FORTIS MINING LIMITED

ABN 57 143 441 285

Interim Financial Report For the period from 03 May 2010 to 31 December 2010

TABLE OF CONTENTS

CORPORATE INFORMATION

The Company was incorporated on 3 May 2010 as a public company.

DIRECTORS

Mr. Jitto Arulampalam (Executive Chairman)
(appointed 3 May 2010)
Mr. Frank Cannavo (Executive Director)
(appointed 3 May 2010)
Mr. Paul Bitetto (Non-Executive Director)
(appointed 14 September 2010)
Mr. Terry Grammer (Non-Executive Director)
(appointed 16 September 2010)
Mr. Terence Wong (Non-Executive Director)
(appointed 23 February 2011)

COMPANY SECRETARY
Mr Justin Stedwell (appointed 30 October 2009)

REGISTERED OFFICE

Level 5,
15-19 Claremont Street
South Yarra VIC 3141

AUDITORS
PKF
Chartered Accountants & Business Advisors
Level 14
140 Williams Street
Melbourne
Victoria 3000

INDEPENDENT GEOLOGIST
Ravensgate Minerals Industry Consultants
49 Ord Street
West Perth WA 6005

STOCK EXCHANGE LISTING

The Company was listed on the Australian Securities Exchange on 13 December 2010 and commenced trading on 15 December 2010.
Codes:
ASX:FMJ
ASX:FMJOOA (Options)

BANKERS
Westpac Banking Corporation
Glen Waverly Shopping Centre
Shop 2/73-74 Glen Waverly Shopping Centre
VIC 3150

SOLICITORS
Pointon Partners
Level 2,
640 Bourke Street
Melbourne VIC 3000

SOLICITORS REPORTING ON TENEMENTS
House Legal
86 First Avenue
Mt Lawley WA 6050

PRINCIPAL PLACE OF BUSINESS

Level 5
15-19 Claremont Street,
South Yarra, VIC 3141, Australia
Telephone: + 61 3 9020 0105 / 9020 0106
Facsimile: + 61 3 9015 6468
E-mail: info@fortismining.com.au
Webpage: www.fortismining.com.au

INDEPENDENT ACCOUNTANT
PKF Corporate Advisory (East Coast) Pty Ltd
Level 14
140 William Street
Melbourne
Victoria 3000

CONSULTANT GEOLOGIST
Mr. Nick Marshall
Marshall Geosciences Pty Ltd
2 Conjola Place
Gymea Bay NSW 2227

SHARE REGISTER

Computershare
452 Johnston Street
Abbotsford VIC 3067
Telephone: +61 3 9415 5000
Facsimile: +61 3 9473 2500

DIRECTORS' REPORT

Your directors present their report together with the consolidated interim financial report of Fortis Mining Limited ("Fortis") for the period ended 31 December 2010.

This report covers the period from 03 May 2010, the time of incorporation, until 31 December 2010, the balance date. The Entity's functional and presentation currency is AUD ($).

Descriptions of the Entity's operations and of its principal activities are included in the review of operations and activities section of this report.

DIRECTORS

The following persons were directors of Fortis Mining Limited during the period and up to the date of this report.

Name

Mr Jitto Arulampalam (Executive Chairman) (appointed 3 May 2010)
Mr Frank Cannavo (Executive Director) (appointed 3 May 2010)
Mr. Paul Bitetto (Non-Executive Director) (appointed 14 September 2010)
Mr. Terry Grammer (Non-Executive Director) (appointed 16 September 2010)
Mr.Terence Wong (Non-Executive Director) (appointed 23 February 2011)

REVIEW AND RESULTS OF OPERATIONS

The principal activities of the Entity during the period from incorporation consisted of the identification, acquisition, exploration and development of resource projects with the focus on gold and base metals, including nickel and copper and obtaining listing on the Australian Securities Exchange ("ASX").

The loss after income tax attributed to members of the entity for the period ended 31 December 2010 was $ 268,249.

Operational Update

During the period ended 31 December 2010, the management team focused on listing the entity on the ASX, commissioning Ravensgate Minerals Industry Consultants to complete an Independent Geologist's Report on the five mineral projects acquired by of Fortis in Western Australia and completing a strategic review of the appropriate operational structure.

Operations can be summarised as follows:

Completion of success capital raising and listing on ASX

The company successfully completed the required capital raising and listed Fortis Mining Limited on the ASX on the 13th of Dec 2010. This was a significant achievement and confirmed the investor confidence in the board and management. The funds raised will be used for exploration activities and for working capital.

Summary of projects

This summary report is based on the Independent Geologist's Report and an earlier 2010 presentation report prepared by Bruce Legendre and Associates, geological consultants in Perth, supplemented by some further research and the Director's background experience in exploration.

Since incorporation, the Company has acquired an interest in some exciting mining tenements in Western Australia, which can be grouped in the following five project areas that lie within the Norseman – Wiluna belt:

- 'GIDGEE PROJECT'
  This project is in an area with proven gold mineralization and Kambalda style nickel sulphide potential. Historical shallow drilling within the tenements has produced positive gold intercepts. Shallow drilling nearby has also demonstrated potential for this area hosting significant nickel sulphide mineralization.

- 'JUNDEE PROJECT'
  There is also proven gold mineralization and polymetallic VHMS base metals-silver potential in the area where this project lies. Historical shallow drilling in the project area produced some significant gold intercepts, and there have been identified a number of targets for deeper drill testing in this project.

- 'NEW ENGLAND WELL'
  Historical drilling in this area has been shallow and there lies potential to discover small high–grade deposits missed by such past drilling.

- 'DARLOT'
  This project is in an area also with known gold mineralization. Historical drilling returned narrow gold intercepts and recent soil sampling produced positive results. With world class mines nearby, this project represents an exciting prospect for follow up drilling.

- 'BRAEMORE'
  Shallow oxide mineralization, primary gold mineralization and sulphide gold mineralization has been identified in the project area. From historical drilling, there have been several high grade intersections obtained, and there are good targets for further drilling and testing in the area.

Importantly, these projects are in close proximity to good infrastructure and other world class mining deposits.

Fortis' 16 granted tenements totalling 178.4 sq km and 10 pending applications totalling 748.1 sq km lie within the Norseman-Wiluna belt, a world class metallogenic province for organic lode gold style. This is well recognised with numerous producers along the belt, including major multi-nationals. Newmont's Jundee Gold Mine in the north produced 412,300 ounces of gold and the Barrick Gold-Newmont Kalgoorlie Super Pit to the south produced 690,000 ounces of gold in 2009 alone.

This district is also a recognised major metallogenic province for both sulphide nickel as at Kambalda and Agnew, as well as laterite nickel. As with many such greenstone terranes elsewhere, significant volcanic hosted massive sulphide (VHMS) deposits of copper-zinc-silver are represented by the Teutonic Bore-Jaguar-Bentley deposits between Leinster and Leonora.

As a result of this mineral wealth, the district has excellent infrastructure, with a sealed highway to Wiluna, railway to Leonora and natural gas pipeline from the Northwest Shelf to Kambalda. Regional centres are linked by regular air services and there is also a good network of secondary roads to various mines and rural properties.

Business strategies and prospects

The entity currently has the following business strategies and prospects over the medium to long term:

- seek to maximize the value of the Entity's current exploration interests; and
- Continue to actively assess new domestic and overseas business opportunities in the resources sector

Possible developments and expected results

It is the Board's current intention that the Entity will focus on exploration for mineral resources. The Entity will also continue to identify and evaluate other mineral resource opportunities, including potential acquisitions, joint ventures, or investments.

All of these activities are inherently risky and the Board is unable to provide certainty that any or all of these activities will be able to be achieved. In the opinion of the Directors, any further disclosure of information regarding likely developments in the operations of the Consolidated Entity and the expected results of these operations in subsequent financial years may prejudice the interests of the Group and accordingly, has not been disclosed.

Environmental regulation and performance

The Entity's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities.

There have been no significant known breaches by the Entity during the financial period.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 7 and forms part of the Director's Report for the period ended 31 December 2010.

This report is made in accordance with a resolution of directors.

Jitto Arulampalam
Chairman

Melbourne
16th March 2011

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Fortis Mining Limited for the half-year ended 31 December 2010, 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 in respect of Fortis Mining Limited and the entities it controlled during the half-year ended 31 December 2010.

R A Dean
Partner
PKF

16 March 2011
Melbourne

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Period Ended 31 December 2010

	Dec 2010
	$
Revenue from continuing operations	
Other income	10,391
Employee expenses	(8,244)
Depreciation	(263)
Consulting fees	(30,012)
Legal & other professional fees	(54,880)
Regulatory and listing costs	(9,604)
Marketing and promotion expense	(5,777)
Directors remuneration	(46,697)
Telecommunication	(3,168)
Travel costs	(48,852)
Share based payment	(25,945)
Other expenses	(19,383)
Entertainment expenses	(25,815)
(Loss) before income tax	(268,249)
Income tax benefit	-
(Loss) for the half year	(268,249)
Other comprehensive income	
	-
Other comprehensive income for the period, net of tax	-
Total comprehensive loss for the period	(268,249)

Earnings per share for loss attributable to the ordinary equity holders of the Company:	
Basic (losses) per share	(1.77) cents
Diluted (losses) per share	(1.77) cents

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2010

	Notes	31 December 2010 $
ASSETS		
Current Assets		
Cash and cash equivalents		3,574,769
Trade and other receivables		101,858
Total current assets		3,676,627
Non-current Assets		
Property, plant and equipment		8,014
Exploration and evaluation expenditure		826,532
Total non-current assets		834,546
TOTAL ASSETS		4,511,173
LIABILITIES		
Current liabilities		
Trade and other payables		296,396
Total current liabilities		296,396
Non-current liabilities		
Deferred Tax Liability		112,500
Total non-current liabilities		112,500
TOTAL LIABILITIES		408,896
NET ASSETS		4,102,277
EQUITY		
Equity attributable to owners of Fortis Mining Limited		
Contributed equity	4	4,333,525
Share option reserve	4	37,001
Accumulated losses		(268,249)
TOTAL EQUITY		4,102,277

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Period ended 31 December 2010

	Contributed Equity $	Share option reserve	Accumulated Losses $	Total Equity $
Balance as at 3 May 2010	**-**	**-**	**-**	**-**
Comprehensive loss for the period	-	-	(268,249)	(268,249)
Total Comprehensive income for the period	-	-	(268,249)	(268,249)
Transactions with owners in their capacity as owners;				
Seed Capital	698,300		-	698,300
Issue of shares - IPO	3,496,300		-	3,496,300
Issue of Shares and to Vendors and Promoters	526,700			526,700
Less: Capital raising costs	(387,775)		-	(387,775)
Employee share options	-	25,945	-	25,945
Unlisted options to tenement vendors	-	11,056	-	11,056
Balance as at 31 December 2010	**4,333,525**	**37,001**	**(268,249)**	**4,102,277**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Period ended 31 December 2010

	Dec 2010 $
Cash flows from operating activities	
Receipts from customers	-
Payments to suppliers and employees	(175,370)
Interest received	10,391
Net cash flows (used in) operating activities	(164,979)
Cash flows from investing activities	
Payments for acquisition of:	
Plant and equipment	(8,277)
Net cash (used in) investing activities	(8,277)
Cash flows from financing activities	
Proceeds from issue of shares	4,135,800
Capital raising costs	(387,775)
Net cash flows provided by financing activities	3,748,025
Net increase in cash held	3,574,769
Cash at beginning of period	-
Cash at end of period	3,574,769

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2010

1. (a) Statement of compliance

The interim financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. This financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent Prospectus, together with any public announcements made by Fortis Mining Limited.

Fortis Mining Limited was incorporated on 3 May 2010 as an Australian Public company. This financial report represents the period from incorporation to 31 December 2010 and therefore there are no comparative figures. The first annual reporting period will be from the date of incorporation to 30 June 2011.

Fortis Mining Limited has adopted all applicable new and amended Australian Accounting Standards and AASB Interpretations as of 3 May 2010.

(b) Basis of preparation

The Interim 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. All amounts are presented in Australian dollars, unless otherwise noted.

(c) Significant accounting policies

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of Fortis and its controlled entities. The financial statements of controlled entities are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Controlled entities are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Fortis had control.

(ii) Significant judgments and key assumptions

In applying accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are in relation to management's review of the carrying value of exploration and evaluation assets.

There have been no other significant judgments made in applying accounting policies that the Directors consider would have a significant effect on the amounts recognised in the financial statements.

(iii) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to separate areas of interest, for which rights of tenure are current, are capitalised in the year in which they are incurred and are carried at cost less accumulated impairment losses where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met;

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest is continuing.

Capitalised exploration costs are reviewed each reporting date as to whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in previous years.

Where a decision is made to proceed with development, accumulated expenditure will be tested for impairment, transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are provided for as part of the cost of those activities. Costs are estimated on the basis of current legal requirements, anticipated technology and future costs. Estimates of future costs are re-assessed at each reporting date.

(iv) Impairment of assets

At each reporting date, Fortis Mining assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, Fortis Mining makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised though profit or loss.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(v) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

(vi) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised at amortised cost less adjustments for impairment or uncollectible amounts. An estimate for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(vii) Trade and other payables

Trade and other payables are stated at amortised cost. Trade payables and other accounts payable are recognised when Fortis Mining becomes obliged to make future payments resulting from the purchase of goods and services.

(viii) Employee Benefits

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

(ix) Share Capital

Ordinary share capital is recognised at the fair value of the consideration received by Fortis Mining. Transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the consideration received, net of any related income tax benefit.

(x) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest Revenue is recognised as the interest accrues to the net carrying amount of the financial asset.

(xi) Income Tax

Deferred income tax is provided using the balance sheet liability method, providing for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

(xii) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority,

in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables are stated with the amount of GST included.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(xiii) Share-based payment arrangements

Goods or services received or acquired in a share-based payment transaction are recognised as a increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value, measured at a market price, of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted.

(xiv) New revised or amending Accounting Standards and Interpretations adopted

The entity has adopted all of the new, revised or amending Accounting Standards and interpretations issued by the Australian Accounting Standards Board ("AASB"), that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. SEGMENT INFORMATION

During the period principal business of the group has been the development of its tenements in Australia. Management has determined the operating segment based upon reports reviewed by the Board and the management that are used to make strategic decisions. Management and the Board consider the business only from the tenements operational perspective and therefore only reviews reports based upon its current as tenements as disclosed within these financial statements.

3. DIVIDENDS

No dividends are paid or proposed for the period ended 31 December 2010

4. EQUITY

	2010	2010
Ordinary Shares		
	No of Shares	**$**
At the beginning of the reporting period	-	-
Issues of ordinary shares during the period		
Seed capital	15,230,665	698,300
Shares issued to creditors in lieu of settlement	300,000	22,500
Shares issued to tenement venders	1,700,000	129,200
Shares to acquire Jal1 Pty Ltd	5,000,000	375,000
Capital raising share issue	17,481,500	3,496,300
Transaction costs related to share issue	-	(387,775)
At Reporting Date (ASX)	**39,712,165**	**4,333,525**

Share Option Reserve		
At the beginning of the period	-	-
Unlisted options to tenement vendors (expiry date 7 September 2012)	850,000	11,056
Unlisted options to the company directors (exercisable between 27 October 2011 and 27 October 2013)	7,000,000	25,945
At Reporting Date	**7,850,000**	**37,001**

Acquisition of Jal1 Pty Ltd

On 14 October 2010, Fortis Mining Ltd entered into a Share Acquisition Agreement to acquire all of the issued capital of Jal1 Pty Ltd (Jal1). Acquisition by Fortis of 100% of the issued share capital of Jal1 owning all beneficial interests in five tenements in North Yandal, Western Australia. Jal1 was previously owned by Faurex Pty Ltd (Faurex).

In consideration for the acquisition, Fortis has issued 5,000,000 fully paid ordinary shares to Faurex, fair valued at 7.5 cents by the Company. As at the settlement of the acquisition, Jal1 owed $ 35,000 to Faurex, of which $ 10,000 has been paid on acquisition and the balance payable at the time of, and combination on, the listing of the Company on ASX.

	Recognised on acquisition $
Net Assets Acquired (at fair value)	
Exploration and evaluation expenditure	522,500
Trade and other payables	(35,000)
Deferred tax liabilities	(112,500)
	375,000
Acquisition consideration:	
Shares issued	
5 million fully paid ordinary shares in Fortis at a fair value of 7.5 cents per share determined by the Board	**375,000**

6. EVENTS OCCURING AFTER THE BALANCE SHEET DATE

- The Board of Fortis Mining Limited (ASX:FMJ) is pleased to announce that it has signed a legally binding Heads of Agreement to acquire a 75 % shareholding in Hong Kong based company, Ji'an Resources Investments Limited .The benefit of the Ji'an Resources acquisition to the Company and shareholders arises from a contract under which Ji'an Resources has the right to purchase 100% of the shares in Wiyot SA, a Panamanian company. Wiyot SA owns 95% of the shares in Bates Potash Co., Limited who, in turn, holds 100% of the proprietary and legal rights to two Kazakhstan Potash assets. The Purchase price for the acquisition of Ji'an Resource will be paid for via $ 1 million cash and the issue 40 million shares on completion of the transaction. The Shares will be subject to three years cascading voluntary escrow.

- On 2 February, 2011 the company entered a Strategic alliance with Hong Kong based investment company, Grand Concord Investment Limited, including a share subscription agreement for the issue of 6,000,000 shares in the Company raising $2,400,000. 2,000,000 shares were issued on 14 February 2011 raising $800,000 and 3,900,000 shares were issued on 7 March 2011 raising $1,560,000 with a further 100,000 shares to be issued at 40 cents per share raising a further $40,000. The investor has loaned the company $40,000 to be settled by the issue of the shares which is subject to approval at general meeting to be held in late March 2011.

- The Board has entered in to a legally binding Heads of Agreement with financial investment firm, Global Emerging Markets (GEM) for a $60m equity facility.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Fortis Mining Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

(i) give a true and fair view of the financial position as at 31 December 2010 and the performance for the Period ended on that date of the consolidated entity; and

(ii) comply with Accounting Standard AASB 134 "*Interim Financial Reporting"* and the Corporations Regulations 2001; 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.

Dated at Melbourne this 16th day of March 2011

On behalf of the Board

Jitto Arulampalam
Executive Director

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

PKF

Chartered Accountants & Business Advisers

Report on the Half-Year Financial Report

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

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Fortis Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PKF

PKF

R A Dean
Partner

16 March 2011
Melbourne

Tel: 61 3 9603 1700 | Fax: 61 3 9602 3870 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 14, 140 William Street | Melbourne | Victoria 3000 | Australia
GPO Box 5099 | Melbourne | Victoria 3001