



## EVERY DAY MINE SERVICES LIMITED

### APPENDIX 4D (Rule 4.2A.3)

#### HALF-YEAR REPORT For the half-year ended 31 December 2010

Previous corresponding period was 31 December 2009

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

		A\$'000
Revenues from ordinary activities	Down 14.4% to	11,459
EBITDA	Down from \$3,196m to	(2,582)
Loss from ordinary activities after tax attributable to members	Down from \$1,185 to	(5,593)
Net loss for the period attributable to members	Down from \$1,185 to	(5,593)
Net tangible assets per security	10.9c – Dec 09	6.7c – Dec 10

#### Dividends

There have been no dividends paid or proposed in the half-year ended 31 December 2010 (31 December 2009: Nil). As such a record date for determining entitlement to dividends is not applicable.

Additional Appendix 4D disclosure requirements can be found in the notes to the half-year financial report. This report is based on the consolidated half-year report which has been subject to a review.

#### HIGHLIGHTS

- Business review completed during half year reporting period.
- One off costs for business re-organisation – redundancies, system implementations, contractors.
- Rationalisation costs – consolidation of premises and inventory, surplus asset sale preparations.
- Costs incurred exiting uncommercial contracts.

**Half-Year Financial Report**  
**For the half-year ended 31 December 2010**

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## Directors' Report

Your directors submit their report for the half year ended 31 December 2010.

### DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are as below.

<b>Craig Burton</b>	(Chairman)
<b>Stephen McCoy</b>	(Managing Director)
<b>Roger Jackson</b>	(Director)
<b>Declan Franzmann</b>	(Director) – Resigned 30 November 2010
<b>Tom Henderson</b>	(Director)

**Paul Brenton** (Secretary) – Appointed 11 August 2010

### Significant Events (subsequent to balance date)

The company commenced a non-renounceable rights issue (Offer) on 21 December 2010. The Offer closed on 7 February 2011 being 83% placed. The company is currently placing the remaining shortfall shares. The company has also completed the sale of Surface Rig 17. Surface Rig 18 and Underground Rig 5 have also been sold subsequent to balance date, as at reporting date these rigs were not classified as for sale, as these rigs were not actively marketed.

### Review of Operations

While the business had a number of large projects already in place at the commencement of the first half of the year, the lack of commercial management and poor execution of those contracts resulted in loss making performance financially. Remedying these situations also came with one-off costs including compensating payments to clients for consequential loss and costs for remedying poor productivity.

Contractual arrangements commenced after the business review in August/September 2010 were commercially stronger for the business and with significant process improvement supporting more effective project performance.

The reorganisation program commenced early in the 2<sup>nd</sup> quarter of the reporting period resulted in the identification of a number of non revenue generating assets and the disposal of these commenced during the latter part of the reporting period.

A significant cost reduction program was implemented although the real impact of this program will only become evident in the second half of the reporting year.

During the reporting period a number of senior executive management appointments were made including Paul Brenton as Chief Financial Officer, Tony Glass as General Manager – EDMS Energy, Stephen Earp as General Manager – EDMS Assets & Logistics, Craig Burton as Procurement & Logistics Manager, and Steven Kelly as Business Manager – EDMS Energy.

### G.O.S Drilling Operations

#### *Surface Drilling*

Rig utilisation in the surface operations of our business was high but efficiency and commercial problems resulted in very little of the utilisation translating into margin or profit contribution. There was insufficient planning and preparation in the pre-contract phase and a shortage of skilled and experienced personnel during the contract execution phase of projects.

## Directors' Report

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An asset rationalisation review process identified a number of surface rigs that had not or were unlikely to contribute revenue. Four rigs were disposed of prior to the end of the first half although only three of these were settled in that time.

### *Underground Drilling*

The underground diamond drilling environment remains very price competitive and has taken more time than surface drilling for demand to increase. An additional challenge is the shortage of experienced drillers and drill maintenance personnel.

### **Australian Gas Drilling (AGD) Operations**

AGD completed a contract with Macquarie Energy at Catherine Hill Bay in NSW which resulted in compensation being paid to the client for poor productivity as a result of rig failure.

The new KWL 1600 multipurpose rig that was delivered in May 2010 was found to be too small for major gas drilling work and was ultimately sold in December 2010. No other gas drilling work was undertaken during the first half reporting period.

### **Every Day Mine Service Operations**

#### *DTH Operations*

The turnaround of the base metal prices resulted in some demand for our DTH rigs in the Cobar and Mt Isa regions. Utilisation was sporadic with contract terms generally 2 to 3 months for 1 or 2 rigs.

#### *Pumps, Contracting and Labour Hire*

EDMS continues to operate part of its business in Cobar, NSW employing over 90 employees in this region. This operation is dependent on our clients mining operations which have continued to ramp back up to full operation and we continue to experience increasing demand. The pump repair business has been constant, as has the labour hire.

#### *Fibrecrete / Paste Fill Operations*

EDMS no longer provides these services

### **Financial review**

#### *NPAT*

The performance of the Company in the first half reporting period was significantly affected by the need to consolidate and reorganize its operations.

A specific focus on understanding the commercial drivers of each contract identified that most of the long term contracts in place at the commencement of the reporting period were loss making activities.

The Company has booked a Net Loss After Tax of \$5.593 million.

## Directors' Report

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### *Revenue*

The Company generated revenue of \$11.459 million for the six months to 31 December 2010. This compares to \$13.389m for the same period in 2009.

### **Strategy**

The company will focus on obtaining profitable niche contracts for its surface drilling fleet. This will include large diameter, deep hole drilling as well as building on the solid base of existing exploration drilling projects to generate sustainable revenue going forward.

During the last quarter of the current financial year, the company will begin to develop and deliver offerings to generate revenue on higher margin, niche services in the resources market.

This will involve the evolution of the existing Labour Hire and Contract Services offerings to more specialist areas such as the supply of professional & highly skilled personnel in geology, well design, blasting, specialist maintenance and mill operation.

### **Future outlook**

The outlook is positive for the company now that there is a solid base to build on. There are now in place robust systems for decision making, tendering and executing contracted works and a particular focus on cash flow.

The introduction of more effective procurement and inventory processes in the latter part of the current reporting period ensures that project costs are strongly managed into the future.

The implementation of the PRONTO integrated management reporting system in the latter part of the second half of the reporting year will provide more effective 'real time' reporting of performance.

The management group are identifying and developing niche mining services offerings.

### **Rounding of Amounts**

The amounts contained in the half-year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

## Directors' Report

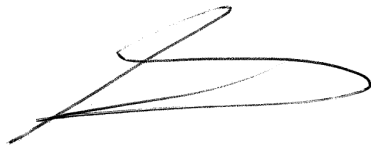
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### Auditor's Independence Declaration

In accordance with the Audit Independence requirements of the *Corporations Act 2001*, the Directors have received and are satisfied with the "Audit Independence Declaration" provided by the Company's external auditors PKF. The Audit Independence Declaration is attached to this financial report.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

For and on behalf of the Directors



Stephen McCoy  
Managing Director

25 February 2010

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## AUDITOR'S INDEPENDENCE DECLARATION

### Auditor's Independence Declaration

As lead auditor for the review of Every Day Mine Services Limited for the period ended 31 December 2010, I declare that to the best of my knowledge and belief there have been:

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

This declaration is in respect of Every Day Mine Services Limited and the entities it controlled during the period.



PKF



**Bruce Gordon**  
Partner

Dated 28 February, 2011

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# Statement of Comprehensive Income

For the half-year ended 31 December 2010

	Note	Dec 2010 \$'000	Dec 2009 \$'000
Revenue	3	11,459	13,389
Other income	3	345	234
Consumables		(4,551)	(2,240)
Administrative expenses		(1,320)	(1,089)
Salaries and wages	4	(8,383)	(7,089)
Depreciation and amortisation	4	(2,359)	(1,388)
Finance costs	4	(784)	(442)
<b>(Loss) / profit from operations before tax</b>		<b>(5,593)</b>	<b>1,375</b>
Income tax (expense) / benefit		-	(190)
<b>(Loss) / profit from operations after tax</b>		<b>(5,593)</b>	<b>1,185</b>
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive (loss) / income for the period</b>		<b>(5,593)</b>	<b>1,185</b>
<b>Total comprehensive (loss) / profit attributable to members</b>		<b>(5,593)</b>	<b>1,185</b>
<b>Earnings per share</b>			
Basic (loss) / earnings per share (cents per share)		(2.48)c	0.53c
Diluted (loss) / earnings per share (cents per share)		(2.48)c	0.53c

The accompanying notes form part of these Financial Statements.

# Statement of Financial Position

As at 31 December 2010

	Note	Dec 2010 \$'000	Jun 2010 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		241	184
Trade and other receivables	5	3,855	6,490
Inventories		5,307	6,135
Available-for-sale financial assets		3	3
Non current asset held for sale	6	431	-
<b>Total Current Assets</b>		<b>9,837</b>	<b>12,812</b>
<b>Non-current Assets</b>			
Property, Plant and equipment	7	19,183	23,160
Intangible assets	8	3	3
Deferred tax assets		5,729	5,113
<b>Total Non-current Assets</b>		<b>24,915</b>	<b>28,276</b>
<b>TOTAL ASSETS</b>		<b>34,752</b>	<b>41,088</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Bank overdraft		1,816	3,423
Trade and other payables		5,125	3,400
Provisions		398	853
Borrowings		2,256	2,982
Deposit received	6	350	-
<b>Total Current Liabilities</b>		<b>9,945</b>	<b>10,658</b>
<b>Non-current Liabilities</b>			
Borrowings		5,842	7,006
Deferred tax liabilities		3,469	3,117
Provisions		44	102
<b>Total Non-current Liabilities</b>		<b>9,355</b>	<b>10,225</b>
<b>TOTAL LIABILITIES</b>		<b>19,300</b>	<b>20,883</b>
<b>NET ASSETS</b>		<b>15,452</b>	<b>20,205</b>
<b>EQUITY</b>			
Contributed equity	9	33,796	32,956
Accumulated losses		(20,328)	(14,735)
Reserves		1,984	1,984
<b>TOTAL EQUITY</b>		<b>15,452</b>	<b>20,205</b>

The accompanying notes form part of these Financial Statements.

# Statement of Changes in Equity

For the half-year ended 31 December 2010

	Ordinary Shares \$'000	Option Reserve \$'000	Accumulated Losses \$'000	Total \$'000
<b>Balance at 1 July 2009</b>	24,566	109	(10,630)	14,045
Comprehensive Income for the period	-	-	1,185	1,185
	24,566	109	(9,445)	15,230
<b>Equity transactions:</b>				
Shares issued during the period	9,991	-	-	9,991
Share issue costs	(423)	-	-	(423)
Movement of deferred tax on share issue costs	(21)	-	-	(21)
Employee options issued during the period	-	47	-	47
<b>Balance at 31 December 2009</b>	34,113	156	(9,445)	24,824
<b>Balance at 1 July 2010</b>	32,956	1,984	(14,735)	20,205
Comprehensive loss for the period	-	-	(5,593)	(5,593)
	32,956	1,984	(20,328)	14,612
<b>Equity transactions:</b>				
Shares issued during the period	682	-	-	682
Share issue costs	(106)	-	-	(106)
Movement of deferred tax on share issue costs	264	-	-	264
Employee options issued during the period	-	-	-	-
<b>Balance at 31 December 2010</b>	33,796	1,984	(20,328)	15,452

The accompanying notes form part of these Financial Statements

# Statement of Cash Flows

For the half-year ended 31 December 2010

	Dec 2010 \$'000	Dec 2009 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	14,652	10,696
Payments to suppliers and employees	(12,341)	(12,722)
Interest received	-	9
Interest paid	(652)	(442)
<b>Net cash flows generated by / (utilised in) operating activities</b>	<u>1,659</u>	<u>(2,459)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of plant and equipment	2,061	-
Payments for plant and equipment	(741)	(6,511)
Proceeds from sale of property	-	224
<b>Net cash flows generated by investing activities</b>	<u>1,320</u>	<u>(6,287)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	682	9,991
Borrowings (repaid) / raised	(1,891)	186
Payment for Capital Raising Costs	(106)	(423)
<b>Net cash flows (utilised in) / generated by financing activities</b>	<u>(1,315)</u>	<u>9,754</u>
Cash and cash equivalents at beginning of period	(3,239)	(2,288)
Net increase / (decrease) in cash and cash equivalents	1,664	1,008
<b>Cash and cash equivalents at end of period</b>	<u>(1,575)</u>	<u>(1,280)</u>

The accompanying notes form part of these Financial Statements

# Notes to the Financial Statements

For the half-year ended 31 December 2010

## 1. REPORTING ENTITY

Every Day Mine Services Limited (the company) is a public company listed on the Australian Stock Exchange, incorporated in Australia and operating in Australia

Every Day Mine Services Limited's registered office and its principal place of business is Level 18, 333 Ann St, Brisbane QLD 4000.

Every Day Mine Services Ltd is the holding company of the Group. The Group comprises the head entity Every Day Mine Services Limited and its seven wholly owned subsidiaries: G.O.S. Drilling Pty Ltd, Australian Gas Drilling Pty Ltd, Every Day Mine Services Operations Pty Ltd, EDMS Energy Pty Ltd, EDMS Assets and Logistics Pty Ltd, EDMS Metals Pty Ltd and EDMS Human Capital Pty Ltd, all of which provide contracting services to the mining industry. These financial statements cover all subsidiary Companies and the Group.

The financial statements are presented in English and Australian dollars.

The financial report was authorised for issue by the directors on 28th February 2011.

### (a) Basis of preparation

This general purpose condensed financial report for the half year ended 31 December 2010 has been prepared in accordance with the requirements of 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 that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2010 and considered together with any public announcements made by Every Day Mine Services Limited during the half year ended 31 December 2010 in accordance with the continuous disclosure obligations of the ASX *listing rules*.

### (b) Significant accounting policies

The accounting policies and methods of computation applied by the consolidated entity in this consolidated condensed financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2010.

### (c) Addition of new and revised accounting standards

The Group has not adopted any new Standards and Interpretations for the periods beginning on or after 1 July 2010.

# Notes to the Financial Statements

For the half-year ended 31 December 2010

## 2. SEGMENT INFORMATION

### a) Identification of reportable segments

The Group has identified its' operating segments from internal reports that are reviewed and used by the executive management team (the chief operating decision maker's) in assessing performance and in determining the allocation of resources.

#### Provision of drilling services

The bulk of the Group's revenue is currently generated in this area, with work being performed at various mine sites. These sites are largely based in NSW and Queensland, depending on the current client mix. The Group is able to offer a diverse range of drilling services that includes exploration, service hole and coal seam enhancement gas operations.

#### Provision of mining services

This segment includes the provision of labour and equipment hire services, pump repairs and fabrication support. The segment has grown significantly as clients select outsourced in favour of permanent staff placements. These clients are based predominantly in NSW.

These results are reflected below.

As at Dec 2010 - in \$'000	Above Ground Drilling	Under Ground Drilling	Mining Services	TOTAL
Sales to external customers	7,491	1,660	2,308	11,459
Other income	161	-	-	161
<b>Total revenue</b>	<b>7,652</b>	<b>1,660</b>	<b>2,308</b>	<b>11,620</b>
Cost of sales	7,316	1,501	2,223	11,040
Depreciation	1,682	253	410	2,345
Overheads	675	94	123	892
Interest expense	478	151	23	652
<b>Total expenses</b>	<b>10,151</b>	<b>1,999</b>	<b>2,779</b>	<b>14,929</b>
<b>Segment loss before tax</b>	<b>(2,499)</b>	<b>(339)</b>	<b>(471)</b>	<b>(3,309)</b>
Unallocated head office costs	-	-	-	2,284
<b>Loss from operations before tax</b>	<b>(2,499)</b>	<b>(339)</b>	<b>(471)</b>	<b>(5,593)</b>

# Notes to the Financial Statements

For the half-year ended 31 December 2010

As at Dec 2009 - in \$'000	Above Ground Drilling	Under Ground Drilling	Mining Services	TOTAL
Sales to external customers	8,512	2,761	2,116	13,389
Other income	176	-	49	225
Interest – unallocated	-	-	-	9
<b>Total revenue</b>	<b>8,688</b>	<b>2,761</b>	<b>2,165</b>	<b>13,623</b>
Cost of sales	5,075	1,759	1,460	8,294
Depreciation	806	294	273	1,373
Overheads	486	166	150	802
Interest expense	157	100	185	442
<b>Total expense</b>	<b>6,524</b>	<b>2,319</b>	<b>2,068</b>	<b>10,911</b>
<b>Segment loss before tax</b>	<b>2,164</b>	<b>442</b>	<b>97</b>	<b>2,712</b>
Unallocated head office costs	-	-	-	1,337
<b>Loss from operations before tax</b>	<b>2,164</b>	<b>442</b>	<b>97</b>	<b>1,375</b>

	Dec 2010 \$'000	Dec 2009 \$'000
<b>3. REVENUE AND OTHER INCOME</b>		
<b>Revenue</b>		
Service revenue	11,459	13,389
Interest income	-	9
Other revenue	345	225
Total Revenue and Other Income	11,804	13,623
<b>4. EXPENSES</b>		
<b>a) Finance costs</b>		
Bank charges and interest	271	123
Finance lease charges and interest	513	319
Total finance costs	784	442
<b>b) Depreciation and amortisation</b>		
Depreciation of non-current assets	2,359	1,388
Amortisation of intangible assets	-	-
Total depreciation and amortisation	2,359	1,388
<b>c) Employee benefits expense</b>		
Wages and salaries	8,317	7,010
Superannuation expense	-	-
Directors remuneration	66	79
Total Employee Benefits and Expenses	8,383	7,089

# Notes to the Financial Statements

For the half-year ended 31 December 2010

## 5. TRADE AND OTHER RECEIVABLES

	Dec 2010 \$'000	Jun 2010 \$'000
Trade receivables	3,602	5,968
Accrued Income	56	-
Prepayments	140	498
Sundry Debtors	57	24
	<u>3,855</u>	<u>6,490</u>
<b>Trade receivables reconciliation</b>		
At 31 December 2010	3,767	5,968
Provision for impairment recognised during period	(165)	-
Receivables written off during period	-	-
	<u>3,602</u>	<u>5,968</u>
<b>Trade receivables ageing analysis</b>		
0 – 3 months	3,344	5,052
3 – 6 months	250	880
Over 6 months	8	36
	<u>3,602</u>	<u>5,968</u>

### Fair value and credit risk

Due to the short term nature of these receivables, their carrying amounts are assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

## 6. NON-CURRENT ASSET HELD FOR SALE

Rig 17 has been classified as a non-current held for sale in accordance with AASB 5-*Non-current Assets Held for Sale and Discontinued Operations* as at the Statement of Financial Position date; its carrying amount was expected to be recovered principally through its sale transaction rather than from its use. Rig 17 was sold on 24 January 2011. A deposit was received in December 2010.

## 7. PROPERTY, PLANT AND EQUIPMENT

Freehold Land and Buildings		
At cost	797	797
Accumulated depreciation	(38)	(32)
	<u>759</u>	<u>765</u>
Motor Vehicles		
At cost	1,470	1,425
Accumulated depreciation	(1,054)	(929)
	<u>416</u>	<u>496</u>
Office Equipment		
At Cost	341	338
Accumulated depreciation	(213)	(174)
	<u>128</u>	<u>164</u>
Plant and equipment		
At cost	32,860	35,468
Accumulated depreciation	(10,873)	(9,126)
Impairment losses	(4,107)	(4,607)
	<u>17,880</u>	<u>21,735</u>
Total Property, plant and equipment		
Cost	35,468	38,028
Accumulated depreciation	(12,178)	(10,261)
Impairment Losses	(4,107)	(4,607)
Total written down value	<u>19,183</u>	<u>23,160</u>

# Notes to the Financial Statements

For the half-year ended 31 December 2010

	Dec 2010 \$'000	Jun 2010 \$'000
<b>RECONCILIATION</b>		
<b>Freehold Land and buildings</b>		
Opening carrying value	765	1,156
Additions	-	-
Disposals	-	(373)
Depreciation expense	(6)	(18)
Closing carrying value	<u>759</u>	<u>765</u>
<b>Motor Vehicles</b>		
Opening carrying value	496	604
Additions	46	146
Disposals	-	-
Depreciation expense	(126)	(254)
Closing carrying value	<u>416</u>	<u>496</u>
<b>Office Equipment</b>		
Opening carrying value	164	206
Additions	4	37
Depreciation expense	(40)	(79)
Closing carrying value	<u>128</u>	<u>164</u>
<b>Plant and Equipment</b>		
Opening carrying value	21,735	17,081
Additions	691	9,096
Disposals	(1,928)	(730)
Impairment	-	-
Reclassification to Non-current Asset Held for Sale	(431)	-
Depreciation expense	(2,187)	(3,712)
Closing carrying value	<u>17,880</u>	<u>21,735</u>
<b>Total Property, Plant and Equipment</b>	<u>19,183</u>	<u>23,160</u>

## Impairment

In accordance with AASB 136 the consolidated entity has calculated the recoverable amount of each cash generating unit, and where the recoverable amount of the cash generating unit is lower than its carrying value the cash generating unit has been impaired to its recoverable amount.

For the purposes of impairment testing each segment per note 2 (a) is considered a cash generating unit.

The recoverable amount of the cash generating unit has been based on the higher of its fair value less costs to sell and value in use. Fair value less costs to sell has been based on similar market transactions. Value in use has been calculated using a discounted cash flow forecast, the discounted cash flow forecast has been prepared for two years and a discount rate of 14% has been used to determine the net present value of the future cash flows.

After due consideration of internal and external impairment indicators, no adjustments for impairment have been made for this period.

# Notes to the Financial Statements

For the half-year ended 31 December 2010

Dec 2010  
\$'000

Jun 10  
\$'000

## 8. INTANGIBLES

### Trademark

Opening balance	3	3
Impairment	-	-
Closing balance	<u>3</u>	<u>3</u>

## 9. SHARE CAPITAL

	Number of shares 000 's	Value \$'000	Attributable costs \$'000	Net \$'000
Balance 1 Jul 2009	134,896	27,030	(2,464)	24,566
Placement 16 July 2009 @ \$0.05 per share	13,500	675	-	675
Rights Issue 17 Aug 2009 @ \$0.06 per share	29,500	1,773	-	1,773
Placement Sept 2009 @ \$0.06 per share	720	54	-	54
Placement Dec 2009 @ \$0.16 per share	46,875	7,500	-	7,500
Issue of options for Dec 2009 share placement	-	-	(1,495)	(1,495)
Costs for Dec 2009 share placement	-	-	(441)	(441)
Deferred tax movement	-	-	324	324
On issue at 30 Jun 2010	<u>225,541</u>	<u>37,032</u>	<u>(4,076)</u>	<u>32,956</u>
Rights Issue proceeds received in advance 21 Dec 2010	-	682	(106)	576
Deferred tax movement	-	-	264	264
On issue at 31 Dec 2010	<u>259,628</u>	<u>37,714</u>	<u>(3,918)</u>	<u>33,796</u>

Note: the share proceeds in advance of \$682,000 represent the underwritten take up of shares subsequently issued on 15 February 2011 per the Offer Document dated 21 December 2010.

## 10. CASH AND CASH EQUIVALENTS

The Group has complied with all covenants except for the earnings before interest, tax, depreciation and amortisation covenant, for the September 2010 and December 2010 quarters.

## 11. COMMITMENTS FOR EXPENDITURE

There are no commitments for expenditure as at 31 December 2010. There have been no material changes to operating lease commitments between 30 June 2010 and 31 December 2010.

## 12. CONTINGENCIES

There are no contingencies as at 31 December 2010.

# Notes to the Financial Statements

For the half-year ended 31 December 2010

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## 13. SUBSEQUENT EVENTS

The company commenced a non-renounceable rights issue (Offer) on 21 December 2010. The Offer closed on 7 February 2011 being 82.8% placed. The company is currently placing the shortfall shares. The company has also completed the sale of Surface Rig 17. Surface Rig 18 and Underground Rig 5 have also been sold subsequent to balance date, as at reporting date these rigs were not classified as for sale, as these rigs were not actively marketed.

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## Directors Declaration

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In the opinion of the directors of Every Day Mine Services Limited ("the Company"):

- 1) The financial statements and notes set out on pages eight (8) to seventeen (17), are in accordance with the *Corporations Act 2001* including:
  - a. giving a true and fair view of the financial position of the consolidated entity as at 31 December 2010 and of its performance, as represented by the results of its operations and cash-flows for the half-year ended on that date; and
  - b. complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- 2) 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 directors.

Signed at Brisbane this 28th day of February 2011.



**Stephen McCoy**  
Managing Director

# Independent Review Report



Chartered Accountants  
& Business Advisers

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Every Day Mine Services Limited,

### Report on the Half-Year Financial Report

We have reviewed the accompanying consolidated half-year financial report of Every Day Mine Services Limited which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, a description of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity. The consolidated entity comprises Every Day Mine Services Limited (the company) and the entities it controlled at 31 December 2010 or from time to time during the half year ended on that date.

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

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards 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 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 Every Day Mine Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### *Independence*

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

# Independent Review Report

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## 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 the consolidated entity 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 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*.



**PKF**



**Bruce Gordon**  
**Partner**

Dated 28 February, 2011

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