TOODYAY RESOURCES LIMITED

ABN 88 000 759 535

Interim Report – 31 December 2006

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2006 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Corporate Directory

Directors	David Christian Steinepreis Chairman Gary Christian Steinepreis Paul Robert Hearne
Company Secretary	Gary Christian Steinepreis
Registered Office	Level 1, 33 Ord Street West Perth WA 6005 Telephone (08) 9420 9300
Share Register	Computershare Investor Services Pty Limited Level 2, 45 St George's Terrace Perth WA 6000 Telephone: 1300 850 505
Auditor	PricewaterhouseCoopers QV1, 250 St George's Terrace Perth WA 6000
Bankers	Westpac Banking Corporation 109 St George's Terrace Perth WA 6000
Stock Exchange Listing	Toodyay Resources Limited's shares are listed on the Australian Stock Exchange. Code : TDR
Website Address	www.ascentcapital.com.au

Directors' Report

Your directors present their report on Toodyay Resources Limited (the Company) for the half-year ended 31 December 2006.

Directors

The following persons were directors of Toodyay Resources Limited during the whole of the half–year and up to the date of this report:

David Christian Steinepreis
Gary Christian Steinepreis
Paul Robert Hearne

Principal Activities

During the half year the principal continuing activities of the Company consisted of:

Mineral exploration activities through its interest in the Princhester Magnesite Project, its oil and gas business through its royalty interest via the Griffin Royalty and Tubridgi Royalty.

The Company has pursued complementary acquisitions together with new projects within Australia and overseas by way of acquisition, development and/or earn-in.

During the period the Company submitted a tender to the Victorian Government to acquire the Benambera Project.

Review of Operations

During the half-year the Company made a loss of $337,827. Additional information on the financial position of the Company is set out in the financial report.

Matters subsequent to the end of the Half - Year

There has been no matter or circumstance, other than those mentioned above, that has arisen that has significantly affected, or may significantly affect:

(1) the Company's operations in future financial years, or
(2) the results of those operations in future financial years, or
(3) the Company's state of affairs in future financial years.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

This report is made in accordance with a resolution of directors.

G Steinepreis

Gary Steinepreis
Director
Perth
27 February 2007

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Auditor's Independence Declaration

As lead auditor for the review of Toodyay Resources Limited for the half-year ended 31 December 2006, 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 Toodyay Resources Limited.

Justin Carroll
Partner
PricewaterhouseCoopers

Perth
27 February 2007

Toodyay Resources Limited
Income Statement
For the half-year ended 31 December 2006

	Note	2006 $
Revenue	3	21,721
Expenses	4	(359,548)
Loss before income tax		**(337,827)**
Income tax expense		-
Loss for the half-year		**(337,827)**
Loss attributable to the members of Toodyay Resources Limited for the half-year		**(337,827)**
		Cents
Loss per share attributable to the ordinary equity holders of the Company:		
Basic loss per share		**(0.1)**
Diluted loss per share		**(0.1)**

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

Toodyay Resources Limited
Balance Sheet
As at 31 December 2006

	Note	31 December 2006 $	30 June 2006 $
ASSETS			
Current assets			
Cash and cash equivalents		1,270,950	1,606,135
Trade and other receivables		98,313	115,544
Total current assets		**1,369,263**	**1,721,679**
Total assets		**1,369,263**	**1,721,679**
LIABILITIES			
Current liabilities			
Trade and other payables		19,094	33,683
Total current liabilities		**19,094**	**33,683**
Total liabilities		**19,094**	**33,683**
Net assets		**1,350,169**	**1,687,996**
EQUITY			
Contributed equity	5(a)	129,220,500	129,220,500
Reserves	5(b)	1,000	1,000
Accumulated losses		(127,871,331)	(127,533,504)
Total equity		**1,350,169**	**1,687,996**

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

	2006 $
Total equity at the beginning of the half-year	**1,687,996**
Loss for the half-year	(337,827)
Total equity at the end of the half-year	**1,350,169**

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

	2006 $
Cash flows from operating activities	
GST refunds from the Australian Taxation Office	57,305
Payments to suppliers and employees (inclusive of goods and services tax)	(414,211)
Net cash outflow from operating activities	**(356,906)**
Cash flows from investing activities	
Interest received	21,721
Net cash inflow from investing activities	**21,721**
Net cash flow from financing activities	-
Net decrease in cash and cash equivalents	(335,185)
Cash and cash equivalents at the beginning of the half-year	1,606,135
Cash and cash equivalents at the end of the half-year	**1,270,950**

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

1 Basis of preparation

This general purpose financial report for the interim half–year reporting period ended 31 December 2006 has been prepared in accordance with Accounting Standard AASB134, *Interim Financial Reporting* and the *Corporations Act 2001* unless stated otherwise.

The general purpose financial report for the half-year ended 31 December 2006 does not comply with the requirements of AASB101: *Presentation of Financial Statements*, as they do not report comparatives, other than comparatives relating to the balance sheet, from the previous half-year's interim financial report.

Comparatives for the financial half-year ended 31 December 2005, have not been prepared due to the Company being in liquidation during that period. The *Corporations Regulations 2001* exempt a Company, its directors and auditors from the preparation and lodgement of financial reports where the Company has gone into liquidation. The Company was brought out of liquidation under a deed of Company arrangement and was reconstructed during the reporting period ended 30 June 2006.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2006 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year.

2 Segment Information

Business Segment
The Company operates in the mining and exploration industry.

Geographical Segment
The Company is domiciled in Australia and currently operates within Australia.

3 Revenue

	2006
Other revenue	$
Interest earned	21,721
	21,721

4 Expenses

	2006
	$
Corporate compliance costs	80,280
Corporate management fees	90,000
Occupancy costs	38,479
Exploration expenditure	103,170
Travel expenditure	22,068
General administration costs	25,551
	359,548

5 Contributed Equity

(a) Share Capital

	2006 Shares	2006 $
Ordinary shares fully paid	349,475,352	129,220,500

The was no movement in ordinary share capital during the half – year ended 31 December 2006.

(b) Other Equity Securities

	2006 Number	2006 $
Options exercisable at 1 cent expiring 31 December 2008	30,000,000	1,000
Options exercisable at $6.30 expiring 19 May 2008	66,666	-
Options exercisable at $6.45 expiring 30 January 2008	33,333	-
Options exercisable at $16.65 expiring 30 November 2007	153,333	-
Options exercisable at $11.25 expiring 5 November 2007	99,333	-
Options exercisable at $17.10 expiring 18 June 2007	16,666	-
Options exercisable at $15.90 expiring 24 April 2007	46,666	-
	30,415,997	**1,000**

5 Contributed Equity (continued)

(c) Movement in Options

Date	Details	Number of options	Issue price	Amount $
1/7/2006	Opening balance	30,468,262		1,000
30/10/2006	Expired during the period	(26,666)	-	-
5/11/2006	Expired during the period	(19,908)	-	-
28/11/2006	Expired during the period	(5,691)	-	-
31/12/2006	Balance	**30,415,997**		**1,000**

In the directors' opinion, except for the non inclusion of comparatives:

1 the financial statements and notes set out on pages 5 to 11 are in accordance with the *Corporations Act 2001*, including:

(a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) giving a true and fair view of the Company's financial position as at 31 December 2006 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the half-year ended on that date; 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.

G Steinepreis

Gary Steinepreis
Director

Perth
27 February 2007

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INDEPENDENT AUDITOR'S REVIEW REPORT

to the members of Toodyay Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Toodyay Resources Limited, which comprises the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for Toodyay Resources Limited (the company).

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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing 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 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 company's financial position as at 31 December 2006 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 Toodyay 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

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For further explanation of a review, visit our website http:/www.pwc.com/au/financialstatementaudit.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

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

Qualification

As disclosed in Note 1, annual and interim financial statements were not prepared, audited or reviewed for the period from 1 July 2003 to 31 December 2005. Consequently, comparative information for the income statement, statements of changes in equity, cash flow statement and selected explanatory notes has not been presented. This represents a departure from AASB 101: *Presentation of Financial Statements* which requires that comparative financial information be disclosed in respect of the previous period.

We have, however, audited the financial report for the preceding financial year ended 30 June 2006 and therefore our review statement is not qualified in respect of the information for the year ended 30 June 2006 included in the balance sheet and the income statement, statement of changes in equity and cash flow statement for the half-year ended 31 December 2006.

Qualified Conclusion

Based on our review, which is not an audit and because of the existence of the limitation on the scope of our work, as described in the qualification paragraph above, and the effect of such adjustments, if any, as might have been determined to be necessary had the limitation in scope not existed, we have not become aware of any matter that makes us believe that the half-year financial report of Toodyay Resources Limited is not in accordance with the *Corporations Act 2001* including:

a. giving a true and fair view of the company's financial position as at 31 December 2006 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.*

PricewaterhouseCoopers

Justin Carroll
Partner

Perth
27 February 2007