



AVENUE RESOURCES LIMITED

ABN 12 143 303 388

Half-year Financial Report

31 December 2012

CORPORATE DIRECTORY

Directors

Mr Anthony Polglase

Mr Luis Azevedo

Mr Simon Mottram

Mr Benjamin Dunn

Company Secretary

Mr Scott Funston

Registered Office and Principal Place of Business

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Auditors

RSM Bird Cameron Partners

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Securities Exchange

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

ASX Code: AVY

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DIRECTORS' REPORT

The directors of Avenue Resources Limited and its subsidiaries ("Avenue" or the "Group") submit the financial report of the Group for the half-year ended 31 December 2012. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Anthony Polglase	Non-Executive Chairman
Mr Luis Azevedo	Executive Director
Mr Simon Mottram	Executive Director
Mr Benjamin Dunn	Non-Executive Director

Results

The loss after tax for the half-year ended 31 December 2012 was \$455,034 (31 December 2011 loss of \$160,306).

Review of Operations

Highlights

- Significant exploration was undertaken at both of the Company's primary tin projects, Sao Lourenco Tin (SLT) and North Brazilian Tin (NBT) in Rondonia, Brazil.
- Line based mapping amounting to ~9km and over 160 channel samples were collected from SLT.
- Results from 111 SLT channel samples have been returned and with channel sampling results including¹:
 - 1.5m @ 2.6% Tin, 5.0g/t Silver - CH-0001
 - 3.5m @ 0.9% Tin, 15.7g/t Silver - CH-0003
 - 2.2m @ 2.3% Tin, 2.0g/t Silver - CH-0004
- The most extensive vein sets have been observed at the Irene target at SLT. Veining over an area 300m wide and 800m of strike is visible, associated channel and rock chip results are tabulated below.
- SLT has been expanded with the inclusion of three additional granite intrusions situated to the Northwest. Field reconnaissance including ~17km of line based regional mapping and sampling over these areas was completed during the quarter.
- At the North Brazilian Tin Project (NBT) six areas were evaluated and two found to host Rondonian Younger Granites. This type of granite is the source of all Tin mineralisation found in the Rondonia Tin Province and is considered highly encouraging.

SAO LOURENCO PROJECT (SLT)

Located 200km from Porto Velho in Rondonia, Sao Lourenco is reported to be one of Brazil's largest tin producing districts. Avenue owns the rights to 100% of SLT.

Regional exploration over the SLT licenses discovered 3 additional granite targets all of which have extensive alluvial tin workings (both historic and current), which are continuing to be evaluated for their primary tin potential.

NORTH BRAZILIAN TIN (NBT)

The Company owns the rights to 75% of the 36,643ha NBT Project in Rondonia State, Western Brazil. The project comprises seven green field properties with six having been evaluated during the quarter. Two areas are now considered prospective as they host Rondonian Younger Granites. These granites are important geological features, known to be associated with all tin mines and occurrences in the region. Work will continue to focus on stream, heavy mineral concentrate sampling, and soil geochemistry to identify targets.

CORPORATE

Avenue remains committed to pursuing the discovery of a large primary tin deposit. The Company's strategy follows both exploration and acquisition and new projects are regularly presented to management. Project generation work has narrowed down the Company's extensive review to a number of highly prospective Brazilian tin projects. Negotiations continue with some at an advanced stage.

Subsequent Events

There have been no significant events subsequent to the end of the period.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, RSM Bird Cameron Partners, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 3 and forms part of this directors' report for the half-year ended 31 December 2012.

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



Anthony Polglase

Chairman

5 March 2013

1. Refer to ASX Announcement "Quarterly Activities Report", 31 October 2012.

The information in this report that relates to Mineral Resources and Exploration Results are based on information compiled by Mr Simon Mottram who is a Member of the Australian Institute of Geoscientists. Mr Mottram is a Director of Avenue Resources Limited. Mr Mottram has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Mottram consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

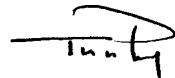
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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Avenue Resources Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (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 review.

Rsm Bird Cameron Partners
RSM BIRD CAMERON PARTNERS



Perth, WA
Dated: 5 March 2013

TUTU PHONG
Partner

Liability limited by a
scheme approved
under Professional
Standards Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
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RSM Bird Cameron Partners is a member of the RSM network. Each member of the RSM network is an independent accounting and advisory firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.



Consolidated Statement of Comprehensive Income
for the half-year ended 31 December 2012

	Note	Consolidated 2012 \$	Company 2011 \$
Continuing operations			
Interest revenue		59,354	59,614
Revenue		59,354	59,614
Public company costs		(25,771)	(18,347)
Accounting and audit expenses		(30,864)	(77,348)
Consulting and directors' fees		(139,996)	(42,505)
Legal fees		(73,969)	(45,834)
Share based payments		(154,935)	-
Depreciation		(3,891)	-
Travel expenses		(7,359)	(1,233)
Due diligence fees		-	(16,951)
Occupancy expenses		(60,000)	-
Administrative expenses		(17,603)	(17,702)
Loss before income tax		(455,034)	(160,306)
Income tax expense		-	-
Loss after income tax		(455,034)	(160,306)
Other comprehensive loss			
<i>Item that may be reclassified subsequently to operating result</i>			
Foreign currency translation difference		(4,205)	-
Other comprehensive loss for the half-year		(4,205)	-
Total comprehensive loss for the half-year		(459,239)	(160,306)
Loss per share			
Basic and diluted loss per share (cents per share)		(0.82)	(0.75)

Consolidated Statement of Financial Position
as at 31 December 2012

	Note	Consolidated 31 December 2012 \$	30 June 2012 \$
Assets			
Current Assets			
Cash and cash equivalents		2,210,211	3,124,945
Trade and other receivables		37,236	47,085
Total Current Assets		2,247,447	3,172,030
Non-Current Assets			
Deferred exploration and evaluation expenditure	3	6,913,016	6,327,450
Plant and equipment		42,662	6,046
Total Non-Current Assets		6,955,678	6,333,496
Total Assets		9,203,125	9,505,526
Current Liabilities			
Trade and other payables		122,135	120,232
Total Current Liabilities		122,135	120,232
Total Liabilities		122,135	120,232
Net Assets		9,080,990	9,385,294
Equity			
Issued capital		10,554,368	10,554,368
Reserves		2,540,721	2,389,991
Accumulated losses		(4,014,099)	(3,559,065)
Total Equity		9,080,990	9,385,294

Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2012

Period ended 31 December 2012	Issued Capital \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
Consolidated					
Balance as at 1 July 2012	10,554,368	2,449,872	(59,881)	(3,559,065)	9,385,294
Total comprehensive loss for the half-year					
Loss for the half-year	-	-	-	(455,034)	(455,034)
Other comprehensive loss	-	-	(4,205)	-	(4,205)
Total comprehensive loss for the half-year	-	-	(4,205)	(455,034)	(459,239)
Equity Transactions					
Issue of ordinary shares	-	-	-	-	-
Share based payments	-	154,935	-	-	154,935
Balance at 31 December 2012	10,554,368	2,604,807	(64,086)	(4,014,099)	9,080,990

Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2012

Period ended 31 December 2011 Company	Issued Capital \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
Balance as at 1 July 2011	2,927,113	398,220	-	(257,333)	3,068,000
Total comprehensive loss for the half-year					
Loss for the half-year	-	-	-	(160,306)	(160,306)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	(160,306)	(160,306)
Equity Transactions					
Issue of ordinary shares	-	-	-	-	-
Share based payments	-	-	-	-	-
Balance at 31 December 2011	2,927,113	398,220	-	(417,639)	2,907,694

Consolidated Statement of Cash Flows

for the half-year ended 31 December 2012

	Note	Consolidated 2012 \$	Company 2011 \$
Cash flows from operating activities			
Payments to suppliers and employees		(357,070)	(165,301)
Interest received		67,348	59,614
Net cash flows used in operating activities		(289,722)	(105,687)
Cash flows from investing activities			
Payments for plant and equipment		(40,548)	-
Payments for exploration and evaluation expenditure		(584,464)	(54,182)
Net cash used in investing activities		(625,012)	(54,182)
Net decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of period		(914,734)	(159,869)
Cash and cash equivalents at the end of the period		3,124,945	2,647,988
		2,210,211	2,488,119

Notes to the Consolidated Financial Statements

for the half-year ended 31 December 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**Corporate Information**

This general purpose half-year financial report of Avenue Resources Limited and its subsidiaries (the Group) for the half-year ended 31 December 2012 was authorised for issue in accordance with a resolution of the directors on 5 March 2013.

Avenue Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

Basis of Preparation

This financial report for the half-year ended 31 December 2012 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

These half-year financial statements do not include all notes of the type normally included within the annual financial statements 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 statements.

It is recommended that the half-year financial statements be read in conjunction with the annual report for the year ended 30 June 2012 and considered together with any public announcements made by Avenue Resources Limited during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations of the ASX listing rules.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period. The accounting policies adopted are consistent with those of the previous financial year.

New and amending Accounting Standards and Interpretations

In the half-year ended 31 December 2012, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2012.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2012. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to the Company's accounting policies.

NOTE 2: SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves exploration for tin. All of the Company's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2012**NOTE 3: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

	31 December 2012	30 June 2012
	\$	\$
At beginning of the period	6,327,450	459,062
Exploration expenditure during the period	590,459	777,538
Acquisition of assets	-	5,683,433
Impairment loss	-	(534,412)
Net exchange difference on translation	<u>(4,893)</u>	<u>(58,171)</u>
Total deferred exploration and evaluation expenditure	6,913,016	6,327,450

The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

NOTE 4: DIVIDENDS

No dividends have been paid or provided for during the half-year (2011: nil).

NOTE 5: CONTINGENT LIABILITIES

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

NOTE 6: SUBSEQUENT EVENTS

There have been no significant events subsequent to the end of the half-year.

DIRECTORS' DECLARATION

In the opinion of the directors of Avenue Resources Limited and its subsidiaries (the 'Group'):

1. The financial statements and notes thereto, as set out on pages 4 to 10, are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Anthony Polglase

Chairman

5 March 2013

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
AVENUE RESOURCES LIMITED**

We have reviewed the accompanying half-year financial report of Avenue Resources Limited which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Avenue Resources 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Avenue Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

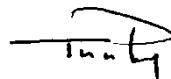
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Avenue Resources 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 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



Perth, WA
Dated: 5 March 2013

TUTU PHONG
Partner