



ABN 15 074 728 019

AND CONTROLLED ENTITIES

HALF-YEAR FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2010**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Blaze International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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CORPORATE DIRECTORY

Directors

Robert Collins (Non-Executive Chairman)
Michael Scivolo (Non-Executive Director)
Sol Majteles (Non-Executive Director)

Company Secretary

David Zukerman

Registered Office

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West Perth WA 6005

Auditors

HLB Mann Judd
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Share Registry

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ASX Code: BLZ

DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2010. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

1. Directors

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

Robert Collins	Non-Executive Chairman
Michael Scivolo	Non-Executive Director
Sol Majteles	Non-Executive Director

2. Results

The consolidated entity incurred a net loss for the period of \$281,643 (31 December 2009: loss \$503,929) for the half-year ended 31 December 2010.

3. Review of Operations

Yeelirrie Valley Uranium Project

The Yeelirrie Valley Uranium Project (Figure 1) is located in the north of the Eastern Goldfields of Western Australia, some 650 kilometres to the northeast of Perth, and is located largely within the Shire of Wiluna.

The project surrounds BHP-Billiton's Yeelirrie uranium project, which is currently in the final stages of its Feasibility Study and is proceeding through the approvals process in Western Australia.

Blaze's preliminary drill programme is providing valuable information and assisting with targeting uranium mineralisation in the area. This data, combined with remote sensing data (some of which is presently being acquired), will enable definition of high-quality targets for systematic drill campaigns in 2011.



Figure 1 - Location of the Yeelirrie Valley project.

Location & access

The Company's tenement areas lie mainly on the Yeelirrie pastoral lease (which is owned by BHP-Billiton) but also cover sections of the Kaluwiri & Nabbel pastoral leases, both of which are privately owned.

The project can be accessed in a number of ways, however the most direct route is by proceeding north from Kalgoorlie along the Goldfields Hwy and taking the turn off to Yeelirrie Station, near Mt Keith. Access through the project is via various regional access roads and station tracks.

Tenement information

The Yeelirrie Valley project is composed of 7 granted exploration licences and 4 exploration licence applications (Table 1, Figure 2). These leases cover more than 1,600km² within the catchment of the Yeelirrie palaeochannel and surround BHP's Yeelirrie uranium project.

Licence No.	Area (blocks)	Area (km ²)	Date granted/ Appl date	Renewal date	Status
E36/709	44	134.2	29/12/2009	28/12/2014	LIVE
E53/1187	70	197.7	24/07/2007	23/07/2012	LIVE
E53/1446	26	49.7	14/07/2009	13/07/2014	LIVE
E53/1453	16	35.2	21/09/2009	20/09/2014	LIVE
E53/1564	51	155.84	09/07/2010		PENDING
E53/1565	69	211.1	09/07/2010		PENDING
E53/1579	67	205	03/09/2010		PENDING
E53/1582	70	214.4	09/09/2010		PENDING
E57/608	70	192.3	16/12/2008	15/12/2013	LIVE
E57/609	70	195.4	9/12/2008	8/12/2013	LIVE
E57/739	11	23.4	5/10/2009	4/10/2014	LIVE
	564	1614.2			

Table 1 – Licence schedule for the Yeelirrie Valley uranium project.

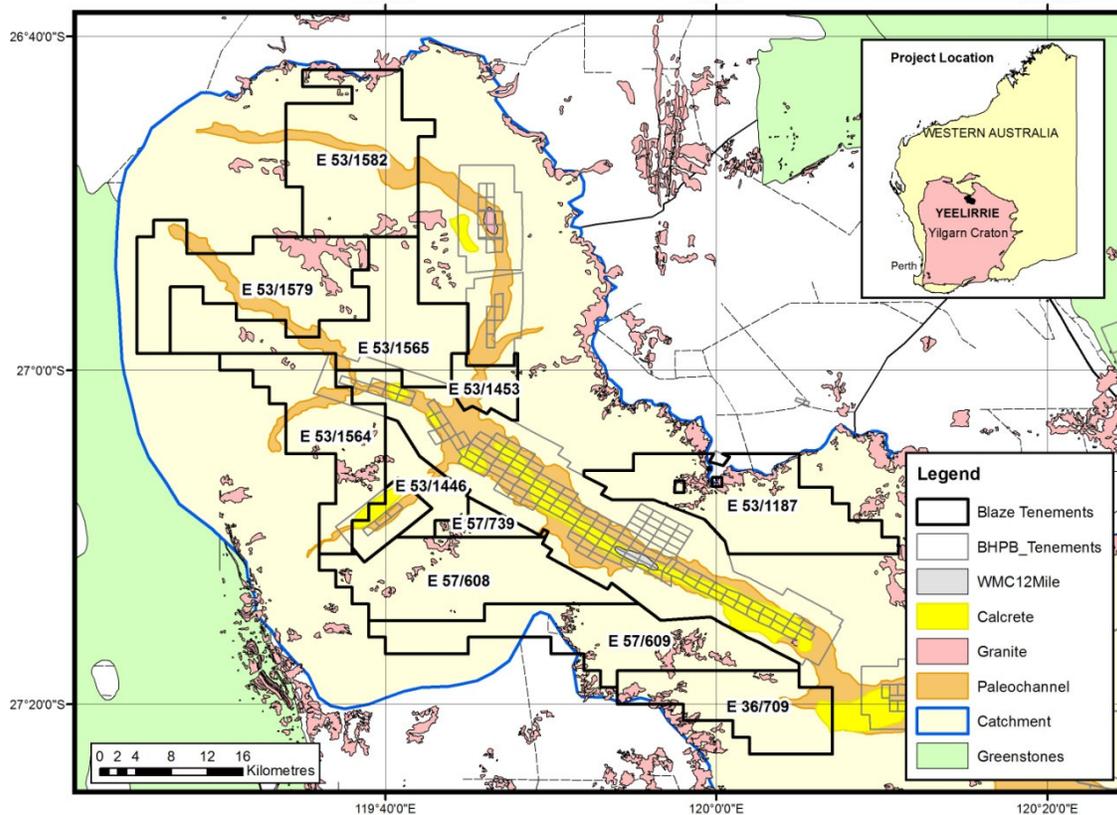


Figure 2 – The licences of the Yeelirrie Valley Uranium Project, shown over the Yeelirrie valley. The Yeelirrie carnotite deposit is located in the centre of the map at 12 Mile Bore.

Exploration Program

Blaze's suite of licences and applications cover much of the area surrounding BHP's tenure at Yeelirrie. Blaze is undertaking a systematic programme of exploration across the project area, and has identified a series of targets:

- Yeelirrie Channel targets
- Modern tributary targets
- Fossil tributary targets
- Granite-hosted targets.

A preliminary drill programme at the Yeelirrie Valley uranium project has proven valuable in defining and delimiting targets in the project area. Due to the conditions on the pre-existing Programme of Works (as approved by the Department of Mines and Petroleum), drilling was limited to tracks on three of the licences. None of the major targets could be intercepted by the planned programme. Rather, this programme was designed to provide insight into the geology of the Yeelirrie Valley in order to assist with the design of upcoming drill programmes.

A total of 26 holes were drilled along tracks on licences E53/1187, E57/608 and E57/609, less than originally planned. Some areas were inaccessible due to track deterioration, and others were sufficiently tested with less holes than planned.

Results showed anomalous but subeconomic grades of uranium from a number of areas. Given that none of the drill holes represented specific target areas, this is highly encouraging for ongoing exploration in the Yeelirrie Valley. An interesting finding of the programme was the identification of a fossil drainage system on E57/608. This system will require follow-up drilling to assess the uranium potential of this portion of the valley.

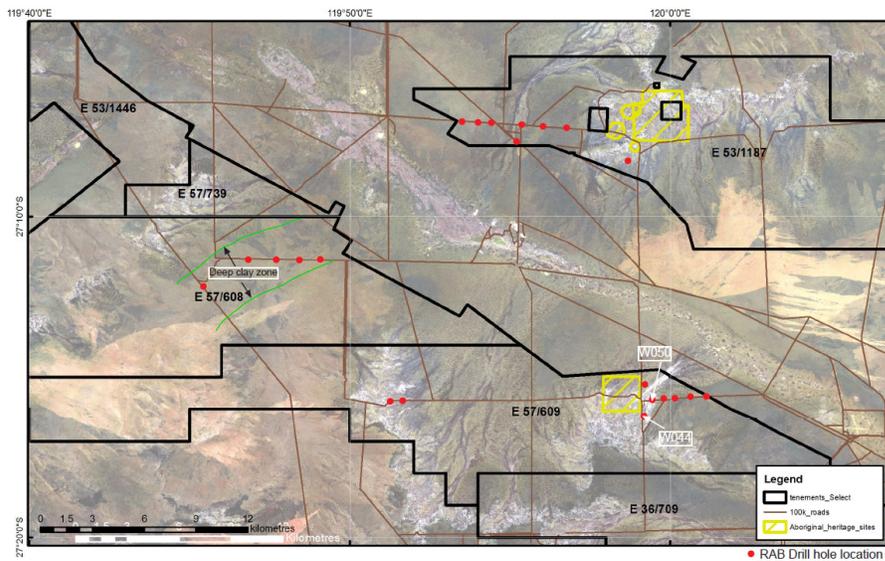


Figure 3 - Preliminary drill programme: location of shallow RAB drillholes.

Upcoming work

Hyperspectral surveys were scheduled to be flown in the December quarter. Such surveys have been very useful in uranium exploration programmes in Namibia, so this survey, which covers 4 of the licences, will test the technique's applicability in Western Australia. Technical problems with the contract company's equipment have put the survey on indefinite delay. We are presently investigating alternatives in order to have the survey completed.

Work has begun on designing a more extensive programme over the extensions of the Yeelirrie palaeochannel. Reinterpretation of satellite imagery has defined a greatly extended Yeelirrie palaeochannel to the northwest of previously identified limits. Several direct analogues of BHPB's 12 Mile Bore mineralisation at Yeelirrie have been identified and will require testing. Drilling will commence on the Yeelirrie Valley project after approval of licence applications E53/1564, E53/1565, E53/1579 and E53/1404.

Conclusions

The Yeelirrie Valley project represents a significant opportunity to undertake exploration within a recognised and well mineralised uranium catchment. The Blaze leases cover highly prospective regolith and stratigraphy, which shows indications of significant uranium mineralisation and requires well planned and systematic exploration. The project is highly prospective for uranium for the following reasons:

1. The project is located immediately adjacent to BHPB's Yeelirrie uranium deposit, one of the largest uranium deposits in the world.
2. The project may contain lateral extensions to the calcrete-hosted carnotite mineralisation of the Yeelirrie deposit.
3. The project may contain other buried zones of calcrete-hosted carnotite mineralisation in other modern or fossil tributary drainages.
4. Granite- or alaskite-hosted uranium oxide mineralisation may lie within the Yeelirrie Valley project area. Such mineralisation could be the source of the uranium in the Yeelirrie deposit.
5. Outside of the Yeelirrie deposit, the Yeelirrie Valley has undergone only minimal exploration for uranium mineralisation.

The recently concluded RAB drilling is only the first stage of a comprehensive exploration programme that will systematically test a variety of high quality targets. The Yeelirrie Valley targets are genetically related to and immediately adjacent to the world's largest and highest-grade calcrete-hosted uranium deposit.

Competent Persons Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Alexander Clemen of Clemen and Associates consultants, who is a member of The Australasian Institute of Geoscientists and the Society of Economic Geologists. Mr. Clemen has sufficient experience that is relevant to the various styles of mineralisation and types of deposit under consideration, and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Alexander Clemen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Blaze International Limited's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Blaze International Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

4. Corporate

On 20 July 2010 the Company issued 148,365,388 ordinary shares at \$0.0065 each, and 74,182,692 free options exercisable at \$0.03 each on or before 30 January 2014 which raised \$964,555.

On 16 September 2010 the Company issued 60,000,000 options at \$0.0001 each exercisable at \$0.03 each on or before 30 January 2014.

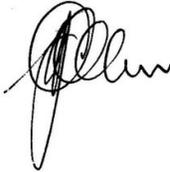
5. Changes in State of Affairs

In the opinion of the directors, there were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the half year under review not otherwise disclosed in this report or in the financial report.

6. Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this Directors' Report for the half-year ended 31 December 2010.

This report is signed in accordance with a resolution of the Board of Directors, made pursuant to s306(3) of the Corporations Act 2001.



Robert Collins
Non-Executive Chairman

Dated this 24th day of February 2011

AUDITOR'S INDEPENDENCE DECLARATION

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

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



Perth, Western Australia
24 February 2011

M R W OHM
Partner, HLB Mann Judd

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED
31 DECEMBER 2010**

	Notes	Consolidated 31 December 2010 \$	Consolidated 31 December 2009 \$
Revenue		16,293	8,438
Accounting and audit fees		(32,487)	(26,067)
ASX and ASIC fees		(9,967)	(25,970)
Consulting fees		(90)	(30,240)
Depreciation expense		-	(5,211)
Employee benefits expense		(42,250)	(123,185)
Exploration expenditure written off		-	(51,955)
Legal fees		(790)	(52,576)
Management fees		(118,936)	(115,150)
Occupancy costs		(73,484)	-
Promotions		(3,149)	(36,420)
Share registry fees		(7,091)	(13,066)
Other expenses		(9,692)	(32,527)
Loss before income tax benefit		(281,643)	(503,929)
Income tax benefit		-	-
Net loss for the period		(281,643)	(503,929)
Other comprehensive income for the period		-	-
Total comprehensive result for the period		(281,643)	(503,929)
Basic loss per share (cents)		(0.04)	(0.09)

The accompanying notes form part of this financial report.

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT
31 DECEMBER 2010**

	Notes	Consolidated 31 December 2010 \$	Consolidated 30 June 2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents		540,773	199,720
Trade and other receivables		21,115	23,928
Other current assets		7,253	19
Total Current Assets		569,141	223,667
Non-Current Assets			
Plant & equipment		3,906	3,906
Deferred exploration expenditure		4,346,536	4,089,870
Total Non-Current Assets		4,350,442	4,093,776
Total Assets		4,919,583	4,317,443
LIABILITIES			
Current Liabilities			
Trade and other payables		67,822	140,654
Total Current Liabilities		67,822	140,654
Non-Current Liabilities			
Deferred tax liability		1,062,279	1,062,279
Total Non-Current Liabilities		1,062,279	1,062,279
Total Liabilities		1,130,101	1,202,933
Net Assets		3,789,482	3,114,510
EQUITY			
Issued capital	2	30,770,056	29,819,441
Reserves		1,924,701	1,918,701
Accumulated losses		(28,905,275)	(28,623,632)
Total Equity		3,789,482	3,114,510

The accompanying notes form part of this financial report.

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED
31 DECEMBER 2010**

	Issued Capital \$	Accumulated Losses \$	Option Reserve \$	Total Equity \$
Balance at 1 July 2009	29,594,979	(27,756,151)	1,918,701	3,757,529
Loss for the period	-	(503,929)	-	(503,929)
Balance at 31 December 2009	29,594,979	(28,260,080)	1,918,701	3,253,600
Balance at 1 July 2010	29,819,441	(28,623,632)	1,918,701	3,114,510
Shares issued during the half-year	964,555	-	-	964,555
Share issue costs	(13,940)	-	-	(13,940)
Options issued during the half-year	-	-	6,000	6,000
Loss for the period	-	(281,643)	-	(281,643)
Balance at 31 December 2010	30,770,056	(28,905,275)	1,924,701	3,789,482

The accompanying notes form part of this financial report.

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED
31 DECEMBER 2010**

	Consolidated 31 December 2009 \$	Consolidated 31 December 2009 \$
Cash flows from operating activities		
Payments to suppliers and employees	(331,211)	(467,302)
Interest received	<u>16,293</u>	<u>4,034</u>
Net cashflows used in operating activities	<u>(314,918)</u>	<u>(463,268)</u>
Cashflows from investing activities		
Receipt from sale of plant and equipment	-	6,000
Payment for exploration and evaluation	<u>(300,644)</u>	<u>(28,781)</u>
Net cashflows used in investing activities	<u>(300,644)</u>	<u>(22,781)</u>
Cashflows from financing activities		
Proceeds from issues of shares and options	970,555	-
Payment of share issue costs	<u>(13,940)</u>	<u>-</u>
Net cashflows from financing activities	<u>956,615</u>	<u>-</u>
Net increase / (decrease)in cash held	341,053	(486,049)
Cash at beginning of period	<u>199,720</u>	<u>778,296</u>
Cash at end of period	<u>540,773</u>	<u>292,247</u>

The accompanying notes form part of this financial report.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2010**

1. Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134 “Interim Financial Reporting”, Accounting Interpretations and other authoritative announcements of the Australian Accounting Standards Board (“AASB”). Compliance with AASB 134 ensures compliance with IAS 34 “Interim Financial Reporting”.

The condensed half year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cashflows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report of the Group for the year ended 30 June 2010, together with any public announcements made during the half-year by the Company in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The half year report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Group is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. The half year has been treated as a discrete reporting period. The same accounting policies and methods of computation have been followed in this half year financial report as were applied in the most recent annual financial statements.

Significant judgements and key estimates

The preparation of half year financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported accounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

In preparing this half year report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2010.

Accounting standards not previously applied

In the half year ended 31 December 2010, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2010. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half year ended 31 December 2010. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE HALF YEAR ENDED
31 DECEMBER 2010

1. Basis of preparation (Continued)

Going concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the consolidated entity's assets and the discharge of its liabilities in the normal course of business.

The Board considers that Blaze International Limited is a going concern and recognises that additional funding is required to ensure that it can continue to fund its operations and further develop its mineral exploration and evaluation assets during the twelve month period from the date of this financial report. Such additional funding as occurred during the half year ended 31 December 2010 as disclosed in Note 2, can be derived from either one or a combination of the following:

- The placement of securities under the ASX Listing Rule 7.1 or otherwise;
- An excluded offer pursuant to the Corporations Act 2001; or
- The sale of assets

Accordingly, the Directors believe that Blaze International Limited will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report. The financial statements therefore do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should it not continue as a going concern.

DIRECTORS' REPORT (Continued)

	Consolidated 31 December 2010 Number	Consolidated 30 June 2010 Number
2. Issued Capital		
<i>Ordinary shares</i>		
Issued and fully paid	739,124,444	590,759,056
Movements in ordinary fully paid shares	\$	\$
Balance at beginning of year	29,819,441	29,594,979
Shares issued during the period		
- 10 May 2010 (i)	-	240,000
- 20 July 2010 (ii)	964,555	-
Share issue costs	(13,940)	(15,538)
Balance at end of period	30,770,056	29,819,441

(i) On 10 May 2010 the Group issued 40,000,000 ordinary shares at an issue price of \$0.006 each, as part of a share placement.

(ii) On 20 July 2010 the Group issued 148,365,388 ordinary shares at an issue price of \$0.0065 each, as part of a share placement.

3. Subsequent Events

There are no matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

4. Contingent Liabilities

The Directors are not aware of any contingent liabilities as at 31 December 2010.

5. Segment Reporting

The Group has adopted AASB 8 "Operating Segments" which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker (considered to be Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of the Group reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period, the Group operated predominantly in one segment being the mineral exploration sector in Western Australia. Accordingly, under the "management approach" outlines only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

	Consolidated 31 December 2010 Number	Consolidated 31 December 2009 Number
6. Options		
Movements in options		
Balance at beginning of year	590,000,000	550,000,000
Options granted during the period	134,182,694	-
Options expired during the period	(175,000,000)	-
	549,182,694	550,000,000

DIRECTORS' DECLARATION

In the opinion of the directors of Blaze International Limited ("the Company"):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) 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 then ended.
2. 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 signed in accordance with a resolution of the Board of Directors made pursuant to s305(5) of the Corporations Act 2001.



Robert Collins
Non-Executive Chairman

Perth, 24 February 2011

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Blaze International Limited

Report on the Condensed Half-Year Financial Report

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

Directors’ Responsibility for the Half-Year Financial Report

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

Auditor’s Responsibility

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants



M R W OHM
Partner

Perth, Western Australia
24 February 2011