ELDORE MINING CORPORATION LIMITED
ABN 82 110 884 252

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2011

DIRECTORS

Tony Izelaar
Craig Willis
Richard Griffin

SECRETARY

Damon Sweeny

REGISTERED AND PRINCIPAL OFFICE

32 Barker Road
Subiaco WA 6008
Postal address:
PO Box 8
WEST PERTH WA 6872

Telephone: (08) 9371 2815

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Telephone: (08) 9315 2333
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AUDITORS

PKF Mack & Co
2nd Floor
35 Havelock Street
West Perth WA 6005

AUSTRALIAN SECURITIES EXCHANGE

Eldore Mining Corporation Limited shares (EDM) and options (EDMOA) are listed on the Australian Securities Exchange.

DIRECTORS' REPORT

Your Directors present their report for the consolidated entity for the half-year ended 31 December 2011 in order to comply with the provisions of the Corporations Act 2001, the directors' report as follows:

DIRECTORS

The names of the Directors of the Company in office during the financial year and up to the date of this report are as follows:

Anthony Hamilton – resigned 29 July 2011
John Geary – resigned 2 February 2012
Paul Johnstone – appointed 29 September 2011, resigned 2 November 2011
Paul Benson – appointed 5 August 2011, resigned 30 August 2011
Bastiaan (Tony) Izelaar
Richard Griffin – appointed 2 February 2012
Craig Willis – appointed 2 February 2012

Directors were in office from the beginning of the financial year until the date of this report unless otherwise stated.

CORPORATE INFORMATION

Corporate Structure

Eldore Mining Corporation Limited is a limited liability company that is incorporated and domiciled in Australia. Eldore Mining Corporation Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows:

Eldore Mining Corporation Limited	-	parent entity
Knights Landing Limited	-	100% owned controlled entity
Birrimian Pty Ltd	-	27.9% interest in entity

Nature of Operations and Principal Activities

The principal continuing activities during the period within the consolidated entity were exploration for and evaluation of mineral resources.

OPERATING AND FINANCIAL REVIEW

Review of Operations

<u>Corporate</u>

During the year, the Company raised capital and issued securities as outlined under the heading 'Financing Activities'.

Operating Results

Consolidated loss after income tax for the financial year was $5,411,158 (2010: $534,106).

Project Review

BURKINA FASO - Knights Landing Limited (40% reducing to 27.9%)

In January 2010, the Company entered into an agreement with Predictive Discovery Pty Ltd (**PD**) to farm-in on the Company's Burkina Faso project by expending A$2 million for a 60% interest. On 25 August 2011, PD advised the Company that it had satisfied its commitment to spend $2 million on exploration to earn the 60% interest in the Burkina Faso project. Pursuant to the terms of the Heads of Agreement an independent audit of PDI's expenditure will now be undertaken, prior to transfer of the joint venture interest.

RC Drilling – Laterite Hill Grid (Sirba and Madyabari Permits)

RC drilling commenced on the Laterite Hill Grid in December. The program started with infill and twin hole drilling on the Dave and Dave East Prospects. Sixteen holes were drilled, totaling 724m, with the aims of either:

- providing short dry holes to enable imaging of gold-bearing quartz veins using the SEMM Logging system that had been used to good effect on the Fouli Prospect in early 2011;

- infilling between the initial 40m spaced holes in order to get a better idea of continuity between holes.

The drill rig then moved on to the Laterite Hill and Tamboana Prospects to test bedrock geochemical anomalies outlined on the Laterite Hill Grid. 12 RC holes, totaling 960m had been completed by the end of December.

All RC holes were drilled along the pre-existing grid lines towards the north-west at an inclination of -50 degrees. Down hole trajectories were surveyed using a gyroscopic instrument. Analytical standards and blanks were inserted at regular intervals for quality control, and samples were submitted for fire assay to the SGS Laboratory in Ouagadougou. Results are awaited.

Figure 8: RC drill locality plan – December drilling program, Laterite Hill Grid

Laterite Hill Grid Western Extension - Power Auger Drilling

Drilling of a 906 hole power auger grid (Figure 9) commenced in late November. It was designed to cover the western extensions of the Laterite Hill Grid where earlier sampling has already identified more than 16km of plus 50ppb Au gold anomalies. By the end of December, 727 holes had been drilled totaling 4,728m.

Auger holes were drilled on reconnaissance lines either 400m or 800m apart. Wherever possible, samples were collected at the interface between surficial materials and weathered bedrock and from the weathered bedrock itself. If the holes did not penetrate through to weathered bedrock, samples were taken at the bottom of hole. Samples were submitted for analysis by AAS at the SGS laboratory in Ouagdougou. Results are awaited.

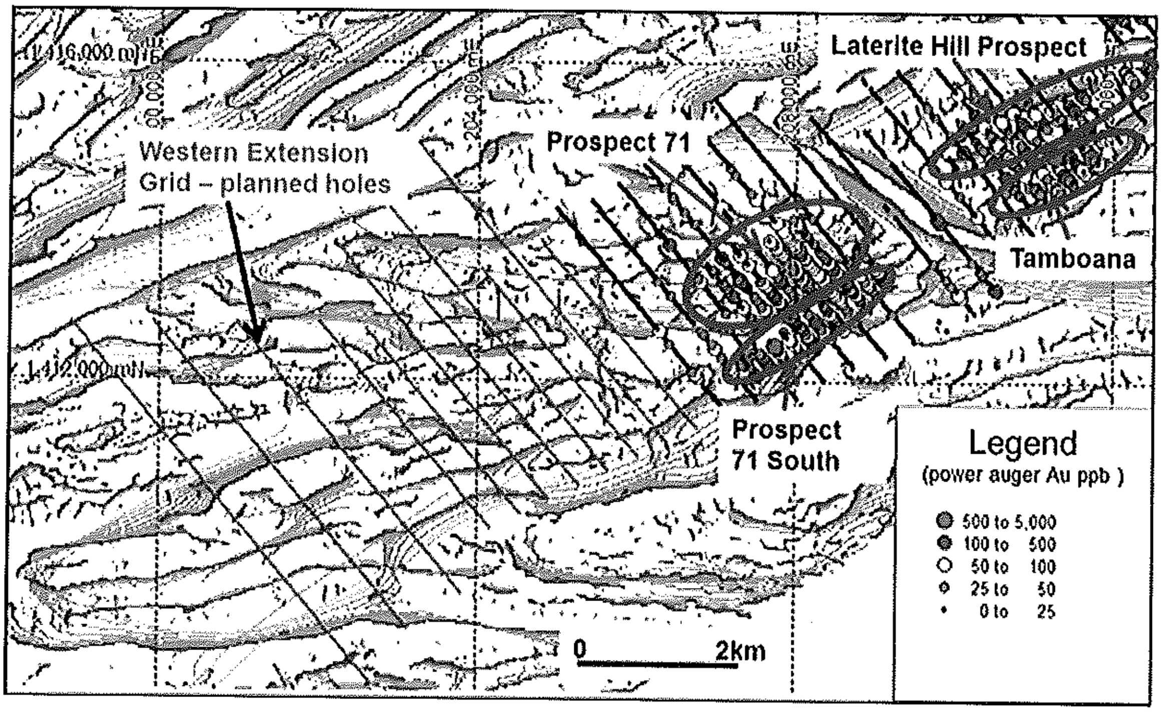

Figure 9: Planned power auger grid - western extension of the Laterite Hill Grid. Gold assay results are from power auger sampling on the western portion of the original grid. These assays were obtained from samples of the interface between superficial cover and weathered bedrock or, where drilling failed to reach weathered bedrock, regolith material taken from the bottom of the hole. The coloured lines are derived from wavelet analysis of aeromagnetic data and are interpreted to represent fault or shear zones.

Baita Copper-Gold Mine

During the period the Company has exercised its right not to proceed with the Baita Copper-Gold mine in Transylvania, West Romania. Following an extensive due diligence process and various renegotiations and extensions the Company has decided to pursue other more advanced production scenarios and expects further announcements will follow shortly. The vendor has sought to institute arbitration proceedings which the Company believes have no merit and will advise on any further developments.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the period, the company:

- issued securities as detailed under the heading 'Finance and Investing Activities' of this Directors' Report;

DIRECTORS' REPORT

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

EVENTS SUBSEQUENT TO REPORTING DATE

(i) On 10 January 2012, the Company reached a settlement agreement with Sprint Energy Limited (ASX:SPS) (formerly Modena Resources) for the outstanding loans owed by SPS. The accounts have been updated to reflect those balances as agreed upon so as to give a true and fair view.

(ii) On 1 February 2012, Predictive Discovery Ltd ("PDI") advised the Company under the terms of the agreement it had satisfied the requirements to extend its 60% interest in the Burkina Faso project to 72.1%.

(iii) On 3 February 2012, the Company announced it had reached in principal terms to acquire the Lonely Gold Mine site in the Bulawayo region of Zimbabwe.

AUDITOR INDEPENDENCE

We have received the independence declaration from the auditor of ElDore Mining Corporation Limited, PKF Mack and Co, a copy of which is attached to the Directors Report on page 5 of the financial report.

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

Craig Willis
DIRECTOR

15 March 2012

PKF MACK & CO

Chartered Accountants & Business Advisers

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ELDORE MINING CORPORATION LIMITED**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2011 there has been:

a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

a) no contraventions of any applicable code of professional conduct in relation to the review.

PKF Mack & Co

PKF MACK & CO

N A Calder

N A CALDER
PARTNER

15 MARCH 2012
WEST PERTH,
WESTERN AUSTRALIA

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Consolidated	
	31 December 2011	**31 December 2010**
	$	**$**
Revenue	418,141	1,932
Other income	-	27,093
Exploration and evaluation expenditure	(57,569)	(1,634)
Directors fees and benefits expense	(293,217)	(174,905)
Administration, consulting and other expenses	(482,677)	(386,592)
Impairment of deposit on Baita Project	(4,155,573)	-
Impairment of receivables	(840,263)	-
Loss before income tax expense	(5,411,158)	(534,106)
Income tax expense	-	-
Net Loss for the year	(5,411,158)	(534,106)
Other comprehensive income		
Exchange differences on translation of foreign operations	-	8,927
Total comprehensive loss for the year	(5,411,158)	(525,179)
Earnings/(Loss) per Share:		
Basic and diluted earnings/(loss) per share (cents per share)	(0.38)	(0.06)

The accompanying condensed notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Notes	Consolidated 31 December 2011 $	Consolidated 30 June 2011 $
ASSETS			
Current Assets			
Cash and cash equivalents		33,499	348,482
Trade and other receivables	2	1,308,598	1,630,285
Deposit on Baita Project	3	-	3,716,198
Total Current Assets		1,342,097	5,694,965
Non-Current Assets			
Exploration and evaluation expenditure	4	2,788,319	2,735,328
Total Non-Current Assets		2,788,319	2,735,328
Total Assets		4,130,416	8,430,293
LIABILITIES			
Current Liabilities			
Trade and other payables	5	671,003	1,057,802
Total Current Liabilities		671,003	1,057,802
Total Liabilities		671,003	1,057,802
Net Assets		3,459,413	7,372,491
EQUITY			
Issued capital	6	26,930,432	25,432,352
Reserves		1,009,832	1,009,832
Accumulated losses		(24,480,851)	(19,069,693)
Total Equity		3,459,413	7,372,491

The accompanying condensed notes form part of these financial statements.

Consolidated	Issued Capital $	Accumulated Losses $	Options Reserve $	Foreign Currency Translation Reserve $	Total $
Balance at 30 June 2010	**19,353,835**	**(15,793,346)**	**1,009,832**	**16,936**	**4,587,257**
Loss for the year	-	(534,106)	-	-	(534,106)
Other comprehensive income					
Foreign currency translation differences	-	-	-	8,927	8,927
Total comprehensive loss for the year	-	(534,106)	-	8,927	(525,179)
Transactions with owners, recorded directly in equity:					
Securities issued during the year	-	-	-	-	-
Capital raising costs	-	-	-	-	-
Balance at 31 December 2010	**19,353,835**	**(16,327,452)**	**1,009,832**	**25,863**	**4,062,078**
Balance at 30 June 2011	**25,432,352**	**(19,069,693)**	**1,009,832**	**-**	**7,372,491**
Loss for the year	-	(5,411,158)	-	-	(5,411,158)
Other comprehensive income					
Foreign currency translation differences	-	-	-	-	-
Total comprehensive loss for the year	-	(5,411,158)	-	-	(5,411,158)
Transactions with owners, recorded directly in equity:					
Securities issued during the year	1,997,000	-	-	-	1,997,000
Capital raising costs	(498,920)	-	-	-	(498,920)
Total equity transactions	1,498,080	-	-	-	1,498,080
Balance at 31 December 2011	26,930,432	(24,480,851)	1,009,832	-	**3,459,413**

The accompanying condensed notes form part of these financial statements.

	Consolidated	
	31 December 2011 $	31 December 2010 $
Cash flows from operating activities		
Receipts from operations	51,017	-
Payments to suppliers and employees	(489,287)	(302,457)
Interest received	1,145	1,932
Net cash used in operating activities	(437,125)	(300,525)
Cash flows from investing activities		
Payments for exploration expenditure	(549,935)	(116,849)
Loan to other entity	(152,596)	(215,000)
Loans repaid by other entities	-	189,247
Net cash used in investing activities	(702,531)	(142,602)
Cash flows from financing activities		
Proceeds from issue of securities and securities subscriptions	1,323,592	1,065,000
Cost of capital raisings	(498,919)	-
Proceeds from borrowings	-	175,000
Repayment of borrowings	-	(128,231)
Oversubscription Monies received	-	15,000
Net cash provided by financing activities	824,673	1,126,769
Net increase/(decrease) in cash and cash equivalents held	(314,983)	683,642
Cash and cash equivalents at beginning of the financial year	348,482	405,185
Cash and cash equivalents at end of the period	33,499	1,088,827

The accompanying condensed notes form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2011 annual financial report for the financial year ended 30 June 2011, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations effective for the current reporting period.

During the period, the Company's investment in a controlled entity was reduced to 40% as a result of its joint venture agreement with Predictive Discovery Limited. That interest has subsequently reduced to 27.9%. The joint venture interest has been accounted for in this interim report using the Equity accounting method.

There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

Going Concern

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

As disclosed in the financial report, the consolidated entity recorded an operating loss of $5,411,158 (2010:$525,179) and a cash outflow from operating activities of ($437,125) (2010:$300,525) for the half-year ended 31 December.

The Board considers that the Consolidated Entity is a going concern and recognises that additional funding is required to ensure that the Consolidated Entity can continue to fund the Group's operations for the 12 month period from the date of this financial report.

The Directors believe after consideration of the above matters, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable and is a going concern because of the following factors:

- The ability to issue additional capital under the Corporations Act 2001 and ASX Listing Rule 7.1 or otherwise; and,
- The Consolidated Entity's commitment to exploration expenditure is discretionary and expenditure requirements are minimal.
- The Company is currently undertaking a funding placement.

Accordingly, the Directors believe that subject to prevailing equity market conditions, the Company will obtain sufficient funding to enable the consolidated entity to continue as going concerns and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Should the company be unable to obtain sufficient funding as outlined above, there is material uncertainty which may cast significant doubt over the consolidated entity's ability to continue as a going concern.

The Directors are satisfied that, adequate plans are in place and that the company will have positive cashflows through to 15 March 2013. On this basis the Financial Report has been prepared on the going concern basis.

Should the company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and an amount different to those stated in the financial statements. The financial statements do not include any adjustments related to the recoverability and classification of asset carrying amounts or the amount of liabilities that might resolve should the company be unable to continue as a going concern and meet its debts as and when they fall due.

Exploration and Evaluation Costs

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

Impairment of Exploration and Evaluation Assets and Investments in and Loans to Subsidiaries

The ultimate recoupment of the value of exploration and evaluation assets, is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

	Consolidated	
	31 December 2011 $	**30 June 2011 $**
2. TRADE AND OTHER RECEIVABLES		
Current		
Loans to other entities	1,281,829	1,552,500
GST recoverable	20,663	39,110
Other receivables	6,106	38,675
	1,308,598	1,630,285

Terms and conditions relating to the above financial instruments:

- Loans to other entities are all repayable within 184 days of the reporting date, together with interest at 10% per annum.
- Other receivables are non-interest bearing and generally repayable within 30 days.
- Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

	Consolidated 31 December 2011 $	Consolidated 30 June 2011 $
3. RECEIVABLE ON BAITA PROJECT		
Current		
Expenditure on Baita Project	4,155,573	3,716,198
Impairment on Baita Project	(4,155,573)	-
	-	3,716,198

During the 30 June 2011 year, the company entered into an agreement to acquire a 100% interest in the Baita Copper-Gold mine located in Stei, Transylvania, West Romania for a purchase consideration of €15 million (subsequently reduced to €5 million by agreement), of which €750,000 was payable as a deposit. The agreement also provides for the assumption of €1.5 million in debt and the reimbursement of €200,000 in expenses. The Company announced it was not continuing with its investment in this project, therefore an impairment to the investment has been accounted for at the balance date.

	Note	Consolidated 31 December 2011 $	Consolidated 30 June 2011 $
4. EXPLORATION AND EVALUATION EXPENDITURE			
Expenditure brought forward		2,735,328	3,043,682
Expenditure incurred		52,991	305,246
Expenditure written off		-	(613,600)
Expenditure carried forward		2,788,319	2,735,328

The ultimate recoupment of the mining tenements, exploration and evaluation expenditure carried forward is dependent upon the successful development and commercial exploitation and/or sale of the relevant areas of interest, at amounts at least equal to book value. During the period, the Company's investment in a controlled entity was reduced to 40% as a result of its joint venture agreement with Predictive Discovery Limited. That interest has subsequently reduced to 27.9%. The joint venture interest has been accounted for in this interim report using the Equity accounting method.

5. TRADE AND OTHER PAYABLES

	31 December 2011 $	30 June 2011 $
Current		
Trade payables and accruals (i)		
- Other	667,103	380,495
Share subscription funds	3,900	677,307
	671,003	1,057,802

(i) Trade creditors are non-interest bearing and are normally settled on 30 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

	Note	Consolidated 31 December 2011 $	30 June 2011 $
6. ISSUED CAPITAL			
(a) Issued and paid up capital			
Ordinary shares fully paid		26,930,432	25,432,352

	Number	$
(b) Movement in ordinary shares on issue		
At 1 July 2010	811,682,570	19,353,836
Issue for cash – 12/01/2011	106,500,000	1,065,000
Issue in lieu of consulting fees – 23/02/2011	4,000,000	44,000
Issue in lieu of capital raising fees – 23/02/2011	6,000,000	66,000
Issue for cash – 28/02/2011	255,000,000	3,315,000
Issue in satisfaction of introduction fee – 28/02/2011	50,000,000	650,000
Issue in satisfaction of funding facility fee – 3/06/2011	183,823,529	1,250,000
Expenses of issue	-	(311,486)
At 30 June 2011	1,417,006,099	25,432,350
Issue for cash – 5/7/2011	378,000,000	1,512,000
Issue for cash – 13/7/2011	62,500,000	250,000
Issue for cash – 23/11/2011	32,500,000	65,000
Issue for cash – 8/12/2011	59,000,000	118,000
Issue in satisfaction of consulting fees – 8/12/2011	26,000,000	52,000
Expenses of issue	-	(498,918)
At 31 December 2011	1,975,006,099	26,930,432

(c) Share Options

At the end of the period, the following options over unissued ordinary shares were outstanding:

- 1,253,307,134 listed options expiring 31 December 2012 at an exercise price of 3 cents each.
- 91,500,000 unlisted options expiring 1 December 2013 at an exercise price of 0.06 cents each.

889,807,143 options were granted during the period and no options were exercised. 35,115,384 unlisted options exercisable at 3 cents each lapsed during the period.

7. FINANCIAL REPORTING BY SEGMENTS

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Operating segments are identified by Management based on the mineral resource and exploration activities in Australia, Burkina Faso and Papua New Guinea. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

The consolidated entity has three reportable segments based on the geographical areas of the mineral resource and exploration activities in Australia, Burkina Faso and Papua New Guinea. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

(i) Segment performance

	Burkina Faso	PNG	Australia	Total
For the period ended 31 December 2011				
Revenue				
Interest revenue	-	-	218,141	218,141
Foreign exchange gain	-	-	-	-
Total segment revenue	-	-	418,141	418,141
Segment net profit/(loss) before tax	(50,569)	-	(5,360,589)	(5,411,158)
Net loss before tax from continuing operations				(5,411,158)
For the period ended 31 December 2010				
Revenue				
Revenue	27,093	-	1,932	29,025
Total segment revenue	27,093	-	1,932	29,025
Segment net profit/(loss) before tax	27,093	-	(561,199)	(534,106)

(ii) Segment assets

	Burkina Faso	PNG	Australia	Total
As at 31 December 2011				
Segment assets as at 1 July 2011	2,735,328	-	-	2,735,328
Segment asset increases/(decreases) for the year				
- Exploration and evaluation	52,991	-	-	52,991
	2,788,319	-	-	2,788,319
Reconciliation of segment assets to total assets:				
Other assets				1,342,097
Total assets from continuing operations				4,130,416
As at 30 June 2011				
Segment assets as at 1 July 2010	2,735,328	158,354	150,000	3,043,682
Segment asset increases/(decreases) for the year				
- Exploration and evaluation	-	(158,354)	(150,000)	(308,354)
	2,735,328	-	-	2,735,328
Reconciliation of segment assets to total assets:				
Other assets				5,694,965
Total assets from continuing operations				8,430,293

8. EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances that have arisen since 31 December 2011 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial years. other than:

(i) On 10 January 2012, the Company reached a settlement agreement with Sprint Energy Limited (ASX:SPS) formerly Modena Resources for the outstanding loans owed by SPS. The accounts have been updated to reflect those balances as agreed upon so as to give a true and fair view.

(ii) On 1 February 2012, Predictive Discovery Ltd ("PDI") advised the Company under the terms of the agreement it had satisfied the requirements to extend its 60% interest in the Burkina Faso project to 72.1%.

(iii) On 3 February 2012, the Company announced it had reached in principal terms to acquire the Lonely Gold Mine site in the Bulawayo region of Zimbabwe.

(iv) Also on 3 February 2012, the Company announced a raising of up to $1.5million for general working capital.

9. COMMITMENTS

Exploration commitments

In order to maintain current rights of tenure to mining tenements, the entity has the following discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of its interests, are not provided for in the financial statements and are payable:

	Consolidated 31 December 2011 $
Estimated exploration expenditure	687,000
	687,000

If the Company decides to relinquish certain interests and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

The Directors of the company declare that:

1) The financial statements and notes, as set out on pages 6-15

   a. Comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001; and
   b. Give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half year ended on that date.

2) In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with resolution of the board.

Craig Willis
Director

Perth
15 March 2012

PKF MACK & CO

Chartered Accountants & Business Advisers

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

Report on the Half-Year Financial Report

We have reviewed the accompanying consolidated half-year financial report of Eldore Mining Corporation Limited which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity. The consolidated entity comprises Eldore Mining Corporation Limited (the company) and the entities it controlled at 31 December 2011 or from time to time during the half-year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Eldore Mining Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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Independence

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Eldore Mining Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Qualified Conclusion

Opening Balances
We were unable to express an opinion on the financial report for the year ended 30 June 2011 and our audit report contained a Disclaimer of opinion.

Since opening balances affect the determination of the results of operations, we are unable to determine whether any adjustments to the results of operations and opening accumulated losses might be necessary for the half-year ended 31 December 2011. Our conclusion on the half-year financial report is modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

1) Recoverability of Receivables

During the half-year ended 31 December 2011, the company advanced, by way of unsecured loans, $1,281,929 to various entities in circumstances where these advances were repayable by 30 June 2011. These advances remain unrecovered at 15 March 2012. These advances have not been recovered and are unsecured and may not therefore be recovered.

Had we been able to complete our review on the advances reflected in the statement of financial position as at 31 December 2011 and 30 June 2011, matters might have come to our attention indicating that adjustments might be necessary to the half-year financial report.

The recovery of these advances is material as to whether the company is a going concern.

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(2) Subsequent Events

We have been unable to complete our review in relation to the accuracy of the following subsequent events set out in the half-year financial report:

(i) Commitments and contingent liabilities arising from the company's notification to Far East and Pacific Investments that it is no longer proceeding with the acquisition of the Baita Copper Mine.

(ii) Commitments and contingent liabilities arising from the terms of an agreement entered into with AGS Capital Group LLC, the company has advised that a deed of settlement has been agreed with AGS Capital Group LLC where no further commitments or contingencies will arise.

These matters are material as to whether the company is a going concern.

(3) Issued Capital

We have been unable to complete our review in relation to the accuracy of issued capital included in the statement of financial position and the amount received included in the statement of cashflows for the period ended 31 December 2011.

Had we been able to complete our review on the issued capital included in the statement of financial position as at 31 December 2011 and 30 June 2011, matters might have come to our attention indicating that adjustments might be necessary to the half-year financial report.

(4) Going Concern

The financial statements have been prepared on a going concern basis which assumes the commercial realisation of the future potential of the consolidated entity's assets, and discharge of its liabilities in the normal course of business. The directors have stated that there are reasonable grounds to believe that the consolidated entity is a going concern. As a result of our inability to complete our review procedures as described above and given the material nature of those matters as to whether the company is a going concern, we were unable to assess whether the going concern basis of preparing the half-year financial report is appropriate.

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PKF MACK & CO

Chartered Accountants & Business Advisers

Qualified Conclusion

Based on our review, which is not an audit, with the exception of the matters described in the basis for qualified conclusion paragraphs as detailed above, we have not become aware of any matter that makes us believe that the half-year financial report of the consolidated entity is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

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

PKF MACK & CO

N A CALDER
PARTNER

15 MARCH 2012
WEST PERTH,
WESTERN AUSTRALIA

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