



**AND CONTROLLED ENTITIES**

**ABN 24 123 972 814**

**HALF YEAR REPORT**

**FOR THE PERIOD ENDED 31 DECEMBER 2011**

---

**AFRICAN IRON LIMITED**  
**ACN 123 972 814**

**CONTENTS**

---

	<b>Page</b>
Corporate Information	2
Directors' report	3
Auditor's independence declaration	6
Condensed consolidated statement of comprehensive income	7
Condensed consolidated statement of financial position	8
Condensed consolidated statement of changes in equity	9
Condensed consolidated statement of cash flows	10
Notes to the condensed consolidated financial statements	11
Directors' declaration	14
Independent auditor's review report	15

## CORPORATE INFORMATION

---

**ABN 24 123 972 814**

### Directors

Dr Ian Burston – Non-Executive Chairman  
Mr Joe Ariti – Non-Executive Director  
Mr Antony Sage – Non-Executive Director  
(resigned 7 March, 2012)  
Hon John Moore AO – Non-Executive Director  
(Appointed 1 July, 2011)

### Share Registry

Computershare Investor Services Pty Ltd  
Level 2  
45 St Georges Terrace  
Perth WA 6000

### Company Secretary

Mr Shane Volk (Appointed 5 December, 2011)

### Banker

HSBC Bank Australia Limited  
188-190 St. Georges Terrace  
Perth  
Western Australia 6000

### Registered Office

33 Ventnor Avenue  
West Perth  
WA 6005  
Tel: (08) 9557 0388  
Fax: (08) 9322 3220

### Website

[www.africanironlimited.com](http://www.africanironlimited.com)

### Solicitors to the Company

Steinepreis Paganin  
Level 4  
The Read Buildings  
16 Milligan Street  
Perth WA 6000

### Auditors

Deloitte Touche Tohmatsu  
Woodside Plaza  
Level 14  
240 St Georges Terrace  
Perth WA 6000

### ABN

24 123 972 814

### Stock Exchange

African Iron Limited shares and listed options are quoted on the on the Australian Securities Exchange under the following codes:

**AKI** fully paid ordinary shares

**AKIOA** options (exercise price \$0.20, expiring 1 December, 2013)

## Directors Report (continued)

The directors of African Iron Limited submit herewith the financial report of African Iron Limited and its subsidiaries (the Group) for the half-year ended 31 December, 2011. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

### Directors

The names of the directors of African Iron Limited during or since the end of the half-year are:

Dr Ian **Burston** (Non-Executive Chairman)

Mr Joe **Ariti** (Non-Executive Director and acting Chief Executive Officer until 5 September, 2011)

Mr Antony **Sage** (Non-Executive Director)

Hon John **Moore** AO (Non-Executive Director) Appointed 1 July, 2011

All of the above named directors held office during and since the end of the half-year, with the exception of Mr Antony Sage who resigned as a director of the Company 7 March, 2011.

### Company Secretary

Mr Shane Volk (Appointed 5 December, 2011)

Ms Claire Tolcon (Resigned 5 December, 2011)

### Review of operations and results

#### Corporate

During the half year the Honorable Mr John Moore (AO) joined the Board as a non-executive director (effective 1 July, 2011), the Group appointed a Chief Executive Officer – Mr Simon Youds (5 September, 2011), Mr Joe Ariti resigned as acting Chief Executive Officer (5 September, 2011) and the Group appointed a Chief Financial Officer & Company Secretary – Mr Shane Volk (5 December, 2011).

#### Operations

The Group continued to advance its Mayoko Iron Ore Project in the Republic of Congo (“**Mayoko Project**”), key achievements during the half year included:

- The acquisition of an additional 12% interest in DMC Iron Congo SA, the owner of the Mayoko Project in the Republic of Congo, the acquisition increased the Group’s interest in the Mayoko Project to 92%;
- The announcement of an increased JORC mineral resource estimate for the Mayoko Project at the end of October, 2011. This updated JORC estimation represented a significant increase compared to the initial resource estimation announced in May, 2008;
- A major airborne geophysical survey was completed over the Mayoko Project providing numerous new exploration targets and an overall increase in exploration target size at the Mayoko Project;
- Resource drilling at the Mayoko Project continued throughout the half year with three reverse circulation drilling rigs and two diamond drilling rigs in operation at December, 2011; and
- A joint rail infrastructure study commenced with Republic of Congo railway operator Chemin De Fer Congo Ocean (“**CFCO**”).

## Directors Report (continued)

### Review of operations and results (continued)

#### Operations (continued)

In addition to the advancements at the Mayoko Project, the Group added to its existing ground position in the Republic of Congo by securing an 85% interest in the 944km<sup>2</sup> Ngoubou-Ngoubou Authority to Prospect. The Authority to Prospect is the northern extension of the Company's Mayoko Project and has increased the Group's landholding exposure in the Republic of Congo to 1,944km<sup>2</sup>.

#### Results

The net loss after income tax of the Group for the half year ended 31 December, 2011 was \$3,690,726 (2010: net profit of \$286,666)

#### Dividends

No dividends were paid or declared by African Iron Limited during the half year.

#### Significant changes

There have been no changes in the state of affairs of the Group that occurred during the half-year under review not otherwise disclosed in this report.

#### Subsequent events

On 11 January 2012, Exxaro Resources Limited ("**Exxaro**") (JSE: EXX) and African Iron Limited jointly announced an off-market, cash takeover offer by Exxaro through its wholly owned subsidiary, Exxaro Australia Iron Investments Pty Ltd ("**Exxaro Australia**") for all of the shares and listed options in African Iron.

The Exxaro Offer is \$0.51 per share increasing to \$0.57 per share if Exxaro Australia acquires a relevant interest of 75% or more of all of the African Iron shares (on a fully diluted basis) and \$0.31 per listed option increasing to \$0.37 per listed option if Exxaro Australia acquires a relevant interest of 75% or more of all of the African Iron shares (on a fully diluted basis). The Exxaro Offer has been recommended by the African Iron board in the absence of a superior proposal.

On 15 February, 2012 Exxaro announced that it had a relevant interest in more than 50% of African Iron shares on an undiluted and fully-diluted basis and that consequently the takeover offer had become unconditional.

As at the date of this report Exxaro held in excess of 99% of the fully paid ordinary shares of the Company and had commenced the process of compulsory acquisition of the outstanding issued shares and listed options of African Iron that it has not yet received acceptances for under its takeover offer. The ASX announced on 8 March, 2012 that the securities of the Company will be suspended from quotation at the close of trading on Thursday 15 March 2012 following the dispatch of compulsory acquisition notices by Exxaro.

Exxaro's intentions for the Company in circumstances where Exxaro acquires 90% or more of the Company's shares are outlined in Section 6 of Exxaro's bidders' statement lodged with ASIC on 11 January 2012, a copy of which is available on the Company's web site [www.africanironlimited.com](http://www.africanironlimited.com).

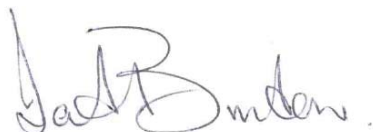
On 7 March, 2012 Mr. Antony Sage announced his resignation as a Non-Executive Director following the announcement by Exxaro that it had commenced compulsory acquisition of the outstanding issued shares and listed options of the Company.

## Directors Report (continued)

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

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

A handwritten signature in black ink, appearing to read 'Ian Burston'.

Dr. Ian Burston  
Non Executive Chairman  
Date: 14 March, 2012  
Perth, Western Australia

The Board of Directors  
African Iron Limited  
33 Ventnor Avenue  
WEST PERTH WA 6005

14 March 2012

Dear Board Members

### **African Iron 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 African Iron Limited.

As lead audit partner for the review of the financial statements of African Iron Limited for the half-year ended 31 December 2011, 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



Chris Nicoloff  
Partner  
Chartered Accountant

**AFRICAN IRON LIMITED**

**Condensed consolidated statement of comprehensive income  
for the half-year ended 31 December, 2011**

	<b>31 December 2011 \$</b>	<b>31 December 2010 \$</b>
<b>Continuing operations</b>		
<b>Revenue</b>		
Profit on sale of shares	-	1,061,598
Interest Income	872,318	170,446
<b>Total Revenue</b>	<b>872,318</b>	<b>1,232,044</b>
Employee and director benefits expense	(938,878)	(70,662)
External contractors expense	(690,843)	(66,150)
Depreciation expense	(132,660)	-
Share based payments expense	(1,208,782)	-
Unrealised loss on financial assets	(41,587)	(376,904)
Travel Costs	(684,416)	-
Compliance & regulatory costs	(133,193)	-
Occupancy costs	(198,710)	-
Other expenses	(749,926)	(129,650)
Loss on sale of shares	(52,987)	-
Foreign exchange differences	268,938	-
<b>Profit (Loss) before income tax</b>	<b>(3,690,726)</b>	<b>588,678</b>
Income tax (expense)	-	(302,012)
<b>Profit (Loss) after tax</b>	<b>(3,690,726)</b>	<b>286,666</b>
<b><u>Other comprehensive Income, net of income tax</u></b>		
Exchange differences arising on translation of foreign operations	(1,023,343)	-
<b>Total comprehensive income (loss) for the period</b>	<b>(4,714,069)</b>	<b>286,666</b>
<b><u>Profit (loss) attributable to:</u></b>		
Owners of the parent	(3,522,238)	286,666
Non-controlling interests	(168,488)	-
<b><u>Total comprehensive income attributable to:</u></b>		
Owners of the parent	(4,545,581)	286,666
Non-controlling interests	(168,488)	-
<b>Earnings (Loss) per share</b>		
From continuing operations		
Basic (cents per share)	(0.74)	0.49
Diluted (cents per share)	(0.74)	0.49

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*



**Condensed consolidated statement of financial position  
as at 31 December 2011**

	Note	31 December 2011 \$	30 June 2011 \$
<b>Current assets</b>			
Cash and cash equivalents	2	21,628,211	39,206,075
Trade and other receivables		647,147	493,770
Other assets		407,179	64,201
Financial assets at fair value through profit & loss		240,192	483,539
<b>Total Current Assets</b>		<b>22,922,729</b>	<b>40,247,585</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment		1,778,752	819,398
Exploration and evaluation		114,981,218	107,254,678
<b>TOTAL NON-CURRENT ASSETS</b>		<b>116,759,970</b>	<b>108,074,076</b>
<b>TOTAL ASSETS</b>		<b>139,682,699</b>	<b>148,321,661</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,022,643	2,176,999
Income tax payable		-	197,106
Provisions		12,724	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,035,367</b>	<b>2,374,105</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liability		39,200	39,199
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>39,200</b>	<b>39,199</b>
<b>TOTAL LIABILITIES</b>		<b>3,074,567</b>	<b>2,413,304</b>
<b>NET ASSETS</b>		<b>136,608,132</b>	<b>145,908,357</b>
<b>EQUITY</b>			
Issued capital		136,596,072	130,342,687
Share-based payments reserve		4,487,928	3,279,146
Foreign exchange translation reserve		(1,178,005)	(154,662)
Accumulated losses		(9,856,803)	(6,334,565)
<b>Equity attributable to members of African Iron Limited</b>		<b>130,049,192</b>	<b>127,132,606</b>
Non-controlling interests		6,558,940	18,775,751
<b>TOTAL EQUITY</b>		<b>136,608,132</b>	<b>145,908,357</b>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

**AFRICAN IRON LIMITED**

**Condensed consolidated statement of changes in equity  
for the half-year ended 31 December 2011**

	Issued Capital	Share-based payments reserve	Non-Controlling Interests	Retained earnings/(Accumulated losses)	Foreign currency translation reserve	Total Equity
<b>Balance at 1 July 2010</b>	6,695,130	-	-	301,485	-	6,996,615
Total comprehensive Income (loss) for period	-	-	-	286,666	-	286,666
<b>Balance at 31 December 2010</b>	6,695,130	-	-	588,151	-	7,283,281
<b>Balance at 1 July 2011</b>	130,342,687	3,279,146	18,775,751	(6,334,565)	(154,662)	145,908,357
Issue of shares to acquire additional equity in DMC Iron Congo SA	6,248,323	-	-	-	-	6,248,323
Issue of shares on exercise of listed options	5,062	-	-	-	-	5,062
Total profit (loss) for period	-	-	(168,488)	(3,522,238)	-	(3,690,726)
Non-controlling interests	-	-	(12,048,323)	-	-	(12,048,323)
Share Based Payments	-	1,208,782	-	-	-	1,208,782
Foreign currency translation	-	-	-	-	(1,023,343)	(1,023,343)
<b>Balance at 31 December 2011</b>	136,596,072	4,487,928	6,558,940	(9,856,803)	(1,178,005)	136,608,132

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

**AFRICAN IRON LIMITED**

**Consolidated statement of cash flows  
for the half-year ended 31 December 2011**

	<b>31 December 2011</b>	<b>31 December 2010</b>
	\$	\$
<b>Cash flows related to operating activities</b>		
Payments to suppliers, contractors and employees	(3,707,135)	(254,313)
Interest received	933,362	140,455
Income tax paid	(197,106)	-
<b>Net cash flows from / (used in) operating activities</b>	<b>(2,970,879)</b>	<b>(125,217)</b>
<b>Cash flows related to investing activities</b>		
Payments for equity investments	-	(545,850)
Payments for exploration & evaluation	(7,756,716)	(11,359)
Proceeds from disposal of equity investments	148,773	1,638,250
Funds advanced under convertible note agreement	-	(250,000)
Payments for plant and equipment	(1,193,316)	-
<b>Total cash flows from / (used in) investing activities</b>	<b>(8,801,259)</b>	<b>842,400</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	5,062	-
Transactions with non-controlling interests	(5,800,000)	-
<b>Net cash flows used in financing activities</b>	<b>(5,794,938)</b>	<b>-</b>
Net increase/ (decrease) in cash and cash equivalents	(17,567,076)	717,183
Cash and cash equivalents at beginning of the financial period	39,206,075	5,545,635
Impact of foreign exchange differences	(10,788)	-
<b>Cash and cash equivalents at end of the financial period</b>	<b>21,628,211</b>	<b>6,262,818</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## AFRICAN IRON LIMITED

### Notes to the condensed consolidated financial statements for the half-year ended 31 December 2011

#### 1. Significant accounting policies

##### **Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporation 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 report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

##### **Basis of preparation**

The condensed consolidated financial statements have 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 2011 annual financial report for the financial year ended 30 June, 2011, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

##### **New or revised Standards and Interpretations that are first effective in the current reporting period**

There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group.

The Group has not elected to early adopt any new Standards or amendments.

##### **Comparative figures**

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

## AFRICAN IRON LIMITED

### Condensed notes to and forming part of the consolidated financial statements for the half-year ended 31 December 2011 (continued)

#### 2. Cash and cash equivalents

For the purpose of the half-year statement of cash flows, cash and cash equivalents are comprised of the following:

	<b>Consolidated 31 December 2011</b>	<b>Consolidated 30 June 2011</b>
	\$	\$
Cash at bank and in hand	3,608,048	4,206,075
Short-term deposits	18,020,163	35,000,000
	<b>21,628,211</b>	<b>39,206,075</b>

#### 3. Issue of Securities

During the half-year ended 31 December, 2011 22,315,436 fully paid ordinary shares were issued at a market price of \$0.28 as part consideration for the acquisition by the Company of an additional 12% of DMC Iron (Congo) SA (an entity incorporated in Republic of Congo), owner of the Mayoko Iron Ore Project.

During the half year ended 31 December, 2011 25,323 listed options were exercised at a price of \$0.20 and converted to fully paid ordinary shares (2010: Nil).

During the half year ended 31 December, 2011 25,000,000 unlisted options were issued to a non-executive director, various executives of the company and consultants to the company over ordinary shares. 23,000,000 of the unlisted options are subject to vesting conditions and as at 31 December 2011 1,000,000 unlisted options subject to vesting conditions had vested (2010: Nil) and 1,500,000 unlisted options subject to vesting conditions had lapsed (2010: Nil).

	Options issued	Exercise price	Expiry date	Vested	Lapsed	Balance 31-12-2011	Vested & Exercisable
<b>J Moore</b>	<b>2,000,000</b>	0.30	31-12-2012	2,000,000	-	<b>2,000,000</b>	2,000,000
<b>S Youds*</b>	<b>10,000,000</b>	0.30	30-12-2014	-	-	<b>10,000,000</b>	-
<b>D Desjardins</b>	<b>5,000,000</b>	0.30	30-12-2014	-	1,500,000	<b>3,500,000</b>	-
<b>G Calderwood</b>	<b>4,000,000</b>	0.30	30-12-2014	-	-	<b>4,000,000</b>	-
<b>S Volk</b>	<b>4,000,000</b>	0.30	30-12-2014	1,000,000	-	<b>4,000,000</b>	1,000,000
<b>Total</b>	<b>25,000,000</b>			<b>3,000,000</b>	<b>1,500,000</b>	<b>23,500,000</b>	<b>3,000,000</b>

\* At the date of this report 3,300,000 unlisted options held by S Youds had vested. In total 17,200,000 unlisted options remained unvested at the date of this report.

#### 4. Segment reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess its performance.

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance. The Group has a single operating segment being mineral exploration which comprises the costs associated with acquiring mineral assets and the costs incurred in carrying out exploration work at the Mayoko project.

## AFRICAN IRON LIMITED

### Condensed notes to and forming part of the consolidated financial statements for the half-year ended 31 December 2011 (continued)

#### 5. Dividends

No dividends were paid or declared by the company during the half-year.

#### 6. Commitments and contingencies

Consideration for the acquisition of an additional 12% interest in DMC Iron Congo SA, the owner of the Mayoko Project in the Republic of Congo, included a deferred consideration payment of \$0.15 per tonne for each dry metric tonne of iron ore sold from the Mayoko project.

There are no other changes to commitments or contingencies disclosed in the most recent annual financial report.

#### 7. Events subsequent to reporting date

On 11 January 2012, Exxaro Resources Limited (“**Exxaro**”) (JSE: EXX) and African Iron Limited jointly announced an off-market, cash takeover offer by Exxaro through its wholly owned subsidiary, Exxaro Australia Iron Investments Pty Ltd (“**Exxaro Australia**”) for all of the shares and listed options in African Iron.

The Exxaro Offer is \$0.51 per share increasing to \$0.57 per share if Exxaro Australia acquires a relevant interest of 75% or more of all of the African Iron shares (on a fully diluted basis) and \$0.31 per listed option increasing to \$0.37 per listed option if Exxaro Australia acquires a relevant interest of 75% or more of all of the African Iron shares (on a fully diluted basis). The Exxaro Offer has been recommended by the African Iron board in the absence of a superior proposal.

On 15 February, 2012 Exxaro announced that it had a relevant interest in more than 50% of African Iron shares on an undiluted and fully-diluted basis and that consequently the takeover offer had become unconditional.

On 27 February, 2012 Exxaro gave notice that it had a relevant interest in excess of 75% of African Iron (on a fully diluted basis) and consequently the increase consideration of \$0.57 per African Iron share and \$0.37 per African Iron listed option would be paid to all accepting shareholders and listed option holders.

On 7 March, 2012 Exxaro commenced the process of compulsory acquisition of the outstanding issued shares and listed options of the Company. On 8 March, 2012 the ASX announced that the securities of the Company will be suspended from quotation at the close of trading on Thursday 15 March 2012, in accordance with listing rule 17.4, following despatch of compulsory acquisition notices by Exxaro.

Exxaro’s intentions for the Company in circumstances where Exxaro acquires 90% or more of the Company’s shares are outlined in Section 6 of Exxaro’s bidders statement lodged with ASIC on 11 January 2012, a copy of which is available on the Company’s web site [www.africanironlimited.com](http://www.africanironlimited.com).

On 7 March, 2012 Mr. Antony Sage announced his resignation as a Non-Executive Director following the announcement by Exxaro that it had commenced compulsory acquisition of the outstanding issued shares and listed options of the Company.

-----

**AFRICAN IRON LIMITED**

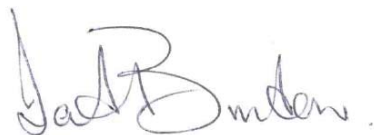
**Directors' Declaration**

The directors declare that:

- (a) 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; and
- (b) in the directors' opinion, the attached financial statements and the notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

On behalf of the Board,

A handwritten signature in black ink, appearing to read 'Ian Burston', with a stylized flourish at the end.

Ian Burston  
Chairman

14 March, 2012  
Perth, Western Australia

## Independent Auditor's Review Report to the Members of African Iron Limited

We have reviewed the accompanying half-year financial report of African Iron Limited, which comprises the condensed statement of financial position as at 31 December 2011, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed 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 7 to 14.

### *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 internal 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 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 31 December 2011 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 African 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.

### *Auditor's Independence Declaration*

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 African Iron 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 African 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 31 December 2011 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*.



DELOITTE TOUCHE TOHMATSU



Chris Nicoloff  
Partner  
Chartered Accountants  
Perth, 14 March 2012