



**BAILEY**  
MINERALS NL.

**ABN 43 131 213 824**

**Interim Financial Report  
for the half-year ended 31 December 2010**

**Note:**

The information contained herein should be read in conjunction with the most recent annual report.

Bailey Minerals NL  
ABN 43 131 213 824  
Unit 6, 34 York Street  
North Perth WA 6006  
Telephone 08 9228 0711  
Fax 08 9228 0704

**BAILEY MINERALS NL**  
**ABN 43 131 213 824**  
**INTERIM FINANCIAL REPORT DECEMBER 2010**

**DIRECTORS' REPORT**

Your directors submit the financial report of the Company for the half-year ended 31 December 2010.

**Directors**

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

Brian Thomas

Matthew Atkins

Anna Aaron

**REVIEW OF OPERATIONS**

The Company listed on the Australian Securities Exchange on 2 September 2010 with the issue of 17,500,000 ordinary shares at 20 cents to raise \$3,500,000. The main assets of the Company are two farm-in agreements on tenements in Western Australia.

The Company can earn up to a 60% interest in the Mt Palmer project by spending up to \$400,000 and up to a 70% interest in the Mallee Hen Point Project by spending up to \$400,000. The Company has retained a consultant geologist to commence a full desk top study and data acquisition for both projects.

On 12 November 2010, the Company announced that it had reached agreement to acquire the Condoto Platinum Project consisting of tenements and rights to explore for platinum in the Condoto area of the Choco Province in Colombia. Post the end of the half year, the Company has despatched to all shareholders a notice of meeting to approve the acquisition of Condoto.

**Auditor's Declaration**

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 2 for the half year ended 31 December 2010.

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



**Brian Thomas**

**DIRECTOR**

Dated this 24th Day of February 2011

**To The Board of Directors**

**Auditor's Independence Declaration under Section 307C of the  
Corporations Act 2001**

This declaration is made in connection with our review of the financial report of Bailey Minerals NL for the half year ended 31 December 2010 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review;
- no contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to the review.

Yours faithfully



**BENTLEYS**  
Chartered Accountants



**CHRIS WATTS CA**  
Director

DATED at PERTH this 24<sup>th</sup> day of February 2011

**BAILEY MINERALS NL**  
**ABN 43 131 213 824**  
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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	<b>31/12/2010</b>	<b>31/12/2009</b>
	<b>\$</b>	<b>\$</b>
Revenue	58,102	-
Accounting and Audit Fees	(8,650)	-
Share Registry and Listing Fees	(16,179)	-
Employee Benefits Expense	(2,325)	-
Directors Fees	(50,833)	-
Legal and Consulting Fees	(68,544)	-
Travel and Accommodation	(17,018)	-
Insurance	(13,993)	-
Exploration Expenses not Capitalised	(7,256)	-
Other Expenses	(7,601)	-
Loss before income tax	(134,297)	-
Income tax expense	-	-
Loss from continuing operations	(134,297)	-
<b>Other Comprehensive Income</b>		
Other Comprehensive Income for the period	-	-
Net Loss and Total Comprehensive income attributable to members of the Company	(134,297)	-
<b>Overall Operations:</b>		
Basic loss per share (cents per share)	(0.61)	-

The accompanying notes form part of these financial statements.

**BAILEY MINERALS NL**  
**ABN 43 131 213 824**  
**INTERIM FINANCIAL REPORT DECEMBER 2010**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010**

	Note	31/12/2010 \$	30/6/2010 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,959,282	130,688
Trade and other receivables		127,536	97
<b>TOTAL CURRENT ASSETS</b>		<u>3,086,818</u>	<u>130,785</u>
<b>TOTAL ASSETS</b>		<u>3,086,818</u>	<u>130,785</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		17,234	61,883
Financial liabilities		27,092	130,000
<b>TOTAL CURRENT LIABILITIES</b>		<u>44,326</u>	<u>191,883</u>
<b>TOTAL LIABILITIES</b>		<u>44,326</u>	<u>191,883</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u>3,042,492</u>	<u>(61,098)</u>
<b>EQUITY</b>			
Issued capital	5	3,241,106	3,219
Accumulated losses		(198,614)	(64,317)
<b>TOTAL EQUITY</b>		<u>3,042,492</u>	<u>(61,098)</u>

The accompanying notes form part of these financial statements.

**BAILEY MINERALS NL**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2010</b>	3,219	(64,317)	(61,098)
Loss attributable to members of the Company	-	(134,297)	(134,297)
Other comprehensive income	-	-	-
<b>Total Comprehensive income for the period</b>	-	(134,297)	(134,297)
<b><i>Transactions with owners, directly in equity</i></b>			
Shares issued during the period	3,500,000	-	3,500,000
Capital raising costs	(262,113)	-	(262,113)
<b>Balance at 31 December 2010</b>	<b>3,241,106</b>	<b>(198,614)</b>	<b>3,042,492</b>
<b>Balance at 1 July 2009</b>	2	-	2
Loss attributable to members of the Company	-	-	-
Other comprehensive income	-	-	-
<b>Total Comprehensive income for the period</b>	-	-	-
<b><i>Transactions with owners, directly in equity</i></b>			
Shares issued during the period	-	-	-
<b>Balance at 31 December 2009</b>	<b>2</b>	<b>-</b>	<b>2</b>

The accompanying notes form part of these financial statements.

**BAILEY MINERALS NL**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	<b>31/12/2010</b>	<b>31/12/2009</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	58,102	-
Payments to suppliers and employees	(248,089)	-
Net cash used in operating activities	(189,987)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	-
Net cash provided by investing activities	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	3,397,092	-
Payment for share issue costs	(262,113)	-
Loan to Condoto Platinum	(116,398)	-
Net cash provided by financing activities	3,018,581	-
Net increase in cash held	2,828,594	-
Cash at beginning of period	130,688	-
Cash at end of period	2,959,282	-

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE  
 HALF-YEAR ENDED 31 DECEMBER 2010**

**NOTE 1: BASIS OF PREPARATION**

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Bailey Mineral NL. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2010 and any public announcements made by Bailey Mineral NL during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

**NOTE 2: OPERATING SEGMENTS**

	<b>Treasury</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>For the Half Year to 31 December 2010</b>		
Segment Revenue	58,102	58,102
Segment Results	58,102	58,102
Corporate Expenses		(192,399)
Profit/(Loss) before Income Tax		(134,297)
<b>As at 31 December 2010</b>		
Segment Assets	2,959,282	2,959,282
Unallocated Assets:		
Trade and other receivables		127,536
Total Assets		3,086,818
Segment Liabilities	-	-
Unallocated Liabilities:		
Trade and other payables		17,234
Financial liabilities		27,092
Total Liabilities		44,326



**BAILEY MINERALS NL**  
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**NOTE 2: OPERATING SEGMENTS (continued)**

	<b>Treasury</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>For the Half Year to 31 December 2009</b>		
Segment Revenue	-	-
Segment Results	-	-
Expenses		-
Profit/(Loss) before Income Tax		-
<b>As at 30 June 2010</b>		
Segment Assets	130,668	130,668
Unallocated Assets:		
Trade and other receivables		97
Total Assets		130,785
Segment Liabilities	-	-
Unallocated Liabilities:		
Trade and other payables		61,883
Financial liabilities		130,000
Total Liabilities		191,883

**NOTE 3: CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting date.

**NOTE 4: EVENTS SUBSEQUENT TO REPORTING DATE**

An agreement has been reached to acquire the Condoto Platinum Project in Colombia. Subject to the completion of a satisfactory due diligence and the grant of shareholder approval, the Company will acquire 51% of Condoto Platinum Limited by the issue of 6,000,000 fully paid ordinary shares in Bailey Minerals NL and the payment of USD\$500,000.

There are no other subsequent events at reporting date.

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**NOTE 5: ISSUED CAPITAL**

	<b>31/12/2010</b>	<b>30/06/2010</b>
<b>(a) Ordinary Shares</b>	<b>\$</b>	<b>\$</b>
17,800,002 (2009: 300,002) full paid ordinary shares	3,503,219	60,002
6,000,000 partly paid ordinary shares issued at \$0.20 paid to \$0.001	600	600
Transaction costs relating to share issues	(262,113)	-
	3,241,106	60,602

	<b>2010</b>
<b>(b) Movements in Ordinary Shares</b>	<b>No.</b>
At the beginning of the reporting period	6,300,002
Shares issued during the period:	
17,500,000 shares issued on 31 August 2010	17,500,000
At reporting date	23,800,002

Partly paid shares issued to promoters of the Company. Each partly paid share is at a price of \$0.20 of which \$0.01 is paid on issue with the balance of the issue price payable at the election of the holder at any time within 5 years of issue. The partly paid shares will allow on a pro-rata basis permit the holder to vote at general meetings and to participate in dividends.

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**DIRECTORS' DECLARATION**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 3-9:
  - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001; and
  - b. give a true and fair view of the Company's financial position as at 31 December 2010 and of its performance for the half year ended on that date.
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.

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



**Brian Thomas**

**DIRECTOR**

Dated this 24th Day of February 2011

## Independent Auditor's Review Report

### To the Members of Bailey Minerals NL

We have reviewed the accompanying half-year financial report of Bailey Minerals NL ("the Company") which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

**Bentleys Audit  
& Corporate (WA) Pty Ltd**  
ABN 33 121 222 802

Level 1  
12 Kings Park Road  
West Perth WA 6005

PO Box 44  
West Perth WA 6872

T +61 8 9226 4500  
F +61 8 9226 4300

[www.bentleys.com.au](http://www.bentleys.com.au)

#### Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such 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 Company's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Bailey Minerals NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

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

# **Independent Auditor's Review Report**

To the Members of Bailey Minerals NL (Continued)



## **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 Bailey Minerals NL is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Company's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

A handwritten signature in blue ink that reads "Bentleys".

**BENTLEYS**  
Chartered Accountants

A handwritten signature in blue ink, appearing to be "Chris Watts".

**CHRIS WATTS CA**  
Director

DATED at PERTH this 24<sup>th</sup> day of February 2011