



EVERY DAY MINE SERVICES LIMITED

APPENDIX 4D (Rule 4.2A.3)

HALF-YEAR REPORT
For the half-year ended 31 December 2008

RESULTS FOR ANNOUNCEMENT TO THE MARKET

| | A\$'000 |
|---|---------------|
| Revenues from ordinary activities | 10,280 |
| EBITDA | 636 |
| Profit from ordinary activities after tax attributable to members | (721) |
| Net profit for the period attributable to members | (721) |
| Net tangible assets per security | 23.7 cents |

Dividends

There have been no dividends paid or proposed in the half-year ended 31 December 2007 (31 December 2006: Nil).
 Record date for determining entitlement to dividends – 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 |
|---|
| Continuing strength in the resources sector underpins the Company's growth strategy |
| Six months of intense activity building the asset base of the business |
| Company is now well positioned for growth with increasing demand for its services |
| Capital and operating expenditure during the period to support this effort had an impact at EBITDA and NPAT levels in the half year to 31 December 2007 |
| Revenues now building with full fleet of 26 rigs available for the full second half with two new Cubex rigs to be added to the fleet in March and April 2008 |
| Drilling and other contract rates have been increased across the board, improving margins for the second half of the 2008 financial year |
| The Company expects to surpass \$4m in monthly revenue during the second half year |
| Strong prospects for 2009 and beyond |
| Board expects to achieve prospectus forecast for the full year |
| Company expects 60% revenue growth in FY09 with corresponding increase in NPAT over 2008 |

**Every Day Mine Services
ACN 124 279 750
Half-Year Financial Report
For the half-year ended 31 December 2007**

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Directors' Report

Your directors submit their report for the half year ended 31 December 2007.

DIRECTORS

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

| | |
|------------------|-----------------------------------|
| Peter Bradfield | (Chairman/Non-Executive Director) |
| Roger Jackson | (Managing Director) |
| John Bell | (Executive Director/CFO) |
| Declan Franzmann | (Non-Executive Director) |
| Joshua Rogers | (Non-Executive Director) |

| | |
|-----------|-------------|
| John Bell | (Secretary) |
|-----------|-------------|

Significant Events (subsequent to balance date)

Subsequent to the end of the period, the Company completed the acquisition of the assets and business of Central Exploration Drilling for a total consideration of \$6.5 million. The independent valuation of the equipment was \$5.7m, whilst management estimate the value of the employees who transferred to be in the region of \$200,000 (based on the cost of recruiting an equivalent number of appropriately trained and experienced team).

The completion of the acquisition also brought a substantial new contract with Straits Resources' Tritton operations, this being a condition precedent of the acquisition. Goldminco, an affiliate of Straits Resources also granted the Company a contract.

The Company also extended its relationship with Glencore's CSA mine in Cobar, with an improvement in labour and service rates.

Review of Operations

Following the listing on ASX in June 2007, the team at EDMS has been active in expanding the business in a number of ways:

- The purchase of new drilling rigs and associated equipment
- Recruitment of key staff
- The acquisition of two NSW based drilling businesses
- Consolidation of staff in new offices in Cobar
- Winning important new clients and revision of contract rates with existing clients
- Continued development of a new underground shotcrete delivery truck

These initiatives have added significantly to the revenue generating assets of the company and to the infrastructure necessary to manage our growth. In particular we have further expanded our fleet of Cubex Down The Hole (DTH) hammer drill rigs, with the intention of making this a core element of our growth strategy.

The continuing strength of the resources and mining sectors has generated increased demand for our products and services. The expansion of our drilling fleet has been undertaken based on strong expressions of interest from existing and potential clients and as a result have been successful in achieving high utilisation rates for our rigs.

DTH strategy

The Company has adopted a strategy of developing its position in DTH hammer drilling with a particular focus on using this technique for production drilling. We will be expanding our fleet of Cubex DTH hammer rigs to execute this strategy and believe that we will have a competitive advantage as a result. The key advantages of these rigs are their drilling accuracy and flexibility which can significantly reduce mine development costs and increase ore extraction rates. In providing such added value services to our clients, we are also able to improve prices and margins.

Services

We have invested in the design and development of a cost effective underground shotcrete agitator/delivery truck.

Directors' Report

This features all the safety systems required for underground operation including electronic brake retarders. We believe this truck design will have significant cost and operational benefits, providing enhanced reliability and higher margins.

Human resources

The growth in our drill rig fleet, the acquisitions of two new businesses and the expansion in our customer base have seen a corresponding increase in our headcount. In order to continue to win new business, the company has made a significant investment in OH&S systems, which are now an essential ingredient of winning new contracts. This initiative has seen the recruitment of a full time OH&S manager and a Human Resources manager.

Capital Raising

During the period the Company undertook a capital raising of \$14 million through a share placement to fund the acquisition of Central Exploration Drilling (CED) and continue the Company's expansion. The raising was for a total of 23,333,333 ordinary fully paid shares to fund the acquisition of CED and the purchase of three new drilling rigs to further bolster the service offering for the NSW-based service provider. The Placement was made to existing and new institutional and sophisticated investors at 60 cents per share, representing a 6% discount to the volume weighted price of the Company's shares for the ten trading days prior to the 15 November 2007 and a 10% discount to the last trade.

New contracts

During the period the Company has extended its customer base with new contracts with Ironclad Mining, Auzex Resources and Augur Resources as well as extending its existing business with CBH Resources' Endeavour mine, Glencore's CSA's mine and Peak Gold's Peak Mine.

Financial review

The Company generated revenue of \$10.3 million for the six months to 31 December 2007, in line with internal projections.

The profitability of the company was impacted in the period by a number of factors:

- Under-utilisation of underground drilling equipment due to rapid expansion and recruitment delays..
- Shotcrete margins were substantially reduced due the cost of meeting additional customer requirements without the flexibility of increasing rates (this has now been rectified) and also by greater than anticipated downtime of our delivery trucks due to repair. The new underground delivery truck designed by EDMS will have significantly improved performance and reliability.
- The later than expected availability of the Cubex drill rigs in the period
- Recruitment and training costs
- Investment in safety management systems
- Significantly increased depreciation arising from the expansion of the drill rig fleet
- Increased labour costs due to greater use of fly-in fly-out staff
- One off corporate costs.

As noted above, the Company is now well positioned for the future and considers that the matters referred to above are of an isolated nature.

The Company believes that, subject to the risk factors identified in its prospectus lodged with the ASX on 28 May 2007, it will achieve the forecasts for the year to 30 June 2008 contained therein.

Directors' Report

Future outlook

For the financial year 2008-2009, the Company will have its full fleet of 33 drilling rigs and 6 new shotcrete trucks in operation and expects to increase revenues by 60% over 2008 with a corresponding increase in EBITDA and NPAT.

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.

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 has been attached at the back of 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



Roger Jackson
Managing Director

29 February 2008

AUDITOR'S INDEPENDENCE DECLARATION – HALF YEAR FINANCIAL REPORT**Auditor's Independence Declaration**

As lead auditor for the review of Every Day Mining Services Limited for the half-year ended 31 December 2007, 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 Mining Services Limited and the entities it controlled during the half-year.

**PKF**

Bruce Gordon
Partner

Sydney
29 February 2008

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Condensed Balance Sheet

As at 31 December 2007

| | Consolidated Dec 2007 \$'000 | Consolidated June 2007 \$'000 |
|---------------------------------------|------------------------------------|-------------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | 10,603 | 5,542 |
| Trade and other receivables | 4,247 | 2,035 |
| Inventories | 458 | 488 |
| Related party receivables | 22 | - |
| Available-for-sale financial assets | 10 | 10 |
| Total Current Assets | <u>15,340</u> | <u>8,075</u> |
| Non-current Assets | | |
| Plant and equipment | 14,572 | 8,976 |
| Intangible assets | 719 | 885 |
| Investment Property | - | 800 |
| Deferred tax assets | 1,005 | 45 |
| Total Non-current Assets | <u>16,296</u> | <u>10,706</u> |
| TOTAL ASSETS | <u>31,636</u> | <u>18,781</u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Bank overdraft | - | 847 |
| Trade and other payables | 3,075 | 4,612 |
| Provisions | 280 | 71 |
| Interest bearing loans and borrowings | 1,384 | 836 |
| Taxation | 208 | 262 |
| Related party liabilities | - | 399 |
| Total Current Liabilities | <u>4,947</u> | <u>7,027</u> |
| Non-current Liabilities | | |
| Interest bearing loans and borrowings | 4,244 | 1,937 |
| Deferred tax liabilities | 256 | - |
| Total Non-current Liabilities | <u>4,500</u> | <u>1,937</u> |
| TOTAL LIABILITIES | <u>9,447</u> | <u>8,964</u> |
| NET ASSETS | <u>22,189</u> | <u>9,817</u> |
| EQUITY | | |
| Contributed equity | 22,543 | 9,488 |
| Accumulated losses | (434) | 249 |
| Reserves | 80 | 80 |
| TOTAL EQUITY | <u>22,189</u> | <u>9,817</u> |

Condensed Income Statement

For the half-year ended 31 December 2007

| | Note | Dec 2007 \$'000 |
|---|------|--------------------|
| Continuing operations | | |
| Revenue | 2 | 10,280 |
| Cost of sales | | (2,893) |
| Gross profit | | 7,387 |
| Other income | 2 | 75 |
| Expenses, excluding finance costs | 3 | (8,715) |
| Finance costs | 3a | (292) |
| Loss from continuing operations before tax | | (1,545) |
| Income tax benefit/(expense) | | 824 |
| Loss from continuing operations after tax | | (721) |
| Earnings per share | | |
| Basic earnings per share (cents per share) | | (1.1c) |
| Diluted earnings per share (cents per share) | | (1.1c) |

Condensed Statement of Changes in Equity

For the half-year ended 31 December 2007

| Consolidated | Ordinary Shares \$'000 | Options Reserve \$'000 | Accumulated Loss \$'000 | Total \$'000 |
|---|------------------------------|------------------------------|-------------------------------|-----------------|
| Profit for the period | - | - | 249 | 249 |
| Equity transactions: | | | | |
| Issue of share capital during period on initial public offering | 8,000 | - | - | 8,000 |
| Issue of share capital to acquire subsidiaries | 2,077 | - | - | 2,077 |
| Issue of share capital to corporate advisers | 925 | - | - | 925 |
| Costs in respect of shares issued on initial public offering | (1,993) | 80 | - | (1,913) |
| Deferred tax on share issue costs | 478 | | | 478 |
| Balance at 30 June 2007 | 9,488 | 80 | 249 | 9,817 |
| Balance at 1 July 2007 | 9,488 | 80 | 249 | 9,817 |
| Loss for the period | - | - | (721) | (721) |
| | 9,488 | 80 | (472) | 9,096 |
| Equity transactions: | | | | |
| Issue of share capital | 14,000 | - | - | 14,000 |
| Costs in respect of shares issued | (886) | - | - | (886) |
| Deferred tax on share issue costs | (59) | - | - | (59) |
| Balance at 31 December 2007 | 22,543 | 80 | (472) | 22,151 |

Condensed Cash Flow Statement

For the half-year ended 31 December 2007

Dec 2007

\$'000

Cash flows from operating activities

| | |
|-------------------------------------|--------|
| Receipts from customers | 8,974 |
| Payments to suppliers and employees | 13,318 |
| Borrowing costs | (292) |
| Income tax paid | - |

Net cash flows utilised in operating activities

(4,636)

Cash flows from investing activities

| | |
|---|---------|
| Proceeds from sale of plant and equipment | - |
| Payments for plant and equipment | (5,623) |
| Payments for intangible assets | - |
| Proceeds from sale of investment properties | 778 |

Net cash flows utilised in investing activities

(4,845)

Cash flows from financing activities

| | |
|--|--------|
| Proceeds from issue of ordinary shares | 13,114 |
| Repayment of finance leases | 2,696 |
| Repayment of related party loans | (421) |

Net cash flows provided by financing activities

15,389

| | |
|--|-------|
| Cash and cash equivalents at beginning of period | 4,695 |
| Net increase in cash and cash equivalents | 5,908 |

Cash and cash equivalents at end of period

10,603

Notes to the Financial Statements

For the half-year ended 31 December 2007

1. REPORTING ENTITY

Every Day Mine Services is a public company, listed on the Australian Stock Exchange, incorporated and domiciled in Australia. Every Day Mine Services operations comprise the provision of exploration drilling and related mining services.

This financial report covers both the financial statements of Every Day Mine Services Limited (the Company) and its subsidiaries for the half year ended 31 December 2007.

(a) Basis of preparation

This general purpose condensed financial report for the half year ended 31 December 2007 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 31 December 2006 and considered together with any public announcements made by Every Day Mine Services Limited during the half year ended 31 December 2007 in accordance with the continuous disclosure obligations of the *ASX listing rules*.

(b) Significant accounting policies

The accounting policies 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 2007.

(c) Adoption of new and revised Accounting Standards

In the current year the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that, are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2007, namely:

- AASB 7 'Financial Instruments: Disclosure'
- AASB 101 'Presentation of Financial Statements' – revised standard
- Interpretation 8 'Scope of AASB 2 Share Based Payment'
- Interpretation 10 'Interim Financial Reporting and Impairment'.

The adoption of these Standards and Interpretations has not resulted in any changes to the Group's accounting policies, and did not have any effect on the financial position and performance of the Group, but will impact the disclosure requirements at the financial year end.

(d) Comparative figures

EDMS was incorporated on 7 March 2007 and the EDMS Group was formed on 1 June 2007. Accordingly no comparative figures exist for the period ended 31 December 2006 in respect of the income statement and cash flow statement therefore none have been presented.

Notes to the Financial Statements

For the half-year ended 31 December 2007

Dec 2007
\$'000

2. REVENUE AND OTHER INCOME

(a) Revenue

| | |
|-----------------|---------------|
| Service revenue | 10,280 |
| Interest income | 42 |
| Other revenue | 33 |
| | <u>10,355</u> |

3. EXPENSES

a) Finance costs

| | |
|------------------------------------|------------|
| Bank charges and interest | 133 |
| Finance lease charges and interest | 159 |
| Total finance costs | <u>292</u> |

b) Depreciation and amortisation expense

| | |
|-------------------------------------|--------------|
| Depreciation of non-current assets | 984 |
| Amortisation of intangible assets | 61 |
| Total depreciation and amortisation | <u>1,045</u> |

c) Employee benefits expense

| | |
|------------------------|--------------|
| Wages and salaries | 4,951 |
| Superannuation expense | 343 |
| | <u>5,294</u> |

Notes to the Financial Statements

For the half-year ended 31 December 2007

4. SEGMENTAL REPORTING

(a) Business Segments

The consolidated entity operates in one business segment, namely provision of mining services.

(b) Geographical Segments

The consolidated entity operates in one geographical segment, namely Australia.

5. COMMITMENTS FOR EXPENDITURE

Capital expenditure commitments

The has the following commitments for capital expenditure as at the date of this report

| | |
|---|-----------------------|
| Cubex DTH drill rigs | \$ 1,900,000 |
| Boart Longyear drill rigs and equipment | 1,250,000 |
| | <hr/> 3,150,000 <hr/> |

It is anticipated that these commitments will be met out of existing cash and bank facilities.

6. CONTINGENCIES

There are no contingencies as at 31 December 2007.

7. SUBSEQUENT EVENTS

Subsequent to the end of the period, the Company completed the acquisition of the assets and business of Central Exploration Drilling for a total consideration of \$6.5 million. The independent valuation of the equipment was \$5.7m, whilst management estimate the value of the employees who transferred to be in the region of \$200,000 (based on the cost of recruiting an equivalent number of appropriately trained and experienced team).

The completion of the acquisition also brought a substantial new contract with Straits Resources' Tritton operations, this being a condition precedent of the acquisition. Goldminco, an affiliate of Straits Resources also granted the Company a contract.

The Company also extended its relationship with Glencore's CSA mine in Cobar, with an improvement in labour and service rates.

8. RELATED PARTY TRANSACTIONS

Included in receivables is an amount of \$22,219 due from Mr R Jackson.

Directors' declaration

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

1) the financial statements and notes set out on pages 11 to 13, 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 2007 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 Sydney this 29th day of February 2008.

A handwritten signature in black ink, appearing to read 'J. Bell', with a large, sweeping flourish underneath.

John Bell
Director/CFO

Independent Review Report



Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Every Day Mining Services Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Every Day Mining Services Limited, which comprises the condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, and other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and its subsidiaries at 31 December 2007 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 disclosing 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 control 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 the 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 disclosing entity's financial position as at 31 December 2007 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 Mining Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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Independent Review Report



Chartered Accountants
& Business Advisers

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 Every Day Mining Services Limited 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 2007 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

Sydney
29 February 2008

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