



14 March 2008

The Company Announcements Office  
ASX Limited

**Via E Lodgement**

### **Half Yearly Financial Report**

Please find attached the Company's Financial Report for the half-year ended 31 December 2007.

Yours faithfully  
GLOBAL IRON LIMITED

A handwritten signature in black ink, appearing to read "Timothy Turner", written over a circular stamp or seal.

**Timothy Turner**  
Company Secretary



# *Global Iron Limited*

(ABN 87 125 419 730)

---

*Interim Financial Report  
for the Six Month Period Ended  
31 December 2007*

---

## **CONTENTS**

<i>Directors' Report</i>	2
<i>Auditor's Independence Declaration</i>	3
<i>Income Statement</i>	4
<i>Balance Sheet</i>	5
<i>Statement of Changes in Equity</i>	6
<i>Cash Flow Statement</i>	7
<i>Notes to the Financial Statements</i>	8
<i>Directors' Declaration</i>	18
<i>Independent Auditor's Review Report To The Members</i>	19

## **DIRECTORS' REPORT**

Your Directors present their report on Global Iron Limited ("Global Iron") or (the "Company") for the half-year ended 31 December 2007.

### **1. DIRECTORS**

The names of Directors in office during the whole of the half-year and up to the date of this report:

Mr Antony Sage  
Mr Roberto Catena  
Mr Timothy Turner

### **2. REVIEW OF OPERATIONS**

#### **Corporate**

The company was incorporated on 16 May 2007. A total of 18,125,000 shares were issued following a replacement prospectus being issued on 2 August 2007. The Company was admitted to the Official List of ASX Limited on 16 October 2007.

#### **Mineral Exploration**

Rock chip samplings confirm the presence of potentially economic iron ore grades in outcrops on the Evanston tenements.

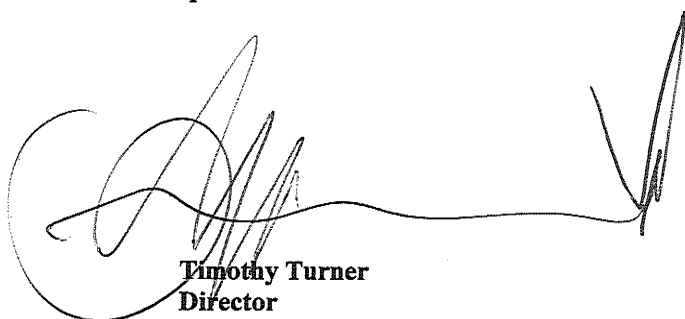
#### **Financial Result**

The Company incurred a loss after income tax of (\$461,934) for the half-year period. The Company has cash funds on hand of \$2,680,949 at 31 December 2007.

### **3. 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 3

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



**Timothy Turner**  
**Director**

Perth, <sup>14</sup>/<sub>17</sub> March 2008



## **AUDITOR'S INDEPENDENCE DECLARATION**

### **TO THE DIRECTORS OF GLOBAL IRON LIMITED**

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Global Iron Limited for the half-year ended 31 December 2007, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements as set out in 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.

GRANT THORNTON (WA) PARTNERSHIP

MJ HILLGROVE  
Partner  
Perth

Date: 14 March 2008

**INCOME STATEMENT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2007**

	<b>Half year 2007</b> <b>\$</b>
Revenue	53,485
Depreciation expense	(10,357)
Consulting expenses, including directors' remuneration	(451,437)
Compliance and regulatory expenses	(14,123)
Administration expenses	(35,379)
Finance expenses	(4,123)
	(461,934)
Profit / (loss) before income tax	(461,934)
Income tax (expense)/benefit	-
<b>Net Profit / (Loss) for the half-year</b>	<b>(461,934)</b>
 <b>Overall Operations</b>	
Basic Earnings/(loss) per share	(4.57) cents per share
Diluted Earnings/(loss) per share	(4.57) cents per share

*The accompanying notes form part of these financial statements*

**BALANCE SHEET  
AS AT  
31 DECEMBER 2007**

	Note	31 December 2007 \$	30 June 2007 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,680,949	1
Trade and other receivables		24,891	-
<b>TOTAL CURRENT ASSETS</b>		<b>2,705,840</b>	<b>1</b>
<b>NON CURRENT ASSETS</b>			
Plant and equipment		185,198	-
Exploration, evaluation and development expenditure	3	544,425	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>729,623</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>3,435,463</b>	<b>1</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		147,001	-
Borrowings		30,430	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>177,431</b>	<b>-</b>
<b>NON CURRENT LIABILITIES</b>			
Borrowings		141,827	-
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>141,827</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>319,258</b>	<b>-</b>
<b>NET ASSETS</b>		<b>3,116,205</b>	<b>1</b>
<b>EQUITY</b>			
Contributed equity	4	2,349,389	1
Reserves	4	1,228,750	-
Retained profits / (accumulated losses)		(461,934)	-
<b>TOTAL EQUITY</b>		<b>3,116,205</b>	<b>1</b>

*The accompanying notes form part of these financial statements.*

**STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2007**

	<b>Ordinary Share Capital</b>	<b>Option Reserve</b>	<b>Retained Earnings/ (Accumulated Losses)</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	
<b>BALANCE AT 1 JULY 2007</b>	1	-	-	1
Shares issued during the year	2,349,388	-	-	2,349,388
(Loss) attributable to members of the Company	-	-	(461,934)	(461,934)
Option reserve on recognition of bonus element of options	-	1,228,750	-	1,228,750
Sub-total	2,349,389	1,228,750	(461,934)	3,116,205
Dividends paid or provided	-	-	-	-
<b>BALANCE AT 31 DECEMBER 2007</b>	<b>2,349,389</b>	<b>1,228,750</b>	<b>(461,934)</b>	<b>3,116,205</b>

*The accompanying notes form part of these financial statements.*



**CASHFLOW STATEMENT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2007**

	<b>Half-year 2007</b> <b>\$</b>
<b>Cash Flows from Operating Activities</b>	
Payments to suppliers and employees	(30,516)
Interest received	47,819
Finance costs	(2,720)
	14,583
<i>Net cashflows from/(used in) used in operating activities</i>	14,583
<b>Cash Flows From Investing Activities</b>	
Payment for exploration and evaluation	(2,550)
Payment for purchase of fixed assets	(15,555)
	(18,105)
<i>Net cash from / (used in) investing activities</i>	(18,105)
<b>Cash Flows from Financing Activities</b>	
Proceeds from application for shares	3,000,000
Payments for costs of capital raising	(307,787)
Repayment of borrowings	(7,743)
	2,684,470
<i>Net cash from / (used in) financing activities</i>	2,684,470
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,680,948</b>
<b>Cash and cash equivalents at the beginning of the half-year</b>	<b>1</b>
<b>Cash and cash equivalents at the end of half-year</b>	<b>2,680,949</b>

*The accompanying notes form part of these financial statements.*

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2007**

**1. BASIS OF PREPARATION OF HALF-YEAR REPORT**

This general purpose financial report for the half-year reporting period ended 31 December 2007 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Therefore the report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as would a full financial report. Accordingly, this report is to be read in conjunction with any public announcements made by Global Iron Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Global Iron Limited was incorporated on 16 May 2007. Accordingly, there is no corresponding half-year reporting period.

**Basis of preparation**

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

**(a) Borrowings**

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

**(b) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**(c) Employee benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2007 (continued)**

**1. BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)**

**(d) Financial assets**

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss

Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

Held-to-maturity investments

Bills of exchange and debentures are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Available-for-sale financial assets

Certain shares and convertible notes held by the consolidated entity are classified as being available-for-sale and are stated at fair value less impairment. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in profit or loss for the period.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment. Impairment is determined by review of the nature and recoverability of the loan or receivable with reference to its terms of repayments and capacity of the debtor entity to repay the debt. If the recoverable amount of a receivable is estimated to be less than its carrying amount, the carrying amount of receivable is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2007 (continued)**

**1. BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)**

**(e) Financial instruments issued by the company**

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

**(f) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**(g) Impairment of assets**

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2007 (continued)**

**1. BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)**

**(h) Income tax**

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

**(i) Payables**

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2007 (continued)**

**1. BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)**

**(j) Property, plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a diminishing value basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- Plant and equipment 4-5 years

**(k) Provisions**

Provisions are recognised when the Company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

**(l) Revenue recognition**

Sale of goods

Revenue from the sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods.

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

**(m) Share-based payments**

Equity-settled share-based payments granted are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2007 (continued)**

**1. BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)**

**(n) Exploration, evaluation and development expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. Costs associated with these identifiable areas of interests are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining or petroleum permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**(o) Leases**

Lease of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Key Estimates – Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations are performed in assessing recoverable amounts incorporate a number of key estimates.

There has been no indicator of impairment in the period ended 31 December 2007 accordingly no impairment testing has been conducted.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2007 (continued)**

**1. BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)**

**Adoption of new and revised Accounting Standards**

At the date of authorisation of the financial report, a number of Standards and Interpretations were in issue but not yet effective:

<b>Standard / Interpretation</b>	<b>Effective for annual reporting periods beginning on or after</b>	<b>Expected to be initially applied in the financial year ending</b>
AASB 7 'Financial Instruments: Disclosures' and consequential amendments to other accounting standards resulting from its issue	1 January 2007	30 June 2008
AASB 8 'Operating Segments'	1 January 2009	30 June 2010
AASB 101 'Presentation of Financial Statements' – revised standard	1 January 2007	30 June 2008
AASB 123 'Borrowing Costs' – revised standard	1 January 2009	30 June 2010
AASB 2007-1 'Amendments to Australian Accounting Standards arising from AASB Interpretation 11'	1 March 2007	30 June 2008
AASB 2007-2 'Amendments to Australian Accounting Standards arising from AASB Interpretation 12'	1 January 2008	30 June 2009
AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and other amendments'	1 July 2007	30 June 2008
AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'	1 January 2009	30 June 2010
AASB 2007-7 'Amendments to Australian Accounting Standards'	1 July 2007	30 June 2008
AASB Interpretation 10 'Interim Financial Reporting and Impairment'	1 November 2006	30 June 2008
AASB Interpretation 11 'AASB 2 – Group and Treasury Share Transactions'	1 March 2007	30 June 2008
AASB Interpretation 12 'Service Concession Arrangements'	1 January 2008	30 June 2009
AASB Interpretation 13 'Customer Loyalty Programmes'	1 July 2008	30 June 2009
AASB Interpretation 14 'AASB 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'	1 January 2008	30 June 2009

The directors note that the impact of the initial application of the Standards and Interpretations is not yet known or is not reasonably estimable. These Standards and Interpretations will be first applied in the financial report of the Company that relates to the annual reporting period beginning on or after the effective date of each pronouncement.



**FOR THE HALF-YEAR ENDED  
31 DECEMBER 2007 (continued)**

**2. DIVIDENDS**

No dividends have been paid or proposed during the six month period ended 31 December 2007.

**3. EXPLORATION AND EVALUATION EXPENDITURE**

	<b>31 December 2007 \$</b>	<b>30 June 2007 \$</b>
<b>Non-Current</b>		
Costs carried forward in respect of areas of interest in:		
- Exploration and evaluation phases	544,425	-
Costs carried forward in respect of areas of interest in:		
- Exploration and evaluation phases		
Opening balance	-	-
Exploration expenditure acquired	541,875	-
Exploration expenditure incurred	2,550	-
- Exploration and evaluation phases	544,425	-

At the date of this report, the Directors are of the opinion this amount represents fair value.

The value of the Company's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Company's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

	<b>2007</b>	
	<b>No</b>	<b>\$</b>
<b>4. EQUITY SECURITIES ISSUED</b>		
(a) Share Capital		
At beginning of reporting period	1	1
Shares issued during the half-year	18,125,000	3,541,875
Less Capital raising costs	-	(1,192,487)
At reporting date	18,125,001	2,349,389
(b) Options		
At beginning of reporting period	-	-
Options issued during the half-year	12,500,000	1,228,750
At reporting date	12,500,000	1,228,750

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2007 (continued)**

**5. RELATED PARTY TRANSACTIONS**

<b>Key Management Personnel</b>	<b>2007</b>	
	<b>\$</b>	
<b>During the half year, the Company entered into the following transactions with key management personnel</b>		
-Consultancy fees paid/payable to a company associated with director, Mr Sage	87,500	
- Consultancy fees paid/payable to a company associated with director, Mr Turner	8,000	
- Consultancy fees paid/payable to a company associated with director, Mr Catena	8,000	
- Accounting fees paid/payable to a firm associated with director, Mr Turner	7,000	
- Options issued to a company associated with director, Mr Catena	344,050	
- Payment for corporate entertainment from PG Partnership, an entity in which Mr Sage has a relevant interest	9,000	
- Payment for the acquisition of office furniture from PG Partnership, an entity in which Mr Sage has a relevant interest	3,777	
- Acquisition of interest in iron ore rights from Cape Lambert Iron Ore Limited, an entity related to directors, Messrs Sage and Turner	541,875	
- 3,125,000 shares issued to Cape Lambert Iron Ore Limited as consideration for the purchase of the iron ore rights. Cape Lambert Iron Ore Limited is an entity related to directors, Messrs Sage and Turner	541,875	
- During the half year expenses were paid by Cape Lambert Iron Ore Limited, an entity related to directors Messrs Sage and Turner, on behalf of Global Iron Limited. This sum was repaid in full during the half year.	119,544	
	<b>No</b>	<b>\$</b>
<b>Shareholding</b>		
Ordinary shares issued during the period and held by directors and their personally related entities as at 31 December 2007		
- Antony Sage	2,080,825	416,165
- Timothy Turner	11,993	2,399
- Roberto Catena	101,002	20,200
Options for shares issued during the period and held by directors and their personally related entities as at 31 December 2007		
- Antony Sage	0	0
- Timothy Turner	0	0
- Roberto Catena	3,500,000	344,050

**6. SEGMENT INFORMATION**

The Company operates in one segment being mineral exploration and development in Australia.

**7. EVENTS SUBSEQUENT TO REPORTING DATE**

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2007 (continued)**

**8. COMMITMENTS AND CONTINGENCIES**


	2007
<b>(a) Lease commitments</b>	\$
Commitments in relation to finance leases are payable as follows:	
Within 1 year	41,672
Later than 1 year but not later than 5 years	168,600
Later than 5 years	-
Minimum lease payments	<u>210,272</u>
Future finance charges	<u>(38,015)</u>
Recognised as a liability	<u><u>172,257</u></u>
 <b>(b) Remuneration Commitments</b>	
Commitments for the payment of consultancy fees under long term contracts in existence at the reporting date but not recognised as liabilities, payable:	
Within 1 year	446,000
Later than 1 year and not later than 5 years	788,500
Later than 5 years	-
	<u><u>1,234,500</u></u>

***DIRECTORS' DECLARATION***

In the Directors' opinion:

- (a) the financial statements and notes, as set out on the accompanying pages, are in accordance with the Corporations Act 2001 including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Company's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; 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 Board of Directors.



**Timothy Turner**  
**Director**

Perth, <sup>14</sup> March 2008



## **INDEPENDENT AUDITOR'S REVIEW REPORT**

### **TO THE MEMBERS OF GLOBAL IRON LIMITED**

#### **Report on the half-year financial report**

We have reviewed the accompanying half-year financial report of Global Iron Limited (the Company) which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a description of accounting policies, and other selected explanatory notes.

#### **Directors' responsibility for the half-year financial report**

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards including the Australian Accounting Interpretations and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 2007 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 Global 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.

### **Independence**

In conducting our review, we 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 Global 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 2007 and of its performance for the half-year ended on that date.
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and Corporations Regulations 2001.



GRANT THORNTON (WA) PARTNERSHIP



MJ HILLGROVE  
Partner  
Perth

Date: 14 March 2008