

**CONVERGENT MINERALS LTD
AND CONTROLLED ENTITY**

A.B.N 56 120 909 953

HALF YEAR REPORT

31 DECEMBER 2008

Convergent Minerals Ltd
A.B.N 56 120 909 953
And Controlled Entity
31 DECEMBER 2008

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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 any public announcements made by Convergent Minerals Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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Convergent Minerals Ltd
A.B.N 56 120 909 953
And Controlled Entity

Directors Report
For the Half Year Ended 31 December 2008

Your directors present the financial report on the company and its controlled entity for the half year ended 31 December 2008.

The names of the directors in office at any time during, or since the end of, the year are:

Simon Kenneth Cato
Richard Homsany – resigned 30 July 2008
Jeremy Sean Whybrow
Roderick Claude McIlree

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

REVIEW OF OPERATIONS

The consolidated loss of the consolidated group for the financial year after providing for income tax amounted to \$218,233 (31 December 2007: \$92,836). The company's operations during the year performed as expected in the opinion of the directors.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated group during the financial year were, Mineral exploration.

No significant change in the nature of these activities occurred during the period.

DIVIDENDS

In respect of the financial period ended 31 December 2008 no dividends were paid or declared, and no dividends have been paid or declared up to the date of this report.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included with the financial reports.

Signed in accordance with a resolution of the Board of Directors:



SK Cato
Director

Dated this 12th day of March 2009

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Consolidated Income Statement
For the Half Year ended 31 December 2008

	31 December 2008 \$	31 December 2007 \$
Revenue	99,178	110,026
Depreciation expense	3,319	1,378
Directors fees	156,455	76,875
Occupancy costs	2,886	24,000
Regulatory expenses	24,508	38,815
Employee expenses	45,271	-
Other Expenses	84,972	61,794
Loss before Income Tax	(218,233)	(92,836)
Income Tax Expense	-	-
Loss Attributable to Members of the Company	(218,233)	(92,836)
	Cents	Cents
Basic earnings per share	(0.5)	(0.25)
Diluted earnings per share	(0.5)	(0.25)

The accompanying notes form part of these financial statements.

Convergent Minerals Ltd
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Consolidated Balance Sheet
As At 31 December 2008

	31 December 2008 \$	31 June 2008 \$
Current Assets		
Cash and Cash Equivalents	2,790,947	3,334,360
Trade and Other Receivables	61,795	-
Other Current Assets	78,037	19,626
Total Current Assets	<u>2,930,779</u>	<u>3,363,986</u>
Non-Current Assets		
Trade and Other Receivables	40,927	-
Property, Plant and Equipment	199,238	11,335
Exploration, evaluation and development expenditure	1,178,355	847,594
Total Non-Current Assets	<u>1,418,520</u>	<u>858,929</u>
Total Assets	<u>4,349,299</u>	<u>4,222,915</u>
Current Liabilities		
Trade and Other Payables	142,571	101,133
Financial Liabilities	22,641	-
Total Current Liabilities	<u>165,212</u>	<u>101,133</u>
Non-Current Liabilities		
Financial Liabilities	59,078	-
Total Non-Current Liabilities	<u>59,078</u>	<u>-</u>
Total Liabilities	<u>224,290</u>	<u>101,133</u>
Net Assets	<u>4,125,009</u>	<u>4,121,782</u>
Equity		
Issued Capital	4,429,752	4,208,295
Reserves	174,447	174,446
Accumulated Losses	(479,192)	(260,959)
Minority Interest	2	-
Total Equity	<u>4,125,009</u>	<u>4,121,782</u>

The accompanying notes form part of these financial statements.

Convergent Minerals Ltd
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Consolidated Statement of Changes in Equity
For the Half Year ended 31 December 2008

	Issued Capital	Option Premium Reserve	Retained Earnings	Minority Interest	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2007	4,187,771	174,971	(78,682)	-	4,284,070
Loss attributable to members of the entity	-	-	(92,836)	-	(92,836)
Issued fully paid shares	20,000	-	-	-	20,000
Transfer of reserves on exercise of options net of transaction costs	476	476	-	-	-
Balance at 31 December 2007	4,208,247	174,495	(171,508)		4,211,234
Balance at 1 July 2008	4,208,294	174,447	(260,959)		4,121,782
Loss attributable to members of the entity	-	-	(218,233)		(218,233)
Adjustment to initial public offering costs	1,458	-	-	-	1,458
Shares issued re: acquisition Montague Resources Aust P/L	220,000	-	-	-	220,000
Minority interest	-	-	-	2	2
Balance at 31 December 2008	4,429,752	174,447	(479,192)	2	4,125,009

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Consolidated Statement of Cash Flows
For the Half Year ended 31 December 2008

	31 December 2008 \$	31 December 2007 \$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Interest received	90,953	114,511
Rent received	4,950	-
Payments to suppliers	(322,068)	(209,438)
Net cash used in operating activities	<u>(226,165)</u>	<u>(94,927)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and development expenditure	(71,113)	(156,903)
Plant and Equipment	(6,496)	-
Acquisition of subsidiary (net of cash)	(176,100)	-
Net cash used in investing activities	<u>(253,709)</u>	<u>(156,903)</u>
CASH FLOWS PROVIDED/(USED) IN FINANCING ACTIVITIES		
Short term loans to other companies	(40,928)	
Proceeds from option exercise		20,000
Financing repayments	(65,175)	-
Net cash provided/(used) in financing activities	<u>(106,103)</u>	<u>20,000</u>
Net increase/(decrease) in cash held	(585,977)	(231,830)
Cash at beginning of period	<u>3,376,924</u>	<u>3,724,589</u>
Cash at end of period	<u><u>2,790,947</u></u>	<u><u>3,492,759</u></u>

The accompanying notes form part of these financial statements

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Notes to the Financial Statements
For the Half Year ended 31 December 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The half year financial statements are a general purpose financial report prepared to satisfy the financial report preparation requirements of the Corporations Act 2001, Accounting Standards AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Convergent Minerals Ltd is a company limited by shares, incorporated and domiciled in Australia.

It is recommend that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Convergent Minerals Ltd during the interim reporting period in accordance with the continuous disclosure requirements under the Corporations Act 2001.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The accounting policies have been consistently applied by the consolidated group and are consistent with those applied 30 June 2008.

The half year report does not include full disclosures of the type normally included in an annual financial report.

Going Concern

The accounts have been prepared on the basis that the company can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business.

Exploration and Evaluation Expenditure

The recoverability of the carrying amount of the exploration and development assets is dependent on the successful development and commercial exploitation or alternatively sale of the respective areas of interest.

NOTE 2: SEGMENT INFORMATION

Business Segments

The entity operates in one geographic segment for secondary reporting, being Australia and in one business segment, being exploration for and evaluation of minerals.

	31 December 2008	31 December 2007
	\$	\$
Segment revenue from all activities	99,178	110,026
Segment results	(218,233)	(92,836)

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Notes to the Financial Statements
For the Half Year ended 31 December 2008

NOTE 3: BUSINESS COMBINATION

On 9 November 2008, Convergent Minerals Ltd acquired 99.9% of Montague Resources Australia Pty Ltd.

(i) Purchase consideration

Consideration	Number of shares	Fair Value Per Security	Fair Value
		\$	\$
Acquisition cost			214,189
Shares issued	4,000,000	0.055	220,000
Total cost of acquisition			<u><u>434,189</u></u>

(ii) Assets and Liabilities acquired

	Acquiree's Carrying Amount \$	Fair Value \$
Assets		
Cash and equivalent	38,089	38,089
Other receivables	39,148	39,148
Tenement at cost	-	259,649
Plant and equipment	195,658	195,658
	<u>272,895</u>	<u>532,544</u>
Liabilities		
Trade and other payables	15,111	15,111
Short term financial liabilities	24,166	24,166
Long Term financial liabilities	59,078	59,078
	<u>98,355</u>	<u>98,355</u>
Net Assets	<u><u>174,540</u></u>	<u><u>434,189</u></u>

NOTE 4: CONTINGENT ASSETS AND LIABILITIES

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

Convergent Minerals Ltd
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Notes to the Financial Statements
For the Half Year ended 31 December 2008

NOTE 5: EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen subsequent to 31 December 2008 that has significantly affected, or may significantly affect:

- (a) the company's operations in future financial years: or
- (b) the results of those operations in future financial years: or
- (c) the company's state of affairs in future financial years.

NOTE 6: COMMITMENTS

The company is planning to incur the following expenditure:

	Within 6 months \$	Within 6-12 months \$	Within 12-18 months \$	TOTAL \$
Corporate	106,000	127,000	127,000	360,000
Exploration	50,000	750,000	400,000	1,200,000
TOTAL	156,000	877,000	527,000	1,560,000

NOTE 7: DIVIDENDS

No dividends have been declared or paid during the half year ended 31 December 2008.

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Directors Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 2 to 8:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. give a true and fair view of the Company and Consolidated Entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date.
2. In the Directors' opinion 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 Board of Directors.



Simon Cato
Director

Dated this 12th day of March 2009

**Convergent Minerals Ltd
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**Auditors Independence Declaration
Under Section 307C of the Corporations Act 2001
To the Directors of Convergent Minerals Ltd**

I declare that to the best of my knowledge and belief, during the half year ended 31 December 2008 there have been:

- a. no contraventions of the auditor independence requirements as set out in 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.

mack & co

Mack & Co
Chartered Accountants
2nd Floor, 35 Havelock Street
WEST PERTH WA 6005

N A Calder

N A Calder
Partner

Date: *MARCH 12 2009*

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Convergent Minerals Ltd
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Independent Review Report
To the Members of Convergent Minerals Ltd

Report on the Half year Financial Report

We have reviewed the half year financial report of Convergent Minerals Limited and its controlled entity (consolidated entity) which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration at the half year end.

Director's 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 the 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. Our review has been conducted in accordance with Auditing Standards on Review Engagements ASRE 2410 Review on 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 2008 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporation Regulations 2001, and other mandatory financial reporting requirements in Australia. As the auditor of consolidated entity, 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.

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**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF CONVERGENT MINERALS LIMITED**

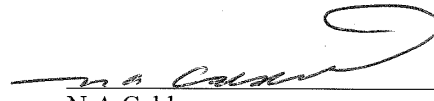
Conclusion

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 Convergent Minerals Limited and its controlled 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 2008 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.

mack & co

Mack & Co
Chartered Accountants
2nd Floor, 35 Havelock Street
WEST PERTH WA 6005



N A Calder
Partner

Date: *MARCH 12 2009*

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