Tamaya Resources Limited
ABN 45 071 349 249

Half year report for the six months ended 30 June 2008

HALF YEAR REPORT

Six Months Ended 30 June 2008

Highlights

Note: 2007 figures are for the comparative period

- EBIT before impairment write-down of $4.5 million (2007 period: $9.8 million)
- After tax loss of $141.2 million after impairment write-down of $136.4 million (2007 period: $6.5 million after tax profit)
- Net cash outflow from operating activities of $1.1 million (2007 period: $4.0 million net cash inflow)
- Copper production of 3,134 tonnes (2007: 2,717 tonnes)
- Head grade of ore milled during half year averaged 1.08% Cu. Head grade has improved and ore mined since June has averaged closer to the ore reserve grade of 1.4% Cu
- Unit cash operating cost averaged US$2.28/lb for half-year and trending lower as payable copper increases with improved ore grade
- Expansion of Punitaqui plant to a rated capacity of 3,000 tonnes of ore per day completed
- Tamaya group estimated copper resource in Chile - 11.6 million tonnes at 1.4% Cu at an underground cut-off grade of 0.6% Cu and an open pit cut-off grade of 0.4% Cu.

Note: All dollar amounts are in Australian Dollars unless otherwise noted.

Financial

		Half year 30 June 2008	Half year 30 June 2007
Sales revenue	$'000	**25,281**	22,840
EBIT before impairment write-down	$'000	**4,459**	9,783
Profit (Loss) after tax	$'000	**(141,238)**	6,530
(Loss) Earnings per share	cents	**(13.2)**	1.1
Cash flow per share	cents	**(0.1)**	0.7

Production

Ore mined	'000 tonnes	**397**	179
Ore milled	'000 tonnes	**396**	231
Head grade - copper	%	**1.08**	1.65
Recovery	%	**73.1**	71.2
Copper in concentrate	tonnes	**3,134**	2,717
Gold in concentrate	ounces	**-**	131
Silver in concentrate	ounces	**52,811**	74,728
Copper concentrate grade	% Cu	**20.4**	22.1
Unit cash operating costs*	US$/lb pay Cu	**2.28**	1.48

*Unit cash cost are net of gold and silver credits.

Directors' Review

RESULTS

As highlighted in the Company's quarterly report on 30 July 2008, the group has conducted a comprehensive review of the carrying values of its assets, particularly its Armenian assets. In view of the group's decision to place the projects in Armenia and Portugal on care and maintenance and having regard to the prospects for the property's development and current market conditions, the directors have resolved to recognise an impairment charge (net of tax) of $136.4 million. As a result, the Company has recorded a consolidated loss after tax for the half-year of $141.2 million (2007: $6.5 million profit) before minority interests.

Operating profit

The Punitaqui operation in Chile generated $25.3 million in revenue from sales of copper and by-products during the half year. The operation contributed a gross profit of $9.5 million ($6.2 million after depreciation and amortisation). Higher depreciation charges for the half year reflect the higher plant cost base following completion of the plant and mill expansion to treat 3,000 tonnes of ore per day and the higher mill throughput during the half-year.

The Punitaqui operating results were below expectation largely due to the mining and processing of lower grade development ore from the Cinabrio mine during the first half of the year. The copper grade of 1.08% milled during the half-year is well below the Cinabrio mine ore reserve grade, which averages 1.4% copper. The company invested in underground development to access the higher grade ore reserves in the Cinabrio mine and since June 2008, the company is largely mining at the ore reserve grade.

After taking into account corporate costs, higher depreciation and amortisation charges and expensing of Armenia costs following the change from development to exploration status, the Company reported earnings of $3.1 million before interest, tax and impairment and other non operational and non-recurring charges as detailed below.

Half-years	**30 June 2008 $'000**	**30 June 2007 $'000**
Sales revenue	**25,281**	22,840
Cost of sales	**(15,740)**	(9,605)
Gross profit	**9,541**	13,235
Other income	**145**	300
Administration and corporate costs	**(3,120)**	(4,952)
EBITDA before non-operating and non-recurring items	**6,566**	8,583
Depreciation and amortisation	**(3,500)**	(1,145)
EBIT before non-operating and non-recurring items	**3,066**	7,438

Impairment of assets

The directors have conducted a review of asset values due primarily to:

a) The decision to defer the development of the Lichkvaz project and place it on care and maintenance pending further exploration work, subsequent to 30 June 2008;
b) Current depressed market conditions.

The Company acquired an 86.2% shareholding in Iberian Resources Limited ("Iberian") in May 2007 in an off-market takeover offer satisfied by the issue of Tamaya shares to Iberian shareholders in a transaction which valued the acquisition cost at $112 million. The principal asset in the Iberian portfolio is the Lichkvaz project in Armenia. Iberian also has other exploration projects in Portugal.

Following the decision to defer the development of the Lichkvaz project and the subsequent decision to place the project and the projects in Portugal on care and maintenance, the directors have decided that a write-down of the carrying value of the project and other assets in Armenia and Portugal is appropriate. An impairment charge of $147.0 million has been recognised in the half-year accounts against the Armenian and Portugese projects. Further impairment loss has been recognised in the half-year accounts in respect of some Chilean assets ($17.6 million) and Australian assets ($1.1 million). Following the impairment write-down, the associated deferred tax liability has also been reversed and an income tax benefit recognised in the half-year. The total impairment loss after tax recognised in the half-year is $136.4 million. As a result of the impairment and other non-recurring charges, a consolidated loss after tax of $141.2 million has been recorded for the half-year, as detailed below.

Half-years	**30 June 2008** **$'000**	30 June 2007 $'000
EBIT before non-operating and non-recurring items	**3,066**	7,438
Non-operating items:		
Convertible bond embedded derivative – revaluation gain	**4,346**	-
Gain on litigation settlements	**-**	3,279
Derivative loss	**(2,953)**	-
Non-recurring items:		
Provision for superannuation contributions	**-**	(934)
Impairment of non-current assets	**(165,726)**	-
(Deficit) EBIT	**(161,267)**	9,783
Finance costs (net)	**(8,215)**	(1,218)
(Loss) Profit before tax	**(169,482)**	8,565
Income tax benefit (expense)	**28,244**	(2,035)
(Loss) Profit after tax	**(141,238)**	6,530

Finance costs

The Company's finance costs were as follows:

Half-years	**30 June 2008 $'000**	30 June 2007 $'000
Interest expense	**3,679**	631
Other finance costs	**1,788**	352
Non-cash costs	**2,952**	235
Finance costs	**8,419**	1,218

Higher interest was paid in 2008, corresponding to the increase in debt compared to the previous corresponding period for 2007. Other finance costs were also incurred in connection with the convertible note issue in 2007 as well as the restructuring of debt facilities during the half-year.

Non-cash costs include the amortisation of deferred borrowing costs as well as the deemed interest expense recognised to reflect the additional implied costs in granting a conversion option to the convertible bondholders.

Cash Flow

Punitaqui's operational cash flow was significantly impacted by the grade of ore milled at 1.08%, which was markedly lower than the grade mined in previous periods. Punitaqui's operational cash flows were offset by corporate costs, the costs of exploration, development activities in Armenia and Portugal, and interest costs, resulting in a net cash outflow of $1.1 million for the half-year. Operational cash flows are expected to strengthen following Punitaqui's underground development providing access to ore grades being mined being in excess of 1.3% copper, steadily increasing production volumes since June 2008 and more efficient care and maintenance programs in Armenian and Portugal.

The Company raised $21.2 million (net of issue expenses) during the half-year through a shareholder Share Purchase Plan and a placement to institutional and sophisticated investors. The funds raised were applied towards capital expenditures in Chile and Armenia and working capital. Pending the capital raisings, the Company had secured a bridging loan which was retired with the proceeds of the placement.

At the end of the half-year, the Company held $7.7 million in cash.

Subsequent to 30 June 2008, the Company completed the final tranche of the placement following shareholders' approval, raising a further $7.8 million after issue expenses.

PRODUCTION – PUNITAQUI, CHILE

Production at the Cinabrio underground mine ramped up during the first half of 2008. In February 2008, the new Ore Resource Block Model showed that the stopes in the ramp-up schedule were low grade and that the grade of the ore body improved below the 305 RL level, with the higher grade ore confined within a plunging high grade shoot with grade improving with depth. To sustain both the higher production levels and grades, underground development by both contract and mine development crews has increased to levels that will ensure sustainable high grade stope production for the current defined life of mine ore reserve. Since June 2008, the Company has mined grades in excess of 1.3% copper.

The Los Mantos Plant and Concentrator was not able to adequately handle the underground ramp up in production and milled production fell behind due to low equipment availability. Equipment availability is being addressed and mill throughput is steadily increasing to provide a sustainable level of production.

IBERIAN RESOURCES LIMITED

As advised in the Company's announcement to the Australian Securities Exchange on 5 August 2008, the mineralisation at the Lichkvaz project in Armenia has proven to be more complex and difficult than anticipated during the acquisition process. On-going metallurgical test work on the Lichkvaz mineralisation aimed at trying to find a low capital production route to produce a saleable product has not been successful to date. While the resource grades at Lichkvaz have the potential to deliver an economically viable operation at some stage in the future, the Company has concluded that a larger resource must be identified in order to justify the increased capital costs associated with treating the deposit's refractory like material. Drilling at Lichkvaz will only recommence once Iberian is in a position to fund the expenditure from its own sources.

The Lichkvaz project formed the basis of the Company's investment in Iberian. As it has not proven to be what was expected, and is not ready for development in the foreseeable future as a standalone business, the directors of Tamaya have resolved to cease further expenditure on it and to write down its carrying value. The Lichkvaz project and the projects in Portugal were placed on care and maintenance subsequent to 30 June 2008. Placing the projects on care and maintenance reduces the Company's funding requirements while Iberian considers its strategy and funding options. Iberian has appointed BBY Ltd to advise it on strategic alternatives.

EXPLORATION

Exploration at Punitaqui was focused on in-fill resource drilling of the underground resource at Cinabrio and the conversion of inferred resources within the open pit resource envelope to measured and indicated resource status. In addition near mine exploration confirmed the extension of the Dalmacia Mineralisation through the contiguous Arco Iris Exploration lease. The drilling also showed that the tenor of the mineralisation changed moving into Arco Iris. As a result, the focus of exploration is now moving to the east – west extension of the Dalmacia resource rather than the strike extension of the resource into Arco Iris.

The focus of near mine exploration at the Cinabrio Mine will be on the consolidation of the Cinabrio valley with exploration of the other smaller properties to the north of the current Cinabrio mine with the purpose of finding similar Cinabrio type ore bodies.

Exploration work on the Latin American Copper portfolio acquired in 2007 was enhanced by the recruitment of a high calibre exploration manager. A detailed review of work done prior to the Tamaya's acquisition revealed that the Santa Dominga property in particular has excellent prospects for development of its copper-gold and iron ore endowments.

RISK MANAGEMENT

At 30 June 2008, the open copper hedge contracts were -

	Tonnes	Strike price	Period
		US$/T	2008
Bought put options	3,150	6,729	July - December 2008
Sold call options	3,150	8,979	July – December 2008

At 30 June 2008, the net mark-to-market value of the above contracts was $0.8 million out of the money.

OUTLOOK

Tamaya has endured a challenging first half, during which time the Punitaqui operations mined through a low grade portion of the ore body, resulting in higher operating costs and lower production for the period, compared to what should have been better costs and production if the Life of Mine resource grade had been achieved. The mine is now able to access high grade portions of the orebody and expects the grade of ore mined for the remainder of 2008 to be above 1.30% copper. This increase in grade, accompanied by improved mill availability and throughput, is expected to result in significantly improved production in the second half of the year. Expansion scenarios are under active consideration, based on the evident advantages of greater economies of scale, and the exploration success of the Dalmacia exploration project located 6 kilometres from the plant.

Tamaya will focus its activities on its Chilean operations and exploration portfolio, and seek to maximise value from its Armenian and Portuguese investments.

The emerging value thesis at the Santa Dominga copper-gold-iron ore property in Region III of Chile places this property at the forefront of Tamaya's project pipeline. The Company will actively be seeking exploration joint ventures for these exploration projects in the second half of the year.

In order for the Company to carry out its ongoing exploration, production and related activities it will require adequate working capital. At present that liquidity is expected to be provided on an ongoing basis primarily from mining activities at Punitaqui, Chile. Based on its current forecast and assuming that current production rates and commodity prices continue or improve, Tamaya has sufficient funds available to meet operational requirements in Chile, service debt and complete the business reforms in Armenia and Portugal. However, in view of recent difficulties in Armenia, in combination with corporate costs, particularly for debt service, the Company's cash position may become constrained. To deal with that possibility, management is carefully monitoring cash flow and will explore asset sales and financing and corporate opportunities. Such opportunities will be considered in the context of their impact on the Company's overall capital structure and timing of long term debt obligations.

Tamaya is encouraged by the robust fundamentals of the copper market, as declining head grades, soaring capital costs and operational challenges constrain the supply of copper from current or prospective projects. While global macroeconomic uncertainty does raise questions about the demand outlook for copper, Tamaya expects prices to remain strong for some time to come.

Directors' Report

The directors of Tamaya Resources Limited submit herewith the financial report for the half-year ended 30 June 2008. In compliance with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

John W W Hick	Independent Non-Executive Chairman
Hugh L J Callaghan	Director and Chief Executive Officer
James B P Squire	Independent Non-Executive Director
Christopher J Hartley	Independent Non-Executive Director (appointed 31 July 2008)
A Scott Davidson	Independent Non-Executive Director (appointed 31 July 2008)
Richard A Palmer	Non-Executive Director
Michael M Fischer	Managing Director (resigned 31 July 2008)
Glenn M Kondo	Finance Director (resigned 31 July 2008)

Review of operations

A review of the consolidated entity's operations during the half-year is set out on pages 3 to 7 of the half-year report.

Auditor's independence declaration

The auditor's independence declaration is included on page 9 of the half-year report.

Rounding of amounts to nearest thousand dollars

The company is of a kind referred to in Class Order 98/0100 dated 10 July 1998, issued by the Australian Securities & Investments Commission, and in accordance with that Class Order, amounts in the directors' report and the half-year financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors

H L Callaghan
Director and Chief Executive Officer
Sydney
28 August 2008

Deloitte.

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28 August 2008

The Board of Directors
Tamaya Resources Limited
Level 12
75 Elizabeth Street
SYDNEY NSW 2000

Dear Board Members

Tamaya Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Tamaya Resources Limited.

As lead audit partner for the review of the financial statements of Tamaya Resources Limited for the half-year ended 30 June 2008, 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.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

TGG Biggs
Partner
Chartered Accountant

Deloitte.

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Independent Auditor's Review Report to the Members of Tamaya Resources Limited

We have reviewed the accompanying half-year financial report of Tamaya Resources Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, cash flow statement, statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 12 to 19.

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 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 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 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 30 June 2008 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 Tamaya 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.

Auditor's Independence Declaration

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

Deloitte.

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 Tamaya 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 30 June 2008 and of its performance for the half-year ended on that date; and
(b)
(c) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

TGG Biggs
Partner
Chartered Accountants
Brisbane, 28 August 2008

Directors' Declaration

The directors declare that:

(a) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the consolidated financial position as at 30 June 2008 and its performance for the half-year ended on that date; and

(b) 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.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

H L Callaghan
Director and Chief Executive Officer
Sydney
28 August 2008

Income Statement
for the half-year ended 30 June 2008

	Consolidated Half-year ended 30 June 2008 $'000	Consolidated Half-year ended 30 June 2007 $'000
Continuing operations		
Revenue	**25,281**	22,840
Raw materials and consumables used	**(15,558)**	(8,888)
Changes in inventories of finished goods and work in progress	**(182)**	(717)
Gross profit	**9,541**	13,235
Gain on litigation settlements	-	3,279
Gain on sale of non-current assets	-	56
Net gain on derivative instruments	**1,393**	-
Other income	**145**	244
Foreign exchange gain (loss)	**4,222**	(68)
Employee benefits expense	**(1,952)**	(1,975)
Depreciation and amortisation expense	**(3,500)**	(1,145)
Consulting expense	**(856)**	(1,275)
Share-based payment expense	**(712)**	(1,224)
Impairment of non-current assets	**(165,726)**	-
Travel expense	**(650)**	(398)
Exploration expense	**(218)**	-
Doubtful debts	**(596)**	-
Other expenses	**(2,358)**	(946)
Earnings before interest and tax	**(161,267)**	9,783
Interest income	**204**	25
Finance costs	**(8,419)**	(1,243)
Profit (Loss) before tax	**(169,482)**	8,565
Income tax benefit (expense)	**28,244**	(2,035)
Profit (Loss) after tax	**(141,238)**	6,530
Attributable to:		
Equity holders of the parent	**(137,278)**	6,547
Minority interest	**(3,960)**	(17)
	(141,238)	6,530
(Loss) Earnings per share:		
From continuing operations:		
Basic (cents per share)	**(13.2)**	1.1
Diluted (cents per share)	**(13.2)**	1.1

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

Balance Sheet
as at 30 June 2008

	Note	Consolidated 30 June 2008 $'000	Consolidated 31 Dec 2007 $'000
Current assets			
Cash and cash equivalents		**7,726**	8,550
Trade and other receivables		**5,832**	2,911
Other financial assets		**2,477**	5,588
Inventories		**6,114**	4,821
Other		**2,021**	1,947
		24,170	23,817
Assets classified as held for sale		**11,619**	-
Total current assets		**35,789**	23,817
Non-current assets			
Other financial assets		**2,020**	8,578
Property, plant and equipment	3	**47,829**	63,135
Mine/ development property	3	**1,048**	50,338
Exploration expenditure	3	**53,924**	141,091
Other		**59**	111
Total non-current assets		**104,880**	263,253
Total assets		**140,669**	287,070
Current liabilities			
Trade and other payables		**16,719**	11,477
Borrowings		**14,391**	8,458
Other financial liabilities		**1,247**	720
Current tax payables		**2,372**	229
Provisions		**1,677**	891
Total current liabilities		**36,406**	21,775
Non-current liabilities			
Borrowings		**51,764**	51,027
Deferred tax liabilities	3	**6,789**	36,113
Other financial liabilities		**3,238**	8,826
Provisions		**2,913**	4,240
Total non-current liabilities		**64,704**	100,206
Total liabilities		**101,110**	121,981
Net assets		**39,559**	165,089
Equity			
Issued capital		**193,611**	174,764
Reserves		**(6,148)**	(3,009)
Accumulated losses		**(147,905)**	(10,627)
Parent entity interest		**39,558**	161,128
Minority interest		**1**	3,961
Total equity		**39,559**	165,089

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

Statement of Changes in Equity
for the half-year ended 30 June 2008

	Consolidated							
	Issued capital $'000	Accumulated losses $'000	Equity-settled employee benefits reserve $'000	Foreign currency translation reserve $'000	Option premium reserve $'000	Attributable to equity holders of the parent $'000	Minority interest $'000	Total $'000
Balance at 1 Jan 2008	**174,764**	**(10,627)**	**1,875**	**(6,018)**	**1,134**	**161,128**	**3,961**	**165,089**
Exchange differences arising on translation of foreign operations	**-**		**-**	**(5,684)**	**-**	**(5,684)**	**-**	**(5,684)**
Net income recognised directly in equity	**-**	**-**	**-**	**(5,684)**	**-**	**(5,684)**	**-**	**(5,684)**
Loss for the period	**-**	**(137,278)**	**-**	**-**	**-**	**(137,278)**	**(3,960)**	**(141,238)**
Total recognised income and expense	**-**	**(137,278)**	**-**	**(5,684)**	**-**	**(142,962)**	**(3,960)**	**(146,922)**
Issue of shares and options	**18,345**	**-**	**(502)**	**-**	**2,335**	**20,178**	**-**	**20,178**
Recognition of share-based payments	**502**	**-**	**712**	**-**	**-**	**1,214**	**-**	**1,214**
Balance at 30 Jun 2008	**193,611**	**(147,905)**	**2,085**	**(11,702)**	**3,469**	**39,558**	**1**	**39,559**
Balance at 1 Jan 2007	42,764	(17,195)	689	(446)	-	25,812	1	25,813
Exchange differences arising on translation of foreign operations	-		-	(1,826)	-	(1,826)	-	(1,826)
Minority interest on acquisition of subsidiary	-	-	-	-	-	-	4,251	4,251
Equity reserve on acquisition of subsidiaries	-	-	-	-	(386)	(386)	-	(386)
Net income recognised directly in equity	-	-	-	(1,826)	(386)	(2,212)	4,251	2,039
Profit for the period	-	6,547	-	-	-	6,547	(17)	6,530
Total recognised income and expense	-	6,547	-	(1,826)	(386)	4,335	4,235	8,569
Issue of shares	108,125	-	-	-	-	108,125	-	108,125
Recognition of share-based payments	240	-	984	-	-	1,224	-	1,224
Balance at 30 Jun 2007	151,129	(10,648)	1,673	(2,272)	(386)	139,496	4,235	143,731

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

Cash Flow Statement
for the half-year ended 30 June 2008

	Consolidated Half-year ended 30 June 2008 $'000	Consolidated Half-year ended 30 June 2007 $'000
Cash flows from operating activities		
Receipts from customers	**21,764**	21,927
Payments to suppliers and employees	**(20,005)**	(16,015)
Interest and other costs of finance paid	**(4,117)**	(1,199)
Interest received	**204**	75
Income tax refund (paid)	**1,063**	(739)
Net cash (used in) provided by operating activities	**(1,091)**	4,049
Cash flows from investing activities		
Payment for development costs	**(12,048)**	(1,603)
Payment for exploration expenditure	**(1,579)**	(2,446)
Payment for property, plant and equipment	**(13,155)**	(16,887)
Proceeds from sale of property, plant and equipment	**-**	1,095
Net cash acquired on acquisition of subsidiaries	**-**	8,165
Payment for security deposits	**-**	(4)
Other	**-**	(838)
Net cash used in investing activities	**(26,782)**	(12,518)
Cash flows from financing activities		
Proceeds from issues of equity securities	**21,962**	-
Payment for share issue expenses	**(780)**	-
Proceeds from borrowings	**19,128**	13,419
Repayment of borrowings	**(10,000)**	(2)
Finance lease payments	**(2,002)**	-
Net cash provided by financing activities	**28,308**	13,417
Net increase in cash and cash equivalents	**435**	4,948
Cash and cash equivalents at the beginning of the period	**8,550**	2,166
Effect of exchange rate changes	**(1,259)**	(66)
Cash and cash equivalents at the end of the period	**7,726**	7,048

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

Notes to the financial statements for the half-year ended 30 June 2008

1. Significant accounting policies

Statement of compliance
The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent financial report, being the audited financial report of Tamaya Resources Limited as at 31 December 2007.

Basis of preparation
The half-year financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's financial report for the year ended 31 December 2007.

Rounding of amounts to nearest thousand dollars
The company is of a kind referred to in Class Order 98/0100 dated 10 July 1998, issued by the Australian Securities & Investments Commission, and in accordance with that Class Order, amounts in the directors' report and the half-year financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

2. Segment information

a) Primary reporting segment – business segments

	Copper Mining		Exploration		Total	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**	**2008 $'000**	**2007 $'000**
Revenue						
Sales to external customers	**25,281**	22,841	**-**	-	**25,281**	22,840
Unallocated revenue					**145**	84
Total revenue					**25,426**	22,924
Result						
Segment result	**4,828**	10,570	**(873)**	(25)	**3,955**	10,545
Impairment of assets	**(6,011)**	-	**(159,715)**	-	**(165,726)**	-
	(1,183)	10,570	**(160,588)**	(25)	**(161,771)**	10,545
Unallocated income less unallocated expenses					**(7,711)**	(1,980)
Profit (Loss) before income tax					**(169,482)**	8,565
Income tax credit (expense)					**28,244**	(2,035)
Profit (Loss) after income tax					**(141,238)**	6,530

3. Impairment of assets

The directors have conducted a review of asset values due to –

c) The decision to defer the development of the Lichkvaz project and place it on care and maintenance pending further exploration work, subsequent to balance date;
d) Current depressed market conditions.

The Company acquired an 86.2% shareholding in Iberian in May 2007 in an off-market takeover offer satisfied by the issue of Tamaya shares to Iberian shareholders in a transaction which valued the acquisition cost at $112 million. The principal asset in the Iberian portfolio is the Lichkvaz project in Armenia. Iberian also has other exploration projects in Portugal.

Following the decision to defer the development of the Lichkvaz project and the subsequent decision to place the project and the projects in Portugal on care and maintenance, the directors have decided that a write-down of the carrying value of the project and other assets in Armenia and Portugal is appropriate. An impairment charge of $147.0 million has been recognised in the half-year accounts against the Armenian and Portugese projects. Further impairment loss has been recognised in the half-year accounts in respect of some Chilean assets ($17.6 million) and Australian assets ($1.1 million). Following the impairment write-down, the associated deferred tax liability has also been reversed and an income tax benefit recognised in the half-year. The total impairment loss after tax recognised in the half-year is $136.4 million.

4. Equity securities issued

During the half-year, the company issued the following equity securities –

a) 88,170,264 fully paid ordinary shares were issued pursuant to a shareholder Share Purchase Plan at an issue price of 11.5 cents per share;
b) 98,447,374 fully paid ordinary shares were issued under the first tranche of a placement to institutional and sophisticated investors at an issue price of 11.5 cents per share plus a free attaching option for every two shares issued, the options exercisable at 15 cents and expire two years after their issue date;
c) 3,750,000 fully paid ordinary shares were issued to two directors of the company pursuant to the exercise of share rights.

Subsequent to 30 June 2008, the company issued the following equity securities –

a) 72,059,865 fully paid ordinary shares were issued under the second tranche of the placement to institutional and sophisticated investors at an issue price of 11.5 cents per share plus a free attaching option for every two shares issued, the options exercisable at 15 cents and expire two years after their issue date;
b) 1,500,000 fully paid ordinary shares were issued pursuant to the exercise of share rights.

At the date of this report, the issued securities of the company comprised –

	30 June 2008
Ordinary fully paid shares	1,305,129,998
Options	100,453,633
Employee share rights	750,000
Convertible bonds	60

5. Event subsequent to balance date

Iberian Resources Limited

Subsequent to balance date, the Company's projects in Armenia and Portugal were placed on care and maintenance. The projects are owned by Iberian Resources Limited, in which the Company holds an 86.2% shareholding.

The projects have been placed on care and maintenance while Iberian Resources considers its strategy and funding options.

Equity securities issued

Details of shares and options issued subsequent to balance date are set out in Note 4.