ORD RIVER | Resources

ORD River Resources

Annual Report 2011

www.ord.com.au

CORPORATE DIRECTORY

DIRECTORS

Peter Shou	Managing Director
Tao Luo	Non-Executive Chairman
Graham McGeagh	Independent Non Executive Director
Frank Zhu	Executive Director
David Tang	Non-Executive Director

COMPANY SECRETARY

Frank Zhu

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680 George Street
Sydney, NSW 2000

ORD RIVER | Resources

ORD RIVER RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN: 68 108 737 711

FINANCIAL REPORT
YEAR ENDED
30 JUNE 2011

CONTENTS

CHAIRMAN'S LETTER

Dear Shareholders,

I am pleased to present the 2011 Annual Report of Ord River Resources Limited ("ORD"). In 2011 ORD moved up a gear in project development. The most significant development was the announced plan to raise A$180-200m new equity via an initial public listing of Sino Australian Resources Co., Limited ("SARCO") to help finance the construction of a planned 600,000ton alumina refinery in Laos. The decision was made jointly with our partner China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd ("NFC"). ORD and NFC are committed to this major initiative which will transform ORD from a pure exploration company to a producer.

ORD continued to invest in its exploration activities in 2011. NFC and ORD completed the A$6+million resource upgrade program in Laos for SARCO. At the time of writing this letter SRK Consulting is in the process of completing new JORC Resource Statements.

The management team continued to develop a new exploration campaign for Suplejack Gold Project in NT. Several mapping studies were conducted. A detailed airborne magnetic survey was also completed in late 2010. Suplejack presents a real opportunity for further drilling work to expand ORD's gold resources.

ORD continued to work with Chinese partners. Guangdong Rising Assets Management Co., Limited ("GRAM") announced a joint venture agreement with ORD for investing into Copper Flats Copper Project in WA. GRAM is now seeking Chinese government approval for this agreement.

In the middle of 2011 ORD's market capitalization reached at over A$50million for the first time in 3 years. It was a very good achievement. However quickly we saw a return to high levels of market volatility and commodity prices. This has an impact on exploration companies including ORD. The volatile equities market will delay the IPO of SARCO on the ASX. ORD and NFC remain confident that the macro picture for alumina remains robust enough to support SARCO's planned IPO.

The market in due course will recognize the intrinsic value in SARCO and the projects of ORD. I have confidence in ORD's management team's ability to navigate our projects to further stages of development. I look forward to a successful 2012.

Yours truly,

Luo Tao
Chairman of the Board

MANAGING DIRECTOR'S REVIEW

Dear Shareholders,

After a successful restructure in 2009 and 2010, we made a decision to accelerate our project development in 2011. In order to maximize success we made several key decisions.

Firstly, we narrowed our focus on priority projects that best suited our skills and capabilities. We made a conscious decision to focus majority of our efforts on two key projects.

Project	Priority	Goal
SARCO Alumina Refinery Laos	Highest	Unlock significant value via both corporate transaction and development
Suplejack Gold Project NT	High	Increase gold resource via exploration

Both alumina and gold are among the best performing commodities and are forecast to remain robust in the long run. We believe through careful planning and development we can add significant value at a lost cost to ORD shareholders.

Secondly, we made a decision to manage low priority projects for the purpose of cost control and value add.

Project	Priority	Goal
Copper Flats Copper Project WA	Lowest / non-core	Farm out
West Wyalong Gold Project NSW	Low	Study potential for gold mineralization

Thirdly we made a decision to expand our working relationships with Chinese investment companies seeking mineral assets in Australia. We saw this as a very low risk route to add big upside value. We actively courted strong Chinese players with a desire to acquire assets in Australia.

The above decisions enabled the management team to focus our limited resources and time on delivering value. I am happy to report that we made significant progress in 2011. The highlights include:

- We successfully ended the expensive office lease in Gold Fields House in February. We moved into the new office in 71 Macquarie St. We saved over 60% in ongoing rental costs.
- We renegotiated our JV agreement with NFC for SARCO. This resulted in ORD sharing equal decision making with NFC despite having only 49% ownership. It also removed contingent liabilities that may arise from future events.
- SARCO completed an A$6+ investment in resource expansion drilling program. We are now expecting a substantial upgrade in the JORC Resources.
- We announced SARCO hired Royal Bank of Canada's Capital Markets division as financial advisor to a possible initial public listing of SARCO on the ASX.
- Within 2 months of announcing the plan we made significant progress in 3 key milestones. SARCO received a letter of proposal for project financing for 70% of the CAPEX from Mingshen Banking Corporation, one of the largest banks in China. SARCO entered into two MoUs with NFC for US$600m EPC and 600,000t off-take. We will work hard to convert them into binding agreements as we progress further.
- We successfully assisted our strategic partner Guangdong Rising Assets Management Co., Ltd (GRAM) in acquiring 100% of Caledon Resources plc. Caledon has over 1.7bn tons of coking coal in Queensland's Bowen Basin. We have an option to purchase up to 10% of Caledon.
- We conducted several rounds of geological mapping for ORD's gold exploration project Suplejack in NT. We decided to hold off drilling until 2012 in a response to deteriorting market conditions and lack of appropriate drilling contractors for late parts of 2011. We are confident that Suplejack is a prospective gold project.
- We reached agreement with GRAM for them to farm into Copper Flats Copper Project in WA and NT. Once approved by the Chinese regulators we expect to receive A$3m in cash and GRAM will invest an additional A$7.8m into the project to earn a 51% interest.

I want to thank the board for their continuing support. I also want to thank ORD staff for their hard work. We are proud of what we achieved in 2011 despite the recent retreat in our share price. It is my and many investors' view that ORD's intrinsic value is not fully reflected in our share price. I remain confident that through our hard work we will close the gap between share price and intrinsic value.

For 2012 ORD's number one objective is to work with our partner NFC to successfully move SARCO into the production phase. This will be best achieved by completing the planned listing of SARCO on the ASX. We remain confident that we can still achieve this strategic goal within 2012. A successful listing will give a significant valuation to the interest ORD retains in SARCO.

Our second strategic objective is to maximize value in Suplejack Gold Project in NT. We continue to regard continuing exploration for resource expansion as a most direct path to achieve this goal. Our confidence level is high after having developed a much better understanding of its geology and geophysics after having completed two mapping studies and an extensive airborne magnetic survey. An alternative path is through strategic alliances with other larger gold players in the same region.

We will continue to explore strategic options available to ORD to add value for shareholders. We plan to complete the JV with GRAM and use the funds to develop new projects. We will keep looking for new attractive value adding projects in Australia and overseas.

Conclusion

We have a very strong focus on value delivery in 2012. We are moving closer to several major milestones. My team and I will continue to work hard to deliver value for all shareholders. I look forward to your feedback and suggestions.

Yours truly,

Peter Shou
Managing Director

EXPLORATION

Ord River Resources Limited ("ORD") currently explores for three key commodities held under four separate and diverse projects within Australia and Laos.

SINO AUSTRALIAN RESOURCES CO., LIMITED (SARCO)
BAUXITE & ALUMINA REFINERY PROJECT
(BOLAVEN PLATEAU, PEOPLE'S REPUBLIC OF LAOS.)

In May 2011, ORD and its partner NFC jointly made a decision to pursue an initial public offering of SARCO on the ASX to raise A$200million in new equity to finance the planned US$600million construction of 600,000ton alumina refinery in Laos. ORD owns 49% of SARCO. This decision will set ORD on the path to become a major owner in a new independent alumina refinery company. It will unlock significant value for our shareholders. SARCO appointed Royal Bank of Canada Capital Markets (RBCCM) to be the financial advisor.

We announced developments in three major milestones. SARCO received a letter of proposal for 70% project financing from Minsheng Banking Corporation. SARCO and NFC signed two separate MOUs for a fixed term and fixed price US$600million EPC contract and for the 600,000ton off-take. These developments are very positive.

MILESTONES		DETAILS
1.	JORC Resource (Indicated)	• 130 million tonnes[1]
2.	Annual refinery capacity	• 600,000 tonnes
3.	Future refinery capacity expansion	• 1,200,000 tonnes
4.	CAPEX	• ~US$600million
5.	Estimated project financing	• 70% debt financing

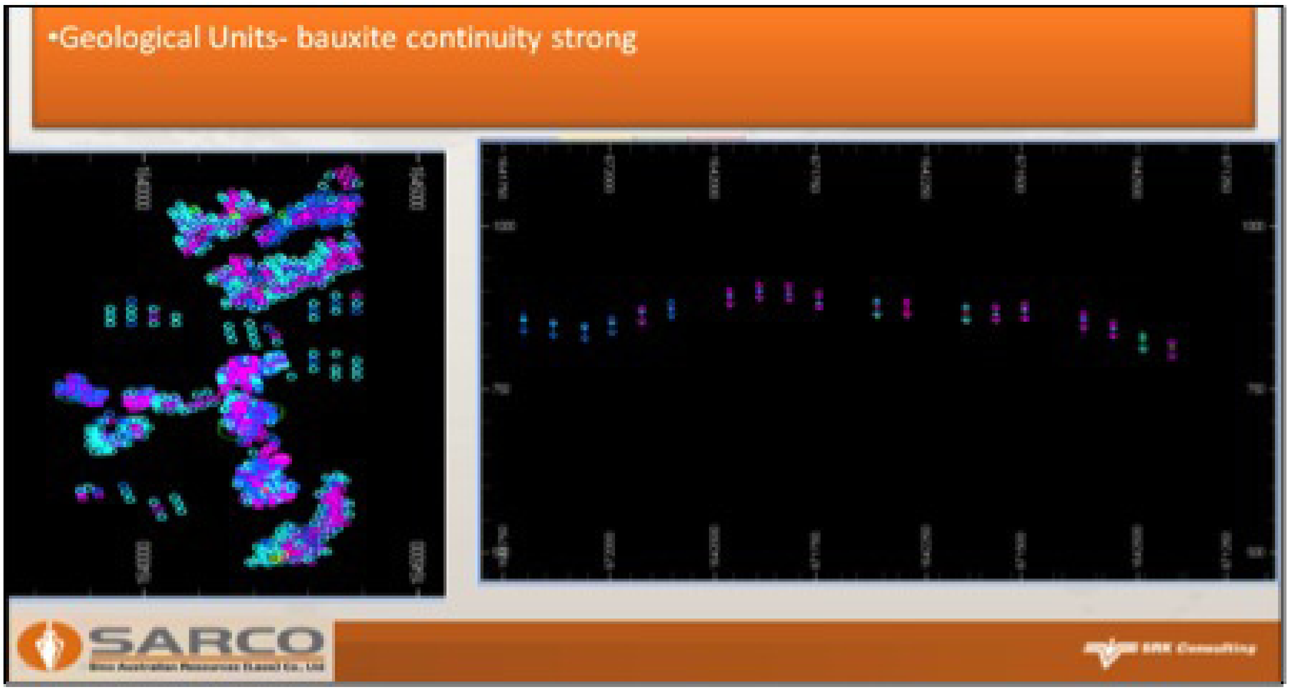
HIGH QUALITY ASSET WITH SIGNIFICANT GROWTH	LAOS - A STRATEGIC LOCATION FOR EXPORT
✓ 130mt JORC Indicated Gibbsite Resource. 32%+ alumina grade and 2-3% silica.	✓ As an investment destination Laos has improved its risk profile substantially to provide comfort and familiarity to investors.
✓ Open cut low cost mining with a long life.	✓ Stable government. Access to power, water and roads.
✓ Access to essential infrastructure.	✓ A big advantage in being closer to China than other alumina supplying countries.
✓ Fixed price and term turnkey EPC contract.	
✓ Attractive project financing terms.	
✓ Long term off-take.	
✓ Future expansion planned.	

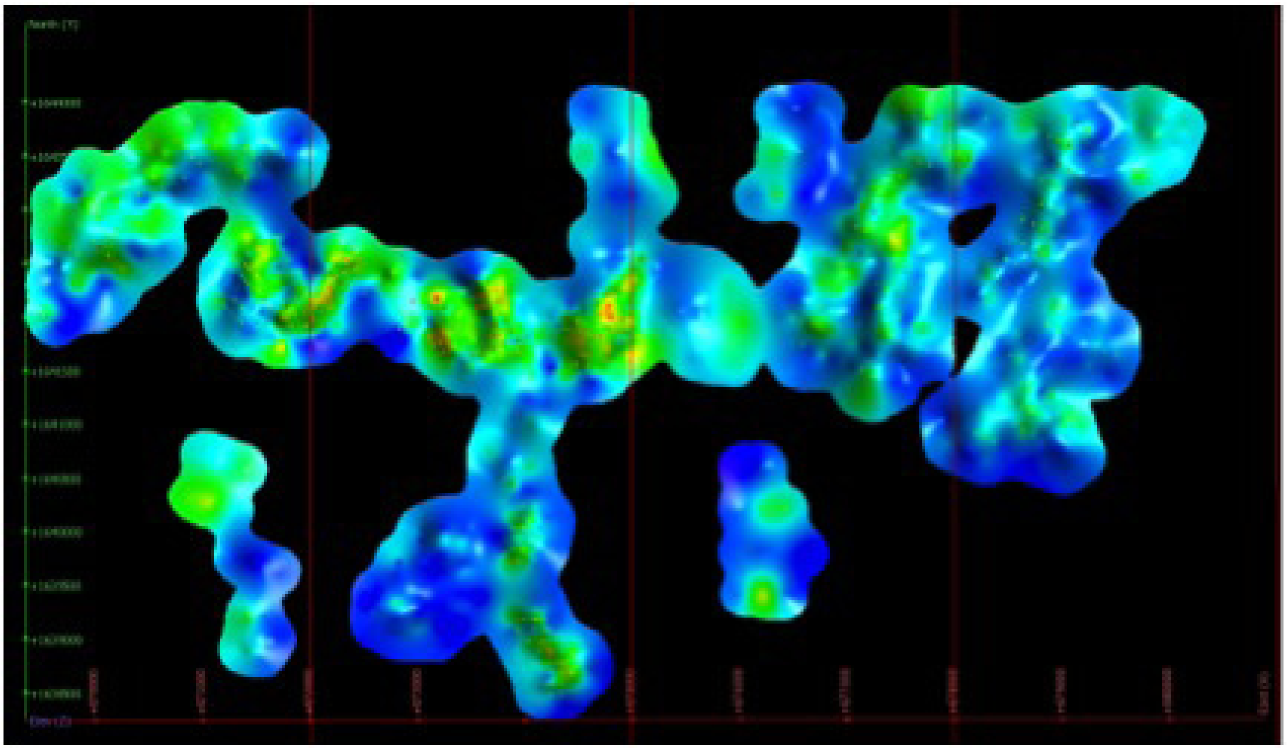
ROBUST INDUSTRY FUNDAMENTALS	INSTITUTIONAL INVESTOR DEMAND
✓ Alumina supply and demand are following the path of iron ore.	✓ Institutional investors are hungry for pure exposure to the alumina growth play. Currently limited choices on the ASX and overseas for investors.
✓ Long term growth in global demand for alumina will continue.	✓ The large size of the refinery guarantees satisfaction of key investment size criteria set by institutional investors.
✓ This underpins a bullish long term alumina price curve.	

This decision was a logical next step after significant investment in the project. Started in March 2010, now completed, SARCO invested over A$6million in a new resource expansion drilling campaign. Our drilling contractor Sinomines drilled a total of 1,012 holes for a total of 8,072 meters drilled for LSI. 8,722 samples of rock core were collected. 352.25ha of land has been cleared of UXO to support the field work. In Yuqida tenement we drilled a total 976 holes and 7,619 meters.

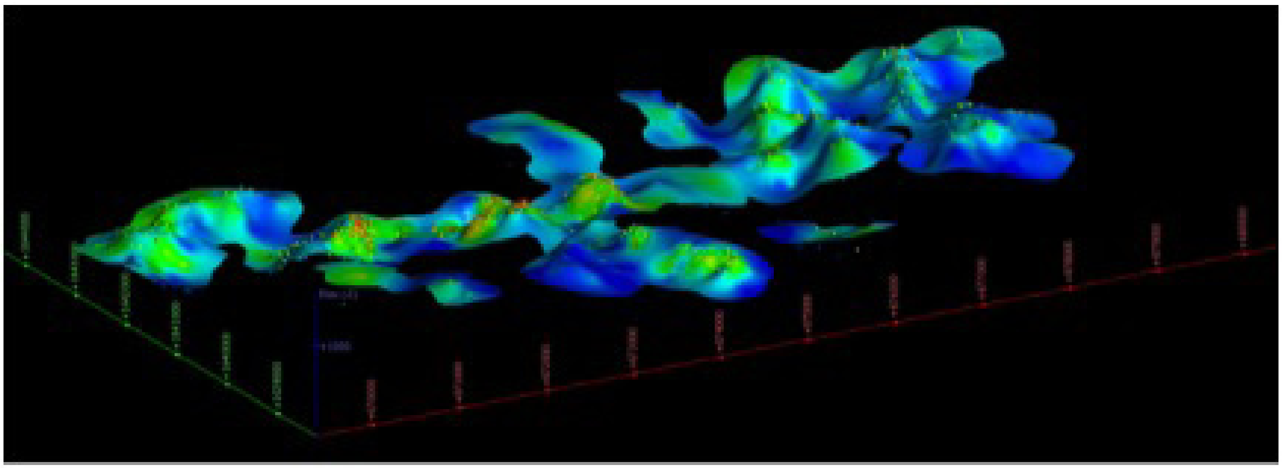
SRK Consulting was engaged to produce a new JORC Resource Statement for LSI and Yuqida. At the time of writing we expect the first JORC Resource Statement for LSI to be completed in calendar quarter 3. Several high quality images were produced by SRK. We are expecting an upgrade in both quantity and quality.

[1] *Certified by Dr. Michael Morgan and announced on 4 December 2008.*

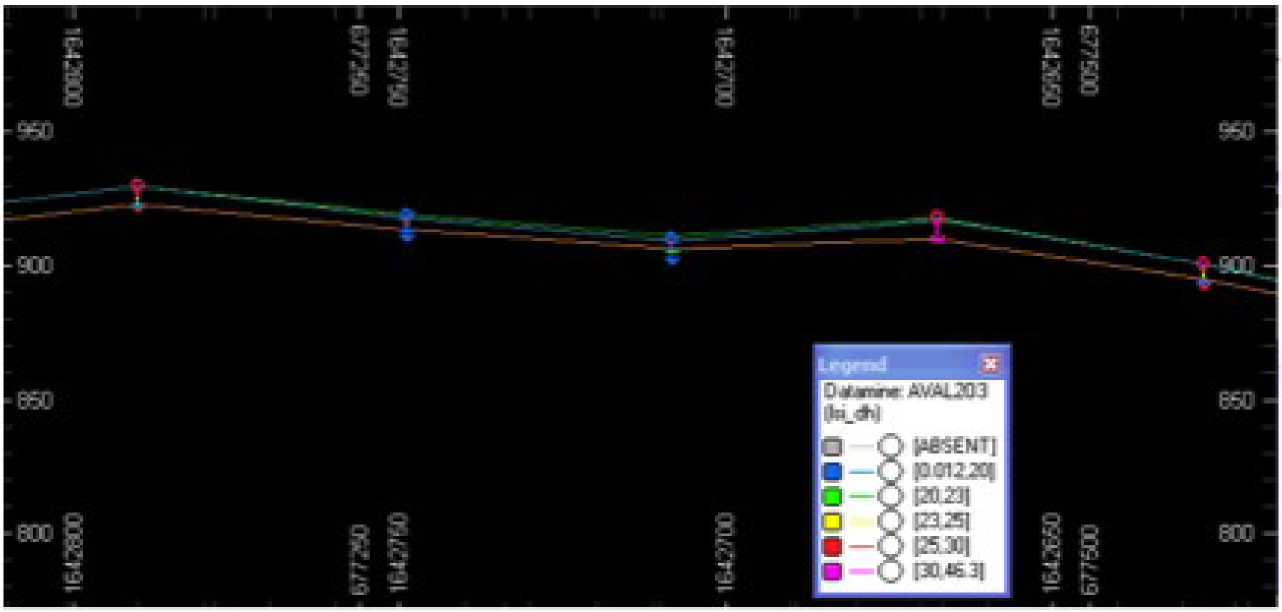




3D Modelling of Ore Body



3D Modelling of Ore Body



5 point cross section of ore body

We conducted a tour of the site in late March 2011. The following photos show some of the advantages SARCO has in developing the refinery.

Hilltops at LSI tenement showing no or little vegetation covering bauxite

High Voltage Powerlines directly going through a over LSI tenement

Hilltop view at LSI tenement

LSI hilltop driveway showing bauxite at the surface

Accessible road linking LSI to highway

Road and powerlines in LSI

Bauxite lumps at the surface in Yuqida

Bauxite lumps at the surface in Yuqida

PROJECT PROFILE

Laos Bolaven Plateau Bauxite Project, targeting an extensive good quality bauxite resource on the Bolaven Plateau in southern Laos over an aggregate area of 487 km2 under a joint venture company (SARCO) owned by ORD (49%) and China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd (NFC) (51%).

The Laos Bolaven Plateau Bauxite Project is currently being developed through Sino Australian Resources (Laos) Co., Ltd (SARCO) which is a joint venture company between the ORD (49%) and its partner China Nonferrous Metals Industry's Foreign Engineering and Construction Co., Ltd (NFC) (51%). NFC is a Chinese alumina and aluminum plants construction specialist with an extensive track record of constructing aluminum plants around the world.

SARCO has access to two tenements with bauxite bearing areas on the Bolaven Plateau in southern Laos working co-operatively with the existing tenement holders:

1. LSI tenement, a 138 km2 tenement in which SARCO has a 51% interest in a 66 km2 block; and
2. Yuqida tenement, a 421 km2 (originally 588 km2 reduced after non prospective areas were relinquished) tenement in which SARCO has a direct holding of 35% ownership interest.

LSI TENEMENT

Prior to the Company's involvement in the tenement, China Nonferrous International Mining Co, Ltd(CNMIM) carried out reconnaissance work which indicated widespread occurrence of bauxite within the tenement. The samples tested by the Company indicated the potentially economic nature of the bauxite present. Previous resource testing was not designed to produce a JORC compliant resource statement and the Company has undertaken that task since 2007. An initial resource estimated in April 2008 is shown in the Table 1.

Tonnage	19.6 million tonnes
Average Available Alumina	32.6%
Average Kaolinitic Silica (Reactive Silica)	2.5%
Average Block Thickness	5.6 metres
Average overburden Thickness	1.1 metres

Indicated Resources Statistics in LSI tenement

This resource was obtained as a result of drilling 322 holes in a small part of the southern half of the LSI tenement, the "66" block. The bauxite bearing area containing the estimated resource is 1.9 km2. Considerable additional potential is present in other areas of the LSI tenement and will be tested after execution of formal agreement between SARCO and LSI. Negotiation on the agreement is continuing.

YUQIDA TENEMENT

Yuqida tenement which had an initial area of 588 km2 has been reduced to 421 km2 under the license terms. In 2008, extensive program of mapping and drill hole pegging was undertaken with a total mapped area of 64 km2 of laterite now mapped. Additional areas of bauxite have been located and have been assessed to upgrade the size of the exploration target on the Yuqida block from its previous 64 km2 area to 67.5 km2. Drilling has shown that much of this laterite is bauxite with economic characteristics. The table below shows the resource estimate as at 4 December 2008.

Cut Off KSi%/Av Al2O3	6/23%
Tonnage (dry)	110 million tonnes
Average Available Alumina	31.5%
Average Kaolinitic Silica (Reactive Silica)	3.3%
Average Block Thickness	4.9 metres
Average Overburden Thickness	2.3 metres
Areas Assessed for Resource	20.63 km2
Areas of Bauxite	12.74 km2

Indicated Resource Statistics in Yuqida tenement

SUPLEJACK GOLD PROJECT

Tanami Region, Northern Territory

Several gold projects in the Tanami Gold Province in Northern Territory within a tenement (SEL26483) covering an area of 330 km2.

The Suplejack Gold Project in the Tanami region of the Northern Territory includes numerous gold prospects located approximately 30 km north of Tanami Gold NL's Groundrush Mine and 10 km north of ABM Resources' Hyperion Gold Project. The Tanami region has a gold endowment of past production and current resources of more than 11 million ounces. It hosts the world-class Callie deposit and several smaller 0.5-1.0 million ounce deposits, including Tanami Gold's operations.

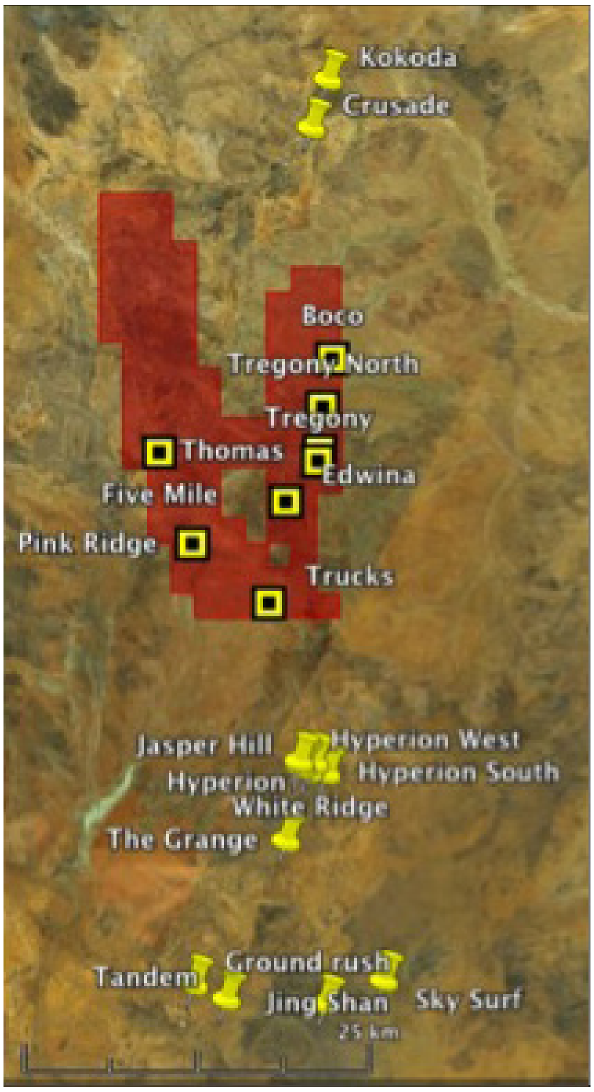
Mineralization located throughout the Tanami region is associated with faulted and sheared hinge zones within tightly and complexly folded sediments and volcanic rocks.

Gold mineralization within the Suplejack Project is located within dilatant zones and interpreted fault / shear intersections within stratigraphy dominated by the Dead Bullock Formation, Killi Formation, and Suplejack Downs Sandstone.

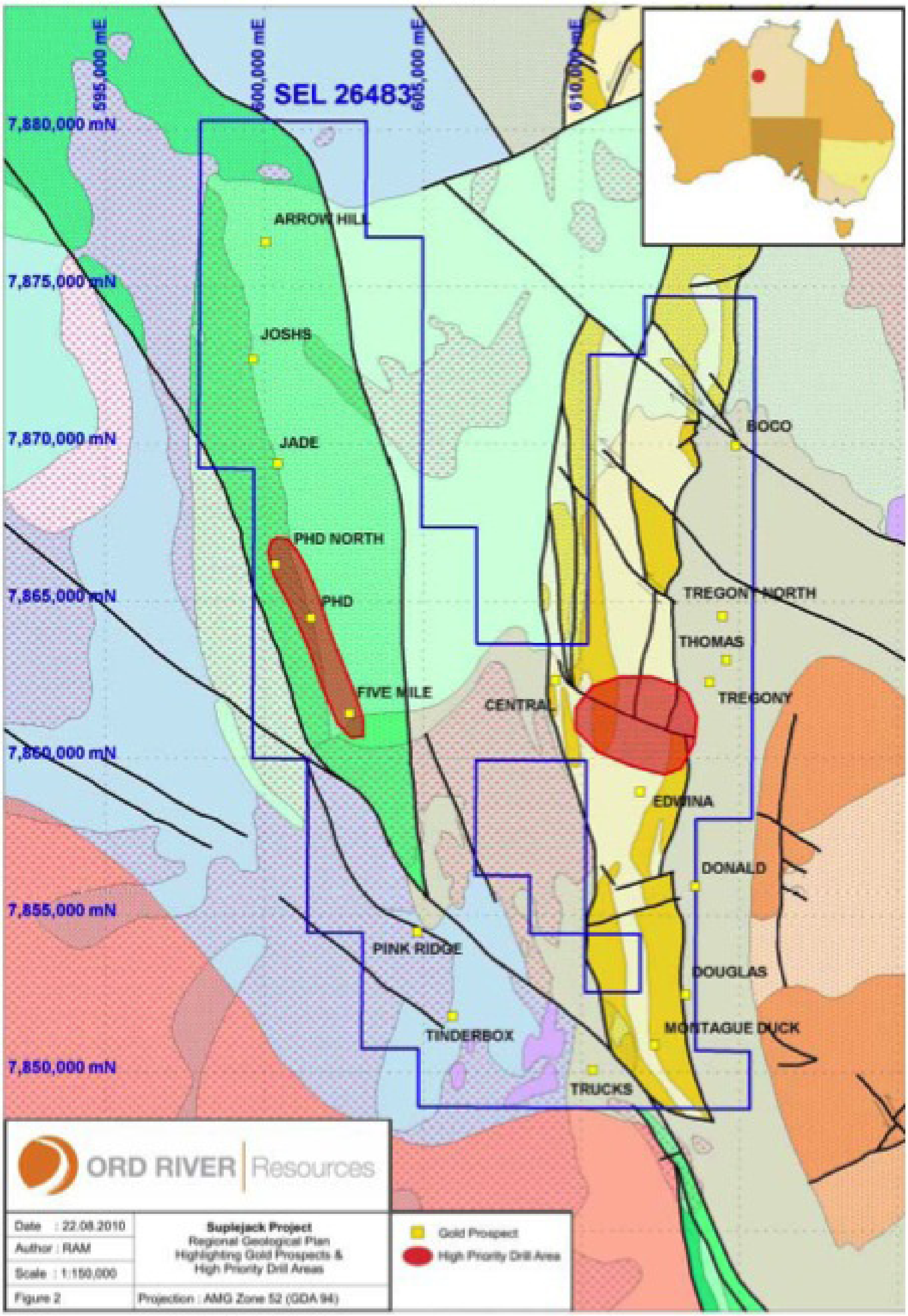
During November 2010, ORD completed a detailed airborne magnetic survey for the entire tenement. Preliminary analysis of the data, conducted by Bob Richardson, ORD's technical advisor, was very encouraging and highlighted additional gold prospective zones adjacent to structural corridors.

During May, 2011, the ORD Geology team made a field visit to the Suplejack project. The chief aim of the visit was to rank targets identified by previous mapping trips and the airborne survey. Along with drill site selection at the Tregony prospect, the Five Mile to PHD North Trend was walked, with quartz veining and altered rocks extensively rock chip sampled.Anomalous results up to 380 ppb were recorded within quartz vein material, confirming that the Five Mile to PHD structure may have been a conduit for gold mineralization. Selected geophysical targets, adjacent to this structure (and others in the eastern portion of the license) have subsequently been modeled and interpreted as more iron rich, possible gold hosts within the stratigraphy.

At the Tregony prospect, ORD has interpreted gold bearing quartz veins that may have a previously unrecognized "plunge" component of relatively higher grades. ORD contracted Geos Mining to compile all previous drilling using 3D modeling software and identify deeper drill targets that may extend the existing gold mineralization north and south of the current, near surface mineralized zone. Geos proposed a ten hole drilling program, including 1,200m of RC drilling and 1,200m of HQ/NQ core drilling, aimed at extending the Tregony resource at depth and along strike / down plunge of previous intersections. The program is scheduled for completion prior to the onset of the 2011 wet season. However, delays in obtaining a suitable multi-purpose drill rig for program have been experienced.



Location of the Suplejack Prospect, SEL 26483 (red outline/shading) relative to the operating Groundrush Gold Mine (Tanami Gold NL) and the Hyperion Gold Project (ABM Resources NL). Yellow squares indicate the location of ORD gold prospects, occurring between known gold occurrences.



Suplejack Location & Mapping Areas Plan.

WEST WYALONG GOLD PROJECT

Lachlan Fold Belt, New South Wales

The West Wyalong Exploration Licence (EL7400) covers an area of 213 km2 adjacent to the Gilmore Suture in NSW, which is a locus for numerous gold deposits. The Lachlan Fold Belt (LFB) within central New South Wales is host to numerous, profitable gold mines, including the World-Class Cadia Gold Mine, Northparkes Copper-Gold Mine and Cowal Gold Mine.

ORD's Exploration License EL7400 abuts Barrick Gold's exploration licenses and is located less than 15 km southwest of the Cowal Gold Mine. During 2010, Cowal produced 298,000 ounces of gold at total cash costs of $581 per ounce. Proven and Probable Reserves at Cowal were 2.5 million ounces of gold as of 31 December, 2010 (Barrick Gold Website).

EL7400 is considered prospective for the discovery of intrusive related gold (IRG-type) mineralization. The tenement encompasses the historic Hiawatha Goldfield, which includes 17 previously exploited small scale gold mines.

Mineralization in the tenement is generally aligned on a NNW / SSE regional lineament. The historic workings occur in the Wyalong Granodiorite as narrow vein style east-west striking and north dipping gold bearing quartz reefs that contain pyrite and minor galena.

ORD staff made a field visit to the project, conducted landholder negotiation meetings and a preliminary assessment of previous exploration data. This work resulted in the identification of a semi circular zone of abandoned, historic workings, coincident with a weak, circular zone of low magnetic response. Field checking of old workings and rock outcrops in this area, termed the "Hiawatha Circular", resulted in the identification of stockwork veining and associated alteration of the host granodiorite. Four rock chip samples from the Hiawatha Circular returned anomalous results between 11.05 and 15.7 ppm Au, and two sample also returned >1% Pb.

ORD believes that disturbance of the soil profile by ploughing for wheat cultivation may have obscured the surface expression of the alteration and mineralisation. Accordingly, ORD plans to conduct a more extensive, grid based auger soil sampling program within the Hiawatha Circular to explore the possibility that a low grade, yet moderate tonnage, shallow gold deposit of IRG-type may occur in the area.

Location of EL 7400 "Hiawatha" (red outline/shading) relative to the operating Cowel Gold Mine. Yellow squares indicate the location of a semi circular cluster of historic gold mines which may be prospective for a larger, bulk tonnage gold exploration target.

COPPER FLATS COPPER-SILVER PROJECT

East Kimberley area in Western Australia and Northern Territory

The Company holds 13 granted Exploration Licenses (ELs) and two Exploration License Applications (ELAs), covering a total area of 2,979 km2. One EL is within Northern Territory and the remainder within Western Australia.

TENEMENT	STATE	BLOCKS	AREA (SQ KM)	GRANTED	EXPIRY
E 80 / 3286	WA	8	26.2	29/12/2004	28/12/2011
E 80 / 3288	WA	6	19.7	23/09/2004	22/09/2011
E 80 / 3316	WA	16	52.4	23/09/2004	22/09/2011
E 80 / 3773	WA	74	240.0	20/08/2007	19/08/2012
E 80 / 3783	WA	38	124.3	20/08/2007	19/08/2012
E 80 / 3786	WA	2	6.6	20/08/2007	19/08/2012
E 80 / 3787	WA	3	9.8	20/08/2007	19/08/2012
E 80 / 3788	WA	181	591.4	20/08/2007	19/08/2012
E 80 / 3789	WA	142	464.2	20/08/2007	19/08/2012
E 80 / 4013	WA	13	42.5	16/09/2008	15/09/2013
E 80 / 4060	WA	200	617.3	15/10/2009	14/10/2014
E 80 / 4062	WA	35	114.7	17/09/2010	16/09/2015
E 80 / 4193	WA	13	42.6	Application	
E 80 / 4532	WA	17	55.6	Application	
EL25671	NT	181	571.8	7/08/2007	6/08/2013

Tenements encompass a portion of the Hardman Syncline within the Ord Basin, a Post-Cambrian basalt sag basin. Deposition of post-orogenic sequences in the region began with the continental Lower to Middle Proterozoic Birrindudu Group, commencing approximately 1.7Ga. These are composed of coarse clastic sediments with minor felsic volcanic, shale and limestone. The sequence is un-conformably overlain by the Victoria Basin succession, commencing with siliciclastic sequences with minor tuff and carbonates. Carbonates and evaporates become more dominant towards the middle of the succession, are then succeeded by siliciclastic sequences and a final carbonate shelf sequence.

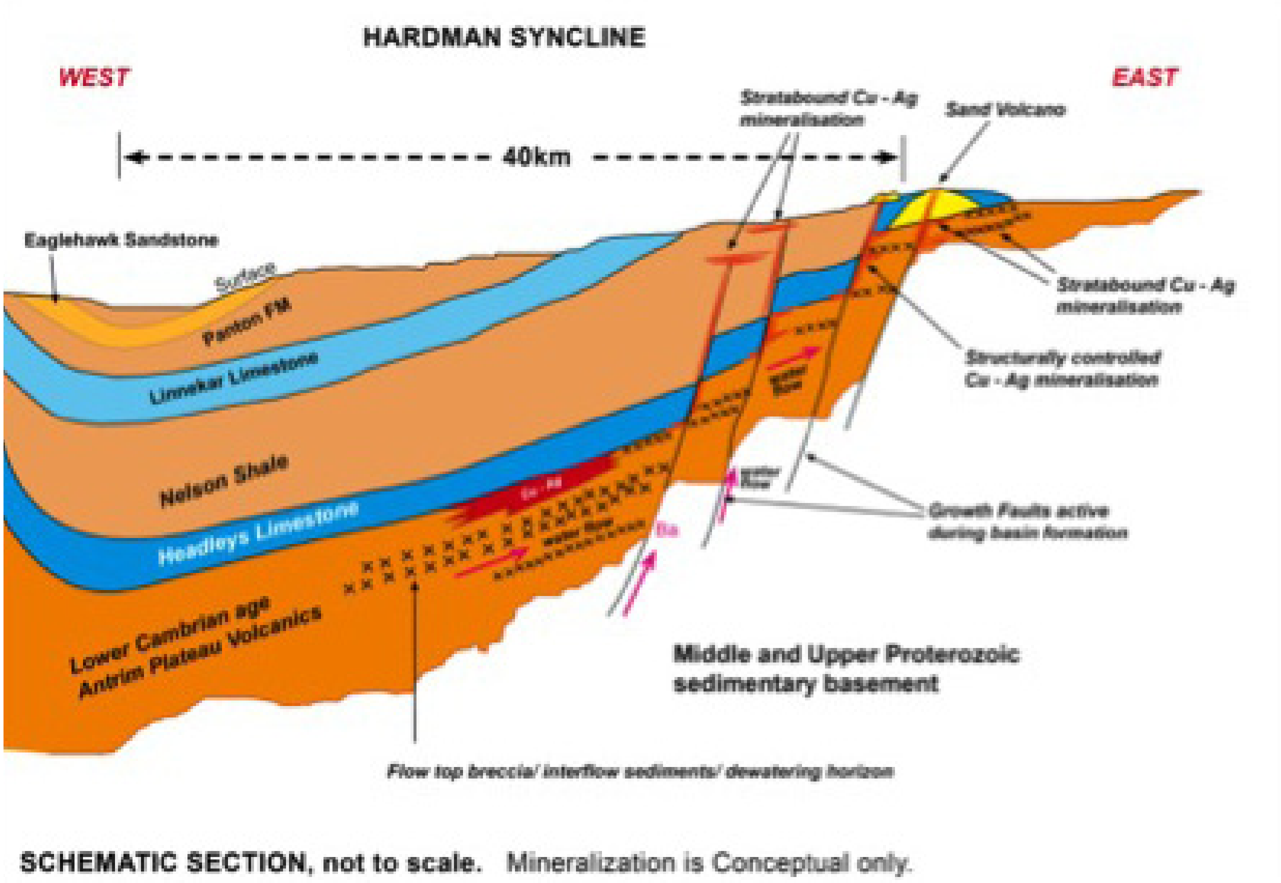
Regional uplift terminated deposition prior to the Cryogenian (Neoproterozoic) period, which commenced at 850Ma.Remnants of several thousand meters of Cryogenian age glacial and periglacial sediments overlie parts of the Victoria Basin in the Wolfe Creek Basin.

Cambrian sequences, now preserved in the Hardman Syncline, commenced with the very widespread Kalkarinji Continental Flood Basalt, with the Antrim Plateau Volcanics being a major unit in the Northern Territory and Western Australia. Correlatives of the Antrim Plateau Volcanics are known in Queensland, South Australia, and possibly in New South Wales, and indicate the continental scale of the Kalkarinji Continental Flood Basalt Province.

The basaltic lavas of the Antrim Plateau Volcanics are postulated to be analogous to the Keeweenawan basalts in Michigan, USA, which have been recognized as the source of numerous structurally controlled copper resources within the basalts and overlying sedimentary sequences of the Michigan Copper Belt. In many respects, the geology, structure and metamorphism evident within the Copper Flats Project closely parallels that of the Michigan Copper Belt, which is reported to have produced in excess of 9Mt of copper metal over approximately 160 years.

Significant copper and copper-silver mineralization is hosted by the strata within the Hardman Geosyncline (Figure 1) and consists of:

- Stratabound copper-silver mineralization in breccias, possibly relatively flat-lying at depth, or more steeply-dipping near surface
- Steeply-dipping, structurally controlled copper-silver mineralization located within dewatering faults
- Relatively flat-dipping strata bound replacement ore bodies of copper-silver mineralization at shallower depth, formed by precipitation from metal-rich dewatering fluids.



Copper Flats conceptual mineralization model

On 30 November 2010, ORD announced a signed Heads of Agreement between ORD and Guandong Rising Assets Management Co Ltd ("GRAM") for the establishment of a Joint Venture Company that will focus on exploration activities within Australia and Asia-Pacific. The first undertaking for the JV company will be ORD's Copper Flats project, whereby ORD will vend 100% of the Copper Flats tenements after the JV company has received GRAM's initial cash contribution of A$5 million.

Analysis of a high resolution airborne geophysical survey during 2010 has resulted in the identification of regional scale faults and structures that may have acted as a focus for copper mineralizing fluids during basin dewatering. These faults, and related structures in areas not previously investigated, will be the focus of deeper drilling conducted and funded through the ORD - GRAM Joint Venture.

During the year, detailed geological mapping resulted in a greater understanding of the spatial relationship between mineralization and the Headley Limestone and Antrim Plateau Volcanics. Subsequent to the geological mapping program, a planned ground geophysical survey (Moving Loop Electromagnetic) was cancelled as it was felt that the method may not target the most prospective areas.

DIRECTORS' REPORT

The Directors of Ord River Resources Limited ("ORD") submit the financial report of the consolidated group for the year ended 30 June 2011.

DIRECTOR

The names of Directors who held office during or since the end of the year are:

PETER Y H SHOU
Managing Director
(Appointed Non-Executive Director on 24 March 2009 and Managing Director on 5 June 2009)

Peter Shou has over 16 years experience in the resources and energy industries and real estate development. He has held executive roles in mineral economics, strategic analysis, project development, risk management and corporate finance. He has worked extensively in China, South Asia, North America and South America across government and business levels. He has worked closely with China's Jiangxi Copper Company. He has been involved in multiple mergers & acquisitions transactions in the mining industry in Australia and North America over the last 15 years.

Peter holds a Bachelor of Engineering from Shanghai Jiao Tong University (1988) and a Master of Business Administration from University of Technology Sydney (2000).

Special Responsibilities: Member of the Audit Committee and the Remuneration Committee.

TAO LUO
Non-Executive Chairman
(Appointed Non-Executive Deputy Chairman on 5 September 2005 and Non-Executive Chairman on 17 April 2009)

Tao Luo is the Chairman of China Nonferrous Metals Int'l Mining Co., Ltd (CNMIM). He is a senior economist with over 30 years experience in the nonferrous metals industry in China. He was a Vice Director of Beijing General Research Institute for Nonferrous Metals. He was the Chairman of Committee of Supervisors and Vice President of Aluminium Corporation of China Ltd. (CHALCO), a company listed on the New York Stock Exchange and Hong Kong Stock Exchange. He is now also the President of China Nonferrous Metals Mining (Group) Corp. and Chairman of the Board of China Nonferrous Metals Foreign Engineering and Construction Inc., a company listed on China Shenzhen Stock Exchange.

DAVID TANG
Non-Executive Director

David Tang is President of China Nonferrous Metals Int'l Mining Co. Ltd, (CNMIM). He graduated with a Bachelor of Science degree majoring in computer science from Central-South University, China and also holds a Master of Science degree. In the early 1990s he pioneered the trading system for the first nonferrous metals future commodity exchange in China. He worked for several years in Canada in the investment management and consulting industry before returning to China to take up office at CNMIM.

Special Responsibilities: Member of the Audit Committee and the Remuneration Committee.

FRANK F ZHU
Executive Director
(Appointed as Executive Director on 15 October 2009)

Frank Zhu has 13 years experience in funds management and investment banking. He led the Principal Origination Group in Investment Banking Division reporting directly to the Head of Investment Banking at Goldman Sachs JBWere in Australia. He was involved in over A$10bn in infrastructure and utilities transactions. Frank managed over A$130m of international equities at Australian Ethical Investment Limited and A$150m in infrastructure investments in Australia.

Frank is a CFA Charterholder and holds a Master of Commerce in International Business from University of New South Wales.

GRAHAM MCGEAGH
Independent Non-Executive Director
(Appointed as Independent Non-Executive Director on 15 October 2009)

One of South Australia's most respected business leaders Graham is currently Chief Executing Officer of Benson Radiology a SA based private entity. Prior to taking the role Graham was Chief Executive Officer of Finlaysons Lawyers. Under his leadership Finlaysons was voted Law Firm of the Year in SA in 2010. Graham enjoys a high reputation as a corporate strategist and change agent. With a career spanning more than two decades and experience gained across a broad industry base Graham is a leader in the creation and application of innovative business management plans.

Highly regarded for his accomplishments in achieving strong commercial results for both Finlaysons and previously Duncan Basheer Hannon Lawyers, Graham was appointed to his first role as a business leader in his mid 30s heading Platinum Creative, a communications company servicing a corporate and government client base.

He later guided PFA Chartered Accountants to success, firmly establishing the partnership as a key player in South Australia's accounting sector. The holder of a Masters of Business Administration and a Bachelor of Arts, he is only the second non-lawyer to lead Finlaysons in its 150 - year history.

Special Responsibilities: Member of the Audit Committee and the Remuneration Committee.

Company Secretary

Frank Zhu is the company secretary of the Company as at the end of the financial year and at the date of this report.

OPERATING RESULTS

Net loss after tax for the year ended 30 June 2011 was $5,418,326 (2010: $1,253,195).

PRINCIPAL ACTIVITIES

As a junior explorer, ORD is presently focusing on exploration work in three commodities. They are bauxite, copper and gold. ORD operates in WA, NT, NSW and Republic of Laos. ORD's principal objective is to find large deposits of copper and gold in Australia. In Laos, ORD is working with its JV partner NFC to develop a JORC compliant resource of 130 million tons of bauxite to build a 600,000 ton a year alumina refinery in Laos.

ORD wants to become a producer and explorer in the medium term and are planning to acquire individually or in partnership with other companies (including Chinese companies) controlling interests in production and/or near production projects.

FINANCIAL POSITION

Cash on hand at 30 June 2011 for the consolidated group was $2,851,464 (2010: $4,764,377).

DIVIDENDS

No dividends have been paid or declared by the Company since the beginning of the year or in the prior year.

STATE OF AFFAIRS

The state of affairs of the consolidated group was not affected by any significant changes during the financial year other than the following:

a. the Company issued a total of 79,407 fully paid ordinary shares upon exercising of unlisted options by an option holder.
b. the Company issued a total of 11,150,000 unlisted options as part of its Employee Incentive Plan.
c. 12,400,001 unlisted options expired during the year without being exercised.

SHARE OPTIONS

As at the date of this report, there were 35,151,201 unissued ordinary shares under options.

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

A Review of Operations for the financial year, together with future prospects, is set out on pages 3 to 15.

During the subsequent financial year the likely developments of the consolidated group will involve continuation of exploration in its tenements to define mineral resources and seeking additional tenements with base and gold base metals targets in Australia and overseas. Except as described elsewhere in this Annual Report, the likely results of the exploration activities are unknown at the date of this report.

ENVIRONMENTAL ISSUES

The consolidated group's operations are subject to significant environmental and other regulations. The consolidated group has a policy of engaging appropriately experienced contractors and consultants to advise on and ensure compliance with environmental regulations in respect of its exploration activities. There have been no reports of breaches of environmental regulations in the financial year and at the date of this report.

AFTER BALANCE DATE EVENTS

In July 2011 the acquisition of Caledon Resources ("Caledon") by Guangdong Rising Assets Management Co. ("GRAM") via Scheme of Arrangement has been approved and finalised.

The completion of this acquisition provides Ord River the right to purchase up to 10% of equity interest in Caledon at the same acquisition price as a result of an option agreement entered with GRAM during the year. However, this option agreement is currently under final review and approval by relevant Chinese regulatory authority, and management is still considering the best corporate strategy in relation to this option.

The Directors are not aware of any other matter or circumstance that has arisen since the end of the year to the date of this report which may significantly impact on the state of affairs of the Company.

REMUNERATION REPORT (AUDITED)

Details of the nature and amount of remuneration for each key management personnel of Ord River Resources Limited and for the executives receiving the highest remuneration are set out below.

Remuneration Policy and Practices

The consolidated group's policy for determining the nature and amount of emoluments of Board members and senior executives is as follows:

(i) Non-Executive Directors

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practices.

The maximum aggregate annual remuneration of Non-Executive Directors is subject to approval by the shareholders in general meeting. The Company has determined the maximum aggregate amount at $250,000 per year.

(ii) Key management personnel

The remuneration structure for senior executives, including Executive Directors, is based on a number of factors, including qualifications, particular experience and general past performance of the individual concerned, overall performance of the consolidated group and general human resources market pricing. There is no predetermined equity compensation element within the remuneration structure nor predetermined performance condition to be satisfied. Remuneration including equity compensation is reviewed on an annual basis with advice from external remuneration advisers. The contracts for service between the Company and Executive Directors and key management personnel are terminable by either party on one month notice. Upon retirement, Executive Directors and key management personnel are paid employee benefit entitlements accrued to the date of retirement.

Company performance, shareholder wealth and director and executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Key management personnel remuneration

	Short term benefits		Post employment	Share-based	Total
	Salary and Fees	Non-cash Benefit	Superannuation	payment	
	$	$	$	$	$
2011 Directors					
Tao Luo[1]	30,000	-	-	24,478	54,478
David Tang[2]	20,000			24,478	44,478
Peter Shou	346,500	15,159	38,115	122,392	522,166
Graham McGeagh	20,000	-	2,200	24,478	46,678
Frank Zhu*	241,500	11,697	26,565	48,957	328,719
	658,000	26,856	66,880	244,783	996,519
2010 Directors					
Tao Luo[1]	15,000	-	-	-	15,000
David Tang[2]	10,000	-	-	-	10,000
Peter Shou	255,550	21,391	26,300	-	303,241
Graham McGeagh	10,000	-	1,100	-	11,100
Frank Zhu*	170,046	11,971	17,604	-	199,621
Patrick Sam Yue	143,968	1,883	3,771	-	149,622
	604,564	35,245	48,775	-	688,584

1. At 30 Jun 2011, director fee due and not yet paid for current and prior year was A$30,000.
2. At 30 Jun 2011, director fee due and not yet paid for current and prior year was A$20,000.
** Mr Frank Zhu also holds the position of company secretary.*

The consolidated group has no other relevant group executives other than as noted above.

None of the remuneration was based on predetermined performance condition.

Options issued as part of remuneration

During the year there were 10,000,000 options granted to key management personnel. (2010: nooptions were granted to key management personal.) All options issued during the year vest on 26/11/2011. For details of these options, please refer to Note 17 of the Financial Statement.

Exercise of options granted as compensation

During the reporting period, no shares were issued to key management personnel on the exercise of options previously granted as compensation.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Key management personnel shareholdings

The number of ordinary shares in Ord River Resources Limited held by each key management personnel of the consolidated group during the financial year is as follows:

	Balance at beginning of year or date of appointment	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year or date of resignation or cessation
2011					
Tao Luo	-	-	-	-	-
David Tang	-	-	-	-	-
Peter Shou	-	-	-	800,000	800,000
Frank Zhu	3,418,733	-	-	(1,399,999)	2,018,734
Graham McGeagh	-	-	-	-	-
	3,418,733	-	-	(599,999)	2,818,734

	Balance at beginning of year or date of appointment	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year or date of resignation or cessation
2010					
Tao Luo	-	-	-	-	-
David Tang	-	-	-	-	-
Peter Shou	-	-	-	-	-
Frank Zhu	2,564,050	-	-	854,683	3,418,733
Graham McGeagh	-	-	-	-	-
Patrick Sam Yue	1,088,000	-	-	-	1,088,000
	3,652,050	-	-	854,683	4,506,733

REMUNERATION REPORT (AUDITED) (CONTINUED)

Key management personnel options

The number of options over ordinary shares held by each key management personnel of the consolidated group during the financial year is as follows:

2011

	Balance at beginning of year or date of appointment	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year or date of resignation or cessation	Vest druing the year	Vested and exercisable	Vested and unexercisable
Tao Luo	1,000,000	1,000,000	-	-	2,000,000	-	1,000,000	-
David Tang	1,000,000	1,000,000	-	-	2,000,000	-	1,000,000	-
Peter Shou	-	5,000,000	-	-	5,000,000	-	-	-
Frank Zhu[1]	165,000	2,000,000	-	-	2,165,000	-	165,000	-
Graham McGeagh[1]	-	1,000,000	-	-	1,000,000	-	-	-
	2,165,000	10,000,000	-	-	12,165,000	-	2,165,000	-

2010

	Balance at beginning of year or date of appointment	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year or date of resignation or cessation	Vest druing the year	Vested and exercisable	Vested and unexercisable
Tao Luo	1,000,000	-	-	-	1,000,000	-	1,000,000	-
David Tang	1,000,000	-	-	-	1,000,000	-	1,000,000	-
Peter Shou	-	-	-	-	-	-	-	-
Frank Zhu[1]	165,000	-	-	-	165,000	-	165,000	-
Graham McGeagh[1]	-	-	-	-	-	-	-	-
Patrick Sam Yue	1,000,000	-	-	-	1,000,000	-	1,000,000	-
	3,165,000	-	-	-	3,165,000	-	3,165,000	-

REMUNERATION REPORT (AUDITED) (CONTINUED)

DIRECTORS' SECURITIES HOLDINGS

As at the date of this report, the relevant interests of the parent company Directors in the securities of the parent entity were as follows:

	Number fully Ordinary shares	Listed Options	Incentive Options	Unlisted Options
Tao Luo	-	-	1,000,000	1,000,000
David Tang	-	-	1,000,000	1,000,000
Peter Shou	800,000	-	5,000,000	-
Graham McGeagh	-	-	1,000,000	-
Frank Zhu	2,018,734	-	2,000,000	165,000
	2,818,734	-	10,000,000	2,165,000

SHARE OPTIONS

Number of options over unissued ordinary shares at the date of this report were as follows:

Incentive options: Exercisable on or before 30 September 2011at $0.397 per share	17,000,000
Options F exercisable on or before 31 March 2012 at $0.047 per share	5,202,000
Options G exercisable on or before 31 March 2012 at $0.072 per share	1,799,201
Options H exercisable on or before 26 November 2013 at $0.10 per share	10,650,000
	34,651,201

No option holder has any right under the options to participate in any share issue of the parent entity or of any other body corporate.

MEETINGS OF DIRECTORS

The number of meetings of Directors and number of meetings attended by each of the Directors of the Company during the financial year are as follows:

	DIRECTORS' MEETINGS	
	Number eligible to attend	Number Attended
Tao Luo	4	4
David Tang	4	4
Peter Shou	4	4
Frank Zhu	4	4
Graham McGeagh	4	4

Board business during the year has also been effected by execution of circulated resolutions by directors.

One meeting of the Audit Committee was held during the year attended by Mr Peter Shou, Mr David Tang, Mr Frank Zhu, Mr. Graham McGeagh and the auditors. The Remuneration Committee did not meet during the year; matters were considered by the Board as a whole.

INDEMNIFYING OFFICERS OR AUDITORS

During the financial year, the parent entity paid a premium in respect of a contract insuring the directors and officers of the company against a liability incurred by such Directors and officers to the extent permitted by the Corporations Act 2001. The nature of the liability and the amount of premium has not been disclosed due to confidentiality purposes. The parent entity has not otherwise, during or since the end of the year, indemnified or agreed to indemnify an officer or an auditor of the parent entity, or of any related body corporate, against a liability incurred by such an officer or auditor.

PROCEEDING

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings in the year.

NON-AUDIT SERVICES

Agreed Upon Procedures Service was provided by EY Beijing in relation to issues of the Beijing Representative Office. Non-audit fee for 2011 is $4,120 (2010: nil). The board has considered the nonaudit service provided during the year by the auditor, and is satisfied that the provision of this nonaudit service is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001.

Auditors' Independence Declaration

The auditors' independence declaration under section 307C of the Corporations Act 2001 is set out on page 25, and forms part of this report.

Rounding of Amounts

Amounts in the financial report and Directors' Report have been rounded to the nearest thousand dollars in accordance with Australian Securities and Investments Commission Class Order 98/100.

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

Peter Shou
Managing Director
Date this 23 September 2011

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Auditor's Independence Declaration to the Directors of Ord River Resources Limited

In relation to our audit of the financial report of Ord River Resources Limited for the financial year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

M. Elliott

Michael Elliott
Partner
Sydney
23 September 2011

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement sets out the extent to which the Company has followed the recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

	Principles and Recommendations	Compliance	Comment
1.	Lay solid foundations for management and oversight		
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Complies	The Company's Corporate Governance Statement includes a Board Charter, which discloses the specific responsibilities of the Board. The Board delegates responsibility for the day to day operations and administration of the Company to the Managing Director. The Corporate Governance Statement is posted on the Company's website.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Complies	The Company has established a Remuneration Committee consisting of Non-Executive Chairman (Mr Tao) and Managing Director (Mr Peter Shou) to evaluate the performance of senior executives on an annual basis.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	Complies	There are no departures from the Recommendations 1.1, 1.2 and 1.3. The Corporate Governance Statement is posted on the Company's website.
2.	Structure the Board to Add Value		
2.1	A majority of the board should be independent directors.	Does not comply	The Board presently consists of five directors: three independent Non-Executive Directors (Mr Tao Luo, Mr David Tang, and Mr Graham McGeagh), a Managing Director (Mr Peter Shou), and an Executive Directors (Mr Frank Zhu). Mr Tao Luo and Mr David Tang are independent directors notwithstanding that they are nominees of a substantial shareholder of the Company because their relationships are not considered to likely impair their independent judgement on Board decisions. The current stage of establishment and size of the Company does not justify the cost of increasing the number of directors. The Company intends to follow the recommendation when the Company's operation has increased in size.
2.2	The chair should be an independent director.	Complies	The Chairman is a non-executive and considered to be independent notwithstanding that he is a nominee of a substantial shareholder because his relationship is not considered to likely impair his independent judgement on Board decisions.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Complies	The Chairman is not an executive.

	Principles and Recommendations	Compliance	Comment
2.4	The board should establish a nomination committee	Complies	Given the present size of the Company, the existing Board structure is able to meet the needs of the Company in the examination of selection and appointment practices without the establishment of a nomination committee of the Board.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Complies	The Company has not yet established a formal process for evaluating the performance of the Board and its committees although there is a peer review procedure for evaluating the performance of individual directors. The Board intends to put in place an evaluation process by an independent consultant as the Company develops.
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	Does not comply	Explanation of departures from the Recommendations 2.1, 2.4 and 2.5 are set out in this section. There are no departures from the Recommendations 2.2, 2.3 and 2.6.The Corporate Governance Statement is posted on the Company's website.
3.	Promote ethical and responsible decision-making		
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Complies	The Company's Corporate Governance Statement includes a Code of Conduct on Ethical Standards, which provides a guide to ethical conduct of Directors and management. The Corporate Governance Statement is posted on the Company's website.
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	Complies	The Company's Corporate Governance Statement includes a Code of Conduct on Securities Trading. The Corporate Governance Statement is posted on the Company's website.
3.3	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Complies	There are no departures from the Recommendations 3.1, 3.2 and 3.3. The Corporate Governance Statement is posted on the Company's website.
4.	Safeguard integrity in financial reporting		
4.1	The board should establish an audit committee.	Complies	The Board has established an Audit Committee.

	Principles and Recommendations	Compliance	Comment
4.2	Structure the audit committee so that it: • consists of only non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chairperson of the board • has at least three members.	Does not comply fully	The Audit Committee consisted of two independent Non-Executive Directors (Mr David Tang, and Mr Graham McGeagh) during the year, to assist in matters relating to the audit functions and to safeguard the integrity of the Company's financial reporting. The other members of the Board are the Chairman and an Executive Director and therefore not recommended for appointment to the Audit Committee. New members will be appointed to the Audit Committee when the Board increases in size.
4.3	The audit committee should have a formal charter.	Complies	The Audit Committee has a formal charter (policy) that is included within the Corporate Governance Statement. The Corporate Governance Statement is posted on the Company's website.
4.4	Provide the information indicated in Guide to reporting on Principle 4.	Complies	Explanation of departure from the Recommendation 4.2 is set out in this section. There are no departures from the Recommendations 4.1, 4.3 and 4.4. The Corporate Governance Statement is posted on the Company's website.
5.	Make timely and balanced disclosure		
5.1	Companies should establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Complies	The Company's Corporate Governance Statement states the policy and procedures to ensure compliance with ASX Listing Rule disclosure requirements. The Board has delegated the function of continuous disclosure as required under the ASX Listing Rule to the Managing Director and the Company Secretary to assess the type of information that needs to be disclosed and to ensure that Company's announcements are made in a timely manner, are factual, do not omit material information and are in compliance with the ASX Listing Rules.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Complies	There is no departure from the Recommendations 5.1 and 5.2. The Corporate Governance Statement is posted on the Company's website.

	Principles and Recommendations	Compliance	Comment
6.	Respect the rights of shareholders		
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Complies	The Board's policy is for all investors to have equal and timely access to material information concerning the Company, including its financial position, performance, ownership and governance. The Board has established practices to facilitate communication with the Company's shareholders. The Company Secretary and the Head of Corporate Development oversees this process through the Company's website and direct mailing of announcements by email. Briefings are held with professional investors. Prior to such briefings, information to be given will be first released to ASX (if not previously released) and later broadcast to shareholders and investors who have registered their email address with the Company. All shareholders are notified in writing of general meetings and encouraged to attend and participate.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	Complies	There is no departure from the Recommendation 6.1. The Corporate Governance Statement is posted on the Company's website.
7.	Recognise and manage risk		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Complies	The Company's Corporate Governance Statement includes a business risk oversight and management policy. The Board monitors and receives advice as required on areas of operational and financial risk, and considers appropriate risk management strategies. Specific areas of risk that are identified are regularly considered at Board meetings. Included in these areas are performance of activities, human resources, health, safety and the environment, continuous disclosure obligations, asset protection and financial exposures.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Complies	The Board requires the Managing Director, the Chief Financial Officer and the Head of Corporate Development to provide such a report at the relevant time.

	Principles and Recommendations	Compliance	Comment
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Complies	The Board requires the Managing Director and the Chief Financial Officer to provide such a statement at the relevant time.
7.4	Provide the information indicated in Guide to reporting on Principle 7.	Complies	There is no departure from the Recommendations 7.1, 7.2 and 7.3. The Corporate Governance Statement is posted on the Company's website.
8.	Remunerate fairly and responsibly		
8.1	The board should establish a remuneration committee	Complies	The Board has established a Remuneration Committee consisting of one Non-Executive Chairman, Mr Tao Luo, one Non-Executive Director, Mr Graham McGeagh, and one Managing Director Mr Peter Shou.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Complies	The Company's constitution provides that the remuneration of Non- Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The Remuneration Committee reviews the remuneration packages and policies applicable to all Directors and senior executives on an annual basis and makes recommendations to the Board. Where necessary, the Remuneration Committee obtains independent advice.
8.3	The audit committee should have a formal charter.	Complies	The Audit Committee has a formal charter (policy) that is included within the Corporate Governance Statement. The Corporate Governance Statement is posted on the Company's website.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 30 June 2011

	Note	30 June 2011	30 June 2010
		$'000	$'000
Revenue from ordinary activities			
Interest income		220	156
Rental income		41	177
Total revenue		261	333
Expenses from ordinary activities			
Exploration and evaluation expenditure written off	11	3,866	17
Share of loss of joint venture	8	238	516
Depreciation		20	29
Share-based payments		261	-
Other	3	1,294	1,024
Total expenses		5,679	1,586
Loss from ordinary activities before income tax expense		(5,418)	(1,253)
Income tax expense relating to ordinary activities	4	-	-
Net loss attributable to members of the parent entity		(5,418)	(1,253)
Other comprehensive income		-	-
Total comprehensive loss for the period		(5,418)	(1,253)
Loss per share attributable to the Ordinary Equity holders of the parent:			
Basic loss per share	27	1.16 cents	0.31 cents
Diluted loss per share	27	1.16 cents	0.31 cents

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	Note	30 June 2011	30 June 2010
		$'000	$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,852	4,764
Trade and other receivables	6	30	22
Other current assets	7	115	381
TOTAL CURRENT ASSETS		2,997	5,167
NON CURRENT ASSETS			
Investments accounted for using the equity method	8	8,867	2,445
Financial assets	9	-	6,606
Plant and equipment	10	69	157
Exploration and evaluation Assets	11	7,917	10,580
Other non-current assets	12	142	57
TOTAL NON CURRENT ASSETS		16,995	19,845
TOTAL ASSETS		19,992	25,012
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	419	285
Short-term provisions	14	104	109
TOTAL CURRENT LIABILITIES		523	394
NON CURRENT LIABILITIES			
Long-term provisions	14	2	-
TOTAL NON CURRENT LIABILITIES		2	-
TOTAL LIABILITIES		525	394
NET ASSETS		19,467	24,618
EQUITY			
Issued capital	15	37,101	37,095
Reserves	16	13,101	12,840
Accumulated losses		(30,735)	(25,317)
TOTAL EQUITY		19,467	24,618

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 June 2011

	Ordinary share capital $'000	Option Reserves $'000	Accumulated losses $'000	Total $'000
Balance at 30 June 2009	30,822	12,840	(24,064)	19,598
Loss for the period	-	-	(1,253)	(1,253)
Total comprehensive loss for the year	-	-	(1,253)	(1,253)
Shares issued	6,708	-	-	6,708
Capital raising costs	(435)	-	-	(435)
Balance at 30 June 2010	37,095	12,840	(25,317)	24,618
Balance at 30 June 2010	37,095	12,840	(25,317)	24,618
Loss for the period	-	-	(5,418)	(5,418)
Total comprehensive loss for the year	-	-	(5,418)	(5,418)
Shares issued	6	-	-	6
Options issued	-	261	-	261
Balance at 30 June 2011	37,101	13,101	(30,735)	19,467

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT
For the Year ended 30 June 2011

	Note	30 June 2011	30 June 2010
		$'000	$'000
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,099)	(1,805)
Interest received		220	159
Rent received		41	175
Net cash used in operating activities	23(b)	(838)	(1,471)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(48)	(12)
Proceeds from sale of plant and equipment		52	54
Payments for exploration and evaluation expenditure		(1,180)	(1,267)
Advances to associate		(54)	(66)
Return of /(payments for) security deposits		150	(60)
Net cash used in investing activities		(1,080)	(1,351)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		6	6,708
Capital raising costs		-	(666)
Net cash provided by financing activities		6	6,042
Net increase/(decrease) in cash and cash		(1,912)	3,220
Cash and cash equivalents at beginning of period		4,764	1,544
Cash and cash equivalents at end of period	23(a)	2,852	4,764

These financial statements should be read in conjunction with the accompanying notes.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the consolidated group of Ord River Resources Limited ('the Group'). Ord River Resources Limited is a listed public company, incorporated and domiciled in Australia.

Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance withthe requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on an accruals and historical cost basis. The accounting policies have been consistently applied and the financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

The financial report of Ord River Resources Limited and controlled entities complies with all International Financial Reporting Standards (IFRS) in their entirety as issued by the international Accounting Standard Board (IASB).

Going concern

The Company's financial statements have been prepared and presented on a basis assuming it continues as a going concern. The Company has incurred losses and net cash outflows from operating activities as disclosed in the Statement of Comprehensive Income and the Statement of Cash Flows respectively. The ability of the company to continue as a going concern and meet all its committed exploration expenditure is to an extent contingent upon the approval by the Stated-owned Assets Supervision and Administration Commission of Guangdong Provincial People's Government ("SASAC") of the joint venture agreement with Guangdong Rising Asset Management Co. ("GRAM") in relation to Ord River's Copper Flat project and if required, a future capital raising.

If the JV agreement with GRAM is not approved by SASAC or if the Company is unable to raise capital in the future the Company may be unable to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company cease as a going concern.

The Company's future exploration expenditures will be subject to its ongoing strategic analysis and review which will determine the level of future expenditure and the properties to be farmed out or relinquished.

Accounting Policies

(a) New accounting standards and interpretations

(i) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows:

- The Group has adopted the following new and amended Australian Accounting Standards and AASB interpretations where applicable as at 1 July 2010.
- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project effective 1 July 2010
- AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2] effective 1 July 2010
- AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132] effective 1 July 2010
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB139] effective 1 July 2010
- Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments effective 1 July 2010

Where the adoption of the Standard or Interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

The Improvements to IFRS project is an annual process that the IASB has adopted to deal with nonurgent but necessary amendments to IFRS. The amendments result in various accounting changes and terminology or editorial amendments. The subject of amendments to the standards are set out below:

- AASB 5 Disclosures in relation to non-current assets (or disposal groups) classified as held for sale or discontinued operations
- AASB 8 Disclosure of information about segment assets
- AASB 101 Current/non-current classification of convertible instruments
- AASB 107 Classification of expenditures that does not give rise to an asset
- AASB 117 Classification of leases of land
- AASB 118 Determining whether an entity is acting as a principle or an agent
- AASB 136 Clarifying the unit of account for goodwill impairment test is not larger than an operating segment before aggregation
- AASB 139 Treating loan prepayment penalties as closely related embedded derivatives, and revising the scope exemption for forward contracts to enter into a business combination contract

The adoption of these amendments did not have any impact on the financial position or the performance of the Group.

AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Sharebased Payment Transactions [AASB 2]

The amendment clarifies that if an entity receives goods or services that are cash settled by shareholders not within the group, they are outside the scope of IFRS 2. The adoption of this amendment did not have any impact on the financial position or the performance of the Group.

AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]

The amendment provides relief to entities that issue rights (fixed in a currency other than their functional currency), from treating the rights as derivatives with fair value changes recorded in profit or loss. The adoption of this amendment did not have any impact on the financial position or the performance of the Group.

AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB139]

The principal amendments to the standards are set out below:

- Limits the scope of the measurement choices of non-controlling interest to instruments that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other components of NCI are measured at fair value.
- Requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), in a consistent manner i.e., allocate between consideration and post combination expenses.
- Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated.
- Clarifies that the revised accounting for loss of significant influence or joint control (from the issue of IFRS 3 Revised) is only applicable prospectively.

The adoption of these amendments did not have any impact on the financial position or the performance of the Group.

Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 clarifies that equity instruments issued to a creditor to extinguish a financial liability are consideration paid in accordance with paragraph 41 of IAS 39 Financial Instruments; Recognition and Measurement. The equity instruments issued are measured at their fair value, unless this cannot be reliably measured, in which case they are measured at the fair value of the liability extinguished. Any gain or loss is recognised immediately in profit or loss. The adoption of this amendment did not have any impact on the financial position or the performance of the Group.

(ii) Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2011 are outlined below:

AASB 9 Financial Instruments

Phase 1 of IFRS 9 will have a significant impact on the classification and measurement of financial assets. The amendments become effective for the consolidated entity's 30 June 2014 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and interpretations 10 & 12]

These amendments arise from the issuance of AASB 9 Financial Instruments that sets out requirements for the classification and measurement of financial assets. The requirements in AASB 9 form part of the first phase of the International Accounting Standards Board's project to replace IAS 39 Financial Instruments: Recognition and Measurement. This Standard shall be applied when AASB 9 is applied. The amendments become effective for the consolidated entity's 30 June 2014 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 124 Related Party Disclosures (Revised)

The definition of a related party has been clarified to simplify the identification of related party relationships, particularly in relation to significant influence and joint control. The amendments become effective for the consolidated entity's 30 June 2012 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]

This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB. The amendments become effective for the consolidated entity's 30 June 2012 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 2009-14 Amendments to Australian Accounting Standards – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]

IFRIC 14 provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendments become effective for the consolidated entity's 30 June 2012 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 1053 Application of Tiers of Australian Accounting Standards

This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:

(a) Tier 1: Australian Accounting Standards

(b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements

The amendments become effective for the consolidated entity's 30 June 2014 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 1054 Australian Additional Disclosures

This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB. This standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in certain areas. The amendments become effective for the consolidated entity's 30 June 2012 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]

Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. The amendments become effective for the consolidated entity's 30 June 2012 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB. The amendments become effective for the consolidated entity's 30 June 2012 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]

The amendments increase the disclosure requirements for transactions involving transfers of financial assets. The amendments become effective for the consolidated entity's 30 June 2012 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127]

The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities, the change in fair value is accounted for differently. The amendments become effective for the consolidated entity's 30 June 2014 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]

These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments become effective for the consolidated entity's 30 June 2013 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132, AASB 134, Interpretation 2, Interpretation 112, Interpretation 113]

This Standard amendments many Australian Accounting Standards, removing the disclosures which have been relocated to AASB 1054. The amendments become effective for the consolidated entity's 30 June 2012 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project – Reduced disclosure regime [AASB 101, AASB 1054]

This Standard makes amendments to the application of the revised disclosures to Tier 2 entities, that are applying AASB 1053. The amendments become effective for the consolidated entity's 30 June 2014 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 10 Consolidated Financial Statements

AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and Interpretation-112 Consolidation – Special Purpose Entities. The amendments become effective for the consolidated entity's 30 June 2014 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 11 Joint Arrangements

AASB 11 replaces AASB 131 Interests in Joint Ventures and Interpretation -113 Jointly- controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition AASB 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. The amendments become effective for the consolidated entity's 30 June 2014 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 12 Disclosure of Interests in Other Entities

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. The amendments become effective for the consolidated entity's 30 June 2014 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. The amendments become effective for the consolidated entity's 30 June 2014 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

(b) Principles of consolidation

The consolidated financial information has been prepared by combining the financial statements of all the entities that comprise the consolidated group, being Ord River Resources Limited and its controlled entities. A controlled entity is any entity over which Ord River Resources Limited has the capacity to control its financial and operating policies so that the entity operates to achieve the objectives of Ord River Resources Limited. A list of controlled entities is contained in Note 18 to the financial statements.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation.

Where a controlled entity has entered or left the consolidated group during the period its operating results have been included from the date control was obtained or until the date control ceased.

(c) Revenue recognition

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Rental income and other revenue are recognised as they accrue.

(d) Income 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 subsequently enacted by reporting date. Current tax losses for current and prior periods are not recognised as an asset as the future income tax benefit can be carried forward only as an asset where realisation of the benefit can be regarded as being probable.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(f) Receivables

Receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and allowance for doubtful accounts.

(g) Plant and equipment

Plant and equipment are measured on the cost basis. On disposal of an item of plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognised as a gain or loss. All items of plant and equipment are depreciated using the straight line method over their expected useful lives to the consolidated group. The expected useful lives are as follows:

Computer equipment and software	3 years
Furniture and other office equipment	5 years
Motor vehicles	3 years
Field equipment	5 years

(h) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest, and carried forward in the Balance Sheet where:

(i) rights to tenure of the area of interest are current;

(ii) one of the following conditions is met :

- (i) such costs are expected to be recouped through successful development and exploitation of the area of interest or by its sale; or
- (ii) exploration and/or evaluation activities in the area of interest have not at balance date yet reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas are continuing.

Indirect costs relating to exploration and evaluation in areas of interest are capitalised in the year they are incurred. 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. Accumulated expenditure on areas which have been abandoned, or are considered to be of no value, is written off in the year in which such a decision is made.

(i) Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimate – Exploration and evaluation expenditure

The consolidated group capitalise expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information become available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the income statement.

Key estimates – Options

The fair values of services rendered in return for options granted are measured by reference to the fair value of options granted. The estimate of the fair value of the services rendered is measured based on the Black-Scholes option pricing model.

(j) Impairment

At each reporting date, the consolidated group 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 dependent from other assets, the consolidated group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at each reporting date and whenever there is an indication that the asset may be impaired. 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.

Plant and equipment are assessed for impairment on a cash generating unit ("CGU") basis. A cash generating unit is the smallest grouping of assets that generates independent cash flows and generally represents an individual tenement. Impairment losses recognised in respect of cash generating units are allocated to reduce the carrying amount of the assets in the unit on a pro-rata basis. 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 would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior year. 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.

(k) Restoration, rehabilitation and environmental protection expenditure

Where applicable, a provision for material restoration obligations is recognised for exploration licences. The amount recognised includes costs of reclamation and site rehabilitation after taking into account restoration works which are carried out during exploration. The provision for restoration costs are determined from an estimate of future costs and are capitalised as exploration expenditure.

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(l) Controlled entities

Investments in controlled entities are carried in the parent entity's accounts at the lower of cost and recoverable amount.

(m) Interests in associates

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements and at cost in the parent. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates. Goodwill included in the carrying amount of the investment in associate is not tested separately; rather the entire carrying amount of the investment is tested for impairment as a single asset. If impairment is recognised, the amount is not allocated to the goodwill of the associate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's statement of comprehensive income as a component of other income.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

(n) Foreign currency transactions and balances

Functional and presentational currency

The functional currency of each of the entities of the consolidated group is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

(o) Accounts payable

Accounts payable represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

(p) Financial instruments

Recognition and initial measurement

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the consolidated group assesses whether there is objective evidence that a financial instrument has been impaired.

(q) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Employee benefits

Provision is made for the consolidated group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits using discount rate which approximates expected date of payment.

(s) Provisions

Provisions are recognised when the consolidated group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(t) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged on a straight line basis.

(u) Earnings per share

Basic loss per share is determined by dividing the operating loss after income tax attributable to members of the parent entity by the weighted average number of ordinary shares outstanding during the financial period or year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

When the consolidated group has an operating loss after income tax and the conversion of ordinary share capital in respect of potential ordinary shares does not lead to a diluted earnings per share that shows an inferior view of the earnings performance of the consolidated group, than is shown by basic loss per share, the diluted loss per share is reported as the same as basic earnings per share.

(v) Share-based payments

The consolidated group provides benefits to employees and contractors in the form of share-based payment transactions. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares or options granted.

(w) Rounding of amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest $1,000.

NOTE 2: PARENT ENTITY INFORMATION

Information relating to Ord River Resources Limited:

Financial position

	30 June 2011 $'000	30 June 2010 $'000
Assets		
Current assets	2,973	5,157
Non-current Assets	17,005	19,846
Total assets	19,978	25,003
Liabilities		
Current liabilities	509	305
Non-current liabilities	2	80
Total liabilities	511	385
Equity		
Issued capital	37,101	37,095
Option reserve	13,101	12,840
Accumulated losses	(30,735)	(25,317)
Total equity	19,467	24,618

Financial performance

	30 June 2011 $'000	30 June 2010 $'000
Loss for the year	1,312	1,323
Total comprehensive loss of the parent entity	1,312	1,323
Details of any contingent liabilities of the parent entity	-	239
Details of operating lease commitments not later than 1 year	155	263
Details of operating lease commitments later than 1 year and not later than 5 year	595	-

Bank guarantees totalling $85,000 (2010: $234,841) have been issued for fulfilment of obligations under operating leases and collateralised by cash deposits lodged with the bankers.

NOTE 3 – OTHER EXPENSES FROM ORDINARY ACTIVITIES

	30 June 2011 $'000	30 June 2010 $'000
The loss from ordinary activities before income tax has been determined after charging as other expenses:		
Auditors' remuneration–audit or review of financial report	64	58
Directors' fees and remuneration	70	88
Employee costs	421	289
Loss on disposal of fixed assets	22	6
Members' reports, registers and ASX listing fees	63	100
Operating leases	298	395
Consulting fees	126	32
Other	230	56
Other expenses from ordinary activities	1,294	1,024

NOTE 4 – INCOME TAX

	30 June 2011 $'000	30 June 2010 $'000
Current income tax		
Current income tax charge	(823)	(588)
Deferred income tax		
Relating to origination and reversal of temporary differences	(818)	245
Unrecognised tax losses	1,641	343
Income tax expense reported in the income statement	-	-

The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax benefit on the loss from ordinary activities calculated at 30%	(1,625)	(396)
Tax effect of:		
Non-deductible expenses	83	178
Non-assessable item	(99)	(125)
Income tax benefit not brought to account	1,641	343
Income tax expense	-	-

There is no amount of tax benefit recognised in equity as the tax effect of temporary differences has not been recognised.

Tax losses				
Unused tax losses for which no tax loss has been recognised as a deferred tax asset adjusted for non-temporary differences at 30%	7,254		6,505	
	Balance Sheet		Income Statement	
Consolidated	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Deferred income tax				
Deferred income tax at 30 June relates to the following:				
Deferred tax liabilities				
Deferred Exploration and evaluation expenditure	(2,362)	(3,181)	819	(298)
Receivables	-	-	-	-
Deferred Tax Assets				
Provisions	32	33	(1)	53
Carried forward losses recognised	2,330	3,148	(818)	245
Net deferred tax	-	-		
Deferred tax income/(expense)			-	-

The taxation benefits of the tax losses will only be obtained if:

(i) the consolidated group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;

(ii) the consolidated group continues to comply with the conditions for deductibility imposed by law; and ;

(iii) no changes in tax legislation adversely affect the consolidated group in realising the benefits from the deductions for the loss.

Tax consolidation

The Ord River Resources Ltd group of companies tax consolidated from 1st July 2005. There is presently no tax sharing of funding agreements in place. The parent entity and each of the subsidiaries are in tax loss for the year and have substantial tax losses carried forward. The Directors are of the view that there is insufficient probability that the parent entity and its subsidiaries will derive sufficient income in the foreseeable future to justify booking the tax losses and temporary differences as deferred tax assets and deferred tax liabilities.

NOTE 5 – CASH AND CASH EQUIVALENTS

	2011 $'000	2010 $'000
Cash at bank and in hand	1,852	764
Term deposits	1,000	4,000
	2,852	4,764

The term deposit with UBS of $1,000,000 will be matured on 2 November 2011.

NOTE 6 – TRADE AND OTHER RECEIVABLES

	2011 $'000	2010 $'000
Current		
Receivables	30	22
	30	22

(a) *Allowance for impairment loss*
The consolidated group does not have trade receivables. Other receivables are non-interest bearing and are generally on 30 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. The parent company had written off $10,230 of rent receivables from Wilkinson Media PR Pty Ltd in the current year. Wilkinson Media PR Pty Ltd was entered into receivership, thus the whole amount is unlikely to be recovered.

(b) *Fair value and credit risk*
Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the consolidated group's policy to transfer (on-sell) receivables to special purpose entities.

(c) *Foreign exchange and interest rate risk*
Detail regarding foreign exchange and interest rate risk exposure is disclosed in Note 27.

NOTE 7 – OTHER – CURRENT ASSETS

	2011 $'000	2010 $'000
Bank guarantee for lease[1]	-	234
Other security deposit[2]	50	50
Prepayments	65	97
	115	381

1. Previous office rental lease expired on 28/02/2011, bank guarantee for the lease therefore has been returned during the year.

2. Other security deposit relates to the deposit required for corporate credit cards. The deposit is matured and rolled over on a monthly basis.

NOTE 8 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2011 $'000	2010 $'000
Interests in joint venture entity	8,867	2,445

The consolidated group has a 49% interest in the joint venture entity Sino Australian Resources (Laos) Co., Ltd which is incorporated in Laos PDR and is involved in the exploration of bauxite resources in Bolaven Plateau in Laos.

Carrying amount of investment in joint venture entity:

Balance at begining of reporting period	2,445	2,900
Additional investment made during the year	54	61
Reclassification	6,606	-
Share of joint venture loss after tax	(238)	(516)
	8,867	2,445

Share of joint venture entity's financial position and results:

Current assets	2,725	203
Non-current assets	2,904	5,752
Total assets	5,629	5,955
Current liabilitites	6,323	5,954
Non-current liabilities	-	-
Total liabilities	6,323	5,954
Net Asset	(694)	(1)
Loss before income tax	(238)	(516)
Income tax expense	-	-
Loss after income tax	(238)	(516)

NOTE 9 – FINANCIAL ASSETS – NON CURRENT

	2011 $'000	2010 $'000
Amounts receivable from joint venture entity	-	6,606

As at 30 June 2011, management decided to recognise the amount previously classified as a receivable from SARCO joint venture (Other financial assets of $6.6m) as investments accounted for using the equity method. The change is due to an updated joint venture agreement which was signed with the joint venture partner, NFC, in March 2011 which now defines that each party's contribution to the SARCO joint venture constitutes their capital contribution to the joint venture entity. At 30 June 2011, NFC has now contributed their proportion of equity contribution is in line with their equity interest which is relative to Ord's total investment to the joint venture.

NOTE 10 – PLANT AND EQUIPMENT

	2011 $'000	2010 $'000
Field Equipment		
At cost	313	523
Accumulated depreciation	(294)	(391)
	19	132
Motor Vehicles		
At cost	27	97
Accumulated depreciation	(27)	(95)
	0	2
Office Equipment & Software		
At cost	136	117
Accumulated depreciation	(115)	(106)
	21	11
Furniture & Fittings		
At cost	42	42
Accumulated depreciation	(39)	(36)
	3	6
Leasehold improvements		
At cost	27	80
Accumulated depreciation	(1)	(74)
	26	6
Total Plant and Equipment	69	157

Movements during the year

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Field Equipment $'000	Motor Vehicles $'000	Office Equipment & Software $'000	Furniture & Fittings $'000	Leasehold improvements $'000	Total $'000
Consolidated Group & Parent Entity:						
Balance at 30 June 2009	274	53	16	8	18	369
Additions	-	-	10	3	-	13
Disposals	(36)	(13)	-	-	-	(49)
Depreciation charge	(106)	(38)	(15)	(5)	(12)	(76)
Balance at 30 June 2010	132	2	11	6	6	157
Additions	-	-	22	-	27	49
Disposals	(72)	-	(2)	-	-	(74)
Depreciation charges	(41)	(2)	(9)	(3)	(8)	(63)
Balance at 30 June 2011	19	-	22	3	25	69

Depreciation charge includes $43,000 (2010: $146,000) charged to exploration and evaluation expenditure.

NOTE 11 – EXPLORATION AND EVALUATION EXPENDITURE

	2011 $'000	2010 $'000
Exploration areas of interest at cost	7,917	10,580
Movements during the year Exploration areas:		
At beginning of period	10,580	9,623
Additions at cost	1,203	974
Amount written off during the period*	(3,866)	(17)
At end of period	7,917	10,580

**The Company has raised a provision for impairment to recognise the value of a number of tenements which had expired in December 2010. The tenement had expired as they had reached the 5-year lease term. The Company is in the process of applying for these tenements to be reinstated to the Group.*

NOTE 12 – OTHER NON-CURRENT ASSETS

	2011 $'000	2010 $'000
Tenement license security bond	57	57
Bank guarantee for lease*	85	-
	142	57

**Bank guarantee is for current office rental lease which will be expired in 2016.*

NOTE 13 – TRADE AND OTHER PAYABLES

	2011 $'000	2010 $'000
Trade payables	53	80
Sundry payables and accrued expenses	366	205
	419	285

NOTE 14 – PROVISIONS

	Employee Entitlements $'000	Leased Premises Restoration $'000	Total $'000
Balance at beginning of year	29	80	109
Additional Provision	80	2	82
Amounts used	(5)	(80)*	(85)
Balance at end of year	104	2	106

**Lease at Gold Fields House expired on 28th Feb 2011, and restoration for the office had been made. Addition of the restoration provision is made for the lease at new office as make good is required at the end of lease on 14/01/2016.*

	2011 $'000	2010 $'000
Current	104	109
Non current	2	-
Balance at end of reporting period	106	109

NOTE 15 – ISSUED CAPITAL

	30 June 2011 Shares	30 June 2010 Shares	30 June 2011 $'000	30 June 2011 $'000
Ordinary Shares	470,416,656	470,337,250	37,101	37,095

On 07 June 2011, company issued 79,407 fully paid ordinary shares in relation to options exercised.

As at today company has on issue 470,416,656 quoted fully paid ordinary shares.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. Every ordinary shareholder present at a meeting of the Company in person or by proxy, is entitled to one vote, and upon a poll each ordinary share is entitled to one vote.

Ordinary shares have no par value.

NOTE 16 – OPTIONS RESERVES

	30 June 2011 Shares	30 June 2010 Shares	30 June 2011 $'000	30 June 2011 $'000
Opening balance	36,480,609	83,386,646	12,840	12,840
Options expired/ cancelled during the period	(12,400,001)	(48,434,646)	-	-
Options exercised during the period	(79,407)	(350,000)	-	-
Options forfeited during the period	(500,000)	-	(4)	-
Options issued during the period	11,150,000	1,878,609	265	-
Closing Balance	34,651,201	36,480,609	13,101	12,840

During the second half of 2010, there were 12,400,001 options expired, and 79,407 options were exercised by shareholder. Company issued 11,150,000 incentive options to its employees at $0.10 and an expiry date of 26 November 2013.

As at 30 June 2011, company has on issue 34,651,201 unlisted options and no listed options.

The option reserve records items recognized as expenses on share options granted for compensation and services rendered. The options have been valued at the invoiced amounts or if granted for nil consideration, at fair value.

(c) Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management adjusts the capital structure to the extent possible to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group is not subject to any externally imposed capital requirements, nor does it focus on obtaining debt as a key capital management tool.

NOTE 17 – SHARE-BASED PAYMENTS

The number and weighted average exercise price of options are as follows.

	Number	Weighted average exercise price $
Options outstanding at 30 June 2009	83,386,646	0.51
Movements during the year:		
Granted	1,878,609	0.08
Forfeited	(1,512,500)	0.83
Exercised	(350,000)	0.05
Expired	(46,922,146)	0.67
Options outstanding at 2010	36,480,609	0.27
Movements during the year:		
Granted	11,150,000	0.10
Forfeited	(500,000)	0.10
Exercised	(79,407)	0.08
Expired	(12,400,001)	0.21
Options outstanding at 2011	34,651,201	0.23

The fair value of the options issued during the year is $0.038 which will vest on 26/11/2011. The model inputs for assessing the fair value of options, applying the Black-Scholes Option Pricing Model, during the year were as follows:

2011

Options issued	Issue date	Expiry date	Exercise price	Share price at grant date	Life assumption	Expected divident yield	Risk free rate	Expected price volatility of the company's share
Issue of 11,150,000 Options H	26/11/10	26/11/13	$0.10	$0.05	3 years	Nil	5.43%	149.9%

2010

Options issued	Issue date	Expiry date	Exercise price	Share price at grant date	Life assumption	Expected divident yield	Risk free rate	Expected price volatility of the company's share
Issue of 3,750,000 Options F	19/05/09	31/03/12	$0.05	$0.04	3 years	Nil	4.57%	125.4%
Issue of 1,452,000 Options F	30/09/09	31/03/12	$0.05	$0.05	3 years	Nil	5.26%	124.4%
Issue of 1,283,371 Options G	30/09/09	31/03/12	$0.75	$0.02	3 years	Nil	5.26%	124.4%
Issue of 592,238 Options G	27/11/09	31/03/12	$0.75	$0.02	3 years	Nil	5.14%	124.3%

NOTE 18 – CONTROLLED ENTITIES

Name of entity	Country of Incorporation	Ownership Interest %	
		2011	2010
Tanami Northern Gold Pty Ltd	Australia	100	100
Nicholson East Pty Ltd	Australia	100	100
Nicholson West Pty Ltd	Australia	100	100
Suplejack Pty Ltd	Australia	100	100
Coolan Yard Pty Ltd	Australia	100	100
Ord River Resources (PNG) Pty Ltd	Australia	100	100
Aileigh Limited	British Virgin Islands	100	100
Carpe Diem Limited	Papua New Guinea	100	100
Tampara Limited	Papua New Guinea	100	100
Rotokas Limited	Papua New Guinea	100	100

NOTE 19 – KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the Remuneration Report contained in the Director's report for details of the remuneration paid or payable to each member of the consolidated group's key management personnel ("KMP") for the year ended 30 June 2011.

The total of remuneration paid to KMP of the Company and the consolidated group during the year are as follows:

	2011 $'000	2010 $'000
Short-term employee benefits	685	640
Post employment benefit	67	49
Other long term benefits	-	-
Termination benefit	-	-
Share based payment	245	-
	997	689

KMP Shareholding

Refer to the Remuneration Report contained in the Director's Report for details of the shareholding held by each KMP of the consolidated group during the financial year ended 30 June 2011.

KMP Options

Refer to the Remuneration Report contained in the Director's Report for details of options over ordinary share held by each KMP of the consolidated group during the financial year ended 30 June 2011.

NOTE 20 – EMPLOYEE BENEFITS

Superannuation

The consolidated group makes contributions based on each employee's salary to superannuation plans that provide employees with benefits on retirement in accordance with the requirements of superannuation guarantee legislation.

NOTE 21 – RELATED PARTY TRANSACTIONS

Wholly owned group

The parent entity provides all controlled entities with office space and support services and funds for expenditure interest free. Total amounts loaned by the parent entity to controlled entities, the amounts written off following the surrender of licences or withdrawal of licence applications and the amounts owing at balance date were as follows:

PARENT ENTITY

	Nicholson East Pty Ltd	Suplejack Pty Ltd	Aileigh Limited	Coolan Yard Pty Ltd	Ord River Resources (PNG) Pty Ltd	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 June 2008	4,946	4,179	545	-	-	9,670
Loans made	824	310	2	2	19	1,157
Loans written off	(726)	(2)	-	-	(19)	(747)
Balance at 30 June 2009	5,044	4,487	547	2	-	10,080
Loans made	790	289	2	29	19	1,129
Loans written off	(32)	(20)	(547)	(1)	(19)	(619)
Balance at 30 June 2010	5,802	4,756	2	30	-	10,590
Loans made	953	239	2	20	-	1,214
Loans written off	(3,871)	(824)	(4)	(1)	-	(4,700)
Balance at 30 June 2011	2,884	4,171	-	49	-	7,104

The collectability by the parent entity of the receivables from controlled entities is dependent on successful development and commercial exploitation of areas of interest held by the controlled entities or alternatively on the sale of the respective areas of interest.

NOTE 22 – REMUNERATION OF AUDITORS

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
Remuneration of the auditor of the group				
• Auditing or reviewing the financial reports	59,740	57,619	59,740	57,619
• Agreed Upon Procedures Service provided to Beijing Representative Office.	4,120	-	4,120	-
	63,860	57,619	63,860	57,619

NOTE 23 – NOTES TO THE CASH FLOW STATEMENT

	2011 $'000	2010 $'000
(a) Reconciliation of cash		
Cash at bank and on hand	1,852	33
Term deposits	1,000	4,731
	2,852	4,764
(b) Reconciliation of loss from ordinary activities after income tax to net cash used in operating activities		
Loss from ordinary activities after income tax	(5,418)	(1,253)
Add non-cash items in operating costs :		
Depreciation	20	29
Exploration and evaluation expenditure written off	3,872	(13)
Loss on sale of fixed assets	21	6
Equity-settled share based payments	261	(192)
Share of loss of joint venture entity	238	516
Changes in assets and liabilities relating to operations		
Increase/(Decrease) in creditors and accruals	134	(335)
(Increase)/Decrease in receivables	(8)	(11)
(Increase)/Decrease in prepayments	44	(35)
Increase in financial assets receivables	-	(2)
(Decrease)/Increase in provision	(2)	(181)
Net cash used in operating activities	(838)	(1,471)

NOTE 24 – SEGMENT INFORMATION

Types of products and services by segment

The group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

As of the date of this report the Group operates entirely in the industry of exploration of minerals in Australia and Laos. The operating segments are identified based on the location of the exploration tenements.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the type of product and service. The Group has determined that the reportable operating segments are based on geographical locations as this is the source of the Group's major assets which are Australia and Laos.

Corporate Office Activities

Corporate office activities are not allocated to operating segments and form part of the reconciliations to net profit/ (loss) after tax.

Accounting policies adopted

The accounting policies used by the Group in reporting segments internally is the same as those contained in note 1 to the accounts and in the prior period unless otherwise stated.

The following items are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Interest revenue
- Corporate costs
- Depreciation and amortisation of non-project specific property, plant and equipment

Comparative information

The following represents profit and loss for reportable segments for the year ended 30 June 2011 and 30 June 2010 and asset information for the year ended 30 June 2011 and 30 June 2010.

Segment result

Segment result 30 June 2011	Australia $'000	Laos $'000	Total $'000
Reconciliation of segment result to net profit/ (loss) before tax:			
Share of loss of joint venture entity	-	(238)	(238)
Exploration and evaluation expenditure write off	(3,866)	-	(3,866)
Interest revenue			220
Rental income			41
Share based payment			(261)
Corporate operating costs			(1,294)
Asset depreciation and amortisation			(20)
Net profit/(loss) before tax per the statement of comprehensive income			(5,418)

Segment result 30 June 2010	Australia $'000	Laos $'000	Total $'000
Reconciliation of segment result to net profit/ (loss) before tax:			
Share of loss of joint venture entity	-	(516)	(516)
Interest revenue			156
Rental income			177
Corporate operating costs			(1,041)
Asset depreciation and amortisation			(29)
Net profit/(loss) before tax per the statement of comprehensive income			(1,253)

Segment result

	Australia $'000	Laos $'000	Total $'000
Segment result 30 June 2011	7,986	8,868	16,854
Segment result 30 June 2010	10,736	9,051	19,787

The following represents the total cash spent for each reportable segment for the year ended 30 June 2010 and 30 June 2010.

Segment cash spend

	Australia $'000	Laos $'000	Total $'000
Cash spend - 30 June 2011	1,026	55	1,081
Cash spend - 30 June 2010	1,211	128	1,357

NOTE 25 – COMMITMENTS

Exploration expenditure commitments

The consolidated group has been granted various exploration licences. A condition of these licences is that the consolidated group is required to spend certain amounts of money over the period of the licences. These obligations may be subject to renegotiation or may be farmed out or the licences may be relinquished and have not been provided for in the financial statements and are due:

	Consolidated Group	
	2011	2010
	$'000	$'000
Within twelve months	1,755	910
Twelve months or longer and not longer than five years	1,978	2,794
More than five years	-	-
	3,733	3,704

The consolidated group has obligations to restore land disturbed during exploration under the terms and conditions of licences. The consolidated group has provided security deposits of $56,575 required by the Northern Territory Government. These security deposits may be forfeited if the consolidated group does not meet its obligations under the licences.

Operating lease commitments

Minimum payment, including agreed annual increases, under non-cancellable operating leases according to the time expected to elapse to the expected date of payment:

	Consolidated Group	
	2011	2010
	$'000	$'000
Not later than 1 year	155	263
Later than 1 year and not later than 5 years	595	-
	750	263

Bank guarantees totalling $85,000 (2010: $234,841) have been issued for fulfilment of obligations under operating leases and collateralised by cash deposits lodged with the bankers.

NOTE 26 – CONTINGENT LIABILITIES

The Company does not have any contingent liability in the current year.

NOTE 27 – LOSS PER SHARE

	2011	2010
	$'000	$'000
Operating loss after income tax used in the calculation of basic and diluted loss per share	(5,418)	(1,253)
	Number	Number
Weighted average number of ordinary shares outstanding per during the year used in the calculation of basic and diluted loss share	466,342,254	400,446,469

The options are non dilutive for the 30 June 2011 year (see Note 1(w)).

NOTE 28 – FINANCIAL RISK MANAGEMENT

(a) Financial risk management policies

The consolidated group's financial instruments consist mainly of cash and deposits with banks, accounts receivable and payable, loans to and from subsidiaries and joint venture entity and borrowings.

The main risks arising from the consolidated group's financial instruments are foreign currency risk, interest rate risk, credit risk, liquidity risk and price risk. Senior management, in conjunction with the Board, reviews and agrees policies for managing each of these risks.

(i) Foreign currency risk

The consolidated group is exposed to foreign currency risk on purchases that are denominated in a currency other than Australian dollar. The consolidated group does not enter into derivative financial instruments to hedge such transactions denominated in a foreign currency.

At 30 June 2011, the consolidated group had no exposure to foreign currencies, and therefore no sensitivity analysis has been performed.

(ii) Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At balance date the consolidated group had no debt.

At balance date the consolidated group had the following mix of financial assets exposed to variable interest rate risk:

	2011	2010
Financial assets	$'000	$'000
Cash and cash equivalents	2,840	4,764
Other current assets	50	284
	2,890	5,048

(iii) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, to recognised financial assets, is the carrying amount, net of any provision for impairment of those assets, as disclosed in the Balance Sheet and notes to the financial statements.

The consolidated group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the group.

(iv) Liquidity risk

The consolidated group manages liquidity risk by monitoring forecast cash flows and raising additional capital when needed. The consolidated group's operations require it to raise capital on an on-going basis to fund its planned exploration program and to commercialise its tenement assets. If the consolidated group does not raise capital in the short term, it can continue as a going concern by reducing planned but not committed exploration expenditure until funding is available and/or entering into joint venture arrangements where exploration is funded by the joint venture partner.

Consolidated – Contractual maturity	Less than 12 months		1-5 years		Over 5 years	
A$'000	2011	2010	2011	2010	2011	2010
Financial liabilities						
Trade creditors and other payables	419	285	-	-	-	-
Total financial liabilities	**419**	**285**	-	-	-	-
Total	419	285	-	-	-	-

(v) Price risk

The consolidated group is mainly exposed to mining services price risk. Management constantly monitors price movements and seeks ways to minimise the cost on mining activities.

(b) Net fair values

For assets and other liabilities, the net fair value approximates their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The consolidated group has no financial assets where the carrying amount exceeds net fair values at balance date. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Balance Sheet and in the notes to the financial statements.

(c) Financial instruments

Interest rate risk

The consolidated group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities, is as follows:

			Fixed interest rate maturing			
	Average interest rate	Variable interest rate	Within 1 year	1 to 5 years	Non-interest bearing	Total
	%	$'000	$'000	$'000	$'000	$'000
2011						
Financial assets						
Cash and cash equivalents	5.2	2,840	-	-	12	2,852
Trade and other receivables	-	-	-	30	30	
Other	5.0	50	-	-	65	115
		2,890	-	-	107	2,997
Financial liabilities						
Trade and other payables		-	-	-	419	419
2010						
Financial assets						
Cash and cash equivalents	3.1	4,752	-	-	12	4,764
Trade and other receivables		-	-	-	22	22
Other	3.5	284	-	-	97	381
		5,036	-	-	131	5,167
Financial liabilities						
Trade and other payables		-	-	-	285	285

Liquidity risk

Liquidity risk arises from the possibility that the consolidated group might encounter difficulty in settling its debt or otherwise meeting its obligations related to financial liabilities. The consolidated group manages this risk by maintaining sufficient cash to meet commitments as and when they fall due.

(d) Sensitivity analysis

The consolidated group has performed sensitivity analysis relating to its exposure to interest rate risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results which could result from a change in interest rate.

	Profit & Loss		Equity	
Interest rate sensitivity analysis	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Decrease/ (increase) in loss				
- increase in interest rate by 2%	81	69	-	-
- decrease in interest rate by 2%	(81)	(69)	-	-

Price risk sensitivity analysis

As the consolidated group does not derive revenue from sale of products, the effect on profit and equity as a result of changes in the price risk is not considered material. The fair value of the mining projects will be impacted by commodity price changes (predominantly bauxite, alumina, aluminium, gold and copper) and could impact future revenues once operational. However, management monitors current and projected commodity prices.

NOTE 29 – SUBSEQUENT EVENTS

In July 2011 the acquisition of Caledon Resources ("Caledon") by Guangdong Rising Assets Management Co. ("GRAM") via Scheme of Arrangement has been approved and finalised.

The completion of this acquisition provides Ord River the right to purchase up to 10% of equity interest in Caledon at the same acquisition price as a result of an option agreement entered with GRAM during the year. However, this option agreement is currently under final review and approval by relevant Chinese regulatory authority, and management is still considering the best corporate strategy in relation to this option.

The Directors are not aware of any other matter or circumstance that has arisen since the end of the year to the date of this report which may significantly impact on the state of affairs of the Company.

NOTE 30 – COMPANY DETAILS

The registered office and principal place of business of the company is:

Ord River Resources Limited
Suite 502, 71 Macquarie Street
Sydney NSW 2000

The financial report was authorised for issue on 23 September 2011 by the Board of Directors.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Ord River Resources 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) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1.

(c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2011.

On behalf of the board

Peter Shou
Managing Director
Dated this 23 September 2011

ERNST & YOUNG

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Independent auditor's report to the members of Ord River Resources Limited

Report on the financial report

We have audited the accompanying financial report of Ord River Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

ERNST & YOUNG

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Ord River Resources Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Ord River Resources Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

M. Elliott

Michael Elliott
Partner
Sydney
23 September 2011

FULLY PAID ORDINARY SHARES

Top 20 Holdings as at 29-09-2011

HOLDER NAME	BALANCE AT 29-09-2011	%
CHINA NONFERROUS METALS INTERNATIONAL MINING CO LTD	23,529,411	4.967
MR JOHNNY STEVE POW HONG VENPIN	11,802,020	2.491
ASTON RESOURCES INVESTMENTS PTY LTD	10,000,000	2.111
MR DONGWEI XU	8,427,731	1.779
MS SIYU ZHANG	8,296,598	1.751
MR MARK CAMILLERI & MRS VICTORIA CAMILLERI <CAMILLERI SUPER FUND A/C>	7,000,000	1.478
MR JOSEPH AMATO	6,000,000	1.267
MR TREVOR HARVEY	5,908,472	1.247
MR BRUCE ANTHONY MCINNES & MRS KAREN MCINNES <BRENALAN PARTNERSHIP A/C>	5,631,247	1.189
MR JUN HUA CHEN	5,500,000	1.161
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,006,553	1.057
MS SHIRLEY SAM YUE	4,400,000	0.929
MR HOI CHAO WAN	4,157,411	0.878
FORT CAPITAL PTY LTD	4,000,000	0.844
MR LIU JIAN CAI	3,983,000	0.841
BRESRIM PTY LTD <DA HANNES SUPER FUND NO2 A/C>	3,600,001	0.760
SELF-MANAGED SUPER PTY LTD	3,600,000	0.760
CANOSA HOLDINGS PTY LTD	3,370,213	0.711
NATIONAL NOMINEES LIMITED	3,205,350	0.677
MR RICHARD LEE	3,200,000	0.676
	130,618,007	27.573
Total Issued Capital	473,713,656	

SECURITY CLASSES
Fully Paid Ordinary Shares

HOLDINGS RANGES	HOLDERS	TOTAL UNITS	%
1-1,000	251	66,183	0.014
1,001-5,000	225	752,620	0.159
5,001-10,000	391	3,212,887	0.678
10,001-100,000	1,324	56,312,122	11.887
100,001-99,999,999,999	686	413,369,844	87.262
Totals	2,877	473,713,656	100.000

SECURITY CLASSES
Options F $0.047 exp. 31 March 2012

HOLDINGS RANGES	HOLDERS	TOTAL UNITS	%
1-1,000	0	0	0.000
1,001-5,000	0	0	0.000
5,001-10,000	2	15,000	0.787
10,001-100,000	2	149,286	7.837
100,001-99,999,999,999	4	1,740,714	91.376
Totals	8	1,905,000	100.000

SECURITY CLASSES
Options G $0.072 exp. 31 March 2012

HOLDINGS RANGES	HOLDERS	TOTAL UNITS	%
1-1,000	0	0	0.000
1,001-5,000	0	0	0.000
5,001-10,000	0	0	0.000
10,001-100,000	6	445,792	24.777
100,001-99,999,999,999	4	1,353,409	75.223
Totals	10	1,799,201	100.000

SECURITY CLASSES

Options H $0.010 exp. 31 March 2012

HOLDINGS RANGES	HOLDERS	TOTAL UNITS	%
1-1,000	0	0	0.000
1,001-5,000	0	0	0.000
5,001-10,000	0	0	0.000
10,001-100,000	0	0	0.000
100,001-99,999,999,999	9	11,150,000	100.000
Totals	9	11,150,000	100.000

SECURITY CLASSES

Unlisted Incentive Options $0.397 exp 30 Sep 2011

HOLDINGS RANGES	HOLDERS	TOTAL UNITS	%
1-1,000	0	0	0
1,001-5,000	0	0	0
5,001-10,000	0	0	0
10,001-100,000	0	0	0
100,001-99,999,999,999	11	17,000,000	100
Totals	11	17,000,000	100

NOTES

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