the company and its controlled entities ("the Group") to continue as a going concern and to pay its debts as and when they fall due is dependent on the ability of the Company to secure additional funding sufficient to fund ongoing project exploration and evaluation activities and to provide adequate working capital for a further 12 months.

The directors are currently looking at various funding options to ensure the Group continues as a going concern. Fundraising options currently under consideration include:

- an Entitlements Issue to shareholders;
- A short-form prospectus placement to qualifying investors under section 708 of the *Corporations Act 2001* utilising the Company's capacity to place up to 15% of the issued stock without shareholder approval; and
- A full-form prospectus placement to investors.

Notwithstanding this, there is uncertainty whether the Company will be able to continue as a going concern. Should the Company be unable to achieve the funding outcomes mentioned above, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The half year financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

DIRECTORS' DECLARATION

The Directors of the company declare that:

- 1) The financial statements and notes set out on pages 5 to 12 are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the financial position of the consolidated entity as at 31 December 2011 and of its performance for the half-year ended on that date, and
 - (ii) Complying with Accounting Standards AASB 134 "Interim Financial Reporting" and the Corporations Regulations.
- 2) 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.

Signed in accordance with a resolution of the Board of Directors.



Tom Dukovcic
Managing Director

Dated this 15th day of March 2012

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Perth WA 6000

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WA 6831

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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF ASHBURTON MINERALS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ashburton Minerals Limited and its controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information 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.

Directors' Responsibility for the Half-Year Financial Report

The directors of Ashburton Minerals Limited (the company) are responsible for the preparation and fair presentation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such 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 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 2011 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 Ashburton Minerals Limited and controlled entities, 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 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, provided to the directors of Ashburton Minerals Limited and controlled entities on 15th March 2012, would be in the same terms if provided 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 Ashburton Minerals Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

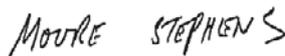
Emphasis of Matter - Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the conclusion expressed above, attention is drawn to the following matter;

As referred to in Note 8 of the financial statements, the financial statements have been prepared on a going concern basis. The ability of the consolidated entity to continue as a going concern is dependent on it generating sufficient income, the continued support of existing creditors and further capital raisings as and when required. These conditions, along with other matters set forth in Note 8, 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 and at amounts other than as stated in the financial report.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 15th day of March 2012.