



## PROFITABLE HALF-YEAR TO 31 DECEMBER 2009

19 February 2010

ASX Announcement

- **Operating Cash Flow of \$6.6 million for the half-year**
- **EBITDA of \$5.9 million, compared to \$3.2 million for the December 2008 half-year**
- **Net profit after tax of \$0.7 million, compared to a loss of \$2.3 million**
- **Total Tasmania Mine gold resources increased to 571,000 ounces**

BCD Resources is pleased to report a net profit for the half-year of \$0.7 million (31 December 2008 half-year: loss of \$2.3 million). This was after providing \$4.7 million for depreciation and amortisation. Earnings before interest, tax, depreciation and amortisation were \$5.9 million, an 87.5% improvement on the December 2008 half-year result.

The improved performance mainly reflects a stronger Australian dollar gold price, partly offset by 4% lower gold production. The average gold price realised for the half-year of A\$1,186 per ounce was 11% higher than for the same period last year. The average gold price received to date during calendar 2010 is A\$1,234 per ounce.

A number of initiatives were commenced during the half-year to further improve productivity and reduce costs. These included the introduction of a new mining method with lower development and drilling costs, and selective mining of high grade areas by contractors.

The gross profit from Tasmania Mine operations was \$7.8 million, which funded expenditure of \$2.0 million on mine development and exploration. The benefit of this exploration was seen in a 37% increase in gold resources to 571,000 ounces. Cash increased by \$4 million and bank debt was fully repaid during the half-year. Group cash and bullion despatched and accounted as revenue totalled A\$12.1 million at 31 December 2009.

BCD Resources will continue to target resource extensions at the Tasmania Mine and will pursue an active gold exploration program. It continues to look at options to enhance the value of its attractive Victorian copper assets.

# **BCD RESOURCES NL**

**(Formerly Beaconsfield Gold NL)**

**[www.bcdresources.com.au](http://www.bcdresources.com.au)**

**BCD RESOURCES NL AND CONTROLLED ENTITIES**

**ASX APPENDIX 4D AND FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2009**

**ABN 22 057 793 834**

**ASX CODE: BCD**

## Table of Contents

ASX APPENDIX 4D – RESULTS FOR ANNOUNCEMENT TO THE MARKET .....	1
CORPORATE INFORMATION .....	2
DIRECTORS' REPORT .....	3
AUDITOR'S INDEPENDENCE DECLARATION .....	7
INCOME STATEMENT .....	8
BALANCE SHEET .....	9
CASH FLOW STATEMENT .....	10
STATEMENT OF CHANGES IN EQUITY .....	11
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS .....	12
DIRECTORS' DECLARATION.....	18
INDEPENDENT REVIEW REPORT .....	19

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ASX APPENDIX 4D

HALF-YEAR FINANCIAL REPORT TO 31 DECEMBER 2009

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

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	31 December 2009 \$'000	31 December 2008 \$'000	Percentage increase/ (decrease)
Revenue from ordinary activities	40,882	39,264	4.1
EBITDA	5,915	3,155	87.5
Net profit/(loss) after tax attributable to members	662	(2,303)	

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**Dividends**

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No dividends were declared or paid during the half-years ended 31 December 2008 and 31 December 2009.

**Explanation of Results**

In summary for the half-year ended 31 December 2009:

The net profit after tax attributable to members for the half-year of \$0.662 million includes the parent entity's share (\$0.505 million) of the \$0.569 million loss of the BCD Resources (Operations) NL group for the half-year.

The improved performance compared to the December 2008 half-year mainly reflects the higher gold price realised, partly offset by lower gold production of 33,995 ounces (December 2008 half-year 35,424 ounces). The average gold price realised for the current period of A\$1,186 per ounce was 11% higher than for the same period last year.

Refer to the commentary in the Directors' Report for more information.

***CORPORATE INFORMATION***

***ABN 22 057 793 834***

***ASX CODE BCD***

***Directors***

Denis E Clarke	Non-Executive Chairman
Michael W Trumbull	Non-Executive Director
William Tsingos	Non-Executive Director
Kevin J Perrin	Non-Executive Director
Dato' Mohd Ajib Anuar	Non-Executive Director
Choo Mun Keong	Non-Executive Director

***Chief Executive Officer***

William T Colvin

***Company Secretary***

Brian D Coulter

***Registered Office and Principal Place of Business***

Level 7, Exchange Tower  
530 Little Collins Street  
Melbourne Vic 3000

Telephone: (03) 9909 7401  
Facsimile: (03) 9909 7402  
Website: [www.bcdresources.com.au](http://www.bcdresources.com.au)  
E-mail: [enquiries@bcdresources.com.au](mailto:enquiries@bcdresources.com.au)

***Mine Site Office***

5 West Street  
Beaconsfield TAS 7270

Telephone: (03) 6383 6500  
Facsimile: (03) 6383 6590

***Share Registry***

Computershare Investor Services Pty Limited  
PO Box 103  
Abbotsford Vic 3067

Telephone: (03) 9415 5000  
(03) 9415 4661 (Investor Contact)  
1300 136 250 (Investor Contact)  
Facsimile: (03) 9473 2500  
Website: [www.computershare.com](http://www.computershare.com)

***Auditor***

RSM Bird Cameron Partners  
Level 8, Rialto South Tower  
525 Collins Street  
Melbourne Vic 3000

***Banker***

Commonwealth Bank of Australia  
Level 14  
385 Bourke Street  
Melbourne Vic 3000

**BCD RESOURCES NL**  
**HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2009**

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Your directors submit their report for the half-year ended 31 December 2009.

**DIRECTORS**

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.

Denis E Clarke – Chairman  
Michael W Trumbull  
William Tsingos  
Kevin J Perrin  
Dato' Mohd Ajib Anuar  
Choo Mun Keong

**PRINCIPAL ACTIVITIES**

The principal activities of the Consolidated Entity during the half-year were:

- to produce gold through the operation of the Tasmania Mine in north-east Tasmania; and
- mineral exploration in Australia.

There have been no significant changes in the nature of those activities during the period.

Following the consolidation of mine ownership in April 2007, the expanded BCD Resources NL group has a 100% direct interest in the Tasmania Mine. As at 31 December 2009, members of BCD Resources NL had an overall 94.88% equity interest in the Tasmania Mine (based on voting rights, and 94.24% based on total shares on issue). BCD Resources (Operations) NL (formerly Allstate Explorations NL), the 90.06% owned subsidiary of BCD Resources NL (based on voting rights, and 88.82% based on total shares on issue), is Manager of the Tasmania Mine.

**CONSOLIDATED RESULT**

The consolidated profit for the half-year after income tax and minority interests was \$0.662 million (31 December 2008 half-year: loss of \$2.303 million). This was after providing \$4.705 million for depreciation and amortisation and \$0.417 million for finance costs.

The improved performance compared to the December 2008 half-year mainly reflects the higher gold price realised, partly offset by lower gold production of 33,995 ounces (December 2008 half-year 35,424 ounces). The average gold price realised for the current period of A\$1,186 per ounce was 11% higher than for the same period last year.

Net assets at 31 December 2009 were \$39.769 million (30 June 2009: \$38.218 million).

**REVIEW OF FINANCIAL RESULTS**

The financial results for the 31 December 2009 half-year for BCD Resources NL are summarised in the following table:

	<b>31 Dec 2009</b> <b>\$'000</b>	<b>31 Dec 2008</b> <b>\$'000</b>
Gold and silver sales revenue	40,624	39,010
Other revenue (excluding interest)	34	17
Total revenue (excluding interest)	40,658	39,027
EBITDA	5,915	3,155
Net profit/(loss) after tax and minority interests	662	(2,303)
Basic profit/(loss) per share (cents)	0.16	(0.60)
Net tangible assets (\$ per share)	0.09	0.06

## **REVIEW OF OPERATIONS**

### **1. Tasmania Mine**

The Tasmania Mine operated at full production throughout the half-year with 161,971 tonnes of ore mined (equivalent to 322,000 tonnes per annum) which was 16% higher than for the June 2009 half-year and 20% higher than for the December 2008 half-year.

Gold production for the period of 33,995 ounces was 4% (1,430 ounces) lower than for the December 2008 half-year due mainly to a 15% fall in the average gold grade of ore treated to 7.64 g/t gold (December 2008 half-year 9.01 g/t), which in part highlights the grade variability inherent in a high grade underground mine with relatively few discrete working areas. Since the introduction of the remote mining method, average quarterly head grades from all stoping and development activities have ranged between 7.5 g/t and 10.0 g/t gold.

The lower grade also reflects a higher than normal proportion of development ore as production areas were established in the new F21 Zone. Grade from development ore is, on average, lower than from stoping ore. Initial stoping of the F21 Zone is due to commence as planned early in calendar 2010, using an enhanced mining method. This is expected to significantly reduce development and improve mining productivity, whilst still achieving all the safety benefits of the current remote footwall method. Other mining initiatives designed to improve productivity or reduce costs were also introduced or advanced during the December 2009 half-year.

- A contract was awarded to extract a number of high grade remnants in the upper levels of the modern mine targeting 2,000 to 3,000 ounces per quarter of incremental production. Excess capacity at the Tasmania Mine mill means this incremental ore can be treated at a low marginal cost, thereby reducing overall unit costs.
- Narrow vein mining commenced on three levels in an area where the reef contains good grades but over a very thin width. Both airleg and narrow mechanised mining techniques have been successfully employed by a contractor under a partnership where costs and reward are shared on a tribute basis, effectively realising modest production from areas that otherwise would not be mined. Stoping from these areas will commence early in 2010 and the methodology will be applicable to other narrow veins elsewhere in the mine.
- Resue (or split face) development has been successfully trialled in ore development headings or sill drives where the reef does not extend across the full width of the face, reducing dilution and haulage requirements. This method will continue to be used where appropriate.

The ore treatment plant processed 161,791 tonnes of ore during the December half-year (December 2008 half-year 134,131 tonnes), equivalent to 321,000 tonnes per annum. The plant continues to demonstrate its ability to process in excess of 1,000 tonnes per day. Overall gold recovery of 85.6% (December 2008 half-year 91.2%) was lower as a result of the reduced feed grade.

### **2. Tasmania Mine Expenditure**

Despite the increased quantities of ore mined and processed, cost of production for the half-year dropped to \$32.226 million (December 2008 half-year \$32.882 million).

Cash costs (calculated in accordance with the Gold Institute production cost standard for by-product costing) were \$965 per ounce, \$221 per ounce (19%) below the average selling price for the half-year of A\$1,186 per ounce. Cash cost per tonne milled decreased by 17% to \$203 per tonne as a result of reduced expenditure and higher mill throughput.

### **3. BCD Resources Revenue**

Total revenue from gold and by-product silver sales for the December 2009 half-year was \$40.624 million (December 2008 half-year \$39.010 million). The increase over the previous corresponding half-year reflects the combined impact of higher realised gold price of A\$1,186 per ounce (2008: A\$1,073 per ounce) and lower gold production.

#### **4. Tasmania Mine Ore Reserves/Resources**

An updated Resource and Reserve Statement was released in January 2010. The reported Identified Mineral Resource for the Tasmania Mine as at 31 December 2009 was:

Measured Resource	510,000t @ 12.6g/t Au (206,000 ounces contained gold)
Indicated Resource	757,000t @ 11.6g/t Au (281,000 ounces contained gold)
Inferred Resource	189,000t @ 13.8g/t Au (84,000 ounces contained gold)
<b>Total Resource</b>	<b>1,456,000t @ 12.2g/t Au (571,000 ounces contained gold)</b>

The previous Total Resource (as at 31 December 2008) contained 416,000 ounces. The total increase to 31 December 2009, before allowing for mine depletion, is 155,000 ounces (an increase of 37%). Increases came largely from additional material identified from extensional underground drilling during 2009. This drilling program is ongoing and is expected to provide further resource additions during 2010.

The Ore Reserve (included within the Total Resource) for the Tasmania Mine as at 31 December 2009 was estimated as:

Proved Reserve	265,000t @ 9.9g/t Au (84,000 ounces contained gold)
Probable Reserve	658,000t @ 9.5g/t Au (201,000 ounces contained gold)
<b>Total Reserve</b>	<b>923,000t @ 9.6g/t Au (285,000 ounces contained gold)</b>

The previous Total Reserve (as at 31 December 2008) was 265,000 ounces of contained gold. The increase to 31 December 2009, before allowing for mining depletion during 2009, was 20,000 ounces (an increase of 7.5%). The increase, after allowing for mining depletion of 78,000 ounces, was 98,000 ounces (an increase of 37%).

#### **5. Exploration**

##### **5.1 Tasmania Mine Resource Extension**

Underground diamond drilling to extend mine resources and reserves for the Tasmania Reef progressed during the half-year with significant mineralisation reported from three of the five holes completed. These results demonstrate continuity of mineralisation with depth, and have effectively increased the horizontal extent of mineralisation between 1100mbs and 1300mbs, consequently extending the Reserve boundary westward.

##### **5.2 Tasmanian Regional Gold Exploration**

RC drilling programs to test Pease Creek and Pinafore open-pit target (Lefroy) are scheduled to commence early in the June half-year. At Pease Creek, a traverse of ten angled RC holes is planned to test a 600m corridor of prospective Salisbury Hill conglomerate under transported cover with no previous drilling. At Pinafore, infill RC drilling is planned to identify higher than average deposit grades, and to increase confidence in the open pit resource. The Pinafore resource currently contains 38,000 ounces of gold in the Inferred Resource category.

##### **5.3 Victorian Regional Gold Exploration**

Diamond drilling (one hole) and aircore/RC drilling (16 holes) at the Langi Logan and Langi Logan South prospects was undertaken to define contacts between basalt domes and surrounding sediments.

The Company was successful with an application for a drilling grant from the Victorian Government under the Rediscover Victoria Drilling 3 program, with a grant of \$66,000 awarded for diamond drilling of Langi-Logan style gold targets at Ararat.

##### **5.4 Victorian Copper Project**

Four diamond drill holes on the Ararat Copper project were completed, with best intersections of 3.1 metres at 3.1% copper from 129.1 metres in ARD003, 1.7 metres at 3.7% copper from 87.3 metres in ARD001 and 1.5 metres at 3.5% copper from 90.8 metres in ARD002. Mineralisation is in the form of massive and stringer chalcopyrite and pyrrhotite sulphides. These intersections confirm the robust nature of the wallrocks and mineralisation and add confidence to the current resource estimate of 700,000 tonnes at 2.7% copper and 0.8 g/t gold. Samples of this mineralisation are being used for metallurgical testwork, which is expected to confirm a high recovery of copper to concentrate.



**BCD RESOURCES NL**  
**HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2009**

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Shallow RC drilling of the Ararat Copper deposit was completed in January, with 4 holes testing the upper 30 metres of the deposit for supergene enrichment. Some malachite and bornite mineralisation was observed over 1-2 metre intervals and assays are awaited.

The Company has completed its Stage 1 earning requirements on the Ararat Farm-in with expenditure of \$300,000, and now controls 51% of that Project (exploration licences EL3019, 4758 and 5076).

At the Stavely Copper project, three diamond drillholes for a total of 752 metres were completed, including two holes testing regional targets at the Yarram Park and Patanga prospects which were funded 50% by a Victorian government RVD grant.

Three vertical aircore holes were drilled on the margins of the Thursdays Gossan chalcocite zone, all intersecting mineralisation. One of these holes, SAC30, intersected 42 metres at 0.76% copper from 20 metres, including 6m at 1.8% copper and 0.23 g/t gold from 22 metres. This is a significant width and grade of chalcocite mineralisation, and lies 40 metres east of the boundary of the current estimated resource of 10.5 million tonnes at 0.45% copper at Thursdays Gossan.

**6. Gold Hedging**

The BCD Resources Group remains completely unhedged and all production from the Tasmania Mine is available for delivery at the spot price. The average gold price received during the half-year was A\$1,186 per ounce.

**7. Bank Facility**

On 30 July 2009 the final payment of \$0.730 million was made to Commonwealth Bank of Australia, leaving the Company completely free of bank debt.

**8. Claim Against Blake Dawson**

The BCD Resources group is continuing to pursue an action against Blake Dawson for damages for professional negligence and breach of contract arising from advice concerning certain insurance and risk management issues associated with the contract for construction of the treatment plant at the Tasmania Mine. A trial date has been set for March 2010.

**9. Convertible Notes**

On 13 August 2009, the Company issued 6,250,000 unsecured convertible notes at 16 cents each to raise working capital of \$1.0 million. Principal terms for the convertible notes are: -

- notes are redeemable at the end of three years if not converted;
- each note is convertible into one BCD Resources fully paid ordinary share at any time during the three years; and interest of 10% p.a. is payable six monthly in arrears.

**ROUNDING**

The amounts contained in this report and in the half-year financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under Australian Securities and Investments Commission (ASIC) Class Order 98/0100, dated 10 July 1998 (amended by ASIC 05/641) and issued pursuant to section 341(1) of the *Corporations Act 2001*. The Company is an entity to which the Class Order applies.

**AUDITOR'S INDEPENDENCE DECLARATION**

A declaration of independence has been provided by our auditors, RSM Bird Cameron Partners, and is attached at page 7.

Signed in accordance with a resolution of the directors.



D E Clarke  
Director  
19 February 2010

# RSM Bird Cameron Partners

Chartered Accountants

Level 8 Rialto South Tower  
525 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007  
T +61 3 9286 1800 F +61 3 9286 1999  
www.rsmi.com.au

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of BCD Resources NL for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the audit.

  
**RSM BIRD CAMERON PARTNERS**  
Chartered Accountants

  
**J S CROALL**  
Partner

Melbourne  
19 February 2010

## **INCOME STATEMENT**

**HALF-YEAR ENDED 31 DECEMBER 2009**

		<b>CONSOLIDATED</b>	
	<b>Notes</b>	<b>31 Dec 2009</b>	<b>31 Dec 2008</b>
		<b>\$'000</b>	<b>\$'000</b>
Revenue from gold and silver sales		<b>40,624</b>	39,010
Production costs	2(a)	<b>(32,800)</b>	(33,376)
<b>GROSS PROFIT FROM MINING OPERATIONS</b>		<b>7,824</b>	5,634
Corporate expenses	2(b)	<b>(1,554)</b>	(2,976)
Exploration expense		-	(84)
Depreciation and amortisation	2(c)	<b>(4,705)</b>	(5,135)
<b>OPERATING PROFIT/(LOSS) BEFORE OTHER INCOME/(EXPENSES)</b>		<b>1,565</b>	(2,561)
Other income	2(d)	<b>334</b>	695
Other expenses	2(e)	<b>(689)</b>	(53)
<b>OPERATING PROFIT/(LOSS) BEFORE FINANCE COSTS</b>		<b>1,210</b>	(1,919)
Financial income	2(f)	<b>84</b>	237
Financial expenses	2(f)	<b>(417)</b>	(907)
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>877</b>	(2,589)
Income tax benefit/(expense)		<b>(279)</b>	140
<b>NET PROFIT/(LOSS) AFTER TAX</b>		<b>598</b>	(2,449)
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>598</b>	(2,449)
Attributable to:			
Members of the parent entity		<b>662</b>	(2,303)
Non-controlling interests		<b>(64)</b>	(146)
		<b>598</b>	(2,449)
<b>Earnings/(loss) per share</b>			
Basic earnings/(loss) per share (cents per share)		<b>0.16</b>	(0.60)
Diluted earnings/(loss) per share (cents per share)		<b>0.16</b>	(0.60)
Dividends per share		-	-

The above income statement should be read in conjunction with the accompanying notes.

## BALANCE SHEET

AS AT 31 DECEMBER 2009

AS AT 31 DECEMBER 2009		CONSOLIDATED	
		As at 31 Dec 2009 \$'000	As at 30 June 2009 \$'000
	Notes		
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	9	7,539	3,342
Trade & other receivables		2,403	3,179
Prepayments		399	648
Inventories		3,786	3,935
<b>Total Current Assets</b>		<b>14,127</b>	11,104
<b>Non-Current Assets</b>			
Cash	9	2,799	2,958
Property, plant & equipment		24,023	25,983
Exploration, evaluation & development		18,760	19,290
Intangible assets		1,891	1,891
Deferred tax assets		4,382	4,645
Other		613	613
<b>Total Non-Current Assets</b>		<b>52,468</b>	55,380
<b>TOTAL ASSETS</b>		<b>66,595</b>	66,484
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables		11,344	12,896
Interest-bearing loans & borrowings	3	636	1,838
Provisions		2,551	2,516
Other		373	519
<b>Total Current Liabilities</b>		<b>14,904</b>	17,769
<b>Non-Current Liabilities</b>			
Payables		1,863	1,388
Interest-bearing loans & borrowings	3	2,313	1,639
Provisions		6,761	6,470
Other		985	1,000
<b>Total Non-Current Liabilities</b>		<b>11,922</b>	10,497
<b>TOTAL LIABILITIES</b>		<b>26,826</b>	28,266
<b>NET ASSETS</b>		<b>39,769</b>	38,218
<b>EQUITY</b>			
Share capital	4	143,563	142,632
Accumulated losses		(108,498)	(109,160)
Reserves		6,724	6,702
Parent entity interest		41,789	40,174
Minority interests	8	(2,020)	(1,956)
<b>TOTAL EQUITY</b>		<b>39,769</b>	38,218

The above balance sheet should be read in conjunction with the accompanying notes.

## CASH FLOW STATEMENT

HALF-YEAR ENDED 31 DECEMBER 2009

	Notes	CONSOLIDATED	
		31 Dec 2009 \$'000	31 Dec 2008 \$'000
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		41,761	38,851
Payments to suppliers & employees		(35,163)	(33,007)
Net Cash Flows from Operating Activities		6,598	5,844
<b>Cash Flows from Investing Activities</b>			
Interest received		76	227
Proceeds from sale of fixed assets		140	10
Payment of outstanding amounts relating to acquisition of subsidiary		-	(638)
Purchase of plant & equipment		-	(1,051)
Mine development & exploration expenditure		(2,019)	(3,263)
Proceeds from sale of financial asset		-	262
Net Cash Flows used in Investing Activities		(1,803)	(4,453)
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings		-	1,000
Repayment of borrowings		(730)	(1,921)
Proceeds from issue of shares		372	3,921
Payment of share issue costs		(52)	(306)
Proceeds from convertible notes		1,000	-
Repayment of convertible notes		(500)	-
Interest paid		(32)	(311)
Repayment of indemnity for BCD Resources (Operations) Group (formerly Allstate Explorations) relating to pre-acquisition activities		(513)	(115)
Repayment of lease principal		(302)	(220)
Net Cash Flows from/(used in) Financing Activities		(757)	2,048
Net Increase in Cash		4,038	3,439
Cash at Beginning of the Financial Period		6,300	3,842
<b>Cash at End of the Financial Period</b>	9	10,338	7,281

The above cash flow statement should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN EQUITY

HALF-YEAR ENDED 31 DECEMBER 2009

	Attributable to Equity Holders of the Parent				Minority Interest	Total Equity
	Issued Capital \$'000	Accumulated Losses \$'000	Other Reserves \$'000	Total \$'000	\$'000	\$'000
<b>At 1 July 2008</b>	138,953	(118,246)	6,582	27,289	(2,286)	25,003
<b>Equity transactions</b>						
Issue of Shares	3,879	-	-	3,879	-	3,879
Transaction Costs *	(200)	-	-	(200)	-	(200)
Share Based Payments	-	-	15	15	-	15
<b>Total equity transactions</b>	3,679	-	15	3,694	-	3,694
Loss for the period	-	(2,303)	-	(2,303)	(146)	(2,449)
<b>As at 31 December 2008</b>	142,632	(120,549)	6,597	28,680	(2,432)	26,248
<b>At 1 July 2009</b>	142,632	(109,160)	6,702	40,174	(1,956)	38,218
<b>Equity transactions</b>						
Issues of Shares	967	-	-	967	-	967
Transaction Costs*	(36)	-	-	(36)	-	(36)
Share Based Payments	-	-	22	22	-	22
<b>Total equity transactions</b>	931	-	22	953	-	953
Profit/(Loss) for the period	-	662	-	662	(64)	598
<b>As at 31 December 2009</b>	143,563	(108,498)	6,724	41,789	(2,020)	39,769

\* These amounts have been tax effected

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

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### 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

#### (a) Basis of preparation

This general purpose financial report for the half-year ended 31 December 2009 has been prepared in accordance with applicable accounting standards including AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial report.

It is recommended the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2009 and considered together with any public announcements made by BCD Resources NL during the half-year ended 31 December 2009 and up to the date of signing these accounts in accordance with the continuous disclosure obligations of the *Corporations Act 2001* and the *ASX Listing Rules*.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

#### (b) Excess of current liabilities over current assets

The financial report has been prepared on a going concern basis after a detailed assessment of the group's cash flow forecasts for the next 12 months. These forecasts take into account the following significant matters:

- the Tasmania Mine is operating at full production level and is cash positive, with all gold delivered into the spot market; and
- continued strength of the A\$ gold price (the gold price at the date of this report was A\$1,240 per ounce), with all gold being sold into the spot market.

On this basis the Directors believe the Company will be able to pay its debts as and when they fall due.

**BCD RESOURCES NL**  
**HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2009**

		<b>CONSOLIDATED</b>	
		<b>31 Dec 2009</b>	<b>31 Dec 2008</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>2. REVENUES AND EXPENSES</b>			
Results before income tax includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Consolidated Entity			
<b>(a) PRODUCTION COSTS</b>			
Operating expenses		<b>32,077</b>	32,469
Government royalties		<b>574</b>	555
Changes in inventories		<b>149</b>	352
		<b>32,800</b>	33,376
<b>(b) CORPORATE EXPENSES</b>			
Administration		<b>1,532</b>	2,961
Share-based payments			
- Employment compensation		<b>22</b>	15
		<b>1,554</b>	2,976
<b>(c) DEPRECIATION AND AMORTISATION</b>			
Depreciation			
Buildings		<b>36</b>	53
Mining plant and equipment		<b>1,736</b>	2,509
Plant and equipment under lease		<b>181</b>	140
		<b>1,953</b>	2,702
Amortisation			
Exploration, evaluation and development costs		<b>2,752</b>	2,433
		<b>2,752</b>	2,433
		<b>4,705</b>	5,135
<b>(d) OTHER INCOME</b>			
Profit on sale of fixed assets		<b>140</b>	-
Release of deferred income – government grant		<b>160</b>	235
Adjustment to pre-acquisition indemnities		-	443
Other		<b>34</b>	17
		<b>334</b>	695
<b>(e) OTHER EXPENSES</b>			
Adjustment to pre-acquisition indemnities		<b>689</b>	-
Loss on sale of financial asset		-	53
		<b>689</b>	53



**BCD RESOURCES NL**  
**HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2009**

		<b>CONSOLIDATED</b>	
		<b>31 Dec 2009</b>	31 Dec 2008
		<b>\$'000</b>	<b>\$'000</b>
<hr/>			
<b>(f) FINANCIAL INCOME AND EXPENSES</b>			
<b>Financial income</b>			
Interest income		<b>84</b>	237
		<hr/> <b>84</b>	<hr/> 237
<b>Financial expenses</b>			
Interest expenses		<b>56</b>	395
Borrowing expenses		<b>2</b>	263
Finance lease charges		<b>102</b>	61
Unwind of discount on restoration provision		<b>203</b>	188
Unwind of discount on pre-acquisition indemnities		<b>54</b>	-
		<hr/> <b>417</b>	<hr/> 907

**BCD RESOURCES NL**  
**HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2009**

		<b>CONSOLIDATED</b>	
		<b>31 Dec 2009</b>	<b>30 June 2009</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>3. INTEREST – BEARING LOANS &amp; BORROWINGS</b>			
<b>Current</b>			
Convertible notes	-	496	
Secured loans	-	730	
Lease liabilities	<b>636</b>	612	
	<b>636</b>	1,838	
<b>Non-Current</b>			
Convertible notes	<b>1,000</b>	-	
Lease liabilities	<b>1,313</b>	1,639	
	<b>2,313</b>	1,639	
<b>4. ISSUED CAPITAL</b>			
<b>(a) Issued and paid up capital</b>			
Ordinary shares fully paid – Listed	<b>143,545</b>	142,614	
Partly paid shares – Unlisted	<b>18</b>	18	
	<b>143,563</b>	142,632	
<b>(b) Movements in shares on issue</b>			
	<b>Number of Shares (‘000)</b>	<b>\$'000</b>	
<i>(i) Ordinary shares fully paid:</i>			
<b>At 1 January 2009</b>	<b>400,436</b>	142,614	
Issued during the period	-	-	
Less transaction costs (tax effected)	-	-	
<b>At 30 June 2009</b>	<b>400,436</b>	142,614	
Issued during the period	<b>6,444</b>	967	
Less transaction costs (tax effected)	-	(36)	
<b>At 31 December 2009</b>	<b>406,880</b>	143,545	
<i>(ii) Partly paid shares</i>			

No partly paid shares were issued or converted during the period 1 January 2009 to 31 December 2009.

**5. CONTINGENT ASSETS AND LIABILITIES**

Since the last annual reporting date, there has been no material change in any contingent liability or contingent asset other than: -

**Subsidiary Company Former Banker (Contingent Liability)**

The contingent amount repayable to the former banker of BCD Resources (Operations) NL (formerly Allstate Explorations NL) decreased to \$1.094 million at 31 December 2009 (\$2.096 million at 30 June 2009) due principally to the increase in recoverable reserves at the Tasmania Mine.

**6. EVENTS AFTER THE BALANCE SHEET DATE**

There has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

**7. SEGMENT INFORMATION**

The group operates within the gold mining industry in Australia. Its principal activities are the production of gold at the Tasmania Mine and mineral exploration in Australia.

**Seasonality**

The Consolidated Entity's operations are not affected by cyclical or seasonal changes.

**BCD RESOURCES NL**  
**HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2009**

		<b>CONSOLIDATED</b>	
		<b>31 Dec 2009</b>	31 Dec 2008
		<b>\$'000</b>	<b>\$'000</b>
<b>8. NON-CONTROLLING INTERESTS</b>			
<b>Non-Controlling interests in BCD Resources (Operations) NL comprise:</b>			
Interest in Accumulated Losses at beginning of the period		(13,111)	(13,441)
Add: Interest in profit/(loss) after income tax for the period		(64)	330
Interest in Accumulated Losses at end of the period		(13,175)	(13,111)
Interest in Share Capital at beginning and end of the period		5,555	5,555
Interest in Business Combination Asset Revaluation reserve at beginning and end of the period		5,600	5,600
<b>Total Non-Controlling Interests</b>		<b>(2,020)</b>	<b>(1,956)</b>

**9. CASH AND CASH EQUIVALENTS**

**Reconciliation of Cash**

For the purposes of the Cash Flow Statement, cash and cash equivalents comprised the following at 31 December:

		<b>CONSOLIDATED</b>	
		<b>31 Dec 2009</b>	31 Dec 2008
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash at bank &amp; in hand</b>			
Current asset		7,539	5,791
Non-current asset		2,799	1,490
		<b>10,338</b>	<b>7,281</b>

At 31 December 2009 \$4.603 million (2008: \$4.736 million) of cash was held on deposit as security for Tasmania Mine employee entitlements.

## **DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of BCD Resources NL, 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) Giving 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) Complying 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



D E Clarke  
Director

19 February 2010

## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF

### BCD RESOURCES NL

#### *Report on the Half-Year Financial Report*

We have reviewed the accompanying half-year financial report of BCD Resources NL ("the consolidated entity") which comprises the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration. The consolidated entity comprises both BCD Resources NL as the parent entity and the entities it controlled during the half-year.

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

The directors of the consolidated entity 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 controls 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, 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 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 BCD Resources 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*.

### *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 BCD Resources NL 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*.

  
**RSM BIRD CAMERON PARTNERS**

Chartered Accountants

  
**J S CROALL**  
Partner

Melbourne  
19 February 2010