NORTHERN IRON LIMITED
ABN 71 125 264 575

INTERIM FINANCIAL REPORT
30 JUNE 2010

CORPORATE DIRECTORY

Directors

DC Griffiths (Chairman)
JS Sanderson (Managing Director)
FH Tschudi (Non-Executive Director)
A Mehra (Non-Executive Director)
PR Bilbe (Non-Executive Director)
PS Larsen (Non-Executive Director)

Company Secretary

AJ Neuling

Auditors

HLB Mann Judd (WA Partnership)

Bankers

Westpac Banking Group Limited
Australia and New Zealand Banking Group Limited
DnB NOR Bank ASA
Credit Suisse
Innovasjon Norge
UBS

Registered Office

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West Perth WA 6005
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Share Registry

Computershare Investor Services Pty Limited
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Perth, WA 6000 Australia

Investor Enquiries: 1300 557 010 (within Australia)
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Facsimile: +61 8 9323 2033

Stock Exchange Listing

Securities of Northern Iron Limited are listed on the ASX Limited.

ASX Code: NFE - Ordinary shares

CONTENTS

DIRECTORS' REPORT

The directors present their report together with the consolidated financial report for the half-year ended 30 June 2010, and the independent review report thereon.

Directors

The directors of the Company in office at any time during or since the end of the half-year and up to the date of this report are as follows:-

DC Griffiths (Chairman)
JS Sanderson (Managing Director)
FH Tschudi (Non-Executive Director)
A Mehra (Non-Executive Director)
PR Bilbe (Non-Executive Director)
PS Larsen (Non-Executive Director)
ND Hamilton (Non-Executive Director)
PI Toth (Non-Executive Director)

The above named directors held office during and since the end of the half-year except for:

PI Toth – appointed 1 February 2010 and resigned 21 May 2010
JS Sanderson – appointed 17 February 2010
ND Hamilton – appointed 5 November 2007 and resigned 22 April 2010

Review of operations

Operations

Northern Iron completed the redevelopment of the Sydvaranger Iron Project in 2009, and since October 2009 has been producing and shipping iron ore concentrate. As of 30 June 2010, a total of 825,000 tonnes had been shipped to customers in China.

Upon commencing production in late 2009, the Company became aware of deficiencies in the plant which would prevent nameplate volume and quality from being achieved. In February 2010, the Company commenced a US$25 million rectification program. As at the date of this report, the program remained on budget and on schedule.

Financial result

The consolidated entity's after tax profit for the half-year ended 30 June 2010 was $5,013,000 (2009: loss $43,426,000) and reflects:

- $53.4 million of sales revenue;
- $66.3 million of site based operational expenses and administration costs;
- $21.2 million of foreign exchange gains, due to the significant A$/US$ and NOK/US$ exchange rate fluctuations during the reporting period, resulting in an $11.5 million gain on consolidation of the Norwegian subsidiary, Sydvaranger Gruve AS, and a $9.8 million gain on the restatement of the Company's US$ denominated loan to Sydvaranger Gruve AS;
- $3.3 million of net finance expenses.

To finance the capital project works to improve product quality and throughput, and to fund the ongoing working capital requirements of the group, the consolidated entity raised $55,265,000 in equity and debt funding in the amount of US$5 mill provided by Prominvest SA during the 6-month period.

Rounding of amounts

The Company is a company of the kind referred to in ASIC Class Order 09/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded to the nearest thousand dollars, unless otherwise indicated.

Auditor's Independence Declaration

The auditor's Independence Declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 5 and forms part of this directors' report for the half-year ended 30 June 2010.

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

JS Sanderson
Managing Director

DC Griffiths
Chairman

Perth, Western Australia
13 September 2010

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Northern Iron Limited for the half-year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Northern Iron Limited and the entities it controlled during the period.

Perth, Western Australia
13 September 2010

W M CLARK
Partner, HLB Mann Judd

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 30 June 2010

	Half-year 30 June 2010 $000	Half-year 30 June 2009 $000
Continuing operations		
Revenue	53,406	-
Other operating income	7	-
Mine operating expenses	(64,836)	(15,262)
Administrative expenses	(1,450)	(1,477)
Foreign exchange gain / (loss)	21,299	(26,891)
Share based payments	(49)	(178)
Results from operating activities	**8,377**	**(43,808)**
Finance income	123	422
Finance expense	(3,462)	(464)
Net finance (expense) / income	(3,339)	(42)
Profit / (loss) before income tax	**5,038**	**(43,850)**
Income tax (expense) / benefit	(25)	424
Profit / (loss) for the period from continuing operations	**5,013**	**(43,426)**
Other comprehensive income		
Exchange differences arising on translation of foreign operations	(1,090)	1,617
Income tax on other comprehensive income	-	-
Other comprehensive income / (loss) for the period net of income tax	**(1,090)**	**1,617**
Total comprehensive income / (loss) for the period net of tax	**3,923**	**(41,809)**
Basic and diluted earnings / (loss) per share from continuing operations (cents per share)	1.75	(23.9)

The condensed consolidated statement of comprehensive income should be read in conjunction with the notes to the consolidated interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Notes	30 June 2010 $000	31 December 2009 $000
Current assets			
Cash and cash equivalents		5,481	10,251
Trade and other receivables		20,882	5,353
Inventory		13,830	10,900
Prepayments		1,107	503
Total current assets		**41,300**	**27,007**
Non-current assets			
Trade and other receivables		383	438
Mine properties		50,937	43,959
Property, plant and equipment		284,030	258,678
Total non-current assets		**335,350**	**303,075**
Total assets		**376,650**	**330,082**
Current liabilities			
Trade and other payables		41,973	51,032
Derivative financial liabilities		-	3
Tax liability		-	1,161
Interest bearing loans and borrowings		35,571	41,742
Total current liabilities		**77,544**	**93,938**
Non-current liabilities			
Provisions		1,682	1,760
Interest bearing loans and borrowings		92,832	86,039
Total non-current liabilities		**94,514**	**87,799**
Total liabilities		**172,058**	**181,737**
Net assets		**204,592**	**148,345**
Equity			
Issued capital	3	287,256	234,981
Reserves		12,033	13,074
Accumulated losses		(94,697)	(99,710)
Total equity		**204,592**	**148,345**

The condensed consolidated statement of financial position should be read in conjunction with the notes to the consolidated interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 30 June 2010

	Issued Capital $000	Translation reserve $000	Share based payments reserve $000	Accumulated (loss) $000	Total $000
Balance at 1 January 2009	**132,560**	**5,995**	**2,948**	**769**	**142,272**
(Loss) for the period	-	-	-	(43,426)	(43,426)
Other comprehensive income for the period	-	1,617	-	-	1,617
Total comprehensive income for the period	-	1,617	-	(43,426)	(41,809)
Share issued for cash net of transaction costs	46,158	-	-	-	46,158
Deferred tax effect of equity raising costs	(1,003)	-	-	-	(1,003)
Share based payment expense	-	-	178	-	178
Balance at 30 June 2009	**177,715**	**7,612**	**3,126**	**(42,657)**	**145,796**
Balance at 1 January 2010	**234,981**	**9,861**	**3,213**	**(99,710)**	**148,345**
Profit for the period	-	-	-	5,013	5,013
Other comprehensive income for the period	-	(1,090)	-	-	(1,090)
Total comprehensive income for the period	-	(1,090)	-	5,013	3,923
Share issued for cash net of transaction costs	52,275	-	-	-	52,275
Share based payment expense	-	-	49	-	49
Balance at 30 June 2010	**287,256**	**8,771**	**3,262**	**(94,697)**	**204,592**

The condensed consolidated statement of changes in equity should be read in conjunction with the notes to the consolidated interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half-year ended 30 June 2010

	Half-year 30 June 2010 $000	Half-year 30 June 2009 $000
Cash flows from operating activities		
Receipts from customers	40,114	-
Net GST refunds from the Australian Taxation Office	326	85
Payments to suppliers and employees	(63,832)	(8,821)
Income tax paid	(1,187)	-
Interest received	123	549
Interest paid	(3,095)	(415)
Net cash flows used in operating activities	**(27,550)**	**(8,602)**
Cash flows from investing activities		
Payments for mineral interests	(5,183)	(11,153)
Payments for property, plant and equipment	(23,054)	(89,138)
Net security deposits repaid / (lodged)	(1,756)	(1,493)
Net cash flows used in investing activities	**(29,993)**	**(98,798)**
Cash flows from financing activities		
Proceeds from issue of share capital	55,265	48,124
Payment of share issue costs	(2,990)	(1,965)
Proceeds from borrowings	623	16,639
Net cash flows from financing activities	**52,898**	**62,798**
Net decrease in cash and cash equivalents	**(4,645)**	**(44,602)**
Cash and cash equivalents at beginning of the half-year	10,251	61,955
Foreign exchange effect on cash and cash equivalents	(125)	(308)
Cash and cash equivalents at end of the half-year	**5,481**	**17,045**

The condensed consolidated statement of cash flows should be read in conjunction with the notes to the consolidated interim financial report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 30 June 2010

NOTE 1 REPORTING ENTITY

Northern Iron Limited (“Company”) is a company domiciled in Australia.

The consolidated interim financial report of the Company for the six months ended 30 June 2010 comprises the Company and its subsidiaries (together referred to as the “Group” or “Consolidated Entity’). The half-year report has been prepared on an accruals basis and is based on historical costs.

The financial report was authorised for issue by the directors on 10 September 2010.

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The interim consolidated financial statements are a general-purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (‘AASB’). Compliance with AASB 134 ensures compliance with IAS 34 *Interim Financial Reporting*.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2009 and any public announcements made by Northern Iron Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Basis of preparation

The interim report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

The Company is of a kind referred to in ASIC Class Order 98/100, and accordingly, amounts in the directors’ report and the interim financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 31 December 2009.

Going concern

Notwithstanding the fact that the Group has a working capital deficit of $36.2 million, the directors are of the opinion that the Company is a going concern for the following reasons:

- Finalisation and draw down during July 2010 of a US$10 million debt facility with OM Materials (S) Pte Ltd;
- Finalisation and draw down during July 2010 of an additional US$10 million and extension under the existing debt facility with Credit Suisse;
- Finalisation of extension of loan agreements with DnB Nor and Innovasjon Norge;
- Implementation of the rectification program expected to remedy current throughput and quality issues;
- The Company's subsidiary, Sydvaranger Gruve AS, having received waivers of compliance in respect of loan covenants relating to its export credit facility with Credit Suisse and the facility with DnB Nor, and anticipated continuing support of financiers;
- Future cash flow forecasts; and,
- The expectation that the Company will be able to restructure its debts or raise additional funds through further debt or equity raisings if required.

Adoption of new and revised Accounting Standards

In the half-year ended 30 June 2010, 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 January 2010.

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 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 30 June 2010. 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 Group accounting policies.

NOTE 3 ISSUED CAPITAL

	Six Months Ended		Year Ended	
	30 June 2010		31 December 2009	
	Number of shares	$000	Number of shares	$000
Balance at beginning of the period	254,091,119	234,981	165,000,000	132,560
Placement at $1.00 per share	-	-	19,124,000	19,124
Placement at $1.05 per share	-	-	27,618,599	28,999
Issued under a prospectus at $1.45 per share	-	-	42,348,520	61,405
Placement at $1.45 per share	38,113,667	55,265	-	-
Deferred tax asset on equity raising costs	-	-	-	(1,370)
Share issue costs	-	(2,990)	-	(5,737)
Balance at end of the period	292,204,786	287,256	254,091,119	234,981

NOTE 4 SHARE OPTIONS

The following unissued ordinary shares of the Company are under option:

			Number				
Expiry Date	Exercise Price	Revised Exercise Price*	31/12/09	Issued	Exercised	Expired	30/06/10
13/12/2010	$2.15	$2.08	1,150,000	-	-	-	1,150,000
13/12/2010	$3.01	$2.94	1,150,000	-	-	-	1,150,000
13/06/2010	$3.01	$2.94	2,000,000	-	-	2,000,000	-
04/08/2011	$4.12	$4.05	200,000	-	-	-	200,000
04/08/2011	$4.80	$4.73	200,000	-	-	-	200,000
24/08/2013	$2.15	-	-	500,000	-	-	500,000
24/08/2013	$2.50	-	-	500,000	-	-	500,000
24/08/2013	$3.00	-	-	500,000	-	-	500,000
			4,700,000	1,500,000	-	2,000,000	4,200,000

* In accordance with Listing Rule 6.22.2 the exercise price of unlisted options were changed as a result of a pro-rata entitlement offer.

NOTE 5 CONTINGENT ASSETS AND LIABILITIES

The Company's 100% subsidiary, Sydvaranger Gruve AS, currently has a finance lease agreement with a related company, Sydvaranger Bulk Terminal AS, regarding goods storage and handling assets. These assets are recorded in the financial statement with an estimated amount of NOK 147 million (equivalent to A$26.6 million) together with an equivalent finance lease liability. The final value of the assets and lease liability as of 30 June 2010 is subject to further agreement between the parties upon costs incurred for the investment, and payable by Sydvaranger Gruve AS, being independently verified by an external consultant. The final value of both the lease asset and associated lease liability could be approximately NOK 190 million to NOK 220 million, which could represent an increase in the value of the lease asset and lease liabilities of approximately NOK 43 million to NOK 73 million (equivalent to approximately A$7.7 million to A$13.1 million). The NOK amounts will be translated into US$ when a figure is agreed and entered into the books of Sydvaranger Gruve AS. The significant uncertainty around the increased amount has meant a reliable estimate cannot be made other than what has already been provided for in the accounts. Actual results may differ from these estimates. Changes to the value of the lease asset and liability will lead to increases in both depreciation and finance lease payment in future periods.

During 2008, the Company entered into a 5-year offtake agreement with Corus to sell iron ore concentrate from the Sydvaranger Iron Ore project. Delivery of 1,750,000 tonnes of concentrate was scheduled to occur during 2009 and through to 31 December 2010. Due to the delayed commencement of operations, combined with the product quality being lower than anticipated, there have been no deliveries to date under this contract. Under the terms of the contract, Corus could seek to cancel the contract, permanently reduce the tonnage that is deliverable under the contract, or make a claim for compensation for non-delivery. A dialogue has commenced with Corus with a view to adjusting the contractual terms in order to compensate Corus for undelivered tonnage. The negotiations are ongoing and subject to agreement between the parties.

Other than the above, there have been no changes of a material nature in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 6 SEGMENT INFORMATION

For management purposes, the Board of Directors of Northern Iron Limited has been defined as the Chief Operating Decision Maker. Segment information is presented in respect of the Group's business segments based on the Group's management and internal reporting structure.

The Group has three reporting segments, being Sydvaranger Iron Ore Project, marketing of ore concentrate and corporate office. Intersegment pricing is determined on an arm's length basis.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The following table presents the financial information regarding these segments provided to the Board of Directors for the interim period ended 30 June 2010 and 30 June 2009.

Information on business segments

30 June 2010	Sydvaranger Iron Ore Project (A$000)	Marketing (A$000)	Corporate (A$000)	Inter-segment eliminations (A$000)	Consolidated (A$000)
Business Segments					
External revenue	7	53,406	-	-	53,413
Inter segment revenue	53,470	-	-	(53,470)	-
	53,477	53,406	-	(53,470)	53,413
Segment result	(3,301)	(499)	8,813	-	5,013
Total segment assets	378,017	15,378	448,625	(465,370)	376,650
30 June 2009					
Business Segments					
External revenue	-	-	-	-	-
Inter segment revenue	-	-	-	-	-
	-	-	-	-	-
Segment result	(28,810)	(40)	(14,576)	-	(43,426)
Total segment assets	272,239	75	336,154	(333,165)	275,303

NOTE 7 SUBSEQUENT EVENTS

In 2010, the Company concluded a US$5million (equivalent to A$5.9 million) prepayment facility with Prominvest (AG), a Swiss based metals trader. Under the terms of this facility, 410,000 wet metric tonnes of concentrate will be sold to Prominvest on an FOB basis. Pricing of the product is referenced to a published index price, adjusted for quality and grade. Delivery of shipments to Prominvest under the prepayment facility commenced in September 2010.

The Company has entered into a short term marketing agreement with OMH's Singapore based marketing and trading subsidiary, OM Materials (S) Pte Ltd (OMS), for the sale of uncommitted product into the Asian market. This agreement is structured as an agency agreement, and is expected to be in place until March 2011. Both parties have agreed to enter into negotiations which are expected to result in a long-term marketing agency agreement commencing after the expiry of the short-term marketing agreement.

OMS has also provided a US$10 million (equivalent to A$11.7 million) financing facility that has been made available for working capital requirements. The agreement is guaranteed by the parent entity and repayment will occur in six monthly instalments commencing in January 2011. The facility was fully drawn during July 2010.

Recognising the slower ramp up of production, the Company obtained waivers for compliance with a covenant of the US$20 million (equivalent to A$23.5 million) Credit Suisse facility for the first half of 2010 and a covenant of the US$10.4 million (equivalent to A$12.2 million) DnB NOR facility. The Company reached agreement with Credit Suisse during the second quarter of 2010 to increase the secured export finance facility from US$20 million to US$30 million (equivalent to A$35.2 million), and to extend the repayment terms by an additional 12 months. The facility was first established in July 2009, with the initial term of the borrowing being for 2 years, with a nine-month principal repayment grace period ending May 2010.

During the second quarter of 2010 Innovasjon Norge agreed to vary the security terms of a loan facility to enable the increase of the Credit Suisse facility and the extension of both the Credit Suisse facility and DnB NOR facility to occur. Furthermore, Innovasjon Norge has extended the grace period with 12 months on the loan facility. The facility is for three separate loans with seven-year terms. The total value of the loans is NOK 90 million. There was initially a repayment grace period of 12 months, ending June 2010.

The Company has renegotiated the terms of a short-term facility of NOK 60 million with DNB Nor Bank so that repayment will now occur in six quarterly instalments commencing in March 2011. The initial term of the borrowing was for 9 months, due for repayment by August 2010.

No other matter or circumstance has arisen since 30 June 2010 that in the opinion of the directors has significantly affected, or may significantly affect in future financial years:

(i) the consolidated entity’s operations, or
(ii) the results of those operations, or
(iii) the consolidated state of affairs.

DIRECTORS' DECLARATION

In the opinion of the directors of Northern Iron Limited (the "Company"):

(a) the financial statements and notes thereto as set out on pages 6 to 15 are in accordance with the *Corporations Act 2001* including:

  (i) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2010 and of its performance for the half-year ended on that date; and

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

(b) 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 made pursuant to s.303(5) of the *Corporations Act 2001*.

JS Sanderson	**DC Griffiths**
Managing Director	Chairman

Perth, Western Australia
13 September 2010

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of
NORTHERN IRON LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report, which comprises the condensed statement of financial position as at 30 June 2010, the condensed statement of comprehensive income, condensed statement of changes in equity, condensed statement of cash flows and notes to the financial statements for the half-year ended on that date, and the directors' declaration, of Northern Iron Limited and the entities it controlled during the half-year ended 30 June 2010 ("consolidated entity").

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 controls 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 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 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 2010 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 Northern Iron 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.

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HLB Mann Judd

Accountants | Business and Financial Advisers

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 Northern Iron 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 2010 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*.

HLB Mann Judd

HLB MANN JUDD

Chartered Accountants

Perth, Western Australia

13 September 2010

W M CLARK

Partner