

PADBURY MINING LIMITED

ABN 12 009 076 242

HALF-YEAR FINANCIAL REPORT

FOR HALF-YEAR ENDED

31 DECEMBER 2010

PADBURY MINING LIMITED

CORPORATE DIRECTORY

DIRECTORS

John Saunders (Chairman)
Gary Stokes (Managing Director)
Colin Stirling
Luke Innes

SECRETARY

Neville Bassett

REGISTERED AND PRINCIPAL OFFICE

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West Perth WA 6005

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SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2
45 St George's Terrace
Perth WA 6000

Telephone: (08) 9323 2000
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AUDITORS

RSM Bird Cameron Partners
8 St George's Terrace
Perth WA 6000

AUSTRALIAN SECURITIES EXCHANGE

Padbury Mining Limited shares (PDY) and options
(PDYOB) are listed on the ASX Limited

PADBURY MINING LIMITED

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2010.

DIRECTORS

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

John Saunders (Non-Executive Chairman)
Gary Stokes
Colin Stirling
Luke Innes

REVIEW OF OPERATIONS

The net loss for the half-year was \$2,438,130 (31 December 2009 - \$1,210,747).

Peak Hill Iron Ore Joint Venture

Highlights:

- A 47 hole, ~10,000m evaluation drilling program was completed in December 2010 with very positive results.
- The program tested a 4km section of the total 10km strike of the Telecom Hill exploration target area and demonstrated magnetite mineralisation as continuous over the entire tested length.
- Geological data indicated that two major BIF units were present; one ranging from 200m to 250m true thickness and the other unit averaging 80m true thickness. Both units showed excellent geological and grade continuity.
- Resource modelling of the geological data and laboratory XRF results has begun. As a consequence of laboratory delays, the maiden JORC will be delivered in late March.

Drilling Program

An evaluation drilling program at the Telecom Hill prospect, part of the Peak Hill Iron Project, was successfully completed during the period. The drilling program was designed to assess the potential of approximately one third of the 1.5–2.0 billion tonne exploration target¹, grading 25%–35% Fe interpreted to be present at the Telecom Hill Prospect. The principle aim of the program was to collect enough data to allow estimation of a maiden Mineral Resource.

¹ NOTE: This potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The program returned excellent results, confirming the presence of continuous high-grade magnetite mineralisation over the entire 4km section tested by drilling. The drilling delineated two continuous BIF units. The larger unit has true thickness ranging from 200m to 250m thick and is separated from a thinner BIF averaging 80m thickness by a 50m thick band of shale. The units are folded into a large overturned synclinal structure which dips at ~65° to the southwest (see Figure 1).

All XRF analytical data for the drilling program has been received and resource modelling has commenced.

Based on the drilling results, field mapping and geophysics the main BIF units are interpreted to continue along strike to the east through the remainder of the Telecom Hill prospect area.

Program Details

At completion, the evaluation drill program comprised 47 reverse circulation (RC) percussion drill holes (HRC048 – HRC094) for a total of 9,474m. The drill holes were completed at approximately 80m centres on drill lines spaced 400m apart. The drill lines were oriented perpendicular to the BIF stratigraphy (see Figure 1) and the holes inclined at -60° to -80° to intersect the BIF at an oblique angle. Drill holes ranged from 153 to 250m in total depth.

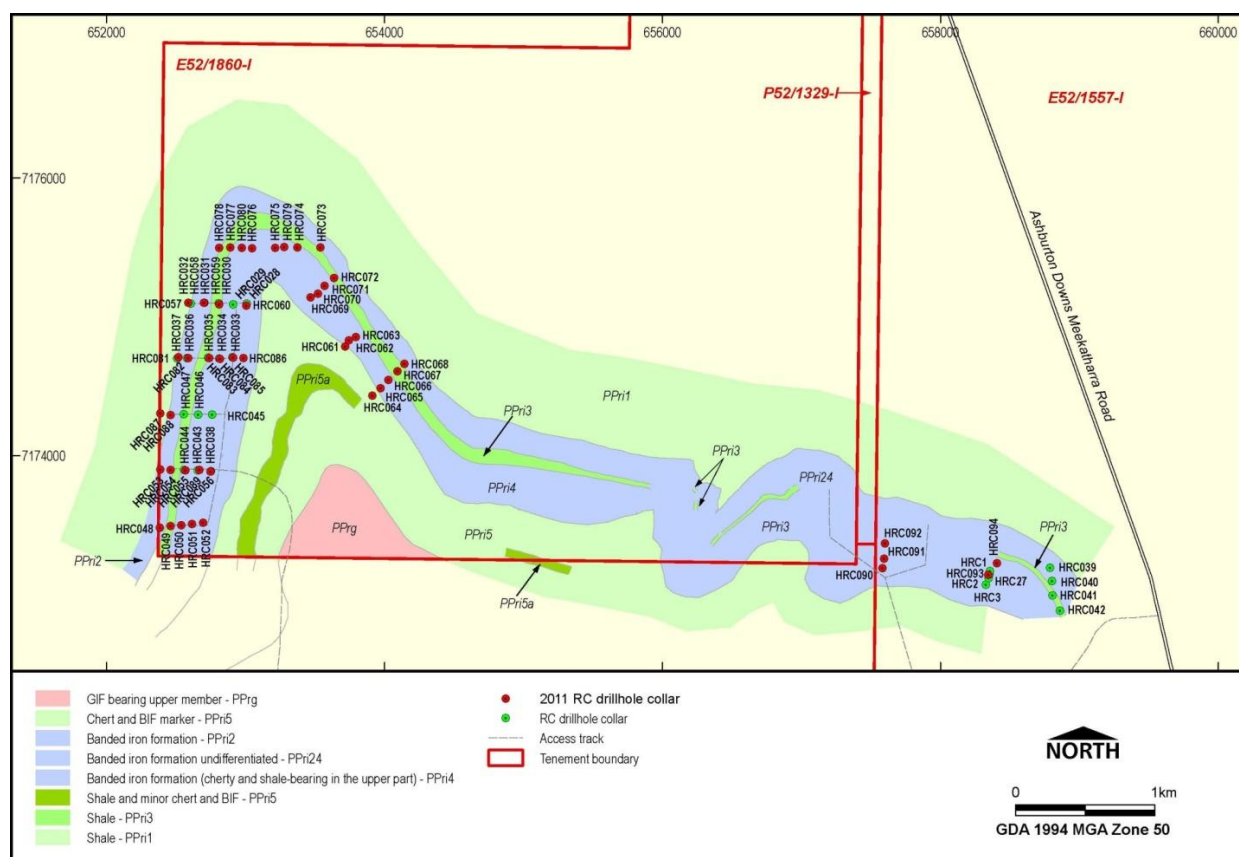


Figure 1: Collar location plan showing recent and historic drilling

The program focused on the western end of the Telecom Hill ridge, following-up the excellent results achieved in this area during initial exploration drilling earlier in 2010 (see Figure 1 and 2). The previous drilling intersected magnetite-bearing BIF within the Robinson Range Formation and achieved a best intercept of 198m at 34.2 % Fe, from surface in hole HRC61.

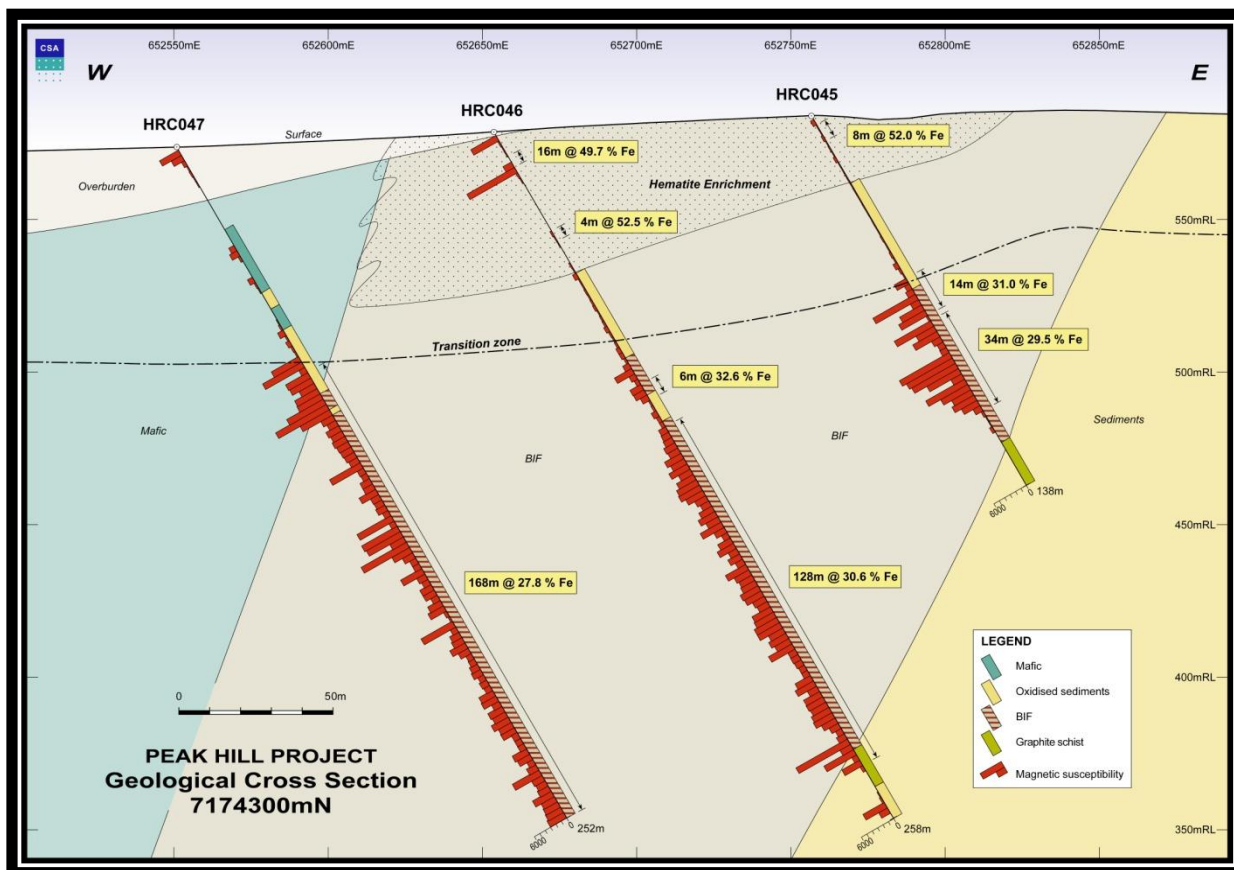


Figure 2: Schematic cross section 7174300mN from earlier 2010 drilling

Results

The evaluation drilling program at Telecom Hill confirmed the presence of a large magnetite deposit. The drilling has shown the Robinson Range BIF stratigraphy to be continuous along strike and at depth in the tested area. The main target BIF unit is typically between 200m to 250m in true thickness and has relatively uniform iron grades in the magnetite-bearing sections (see Figures 2-4).

All 4m composite drill hole samples were analysed by fused disc XRF for a standard iron suite of elements (Fe, SiO₂, Al₂O₃, P, Mn, S, MgO, CaO, TiO₂, Zn and LOI).

The average grade for the main BIF samples returned to date is 29.96% Fe, 43.8% SiO₂, 1.94% Al₂O₃ and 0.16% P. Whilst the phosphorus levels were somewhat elevated, preliminary DTR testwork completed during the earlier drill program demonstrated this was reduced to low levels during magnetic separation.

Based on the magnetic susceptibility and iron grade a number of samples have been selected for further analysis by DTR to assess the extent to which the magnetite can be recovered from the BIF. Results of the DTR work are pending and work will be finalised on the maiden JORC estimate for the project.

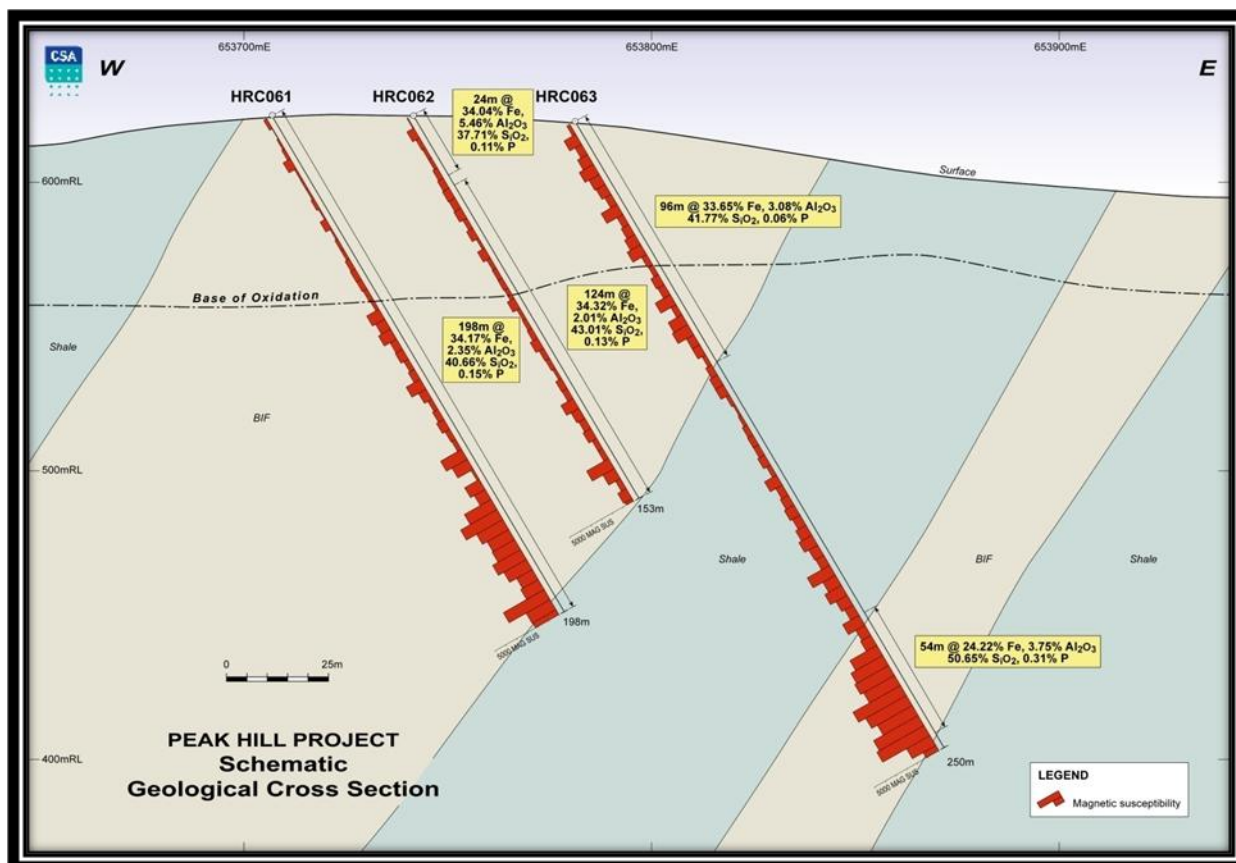


Figure 3: Schematic cross section 7175100mN

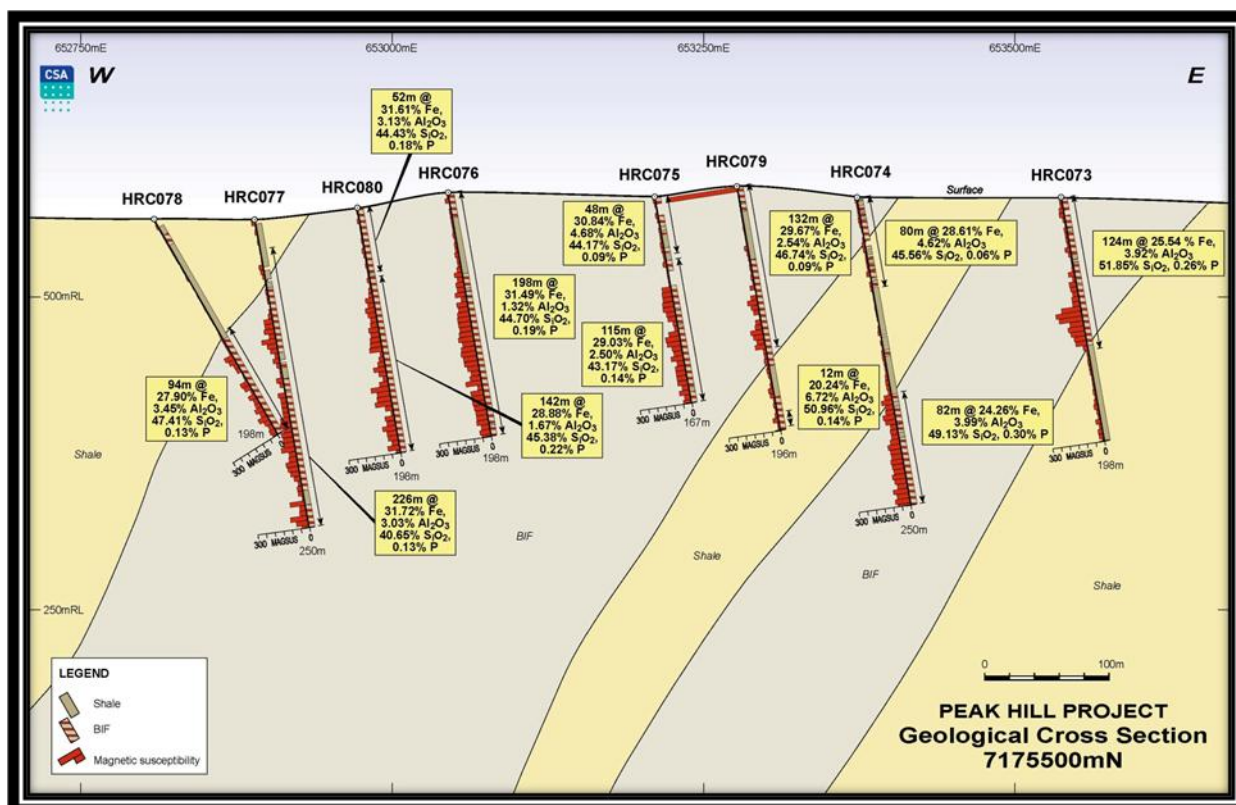


Figure 4: Schematic cross section 7175500mN

Davis Tube Recovery Test work Program

During the period, the Company received positive results of DTR test work on samples taken from the drilling program completed in April 2010 at the Telecom Hill Prospect.

The results demonstrated that the magnetite mineralisation intersected at the project has the potential to be significantly upgraded to a high-grade concentrate with excellent low deleterious element chemistry. The best result from the test work highlighted the potential quality of the material, with an 8m composite taken from 70m–78m in hole HRC030 upgrading from 29.66% Fe to 67.67% Fe.

To improve the understanding of the magnetite mineralisation present at the Telecom Hill Prospect, eight 8m composite samples were selected from the April 2010 drilling campaign for DTR test work. The samples were taken from five drill holes (HRC030, 035, 045, 046 and 047) from the western end of Telecom Hill.

The aim of the DTR test work program was to gain an understanding of the magnetite liberation characteristics and grade of potential concentrates for the project.

The 8m composites were chosen to reflect a range of BIF grades intersected in the April 2010 drilling. This methodology was chosen to provide representative and conservative results for the test work program. The head grades for these samples ranged from 27% Fe up to 32% Fe, representing the likely grade range of the material targeted in the latest evaluation drilling campaign.

Each 8m composite sample was subdivided into four subsamples, which were then ground to 38µm, 45µm, 75µm and 106µm respectively, to gain a preliminary understanding of the grind size to most effectively upgrade the material.

Each subsample was analysed by DTR and fused disc XRF spectrometry to assess the yield and grade of the magnetic concentrate.

Davis Tube Recovery Results

The results of the test work were very encouraging and demonstrated the potential to produce a high quality concentrate from the Robinson Range Iron Formation BIF. Given the significant strike length and thickness of this unit at the prospect, the test work further enhanced the project's potential to host a large magnetite BFO resource.

As expected, the best results were recorded from the finest grind size of 38µm, however, good results were also recorded at the 45µm grind size (see Figure 5 and Table 1). More detailed metallurgical test work is required to assess the optimal grind size.

The best DTR result was from sample 10001 from 70-78m in hole HRC 30 at the 38µm grind size, which upgraded from 29.66% Fe to 67.65% Fe with excellent deleterious element chemistry and a mass recovery of 21% (see Table 1). High quality results were also recorded at the coarser grind size of 45µm, with sample 10008 from 206-214m in hole HRC047 upgrading from 29.67% Fe to 66.56% Fe with 21.5% mass recovery. A full set of results is presented in Table 1 below.

Based on the average results for all samples, the 38µm grind size results yielded the best concentrate grades with an average concentrate grade of 64% Fe, 7.91% SiO₂, 0.24% Al₂O₃, 0.05% P. Results from the 45µm samples were similar for iron grades, but with slightly higher deleterious element chemistry.

These results indicate the magnetite present in the Robinson range BIF material is fine-grained but liberates well between 38µm to 45µm and can yield a high quality concentrate with a mass recovery between 21–22%. The average grades included all samples sent for test work including the low-grade samples. By being more selective and excluding the values generated from the low-grade samples considerably better results can be achieved.

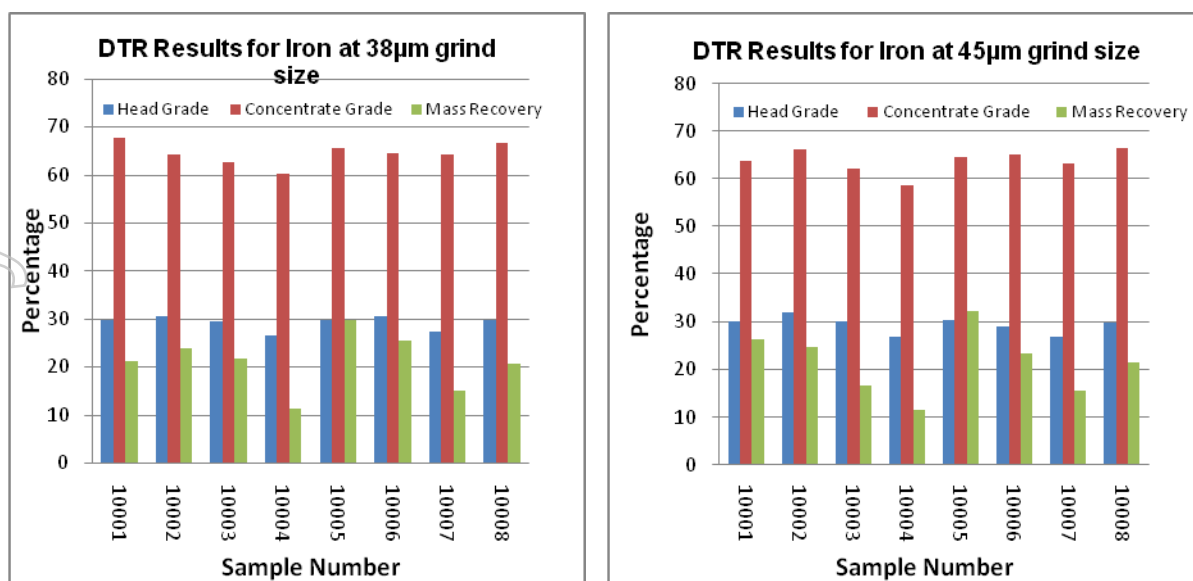


Figure 5: Comparison of Iron grade upgrade from DTR at 38µm and 45µm

Grind Size (µm)	Description	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %	Mass Rec %
38	average head grade	29.2	46.2	1.67	0.16	0.04	5.52	
	average concentrate grade	64.4	7.91	0.24	0.05	0.03	0.96	21.06
45	average head grade	29.4	46.0	1.70	0.16	0.04	5.22	
	average concentrate grade	63.8	8.49	0.25	0.06	0.03	0.84	21.4
75	average head grade	28.7	46.6	1.69	0.16	0.04	5.26	
	average concentrate grade	60.6	12.1	0.45	0.07	0.03	0.32	22.8
106	average head grade	28.8	46.5	1.77	0.16	0.04	5.39	
	average concentrate grade	58.1	14.9	0.61	0.08	0.03	0.11	24.4

Table 1

As part of the next stage of investigation more detailed bench-scale studies will be undertaken to assess the optimum grind size for the Robinson Range BIF material and the best method for beneficiation. It is hoped this work will further refine the parameters to deliver a high quality concentrate from the project.

CHANGES IN STATE OF AFFAIRS

During the half-year ended 31 December 2010 there was no significant change in the entity's state of affairs other than that referred to in the half-year financial statements or notes thereto.

AUDITOR'S DECLARATION OF INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the review for the half-year ended 31 December 2010 is included within this financial report.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



J Saunders
Director

Perth, 14 March 2011

Competent Persons Statement

The Exploration Results discussed in this report were prepared under the supervision of Mr Daniel Wholley BAppSc MAIG, who is a Director and full time employee of CSA Global Pty Ltd and is a competent person as defined by the Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition. Mr Wholley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

PADBURY MINING LIMITED
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the half-year ended 31 December 2010

		Consolidated	Consolidated
	Note	31 December 2010 \$	31 December 2009 \$
Continuing operations			
Revenue		511,960	656,322
Depreciation expense		(1,045)	(979)
Exploration and evaluation expenditure		(1,717,799)	(261,017)
Impairment of exploration and evaluation		-	(300,000)
Impairment of financial asset		-	(880,000)
Administration expenses		(1,231,246)	(425,073)
Loss before income tax expense	2	(2,438,130)	(1,210,747)
Income tax expense		-	-
Net loss for period		(2,438,130)	(1,210,747)
Other comprehensive income			
Net change in fair value of available-for-sale financial assets		1,168,000	665,000
Other comprehensive income for the period, net of tax		1,168,000	665,000
Total comprehensive income attributable to members of Padbury Mining Limited		(1,270,130)	(545,747)
 Basic and diluted loss per share (cents per share)		(0.18)	(0.10)

The accompanying notes form part of these financial statements

PADBURY MINING LIMITED
CONDENSED STATEMENT OF FINANCIAL POSITION
As at 31 December 2010

		Consolidated	Consolidated
		31 December	30 June
	Note	2010	2010
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	3	814,889	2,634,526
Trade and other receivables		459,884	484,972
Other financial assets		30,400	8,000
Total Current Assets		1,305,173	3,127,498
Non-Current Assets			
Other financial assets		2,425,000	1,257,000
Property, plant and equipment		4,511	5,556
Deferred exploration expenditure	4	8,100,000	8,100,000
Total Non-Current Assets		10,529,511	9,362,556
Total Assets		11,834,684	12,490,054
LIABILITIES			
Current Liabilities			
Trade and other payables		742,139	177,379
Total Current Liabilities		742,139	177,379
Total Liabilities		742,139	177,379
Net Assets		11,092,545	12,312,675
EQUITY			
Issued capital	5	36,109,065	36,059,065
Reserves		7,348,504	6,180,504
Accumulated losses		(32,365,024)	(29,926,894)
Total Equity		11,092,545	12,312,675

The accompanying notes form part of these financial statements

PADBURY MINING LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2010

Consolidated	Issued Capital \$	Accumulated Losses \$	Financial Asset Reserve \$	Option Reserve \$	Non Controlling Interest \$	Total Equity \$
At 1 July 2009	32,966,152	(20,292,762)	-	5,913,204	40	18,586,634
Loss for the period	-	(1,210,747)	-	-	-	(1,210,747)
Fair value adjustment to other financial assets	-	-	665,000	-	-	665,000
Total comprehensive loss for period	-	(1,210,747)	665,000	-	-	(545,747)
Securities issued during the period	120,000	-	-	162,300	-	282,300
At 31 December 2009	33,086,152	(21,503,509)	665,000	6,075,504	40	18,323,187
At 1 July 2010	36,059,065	(29,926,894)	105,000	6,075,504	-	12,312,675
Loss for the period	-	(2,438,130)	-	-	-	(2,438,130)
Fair value adjustment to available-for-sale financial assets	-	-	1,168,000	-	-	1,168,000
Total comprehensive loss for period	-	(2,438,130)	1,168,000	-	-	(1,270,130)
Securities issued during the period	50,000	-	-	-	-	50,000
At 31 December 2010	36,109,065	(32,365,024)	1,273,000	6,075,504	-	11,092,545

The accompanying notes form part of these financial statements

PADBURY MINING LIMITED
CONDENSED STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2010

	Consolidated	Consolidated
	31 December	31 December
	2010	2009
Note	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(1,485,214)	(489,266)
Payments for mineral exploration and evaluation	(1,089,589)	(238,751)
Proceeds from joint venture recoupment of expenditure	646,134	60,320
Interest received	59,032	17,593
Net cash (used in) operating activities	(1,869,637)	(650,104)
Cash flows from investing activities		
Proceeds from sale of other financial assets	-	114,822
Payment for acquisition of other financial assets	-	(800)
Payment for security bond	-	(30,000)
Net cash provided by investing activities	-	84,022
Cash flows from financing activities		
Proceeds from issue of securities	50,000	282,300
Net cash provided by financing activities	50,000	282,300
Net (decrease) in cash held	(1,819,637)	(283,782)
Cash at beginning of the half-year	2,634,526	1,090,477
Cash at end of the half-year	3 814,889	806,695

The accompanying notes form part of these financial statements

PADBURY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

This general purpose financial report for the half-year reporting period ended 31 December 2010 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures that the financial report and notes also comply with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2010 and any public announcements made by Padbury Mining Limited during the half-year.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period.

2. LOSS BEFORE INCOME TAX EXPENSE

	31 December 2010 \$	31 December 2009 \$
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Revenue:		
Interest received	59,033	15,650
Profit on sale of other financial assets	-	125,351
Unrealised gain on other financial assets	22,400	-
Proceeds from farm-in of joint venture interest	430,527	515,321
Expenses:		
Exploration and evaluation expenditure	(1,717,799)	(261,017)
Impairment of exploration and evaluation	-	(300,000)
Impairment of financial asset	-	(880,000)

3. CASH AND CASH EQUIVALENTS

For the purposes of the statement of financial position, cash and cash equivalents are comprised of the following:

	31 December 2010 \$	30 June 2010 \$
Cash at bank and in hand	814,889	2,634,526

(i) Non-cash financing and investing activities

There were no non-cash financing and investing activities during the half-year.

PADBURY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

4. DEFERRED EXPLORATION EXPENDITURE

Costs carried forward in respect of areas of interest in the following phases:

	31 December 2010 \$	30 June 2010 \$
Exploration and evaluation phase – at cost	8,100,000	8,100,000
Movement		
Balance at beginning of half-year	8,100,000	
Allowance for impairment	-	
Expenditure incurred	1,717,799	
Expenditure written off	(1,717,799)	
Balance at end of half-year	8,100,000	

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the relevant areas of interest, at amounts at least equal to book value.

5. ISSUED CAPITAL

	31 December 2010 \$	30 June 2010 \$
Issued Capital		
Ordinary shares – fully paid	36,109,065	36,059,065
Movement in ordinary shares on issue		31 December 2010 \$
Balance at beginning of half-year	1,361,430,586	36,059,065
Exercise of options	5,000,000	50,000
Balance at end of half-year	1,366,430,586	36,109,065

6. SEGMENT INFORMATION

The Company has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The Board of Directors as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

During the half-year, the Company considers that it has only operated in one segment, being mineral exploration within Australia.

7. CONTINGENT LIABILITIES

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

PADBURY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

8. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting date:

- (i) The Company has issued 71,745,500 ordinary fully paid shares:
- on the exercise of 14,000,000 options expiring 30 June 2012 at 1 cent each, raising \$140,000. Pursuant to the terms of the options, a further 14,000,000 new options expiring 30 June 2014 at 2 cents each were also issued;
 - on the exercise of 36,000,000 options expiring 30 June 2014 at 1.5 cents each, raising \$540,000;
 - on the exercise of 10,000,000 options expiring 30 June 2014 at 2 cents each, raising \$200,000; and
 - on the exercise of 11,745,500 options expiring 31 May 2011 at 2 cents each, raising \$234,900;
- (ii) The Company has issued 25,000,000 new options expiring 30 June 2014 at 1.5 cents each and 5,000,000 options expiring 30 June 2014 at 2 cents each pursuant to the prior exercise of 30,000,000 options expiring 30 June 2012 at 1 cent each;
- (iii) The Company has issued 120,000,000 ordinary fully paid shares as consideration for the acquisition of two mineral tenements, Fortnum West (E52/2432) and Millidie (P52/1342); and
- (iv) The Company has entered into an agreement with Yilgarn Infrastructure Limited (Yilgarn) to acquire all of the intellectual property of Yilgarn relating to its investor backed proposal to build an open access multi user network to service Western Australia's Mid-West region's mines which would see ore shipped through the existing port at Geraldton or a new port built at Oakajee.

The consideration for the acquisition is \$2.25 million which is payable in shares and/or cash. The intellectual property will be vested in the Company's wholly owned subsidiary, Midwest Infrastructure Pty Ltd (Midwest) and is subject to and does not become binding unless the following conditions are satisfied or waived:

- (a) the Company and Midwest obtaining all consents and approvals from its shareholders as to the matters contemplated in the agreement;
- (b) Yilgarn obtaining all consents and approvals from its shareholders as to the matters contemplated in the agreement; and
- (c) Midwest conducting and completing to its satisfaction a due diligence review of the intellectual property.

No other matter or circumstance has arisen since the end of the half-year which has significantly affected or may significantly affect the operations of the Company, the results of the Company, or the state of affairs of the Company as reported for the half-year ended 31 December 2010.

PADBURY MINING LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

- 1) The financial statements and notes, as set out within this financial report:
 - (a) comply with the Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Act 2001*; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.
- 2) In the directors' opinion there are reasonable grounds to believe that Padbury Mining Limited 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



J Saunders
Director

Perth, 14 March 2011

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
PADBURY MINING LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Padbury Mining Limited which comprises the condensed statement of financial position as at 31 December 2010, and the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the 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 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 Padbury Mining 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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scheme approved
under Professional
Standards Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Padbury Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

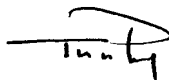
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Padbury Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 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 *Corporations Regulations 2001*.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants



TUTU PHONG
Partner

Perth, WA
Dated: 14 March 2011

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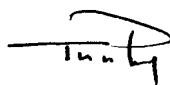
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Padbury Mining Limited for the half-year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants



TUTU PHONG
Partner

Perth, WA
Dated: 14 March 2011