ASHBURTON MINERALS LTD

ABN 99 008 894 442

INTERIM FINANCIAL REPORT
31 DECEMBER 2012

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 2012 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
P J McQuillan (appointed 11 February 2013)
R Dunn (resigned 11 February 2013)

Principal & Registered Office
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Website
www.ashburton-minerals.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, ATNO

DIRECTORS' REPORT

Your Directors submit the interim financial report of Ashburton Minerals Ltd for the half year ended 31 December 2012.

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 $2,077,697 (31 December 2011: $4,835,618) for the half-year ended 31 December 2012.

The Company continued its focus on re-establishing its presence in Australia. Additional drilling was completed at the Pokali prospect at Mt Webb, and a farm-in agreement was signed over the Mt Andrew project in the Fraser Range region of WA. Evaluation of new opportunities continued in an attempt to secure an acquisition of an advanced project in the gold and/or copper-gold sector. Reviews were undertaken of projects in Queensland and Western Australia, however, a suitable project has not yet been identified.

On 17 July 2012, drilling results from east Pokali were released, showing that the copper zone continues as a broad zone, albeit of low grade mineralisation. A best result of 78 m @ 0.26% Cu from 162 m to 240 m was returned from drill hole PKC027.

On 13 November 2012, the Company announced it had signed a farm-in agreement with private owners over the Mt Andrew project, comprising two granted exploration licences, E63/1322 and E63/1375 in the Fraser Range region of Western Australia. The 290 km^2 project is deemed prospective primarily for gold, but also encompasses 20 km^2 of rocks of the Fraser Complex, which is prospective for nickel-copper mineralisation and which hosts the 'Nova' discovery some 75 km to the north. Work was scheduled to commence in February 2013.

The Company held its Annual General Meeting on 19 November 2012 with all resolutions being passed as put, including the adoption of the Remuneration Report, the re-election of Peter Bradford as a director, and the approval of an additional 10% placement capacity.

On 6 December 2012, the Company announced that it had reached agreement with Toro Energy Limited (Toro) under which the Company has been able to re-secure access to the Pokali tenement. Due to an administrative oversight, the Company had failed to lodge an application with the Department of Mines and Petroleum to extend the tenure of E80/3327 within the prescribed time. This tenement consequently expired on 24 November 2012. An application, E80/4747, over the identical ground was lodged by Toro four days later on 28 November 2012. Toro and Ashburton subsequently reached agreement whereby, in summary, Ashburton can regain a 90% interest in the tenement in return for granting Toro 100% uranium rights over E80/4747, and E90/3920, Ashburton's other remaining tenement in the Mt Webb area.

DIRECTORS' REPORT (cont)

On 10 December 2012, the Company announced a non-renounceable pro-rata Rights Issue on the basis of one new share for every three shares held, proposing to issue 325,379,186 new shares at 0.2 cents each to raise approximately $650,758. The issue included one free attaching unlisted option for every three shares subscribed for, being up to 108,459,728 options exercisable at 0.3 cents by 31 December 2014. The issue closed subsequent to half-year end on 17 January 2013, with 130,599,952 shares (40%) allotted to shareholders, raising $261,200. The balance shortfall can be placed by Directors at any time prior to 10 March 2013.

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 2012.

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

Tom Dukovcic
Managing Director

Dated this 13th day of March 2013

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C 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 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.

Neil Pace

Moore Stephens

Neil Pace
Partner

Moore Stephens
Chartered Accountants

Signed at Perth this 13th day of March 2013

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	31 December 2012 $	31 December 2011 $
Revenue From Ordinary Activities		
Interest income	6,023	63,387
Other income	78,194	119,469
ASX/ASIC costs	(18,382)	(30,875)
Depreciation	(2,171)	(6,420)
Company secretarial fees	(11,330)	(6,955)
Consultant fees	(130,500)	(67,143)
Employee benefits expense	(114,106)	(110,864)
Exploration expenditure write-off	(1,733,705)	(4,295,184)
Travel expenses	(12,142)	(708)
Occupancy costs	(31,825)	(28,189)
Public relation expenses	(18,162)	(56,766)
Administration expenses	(89,591)	(408,522)
Foreign exchange rate loss	-	(3,226)
Loss before income tax	(2,077,697)	(4,831,996)
Income tax expense	-	(3,622)
Loss for the period	**(2,077,697)**	**(4,835,618)**

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
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Cont.)
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	31 December 2012 $	31 December 2011 $
Loss for the period	(2,077,697)	(4,835,618)
Other Comprehensive Income		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences	-	65,432
Other comprehensive income for the period	-	65,432
Total comprehensive income for the period	(2,077,697)	(4,770,186)
Total comprehensive income attributable to members of the parent entity	**(2,077,697)**	**(4,770,186)**

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 2012

	Note	31 December 2012 $	30 June 2012 $
Current Assets			
Cash and cash equivalents		45,625	849,654
Trade and other receivables		41,037	45,175
Total Current Assets		86,662	894,829
Non-Current Assets			
Property, plant & equipment		10,417	12,588
Other non-current assets		1,974,548	3,423,179
Total Non-Current Assets		1,984,965	3,435,767
Total Assets		2,071,626	4,330,596
Current Liabilities			
Trade and other payables		125,398	301,249
Interest bearing liabilities		6,266	-
Provisions		89,080	23,077
Total Current Liabilities		220,741	324,326
Non-Current Liabilities			
Provisions		-	66,003
Total Non-Current Liabilities		-	66,003
Total Liabilities		220,744	390,329
Net Assets		**1,850,882**	**3,940,267**
Equity			
Issues capital		34,427,454	34,439,142
Reserves		555,324	555,324
Accumulated losses		(33,131,896)	(31,054,199)
Total Equity		**1,850,882**	**3,940,267**

The accompanying notes form part of this financial report.

ASHBURTON MINERALS LTD
ABN 99 008 894 442

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Ordinary $	Retained Earnings $	Share Option Reserve $	Asset Realisation Reserve $	Asset Revaluation Reserve $	Foreign Currency Translation Reserve $	Total $
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	**33,386,782**	**(30,890,743)**	**523,229**	**32,095**	**-**	**(3,314)**	**3,048,050**
Balance at 1 July 2012	**34,439,142**	**(31,054,199)**	**523,229**	**32,095**	**-**	**-**	**3,940,268**
Gain/(Loss) attributable to members of Parent Entity	-	(2,077,697)	-	-	-	-	(2,077,697)
Shares/Options issued during the half-year	22,210	-	-	-	-	-	22,210
Transaction Costs	(33,898)	-	-	-	-	-	(33,898)
Balance at 31 December 2012	**34,427,454**	**(33,131,896)**	**523,229**	**32,095**	**-**	**-**	**1,850,882**

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	31 December 2012 $	31 December 2011 $
Cashflows From Operating Activities		
Receipts from customers	82,332	81,494
Payments to suppliers and employees	(601,889)	(676,415)
Interest received	6,023	63,387
Tax paid	-	(3,622)
Net cash used in Operating Activities	(513,534)	(535,156)
Cashflows From Investing Activities		
Payments for plant and equipment	-	37,975
Proceeds from disposal of non-current assets	-	-
Payments for exploration and development expenditure	(285,074)	(1,505,237)
Net cash used in Investing Activities	(285,074)	(1,467,262)
Cashflows From Financing Activities		
Proceeds from issue of shares	22,210	-
Payment of share issue costs	(33,898)	-
Proceeds from borrowings	6,266	-
Repayment of borrowings	-	-
Net cash used in Financing Activities	(5,422)	-
Net Decrease In Cash Held	(804,029)	(2,004,418)
Cash at beginning of period	849,654	2,577,634
Cash at end of period	**45,625**	**575,216**

The accompanying notes form part of these financial statements.

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 2012 has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report is intended to provide users with an update on the latest annual financial statements. As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group and 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 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 Minerals Ltd in its annual report for the year ended 30 June 2012.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

Presentation of Items of Other Comprehensive Income

The Group adopted AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income on 1 July 2012. AASB 2011–9 is mandatorily applicable from 1 July 2012 and amends AASB 101: Presentation of Financial Statements.

AASB 2011–9 amends the presentation requirements of other comprehensive income. It requires items of other comprehensive income to be grouped between:

– items that will not be reclassified subsequently to profit or loss; and

– those that will be reclassified subsequently to profit or loss when specific circumstances occur.

It also requires, when items of other comprehensive income are presented before the related tax effects with a single amount shown for the aggregate amount of income tax relating to those items, the amount of tax effect to be allocated between:

– items that will not be reclassified subsequently to profit or loss; and

– those that might be reclassified subsequently to profit or loss.

AASB 2011–9 also amends AASB 101 to change the title “income statement” to “statement of profit or loss” under the two-statement approach. Although other titles are also permitted, the Group has decided to use the title “statement of profit or loss”.

The adoption of AASB 2011–9 only changed the presentation of the Group’s financial statements and did not have any impact on the amounts reported for the current period or for any prior period in the Group’s financial statements.

Note 2: Segment Information

Management has determined the operating segments be based on a geographical perspective, identifying two reportable segments, being Australia and Brazil.

The Group operates exclusively in one business segment which involves mineral exploration.

	Mineral Exploration	31 December 2012 $	30 June 2012 $
Assets	Australia	2,071,626	4,330,596

		31 December 2012 $	31 December 2011 $
Revenue	Australia	84,216	25,325
	Brazil	-	157,531
	Total Revenue	84,216	182,856

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 2012 $	31 December 2011 $
Exploration Write Off	(1,733,705)	(4,295,184)

Note 4: Contingent Liabilities

The directors are not aware of any contingent liabilities as at 31st December 2012.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE HALF-YEAR ENDED
31 DECEMBER 2012**

Note 5: Contributed Equity

Shares	31 December 2012 Number	31 December 2012 $
Issued and paid-up capital ordinary shares, fully paid	976,140,558	34,427,454
Movements in issued and paid up capital		
Balance at the beginning of the period	971,121,705	34,439,142
Ordinary shares issued during the period	5,018,853	22,210
Less share issue costs	-	(33,898)
Balance at the end of the period	976,140,558	34,427,454

Options

The Company has on issue 138,173,368 options over un-issued capital in the Company.

	31 December 2012 Number
Movements in Options	
Balance at the beginning of the period	140,067,721
Options issued during the period	-
Options exercised during the period	(18,853)
Options expired during the period	(1,875,500)
Balance at the end of the period	138,173,368

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 6: Events Subsequent to Reporting Date

On 22 January 2013 the Company announced that its rights issue had closed on 17 January 2013, with 130,599,952 shares (40%) allotted to shareholders, raising $261,200. The balance shortfall can be placed by directors at any time prior to 10 March 2013.

On 11 February 2013, Paul McQuillan was appointed as Company Secretary following the resignation of Rodney Dunn.

On 27 February 2013, the Company advised of the completion of a VTEM helicopter-borne electromagnetic survey over the northern part of the Mt Andrew project. Results were not yet available.

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

Note 7: Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation 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

- 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 25% 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

In accordance with a resolution of the directors of Ashburton Minerals Limited, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 13 are in accordance with the Corporations Act 2001, including:
   a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
   b. 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.
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.

Tom Dukovcic

Tom Dukovcic
Managing Director

Dated this 13th day of March 2013

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ASHBURTON MINERALS LIMITED AND ITS CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ashburton Minerals Limited and controlled entities (the consolidated entity) which comprises the consolidated condensed statement of financial position as at 31 December 2012, the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity, the consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

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 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 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, 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 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 2012 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.

Inherent Uncertainty Regarding Going Concern

Without qualification to the opinion expressed above, we draw attention to note 7 of the financial statements which states that the financial statements have been prepared on a going concern basis. Whilst the Company currently has adequate financial resources for the short term its ability to continue as a going concern for at least the next 12 months will require it to undertake further capital raisings during this period. Based on prior experience the directors of the Company are confident of obtaining the necessary shareholder support if and when required. Furthermore they are actively investigating new projects with a view to recapitalising the Company. Notwithstanding this there is some degree of uncertainty of the Company achieving these outcomes and consequently we have significant uncertainty as to whether the Company will continue as a going concern for a minimum period of the next 12 months. Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts other than as stated in the financial report.

Neil Pace

Moore Stephens

Neil Pace
Partner

Moore Stephens
Chartered Accountants

Signed at Perth this 13th day of March 2013