



14<sup>th</sup> March 2006

The Manager  
Company Announcements  
Stock Exchange of Newcastle Limited  
384 Hunter Street  
NEWCASTLE NSW 2300

Via Facsimile: 02 4929 1556

Dear Sir,

### **Half Year Report**

The directors of Florin Mining Investment Company Limited are pleased to announce the Half Year Report for the period ended 31 December 2005.

Yours faithfully

**FLORIN MINING INVESTMENT COMPANY LIMITED**

A handwritten signature in black ink, appearing to read 'D Di Stefano'.

**DANIEL DI STEFANO**  
**COMPANY SECRETARY**

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**FLORIN MINING INVESTMENT COMPANY LIMITED**

**ABN 60 111 170 882**

**HALF YEAR REPORT  
FOR THE PERIOD ENDED  
31<sup>ST</sup> DECEMBER, 2005**

# FLORIN MINING INVESTMENT COMPANY LIMITED

ABN 60 111 170 882

## DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2005.

### Directors

The names of directors who held office during or since the end of the half-year:

Victor Gowan Burley	Appointed 29 <sup>th</sup> September 2004
Robert Franklin Cameron	Appointed 29 <sup>th</sup> September 2004
Steven Pritchard	Appointed 29 <sup>th</sup> September 2004
Daniel Di Stefano	Appointed 29 <sup>th</sup> September 2004

### Review of Operations

The investment objectives of Florin Mining Investment Company Limited, are to;

- Preserve of the capital of the Company;
- Achieve a high real rate of return, comprising both income and capital growth; and
- Generally, to limit the investments of the Company to natural resource companies being those companies;
  - ✓ who derive a significant proportion of their revenues from the mining of base and precious metals, industrial minerals, and bulk commodities, the production of oil and gas or geothermal energy; or
  - ✓ have a significant proportion of their assets invested, or they propose to invest a significant proportion of their assets, in activities involved in the exploration for base and precious metals, industrial minerals, and bulk commodities, the production of oil and gas or geothermal energy.

The Company seeks to maximise the capital growth of the Company's portfolio by investing in natural resource companies. Investments are primarily in mining or exploration companies – that are either producing or exploring for base and precious metals, industrial minerals and bulk commodities. From time to time the portfolio may have exposure to oil, gas and geothermal energy companies.

Whilst in making its investment decisions the Company will generally take a medium to long term view, it may however, from time to time acquire investments with a view to profit through short term trading opportunities.

The Company:

- focuses on the investment merits of individual stocks rather than market and economic trends; and
- seeks to invest in shares which it assesses to be undervalued relative to their longer term growth prospects.

The Directors have established a number of key performance indicators that they will use in their assessment of the Company's performance, including, earnings per share, dividends paid to shareholders and asset backing per share.

The Company presently has no debt, and has continued to invest the capital it raised from its initial public offering.

The net profit after tax for the half year ended 31<sup>st</sup> December 2005, was \$170,572.

Whilst the asset backing per share increase by 22% from \$0.18 to \$0.22.

### Adoption of Australian Equivalents to IFRS

This interim financial report has been prepared under Australian equivalents to IFRS. A reconciliation of differences between previous GAAP and Australian equivalents to IFRS has been included in Note 6 of this report.

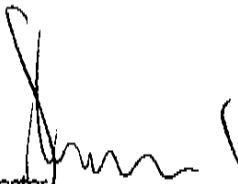
**FLORIN MINING INVESTMENT COMPANY LIMITED**

ABN 60 111 170 882

**DIRECTORS' REPORT****Auditor's Declaration**

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 3 for the half year ended 31 December 2005.

This report is signed in accordance with a resolution of the Board of Directors.



Director

**Steven Shane Pritchard**

Dated this 9th Day of March 2006



# Forsythes

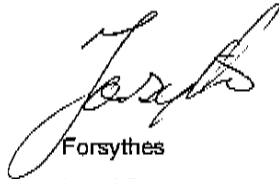
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Accounting  
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## AUDITORS' INDEPENDENCE DECLARATION

As lead auditor for the review of Florin Mining Investment Company Limited for the half-year ended 31<sup>st</sup> December 2005, I declare that to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is made in respect of Illuminator Investment company during the period.



Forsythes

Level 5

Hunter Mall Chambers

175 Scott Street

Newcastle NSW 2300.



VJ Lewis

Date: 9 March 2006

## FLORIN MINING INVESTMENT COMPANY LIMITED

ABN 60 111 170 882

### INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2005

	31.12.2005 \$
Income from investment portfolio	2,535
Income from trading portfolio	249,415
Income from deposits	656
<b>Total income from ordinary activities</b>	<b>252,606</b>
Administration expenses	(25,358)
Borrowing costs expense	-
Management fees	(5,483)
Performance fees	-
	<b>(30,841)</b>
<b>Operating profit before income tax and realised gains on the investment portfolio</b>	<b>221,765</b>
Income tax benefit / (expense) relating to ordinary activities	(66,039)
<b>Operating profit before realised gains on the investment portfolio</b>	<b>155,726</b>
Realised gains / (losses) on the investment portfolio	21,209
Income tax expense thereon	(6,363)
<b>Profit attributable to members of the company</b>	<b>170,572</b>
 <b>Overall Operations:</b>	
Basic earnings per share (cents per share)	3.30
Diluted earnings per share (cents per share)	3.30

The accompanying notes form part of these financial statements.

**FLORIN MINING INVESTMENT COMPANY LIMITED****ABN 60 111 170 882****BALANCE SHEET AS AT 31 DECEMBER 2005**

	31.12.2005	30.06.2005
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	60,871	63,564
Receivables	2,700	1,657
Trading portfolio	840,062	538,976
Other	3,175	-
<b>TOTAL CURRENT ASSETS</b>	<u>906,808</u>	<u>604,197</u>
<b>NON-CURRENT ASSETS</b>		
Investment portfolio	299,007	304,922
Deferred tax assets	17,953	48,775
<b>TOTAL NON-CURRENT ASSETS</b>	<u>316,960</u>	<u>353,697</u>
<b>TOTAL ASSETS</b>	<u>1,223,768</u>	<u>957,894</u>
<b>CURRENT LIABILITIES</b>		
Payables	26,574	13,546
Current tax liabilities	38,131	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>64,705</u>	<u>13,546</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	25,229	9,572
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>25,229</u>	<u>9,572</u>
<b>TOTAL LIABILITIES</b>	<u>89,934</u>	<u>23,118</u>
<b>NET ASSETS</b>	<u>1,133,834</u>	<u>934,776</u>
<b>EQUITY</b>		
Issued capital	977,073	977,073
Reserves	55,105	11,773
Retained earnings	101,656	(54,070)
<b>TOTAL EQUITY</b>	<u>1,133,834</u>	<u>934,776</u>

The accompanying notes form part of these financial statements.

**FLORIN MINING INVESTMENT COMPANY LIMITED**

**ABN 60 111 170 882**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005**

	\$	\$	\$	\$	\$
Note	Share Capital	Retained Profits	Capital Profits Reserve	Investment Revaluation Reserve	Total
<b>Balance at 1.7.2005</b>	977,073	(54,070)	--	11,773	934,776
Dividends paid		--			
Dividend reinvestment plan	--				
Transactions with equity holders in their capacity as equity holders	--	--			--
Profit for the period		170,572			170,572
Revaluation of investment portfolio (net of tax)				28,486	28,486
Total direct equity adjustments				28,486	28,486
Total income for period		170,572		28,486	199,058
Transfers between reserves		(14,846)	14,846		--
<b>Balance at 31.12.2005</b>	977,073	101,656	14,846	40,259	1,133,834

The accompanying notes form part of these financial statements.



## FLORIN MINING INVESTMENT COMPANY LIMITED

ABN 60 111 170 882

### CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2005

	31.12.2005 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Sales from trading portfolio	484,604
Purchases for trading portfolio	(536,290)
Dividends received	2,535
Interest received	656
Other receipts	2,587
	(45,908)
Administration expenses	(24,512)
Bank charges	(269)
Borrowing costs	-
Management fees	-
Income tax paid	-
Net cash provided by (used in) operating activities	(70,689)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Sales from investment portfolio	180,677
Purchases for investment portfolio	(112,681)
Net cash provided by (used in) investing activities	67,996
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of shares	-
Initial Public Offer Costs	-
Proceeds from borrowings	-
Repayment of borrowings	-
Dividends paid	-
Net cash provided by (used in) financing activities	-
Net increase (decrease) in cash held	(2,693)
Cash at beginning of the half year	63,564
Cash at the end of the half year	60,871

## FLORIN MINING INVESTMENT COMPANY LIMITED

ABN 60 111 170 882

### NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

#### NOTE 1: BASIS OF PREPARATION

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2005 and any public announcements made by Florin Mining Investment Company Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

As this is the first interim financial report prepared under Australian equivalents to IFRS, the accounting policies applied are inconsistent with those applied in the 30 June 2005 annual report as this report was presented under previous Australian GAAP. Accordingly, a summary of the significant accounting policies under Australian equivalents to IFRS has been included below. A reconciliation of equity and profit and loss between previous GAAP and Australian equivalents to IFRS has been prepared per Note 6.

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

#### a. Holdings of Securities

##### (i) Balance Sheet classification

The Company has two portfolios of securities, the investment portfolio and the trading portfolio.

The investment portfolio relates to holdings of securities which the directors intend to retain on a long-term basis, and has been classified as a non-current asset

The trading portfolio comprises securities held for short term trading purposes and is classified as a current asset.

##### (ii) Valuation of investments

Securities, including listed and unlisted shares and notes and options, are initially brought to account at cost (including any associated transaction costs) and are continuously carried at fair value.

Fair value for the purposes of valuing holdings of securities is determined by reference to market prices prevailing at balance date, predominantly last sale price, where the securities are traded on an organised market. Where a security is not so traded, its fair value is determined by the Directors.

##### (iii) Gains and losses on investments

###### Investment portfolio

When investments in the investment portfolio are sold or impaired, the accumulated fair value adjustments are transferred from the investment revaluation reserve to the Income Statement as gains or losses on the investment portfolio. The cumulative gain or loss, net of tax, is then transferred from retained profits to the realised capital profits reserve. Unrealised gains and losses arising from changes in the fair value of long-term investments are recognised in equity in the investment revaluation reserve.

This is a change in accounting policy as under AGAAP, the revaluation adjustment relating to long-term investments standing in the investment revaluation reserve at the time of realisation was transferred directly to capital profits reserve.

###### Trading Portfolio

Realised and unrealised gains and losses arising from changes in the fair value of the trading investments are included in the Income Statement in the period in which they arise.

##### (iv) Income from holdings of securities

Distributions relating to listed securities are recognised as income when those securities are quoted ex-distribution basis. Distributions relating to unlisted securities are recognised as

## FLORIN MINING INVESTMENT COMPANY LIMITED

ABN 60 111 170 882

### NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

income when received unless the distributions are capital returns in which case the amount of the distribution is treated as an adjustment to the cost base of the securities.

#### (b) Income Tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

#### (c) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTE 2: REVENUE	2005 \$
<b>a. Income from investment portfolio</b>	
— dividends received	2,535
Total income from investment portfolio	2,535
<b>b. Income from trading portfolio</b>	
— sales revenue	480,036
— cost of sales	(230,621)
Net gains/(losses) from trading portfolio sales	249,415
— dividends received	—
Total income from trading portfolio	249,415
<b>c. Income from deposits</b>	
— deposit income	656
Total income from deposits	656
Total Revenue	252,606

## FLORIN MINING INVESTMENT COMPANY LIMITED

ABN 60 111 170 882

### NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

<b>NOTE 3: DIVIDENDS</b>	<b>2005</b> \$
<b>a. Dividends Paid or Declared</b>	
There were no dividends paid or declared in the financial period.	—

<b>NOTE 4: ISSUED CAPITAL</b>	<b>2005</b> \$
5,127,500 fully paid ordinary shares	977,703
<b>a. Ordinary shares</b>	
At the beginning of the financial period	977,703
Shares issued during the year	
— 2 on 29 September 2004	—
— 5,127,500 on 3 February 2005	—
Transaction costs relating to share issues	—
Balance at the end of the financial year	977,703

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands

#### b. Options

On 3 February 2005, 5,127,500 Series A options were granted to the holders of ordinary shares at an exercise price of \$0.25 each. The option is exercisable on or before 15 December 2006.

On 3 February 2005, 5,127,500 Series B options were granted to the holders of ordinary shares at an exercise price of \$0.40 each. The option is exercisable on or before 15 December 2008.

At 31 December 2005 there were 10,255,000 unissued ordinary shares for which options were outstanding.

#### NOTE 5: SEGMENT REPORTING

The Company operates in one business segment, being that of a listed investment company. The Company operates from Australia only and therefore has only one geographical segment. However the Company has investment exposures in different countries which are shown below. The Company invests in securities listed on overseas stock exchanges. Details of the geographical exposures are as follows:

2005	Revenue \$	Unrealised Gains	Market Value \$	Portfolio %
Australia	2,535	245,857	1,049,799	87.62
Canada	—	8,801	18,550	1.55
United States of America	—	13,750	70,720	5.90
<b>Sub Total</b>	<b>2,535</b>	<b>268,408</b>	<b>1,139,069</b>	<b>95.07</b>
Cash	656	—	59,019	4.93
<b>Total</b>	<b>3,191</b>	<b>268,408</b>	<b>1,198,088</b>	<b>100.00</b>

## FLORIN MINING INVESTMENT COMPANY LIMITED

ABN 60 111 170 882

### NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

<b>NOTE 6: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS</b>	Note	Previous GAAP at 30.6.2005	Adjustments on introduction of Australian equivalents to IFRS	Australian equivalents to IFRS at 30.6.2005
<b>Reconciliation of Equity at 30 June 2005</b>		\$	\$	\$
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash assets		63,564	-	63,564
Receivables		1,657	-	1,657
Trading portfolio	6a	538,976	-	538,976
<b>TOTAL CURRENT ASSETS</b>		<b>604,197</b>	<b>-</b>	<b>604,197</b>
<b>NON-CURRENT ASSETS</b>				
Investment portfolio	6a	304,922	-	304,922
Deferred tax assets		48,775	-	48,775
<b>TOTAL NON-CURRENT ASSETS</b>		<b>353,697</b>	<b>-</b>	<b>353,697</b>
<b>TOTAL ASSETS</b>		<b>957,894</b>	<b>-</b>	<b>957,894</b>
<b>CURRENT LIABILITIES</b>				
Payables		13,546	-	13,546
Current tax liabilities		-	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>13,546</b>	<b>-</b>	<b>13,546</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	6c&d	9,572	-	9,572
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>9,572</b>	<b>-</b>	<b>9,572</b>
<b>TOTAL LIABILITIES</b>		<b>23,118</b>	<b>-</b>	<b>23,118</b>
<b>NET ASSETS</b>		<b>934,776</b>	<b>-</b>	<b>934,776</b>
<b>EQUITY</b>				
Issued capital	6f	956,319	20,754	977,073
Reserves		11,773	-	11,773
Retained earnings	6e	(33,316)	(20,754)	(54,070)
<b>TOTAL EQUITY</b>		<b>934,776</b>	<b>-</b>	<b>934,776</b>

## FLORIN MINING INVESTMENT COMPANY LIMITED

ABN 60 111 170 882

### NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Note	Previous GAAP	Effect of transition to Australian equivalents to IFRS	Australian equivalents to IFRS
<b>Reconciliation of Profit or Loss for the year 30 June 2005</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
Income from investment portfolio		1,110	-	1,110
Income from trading portfolio	6b	(63,677)	-	(63,677)
Income from deposits		8,865	-	8,865
Other income		-	-	-
<b>Total income from ordinary activities</b>		<b>(53,702)</b>	<b>-</b>	<b>(53,702)</b>
Administration expenses		(20,145)	-	(20,145)
Borrowing costs expense		(14)	-	(14)
Management fees		(3,703)	-	(3,703)
Performance fees		-	-	-
Other expenses from ordinary activities		-	-	-
<b>Profit from ordinary activities before income tax expense</b>		<b>(77,564)</b>	<b>-</b>	<b>(77,564)</b>
Income tax benefit/(expense) relating to ordinary activities	6c	44,248	(20,754)	23,494
<b>Profit from ordinary operating activities after related income tax expense</b>		<b>(33,316)</b>	<b>(20,754)</b>	<b>(54,070)</b>
Realised gains / (losses) on investment portfolio	6e	-	-	-
Income tax expense thereon	6e	-	-	-
<b>Profit attributable to members of the company</b>		<b>(33,316)</b>	<b>(20,754)</b>	<b>(54,070)</b>
Direct adjustments against equity				
Realised gains/(losses) on investment portfolio (net of tax)	6e	-	-	-
Unrealised gains/(losses) on investment portfolio (net of tax)	6d	11,773	-	11,773
<b>Total valuation adjustments recognised directly in equity</b>		<b>11,773</b>	<b>-</b>	<b>11,773</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>(21,543)</b>	<b>(20,754)</b>	<b>(42,297)</b>

**FLORIN MINING INVESTMENT COMPANY LIMITED****ABN 60 111 170 882****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005****Notes to the Reconciliations of Equity and Profit and  
Loss at 30 June 2005****(a) Investments measured at market value**

All investments (including the trading portfolio) are measured at market value.

**(b) Unrealised gains/losses on the trading portfolio**

All unrealised gains or losses on the trading portfolio are included in the Income Statement for that period.

**(c) Provision for deferred tax on unrealised gains/losses in the Income Statement**

A provision for the tax that would be due on unrealised gains or the credit receivable on unrealised losses that are included in the Income Statement is made on the Balance Sheet, and changes to this provision are reflected in the Income Statement.

**(d) Provision for deferred capital gains tax on unrealised gains through the Investment Revaluation Reserve**

A provision for the tax that would be due on unrealised gains or the credit receivable on unrealised losses that are included in the Investment Revaluation Reserve is made on the Balance Sheet, and changes to this provision are reflected directly through equity.

**(e) Realised gains or losses on securities in the investment portfolio**

All realised gains or losses, and the tax payable/tax credit receivable thereon, are accounted for through the Income Statement, and are therefore part of the Profit attributable to Members. The net gains/losses may be transferred through reserves from Retained Earnings to the Capital Profits Reserve which is available for distribution.

**(f) Recognition of deferred tax assets on transaction costs on issue of equity instruments**

Under AIFRS, the expenses incurred in issuing equity instruments are deducted from issued capital net of any tax benefit. The tax benefit is claimed over a five year period and gives rise to a deferred tax asset.

**NOTE 7: CONTINGENT LIABILITIES**

A performance fee may be payable to the manager based on the performance of the portfolio. At reporting date this was not quantifiable.

**NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE**

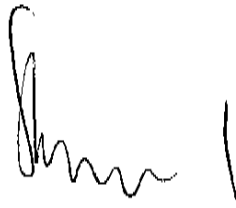
There were no events subsequent to period end that require disclosure other than those matters referred to elsewhere in this report.

**FLORIN MINING INVESTMENT COMPANY LIMITED****ABN 60 111 170 882****DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on 4 to 13:
  - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
  - b. give a true and fair view of the economic entity's financial position as at 31 December 2005 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director

Steven Shane Pritchard

Dated this 9 day of March 2006





# Forsythes

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Forensic Accounting  
Accounting  
IT & Training

## INDEPENDENT REVIEW REPORT TO THE MEMBERS OF FLORIN MINING INVESTMENT COMPANY LIMITED

### Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Florin Mining Investment Company Limited.

- does not give a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of Florin Mining Investment Company Limited as at 31 December 2005 and of its performance for the half-year ended on that date, and
- is not presented in accordance with the Corporations Act 2001, Accounting Standard AASB 134: Interim Financial Reporting and other mandatory financial reporting requirements in Australia, and the Corporations Regulations 2001.

This statement must be read in conjunction with the rest of our review report.

### Scope

#### The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Florin Mining Investment Company Limited, for the half-year ended 31 December 2005.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

### Review approach

We conducted an independent review in order for the Company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements.

We performed procedures in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly, in accordance with the Corporations Act 2001, Accounting Standard AASB 134: Interim Financial Reporting and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position, and its performance as represented by the results of its operations and cash flows.

- 15 -

Level 5, Hunter Mall Chambers, 175 Scott Street, (PO Box 705) DX 7919 Newcastle NSW 2300 Australia  
Telephone 02 4926 2699 Facsimile 02 4929 1435 Website [www.forsythes.com.au](http://www.forsythes.com.au) Email [forsythes@forsythes.com.au](mailto:forsythes@forsythes.com.au)

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**NEXIA**  
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We formed our statement on the basis of the review procedures performed, which included:

- inquiries of Company personnel, and
- analytical procedures applied to financial data.

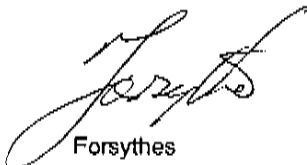
These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

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

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

#### **Independence**

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.



Forsythes  
Level 5  
Hunter Mall Chambers  
175 Scott Street  
Newcastle NSW 2300.



V.J. Lewis  
Date 9 March 2006