

UNITED OROGEN LIMITED

ABN 45 115 593 005

**INTERIM FINANCIAL
STATEMENTS 2009**

For the Half-Year Ended 31 December 2009

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UNITED OROGEN LIMITED

DIRECTORS' REPORT

Your directors present their report together with the financial statements for the half year ended 31 December 2009, and the independent review report there on.

Directors

The names of the directors of the company in office any time during or since the end of the half year are:

David Alan Zohar – Executive Director and Company Secretary
John Karajas – Non Executive Director
Zhukov (Zeke) Pervan – Non Executive Director and Chairman
William Edwin Bannister – Managing Director

Review of Operations

The principal activity of the Company during the course of the financial period was mineral exploration.

The net loss of the company for the half year ended 31 December 2009 was \$406,170 (2008: \$1,231,508). Impairment of available for sale financial assets for the half year ended 31 December 2009 was \$5,500 (2008: \$415,435). Impairment of investment in associates for the half year ended 31 December 2009 was nil (2008: \$235,031). No dividends were paid and the directors have not recommended the payment of a dividend.

Western Australia

1. Horseshoe West (EL52/2016)

Exploration has recommenced after signing an agreement with the Native Title Holders as represented by the Jidi Jidi Corporation.

The Exploration Licence 52/2016 lies between the Horseshoe Lights copper-gold deposit which is 10 km to the east and the Fortnum Gold Mine, a distance of some 12 km to the west. The main target sought is a copper-gold deposit similar to that of the Horseshoe Lights Deposit, which has produced 1.6 million tonnes for 217,500ozs of gold at a grade of 4.29gm/t and 1.7 million tonnes treated for 54,800 tonnes of copper (3.24%); 94,000ozs Gold (1.73gm/t); 2,928,000ozs silver (53.9gm/t) and 52,800kg of mercury (31.3gm/t).

United Orogen have held the ground for over two years and have always believed that the Horseshoe Lights deposit is of the Volcanogenic Massive sulphide (VMS) type and, usually, where ever they occur they occur in clusters, ie there are more than one. In this case that belief has been proven true for approximately 75 km to the east Sandfire Resources Ltd have been drilling the DeGrussa Prospect and reporting grades of copper and gold similar, if not better than those mined at the Horseshoe Lights Mine.

The Horseshoe Lights deposit is hosted by the Narracoota Formation in close proximity to the overlying Ravelstone Formation (Thaduna Greywackes). The Degrussa deposit of Sandfire Resources is reported to be in the Narracoota Formation.

The Horseshoe West prospect being explored by United Orogen is occupied by Thaduna Greywackies of the Ravelstone Formation and some are exposed but much of the ground is covered by sands, clays and gravels. Rock chip sampling has produced up to 52ppb gold. 404 soil samples have been taken and analysed with results up to 38ppb Au and copper values up to 74ppm. This is important for the area is highly leached. This leads to a depletion of copper in the near surface environment whilst gold tends to remain and is therefore detectable.

Additional soil sampling will be required to tie in the previous samples in an attempt to delineate targets that warrant follow up geophysical work. It is thought that an airborne EM system would be the better way to explore. However as there are gold mines in close proximity any EM response would

UNITED OROGEN LIMITED

DIRECTORS' REPORT

have to be ground checked with IP. Following the geophysics drilling will be the next exploration tool used.

2 Nabberu Basin

ELA 69/2475 and ELA 69/2476 have recently been granted. Exploration will commence in the new year. Research work into previous exploration on EL69/2336 is nearly complete. This will give a guide to the direction of the exploration program.

3 Mt Vernon

EL 52/2338 was flown using a helicopter searching for the uranium response located by Geopeko in 1981. The anomalous horizon was found but appeared to be part of the weathering profile rather than a sedimentary horizon. The highly anomalous parts were secondary quartz veins containing uraniferous material which was concentrated in the veins. The best response gave 310ppm U using a hand held differential spectrometer. The analytical results gave values to 63ppm U, copper values to 383ppm and zinc values to 0.24%- similar to those located by Geopeko in 1981. Platinum and palladium were not analysed in 1981 but there was minimal platinum and up to 188ppb palladium; disappointing However Aurora Minerals Ltd has announced significant rock chip results for manganese to the west of EL52/2338. The area within this EL will be ground checked to determine if the mineralised trend continues.

Northern Territory

1. Treasure.

At EL25346 Mithrill have completed their first pass drilling at the Baldrick Prospect in the first quarter. Three shallow holes were completed targeting the mineralised contact of the Baldrick gabbroic body. Hole BARC005 missed the main body but intersected a narrow interval of weakly mineralised gabbro that returned 5m at 0.11% Ni from 43 metres. DHEM surveys are planned.

Drill hole BARC006 was collared in the gabbro and intersected a mix of weathered and fresh mineralisation at shallow depths-assays returned 8m at 0.26%Ni and 0.12% Cu from 21m. BARC007 was drilled directly beneath the main gossan at Bardrick and intersected a combination of oxide (weathered) and sulphide mineralisation with assays returning 9m at 0.48%Ni and 0.37%Cu from 4m.

UOG will have 13 % interest after Mithrill earn 80%. The other 7% is owned by Aluminex. No work was done in the second quarter.

2. Florence Creek and Lucky U

The regional magnetic data was scrutinised for targets similar to those that generated the Mithrill gabbroic projects. Aerial photographs were also examined to pick up similar visual features to that produced by the Baldrick and Blackadder prospects. Thirteen targets were generated and each was visited using a helicopter. There was a lack of gabbros exposed. A calc silicate horizon was found that had malachite showing. A sample was taken and it returned 4.29% Cu.

The airborne magnetic information gathered at the start of this exploration program will be re-examined in the hope of producing gabbroic style targets. These will be ground tested next year.

- **Oil and Gas Exploration**

Western Australia

Arc Energy has withdrawn from EP448 in the Canning Basin. The future of this tenement is being debated.

UNITED OROGEN LIMITED

DIRECTORS' REPORT

Auditor's Independence Declaration

The auditor's independence declaration under Section 307C of the Corporations Act 2001 for the half year ended 31 December 2009 has been received and is set out on page 4.

Signed in accordance with a resolution of Directors



Dr Zhukov Pervan
Chairman
10 March 2010

The information within this report as it relates to geology and mineral resources was compiled by the Managing Director, Mr. William Bannister. He has sufficient experience which is relevant to the style of mineralization and the type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code". Mr. Bannister consents to the inclusion in the report of matters based on information in the form and context which it appears.

UNITED OROGEN LIMITED AUDITORS INDEPENDENCE DECLARATION



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PO Box 700 West Perth WA 6872
Australia

10 March 2010

United Orogen Limited
Level 7, 231 Adelaide Terrace
Perth WA 6000

Dear Sirs

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF UNITED OROGEN LIMITED

As lead auditor of United Orogen Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of United Orogen Limited.

Chris Burton
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

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UNITED OROGEN LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 31 December 2009

		31 December 2009 \$	31 December 2008 \$
Revenue from continuing operations	3	24,524	34,112
Other Income	3	18,184	61,358
Administration		(100,530)	(122,257)
Exploration costs		(115,261)	(71,038)
Occupancy costs		(5,243)	(5,605)
Depreciation		(6,155)	(7,645)
Employment costs (including directors)		(216,189)	(315,127)
Finance costs		-	(65)
Impairment of available for sale financial assets		(5,500)	(415,435)
Impairment of investment in associates		-	(235,031)
Share of net loss of associates accounted for using the equity method		-	(70,601)
Loss on Sale of available for sale financial assets		-	(68,367)
Provision for impairment of receivables		-	(15,807)
Loss Before Income Tax		(406,170)	(1,231,508)
Income tax expense		-	-
Loss for the Half Year		(406,170)	(1,231,508)
Other comprehensive income			
Changes in the fair value of available-for-sale financial assets		73,020	(77,828)
Other comprehensive income for the half year, net of tax		73,020	(77,828)
Total comprehensive income for the half-year		(333,150)	(1,309,336)
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the company			
Basic loss per share (cents)	6	(0.63)	(1.90)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

UNITED OROGEN LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 December 2009

	Note	31 December 2009 \$	30 June 2009 \$
CURRENT ASSETS			
Cash and cash equivalents		1,006,843	1,406,867
Trade and other receivables		24,302	13,804
TOTAL CURRENT ASSETS		1,031,145	1,420,671
NON-CURRENT ASSETS			
Property, plant & equipment	4	843,364	848,776
Available for sale financial assets	5	979,016	911,496
TOTAL NON-CURRENT ASSETS		1,822,380	1,760,272
TOTAL ASSETS		2,853,525	3,180,943
CURRENT LIABILITIES			
Trade and other payables		63,501	57,769
Provisions		1,238	1,238
TOTAL CURRENT LIABILITIES		64,739	59,007
TOTAL LIABILITIES		64,739	59,007
NET ASSETS		2,788,786	3,121,936
EQUITY			
Contributed equity		6,697,752	6,697,752
Reserves		227,400	154,380
Accumulated losses		(4,136,366)	(3,730,196)
TOTAL EQUITY		2,788,786	3,121,936

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

UNITED OROGEN LIMITED
STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 December 2009

	31 December 2009 \$	31 December 2008 \$
Total equity at the beginning of the period	3,121,936	4,806,290
Loss for the half year	(406,170)	(1,231,508)
Comprehensive income		
Changes in the fair value of Available for Sale Financial Assets	73,020	(77,828)
Other comprehensive income for the half-year, net of tax	73,020	(77,828)
Total comprehensive income for the half-year	(333,150)	(1,309,336)
Transactions with owners in their capacity as owners:		
Contributions of equity, net of transaction costs	-	4,500
Transactions with equity owners in their capacity as owners	-	4,500
Total equity at the end of the period	2,788,786	3,501,454

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

UNITED OROGEN LIMITED
STATEMENT OF CASH FLOWS
For the half year ended 31 December 2009

	31 December 2009 \$	31 December 2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of goods and services tax)	26,976	19,853
Payments to suppliers and employees (inclusive of goods and services tax)	(334,685)	(435,374)
Payments for exploration, evaluation and acquisition costs (inclusive of goods and services tax)	(109,756)	(65,695)
Interest received	18,184	60,403
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	(399,281)	(420,813)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(743)	-
Proceeds from sale of investments	-	10,683
Loans to related entities	-	(15,807)
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES	(743)	(5,124)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares and exercise of options	-	4,500
NET CASH INFLOWS FROM FINANCING ACTIVITIES	-	4,500
NET (DECREASE) IN CASH HELD	(400,024)	(421,437)
Cash and cash equivalents at the beginning of the half year	1,406,867	2,219,545
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF YEAR	1,006,843	1,798,108

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

UNITED OROGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

1. Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These half yearly financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these statements are to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by United Orogen Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period other than AASB 8 & AASB 101.

Changes in accounting policy

United Orogen Limited has to change some of its accounting policies as the result of new or revised accounting standards which became operative for the annual reporting period commencing 1 July 2009.

The affected policies and standards are:

- Presentation of Financial Statements – revised AASB 101 *Presentation of Financial Statements*
- Segments – new AASB 8 *Operating Segments*

2. Segment Reporting

The company's sole operations are within the mineral exploration industry within Australia.

The company has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes.

Given the nature of the company, its size and current operations management does not treat any part of the company as a separate operating segment. Internal financial information used by the company's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments.

The company managers operate to manage the business as a whole without any special responsibilities for any separately identifiable segments of the business.

Accordingly the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

3. Revenue

	HALF YEAR	
	31.12.2009	31.12.2008
From Continuing Activities		
Sales Revenue - Services	24,524	34,112
Other Income		
Other income	-	955
Interest received	18,184	60,403
	42,708	95,470

UNITED OROGEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2009

4. Property, Plant and Equipment	HALF YEAR	
	31.12.2009	30.06.2009
Land and Buildings		
At cost	845,602	845,602
Accumulated depreciation	(14,383)	(11,053)
Total Land and Buildings	<u>831,219</u>	<u>834,549</u>
Plant and Equipment		
At cost	32,554	31,811
Accumulated depreciation	(20,409)	(17,584)
Total Plant Equipment	<u>12,145</u>	<u>14,227</u>
Total Property, Plant and Equipment	<u>843,364</u>	<u>848,776</u>

5. Available for Sale Financial Assets

Listed investment at fair value ¹	<u>979,016</u>	<u>911,496</u>
	979,016	911,496
At beginning of period	911,496	804,370
Investment yet to be issued ²	-	960,558
Disposals	-	(89,404)
Fair value adjustments	73,020	(23,831)
Impairment of available for sale financial assets	(5,500)	(740,197)
At end of period	<u>979,016</u>	<u>911,496</u>

¹ Fair value of investments in listed corporations is assessed as the bid price on the Australian Securities Exchange at the close of business on balance date.

² The offer and acceptance of Iron Mountain Mining Ltd was on the 17th June 2009. Physical issue of the shares did not occur until the 1st July 2009.

6. Loss per share	31.12.2009	31.12.2008
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	64,762,853	64,754,932
Loss used to calculate basic and dilutive EPS	(406,170)	(1,231,508)
Basic loss per share (cents per share)	<u>(0.63)</u>	<u>(1.90)</u>

UNITED OROGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

7. Contingent Liabilities

The Directors are not aware of any contingent liabilities as at 31 December 2009.

8. Dividends

No dividends were paid or proposed during the period.

The Company has no franking credits available at 31 December 2009.

9. Events occurring after the balance sheet date

There has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

10. Related Party Transactions

a) Administrative related transactions

Director related entities paid for expenses on behalf of United Orogen Limited throughout the half year. The following table details the related company, the total value of services provided and expenses paid for during the half year and the balance owing at 31 December 2009 (if any):

Related Company	Value of services for the period ended 31 December 2009 (excl GST)	Balance owing at 31 December 2009 (excl GST)
Iron Mountain Mining Limited	19,922	9,830

United Orogen Limited provides employment services to related parties, as well as paying for numerous expenses on their behalf, which are recharged to that company throughout the half year. The following table details the company, total services provided and expenses recharged for the half year and balance outstanding at 31 December 2009:

Related Company	Value of services for the period ended 31 December 2009 (excl GST)	Balance owing at 31 December 2009 (excl GST)
Iron Mountain Mining Limited	12,561	3,915
Eagle Nickel Limited	7,764	3,571
Red River Resources	893	446
Actinogen Limited	893	446

UNITED OROGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

b) Tenement related transactions

During the half year ended 31 December 2009, United Orogen Limited paid \$32,155 (excl GST) to Eagle Nickel Limited, a Director related entity of David Zohar, for tenement related expenses.

During the half year ended 31 December 2009, United Orogen Limited wrote off as a bad debt \$14,370 (excl GST). This amount was originally recharged to Central Phosphate Limited, a Director related entity of David Zohar, for tenement related expenses.

During the half year ended 31 December 2009, United Orogen Limited received \$3,928 (excl GST) from Iron Mountain Mining Limited, a director related entity of David Zohar, for tenement related expenses.

c) Joint venture transactions

The company was a participant in the joint venture arrangement with Red River Resources Limited and Swancove Enterprises Pty Ltd, of which Mr Zohar is a Director and/or Significant Shareholder.

No transactions occurred between United Orogen Limited and Red River Resources Limited nor with Swancove Enterprises Pty Ltd for the period to 31 December 2009.

d) Investments in related entities

As at 31 December 2009 the Company holds the following shares in Director related entities of David Zohar, 2,000,000 ordinary shares in Actinogen Ltd at a fair value of \$100,000; 10,232,341 ordinary shares in Iron Mountain Mining Limited at a fair value of \$859,516, 100,000 ordinary shares in Black Gold Resources Limited at a fair value of \$nil; and 500,000 ordinary shares and 250,000 options in Eagle Nickel Limited at fair values of \$19,500 and \$nil respectively. These shares and options were also on hand as at 1 July 2009.

UNITED OROGEN LIMITED DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 12 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 entity's financial position as at 31 December 2009 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 directors.



Dr Zhukov Pervan
Chairman
10 March 2010
Perth, Western Australia

UNITED OROGEN LIMITED

Independent Auditors Review Report



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF UNITED OROGEN LIMITED

Matters Relating to the Electronic Presentation of the Half-Year Financial Report

This auditor's report relates to the half-year financial report of United Orogen Limited for the period ended 31 December 2009 included on United Orogen Limited's web site. The disclosing entity's directors are responsible for the integrity of United Orogen Limited's web site. We have not been engaged to report on the integrity of United Orogen Limited's web site. The auditor's review report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this half-year report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of United Orogen Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the entity at the half-year end.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity 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 controls 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 Engagements ASRE 2410 *Review of an Interim and Other Financial Reports 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 disclosing entity's financial position as at 31 December 2009 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 United Orogen 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.

BDO Audit (WA) Pty Ltd ABN 79 112 254 787 is a member of a national association of separate entities which are all members of BDO (Australia) Limited ACR 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO (Australia) Limited are members of BDO International Limited, a UK company limited by guarantee, and form a part of the International BDO network of independent member firms. Liability limited by scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

UNITED OROGEN LIMITED

Independent Auditors Review Report



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

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 United Orogen Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the entity's financial position as at 31 December 2009 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.

BDO Audit (WA) Pty Ltd

BDO Audit
A handwritten signature in blue ink that reads 'C. Burton'.

Chris Burton
Director

Signed in Perth, Western Australia
Dated this 10th day of March 2010.