

UNITED OROGEN LIMITED

ABN 45 115 593 005

**INTERIM FINANCIAL
STATEMENTS 2011**

For the Half-Year Ended 31 December 2011

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UNITED OROGEN LIMITED

DIRECTORS' REPORT

Your directors present their report together with the financial statements for the half year ended 31 December 2011, and the independent review report there on.

Directors

The following persons were directors of the company during the half year and up to the date of this report:

Parmesh Vakil – Managing Director (Appointed 18 November 2011)
David Alan Zohar – Executive Director
John Karajas – Non Executive Director
Zhukov Pervan – Non Executive Director and Chairman
Noel Taylor – Non Executive Director

Review of Operations

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

The net loss of the company for the half year ended 31 December 2011 was \$1,080,400 (2010: \$462,773). No dividends were paid and the directors have not recommended the payment of a dividend.

Western Australia

1. Tambellup Project: (E70/4173, E70/4174)

Two exploration licenses were granted in October 2011, Tambellup E70/4173 Granted Tambellup East E70/4174 and exploration work can now progress on this project in the New Year.

The Company is targeting structural targets for gold mineralization namely the north-west trending Darkan fault zone which is interpreted from geophysical work to trend from Boddington situated 137km to the north-west and the lesser Kojonup fault which lies 5-6km to the south and runs parallel to the Darkan fault. An aeromagnetic high situated in the south east corner of the eastern tenement will also be targeted. The Company's geologists have prepared a work programme of soil sampling. Structural, aeromagnetic, geochemical and topographic information was used. Work to follow up on eight nickel and copper anomalous areas will be conducted as well.

2. Redmond Project: (E70/ 4073)

This application (E70/4073) is currently going through the Native Title process and covers approximately 37km² and is centered on the Blue Gum gold prospect which was reported on in newspapers in the late 1890's. The historical workings are reported to be situated approximately 24km south west of Mt Barker in Western Australia and consisted of several vertical shafts and small pits. With the passage of time all surface evidence has since disappeared due to farming activity. The workings pre-date official Mines Department records, therefore besides the noted 1890's newspaper reports lodged at the department there are no official mining lease records. The project area lies within the Albany-Fraser Proterozoic Mobile Belt and is prospective for gold and base metals. Exploration will commence in the New Year.

3. Victoria Desert Project: (E39/1528, E39/1594)

The Project area is situated 250km ENE of Kalgoorlie and covers an area of approximately 185km² and is prospective for gold, base metals and uranium. The area is covered by undulating WNW trending sparsely vegetated static sand dunes with an average height of 10-15 metres.

UNITED OROGEN LIMITED

DIRECTORS' REPORT

The project is underlain by narrow belts of north-west trending greenstone of the Narnoo Greenstone Belt within granites interpreted from aeromagnetic surveys. Mafic and ultramafic lithologies are present in a structural setting of north and north-west trending brittle deformed faults. The area is therefore prospective for gold, base metals and uranium. The Company will follow up with infill surface sampling in 2012.

4. Horseshoe Project: (E52/2016, E52/2569)

The Company's exploration of both projects has included a helicopter geophysical survey which indicated no deep conductors are present in this area negating the possibility of a deep sulphide deposit. This area is now being targeted for north-west striking structurally controlled gold mineralization due to the vicinity of known deposits in the area however field checking and a data review of previous soil geochemistry, mapping and drilling carried out by Dominion Mining in this area did not produce encouraging results. Additional work will be required in the north-west area of the tenement to determine the prospectivity of the project area.

5. Gunnedo Project: (E69/2825)

The tenement was granted in July 2010. The tenement is located within the Eucla Basin approximately 450km east of Kalgoorlie and covers an area of 132km². Previous exploration is very limited which includes aeromagnetic and gravity surveys and two partly government funded (50%) diamond holes drilled to a depth of 400m each. The Company will re-evaluate the prospectivity of this area, commencing with the re-logging, sampling and the assaying of intervals of interest in the diamond holes in early 2012.

6. Oil and Gas Exploration Western Australia: (EP448)

This lease is in the Canning Basin. The future of this tenement is being debated.

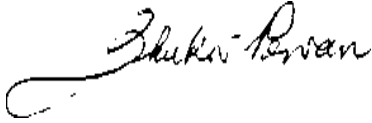
UNITED OROGEN LIMITED

DIRECTORS' REPORT

Auditor's Independence Declaration

The auditor's independence declaration under Section 307C of the Corporations Act 2001 for the half year ended 31 December 2011 has been received and is set out on page 4.

Signed in accordance with a resolution of Directors



Dr Zhukov Pervan
Chairman

5 March 2012
Perth Western Australia

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

UNITED OROGEN LIMITED AUDITORS INDEPENDENCE DECLARATION



Level 18, Central Park Building, 152-158 St Georges Terrace, Perth WA 6000
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Phone (08) 6364 5076 www.rothsay.com.au

The Directors
United Orogen Ltd
Level 7
231 Adelaide Terrace
Perth WA 6000

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2011 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham R Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 5th March 2012



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).

UNITED OROGEN LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 31 December 2011

		31 December 2011 \$	31 December 2010 \$
Revenue from continuing operations	3	12,728	23,815
Other Income	3	8,218	8,567
Administration		(129,572)	(103,357)
Exploration costs		(22,007)	(90,688)
Occupancy costs		(12,035)	(5,630)
Depreciation		(1,680)	(5,892)
Employment costs (including directors)		(216,320)	(289,588)
Impairment of available for sale financial assets		(719,732)	-
Loss Before Income Tax		(1,080,400)	(462,773)
Income tax expense		-	-
Loss for the Half Year		(1,080,400)	(462,773)
Other comprehensive income			
Changes in the fair value of available-for-sale financial assets		(332,364)	828,693
Other comprehensive income for the half year, net of tax		(332,364)	828,693
Total comprehensive income for the half-year		(1,412,764)	365,920
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the company			
Basic profit/(loss) per share (cents)	4	(1.19)	(0.71)

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

UNITED OROGEN LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 December 2011

	Note	31 December 2011 \$	30 June 2011 \$
CURRENT ASSETS			
Cash and cash equivalents		444,941	418,154
Trade and other receivables		25,333	13,989
TOTAL CURRENT ASSETS		470,274	432,143
NON-CURRENT ASSETS			
Property, plant & equipment	5	6,227	7,907
Available for sale financial assets	6	1,295,617	2,347,713
TOTAL NON-CURRENT ASSETS		1,301,844	2,355,620
TOTAL ASSETS		1,772,118	2,787,763
CURRENT LIABILITIES			
Trade and other payables		81,069	280,914
Provisions		1,483	8,385
TOTAL CURRENT LIABILITIES		82,552	289,299
TOTAL LIABILITIES		82,552	289,299
NET ASSETS		1,689,566	2,498,464
EQUITY			
Contributed equity		7,603,264	6,999,398
Reserves		167,180	499,544
Accumulated losses		(6,080,878)	(5,000,478)
TOTAL EQUITY		1,689,566	2,498,464

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

UNITED OROGEN LIMITED
STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 December 2011

	Contributed Equity \$	Accumulated Losses \$	Option Reserve \$	Available-for- sale investments Revaluation Reserve \$	Total \$
2010					
Balance at 1 July 2010	6,697,752	(4,734,865)	80,380	3,500	2,046,767
Total comprehensive (loss) for the year		(462,773)	-	828,693	365,920
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	2,000	-	-	-	2,000
Balance as at 31 December 2010	6,699,752	(5,197,638)	80,380	832,193	2,414,687
2011					
Balance at 1 July 2011	6,999,398	(5,000,478)	109,180	390,364	2,498,464
Total comprehensive (loss) for the year ended 31 December 2011	-	(1,080,400)	-	(332,364)	(1,412,764)
Transactions with owners in their capacity as owners:					
Shares issued during the period to 31 December 2011	609,878	-	-	-	609,878
Capital raising costs	(6,012)	-	-	-	(6,012)
Balance as at 31 December 2011	7,603,264	(6,080,878)	109,180	58,000	1,689,566

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

UNITED OROGEN LIMITED
STATEMENT OF CASH FLOWS
For the half year ended 31 December 2011

	31 December 2011 \$	31 December 2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	14,001	26,196
Payments to suppliers and employees	(577,291)	(408,430)
Payments for exploration, evaluation and acquisition costs	(22,007)	(90,688)
Interest received	8,218	8,567
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	(577,079)	(464,355)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	-	(1,648)
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES	-	(1,648)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares and exercise of options	609,878	2,000
Payment of capital raising costs	(6,012)	-
NET CASH INFLOWS FROM FINANCING ACTIVITIES	603,866	2,000
NET (DECREASE) IN CASH HELD	26,787	(464,003)
Cash and cash equivalents at the beginning of the half year	418,154	688,421
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF YEAR	444,941	224,418

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

UNITED OROGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2011

1. Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2011 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These half yearly financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these statements are to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by United Orogen Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

Going Concern

For the half year ended 31 December 2011, the company recorded a loss of \$1,080,400. At 31 December 2010, the cash balance was \$444,941.

The accounts have been prepared on a going concern basis. The Directors have undertaken a review of the Company's mining tenements and operating structure, and have entered into a Heads of Agreement with Iron Mountain Mining Limited to alleviate some of its tenement commitments until such time that future capital raising can be undertaken in order to continue the exploration and development of the company's mining tenements to achieve a position where they can prove exploration reserves.

Should future capital raising and/or asset sales be insufficient to meet the budgeted operational activities of the Company, then the going concern basis of accounting may not be appropriate with the result that the Company may have to realise its assets and extinguish its liabilities other than in the normal course of business and in amounts different from that stated in the financial statements.

These financial statements do not include any adjustments relating to the recoverability or classification of recorded amounts that might be necessary should United Orogen Ltd not be able to continue as a going concern.

2. Segment Reporting

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

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

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

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

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

UNITED OROGEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2011

3. Revenue	HALF YEAR	
	31.12.2011	31.12.2010
From Continuing Activities		
Sales Revenue - Services	12,728	23,815
Other Income		
Interest received	8,218	8,567
	<u>20,946</u>	<u>32,382</u>

4. Loss per share	HALF YEAR	
	31.12.2011	31.12.2010
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	90,530,166	64,769,538
Loss used to calculate basic and dilutive EPS	(1,080,400)	(462,773)
Basic loss per share (cents per share)	<u>(1.19)</u>	<u>(0.71)</u>

5. Property, Plant and Equipment	31.12.2011	30.06.2011
	Plant and Equipment	
At cost	34,123	34,123
Accumulated depreciation	(27,896)	(26,216)
Total Plant Equipment	<u>6,227</u>	<u>7,907</u>
Total Property, Plant and Equipment	<u>6,227</u>	<u>7,907</u>

6. Available for Sale Financial Assets	31.12.2011	30.06.2011
	Listed investment at fair value ¹	<u>1,295,617</u>
	<u>1,295,617</u>	<u>2,347,713</u>
At beginning of period	2,347,713	584,849
Acquisitions	-	2,065,500
Fair value adjustments	(332,364)	386,864
Impairment of available for sale financial assets	(719,732)	(689,500)
At end of period	<u>1,295,617</u>	<u>2,347,713</u>

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

UNITED OROGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2011

7. Contingent Liabilities

The Directors are not aware of any contingent liabilities as at 31 December 2011.

8. Dividends

No dividends were paid or proposed during the period.

The Company has no franking credits available at 31 December 2011.

9. Events occurring after the reporting period

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

10. Equity securities issued

	2011 Shares	2010 Shares	2011 \$	2010 \$
Issue of ordinary shares during the half year				
Issue of new shares under rights issue	20,329,279	10,000	609,878	2,000
	20,329,279	10,000	609,878	2,000

11. Related Party Transactions

a) Administrative related transactions

Director related entities paid for expenses on behalf of United Orogen Limited throughout the half year. The following table details the related company, the total value of services provided and expenses paid for during the half year and the balance owing at 31 December 2011 (if any):

Related Company	Value of services for the period ended 31 December 2011 (excl GST)	Balance owing at 31 December 2011 (excl GST)
Actinogen Limited	14,662	12,300
Iron Mountain Mining Limited	31,304	16,333

UNITED OROGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2011

United Orogen Limited provides employment services to related parties, as well as paying for numerous expenses on their behalf, which are recharged to that company throughout the half year. The following table details the company, total services provided and expenses recharged for the half year and balance outstanding at 31 December 2011:

Related Company	Value of services for the period ended 31 December 2011 (excl GST)	Balance owing at 31 December 2011 (excl GST)
Actinogen Limited	8	8
Iron Mountain Mining Limited	15,850	14,090
Red River Resources	1,249	545

b) Tenement related transactions

During the half year ended 31 December 2011, United Orogen Limited paid \$643 (excl GST) to Iron Mountain Mining Limited, a Director related entity of David Zohar, for tenement related expenses. \$643 (excl GST) remains outstanding as at 31 December 2011.

c) Joint venture transactions

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

No transactions occurred between United Orogen Limited and Red River Resources Limited nor with Swancove Enterprises Pty Ltd for the period to 31 December 2011.

d) Investments in related entities


As at 31 December 2011 the Company holds the following shares in Director related entities of David Zohar, 2,000,000 ordinary shares in Actinogen Ltd at a fair value of \$100,000; 23,732,341 ordinary shares in Iron Mountain Mining Limited at a fair value of \$1,186,617; 30,000,000 options in Iron Mountain Mining Limited at a fair value of \$nil; 1,000,000 ordinary shares in Black Gold Resources Limited at a fair value of \$nil; and 500,000 ordinary shares and 250,000 options in Eagle Nickel Limited at fair values of \$9,000 and \$nil respectively. These shares and options were also on hand as at 1 July 2011.

UNITED OROGEN LIMITED DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 12 are in accordance with the Corporations Act 2001, including:
 - (i) Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) Giving a true and fair view of the entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Dr Zhukov Pervan
Chairman

5 March 2012
Perth, Western Australia

UNITED OROGEN LIMITED

Independent Auditors Review Report



Level 18, Central Park Building, 152-158 St Georges Terrace, Perth WA 6000
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Phone (08) 6364 5076 www.rothsay.com.au

Independent Review Report to the Members of United Orogen Ltd

The financial report and directors' responsibility

The interim financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for United Orogen Ltd for the half-year ended 31 December 2011.

The Company's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the financial position as at 31 December 2011 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of United Orogen Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of United Orogen Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the financial position as at 31 December 2011 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'Rothsay'.

Rothsay

A handwritten signature in blue ink that reads 'GRSwan'.

Graham R Swan
Partner

Dated 5th March 2012



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).