UnitedDrogen

ABN 45 115 593 005

ANNUAL REPORT 2012

CORPORATE DIRECTORY

Directors

Parmesh Vakil

David Alan Zohar
John Karajas
Zhukov Pervan

Company Secretary

Shoshanna Zohar

Registered Office

Level 7, 231 Adelaide Terrace
Perth Western Australia 6000
Ph: 08 9225 4936

Head Office

Level 7, 231 Adelaide Terrace
Perth WA 6000
Ph: 08 9225 4936

Country of Incorporation

United Orogen Ltd is domiciled and incorporated in Australia

Stock Exchange Listing

United Orogen Ltd is listed on the Australian Securities Exchange
ASX Code UOG, UOGO

Auditors

Rothsay Chartered Accountants
Level 18, 152-158 St Georges Terrace
Perth Western Australia 6000

Solicitors

Lawton Gillon
Level 11
16 St Georges Terrace
Perth Western Australia 6000

Share Registry

Computershare Investor Services Pty Limited
2/45 St Georges Terrace
PERTH WA 6000

Website address

http://www.uog.com.au

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1 CORPORATE GOVERNANCE REPORT

UNITED OROGEN LIMITED ("THE COMPANY")

Introduction

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity and pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable, the Company has adopted the Eight Essential *Corporate Governance Principles and Best Practice Recommendations* ("Recommendations") as published by ASX Corporate Governance Council. Where, after due consideration, the Company's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

Board Composition

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the financial report and their term of office are detailed in the Directors' Report.

There is no formal policy or procedure regarding the taking of professional advice by the independent directors, however no restrictions are placed on the independent directors to take advice on matters arising from their roles as independent directors of the Company, or the reimbursement of the costs incurred by the Company.

Dr Pervan and Mr Karajas are considered by the Board to be independent directors. The determination by the Board as to whether individual directors are independent is a matter of judgment. In making this determination the Board has followed the guidance in Box 2.1 of the Recommendations and the *Guide to Reporting on Principle 2.* The Board considers the relationships the independent directors have with the Company do not materially impact on their independence. In determining the materiality of these relationships, the Board has considered both quantitative and qualitative factors. In determining the quantitative factors the Board considers that a relationship is immaterial where it is equal to or less than 5% of the base amount. In applying this level of materiality to the relationship of the independent directors in the case of shareholders and suppliers, the Board considers that the independent directors' interest is less than 5% of the base amount. In respect to the qualitative measures the Board has considered the factors affecting the independent directors' relationship with the Company and consider these qualitative factors to be immaterial in the assessment of their independence.

Disclosure as to the nature and amount of remuneration paid to the Directors of the Company is included in the Directors report and notes to the financial statements in the Company's annual report each year. The structure and objectives of the remuneration policy and its links to the Company's performance is disclosed in the annual Directors' Report. The only form of retirement benefit to which non-executive directors are entitled, is superannuation.

Trading Policy

The Company's policy regarding directors and employees trading in its securities is set by the Board of directors. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

Remuneration Policy

The Company's remuneration policy was developed by and approved by the Board. All executives receive a salary and statutory superannuation.

The Company does not participate in share based remuneration for its executives but can issue share options to Directors, employees and consultants. The terms of the share options to Directors, employees and consultants are based on what similar sized companies in the mining industry are offering. All share options to be issued to Directors require shareholder approval before being issued.

The amounts of remuneration for all Directors, including monetary and non-monetary components, are detailed in the Directors Report under the key management personnel remuneration heading. All remuneration paid to Executives is valued at the cost to the Company and expenses. Shares given to Executives are valued as the difference in the market value of those shares and the amount paid by the Executive. Options given to Executives are valued using the Black-Scholes methodology.

Corporate Reporting

The Directors has made the following certifications to the Board:

- that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards; and
- that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Code of Conduct

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

In summary, the Code requires that at all times all Company personnel act with the utmost integrity, objectivity, in the best interests of the Company and in compliance with the letter and the spirit of the law and Company policies.

Any breaches of the Code are reported to the chairman in the first instance for notification to the Board.

The directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

Continuous disclosure and shareholder communication

The Company has a policy that information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities is continuously disclosed as required under the Australian Stock Exchange (ASX) listing rules.

The Company encourages communication with shareholders and the attendance and effective participation by shareholders at general meetings.

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX.

Annual and half yearly reports are made available on the Company's website and mailed to those shareholders who request a hard copy.

Explanations for Departures from Best Practice Recommendations

Principle 1 Recommendation 1.1, 1.2, 1.3

Notification of Departure:

The Company has not: (1) formally disclosed the functions reserved to the Board and those delegated to senior executives; (2) formally disclosed the process for evaluating the performance of senior executives, and; (3) whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process which is to be disclosed.

Explanation for Departure:

The Board recognises the importance of distinguishing between the respective roles and responsibilities of the Board and management, and evaluating the performance of senior executives. The Board has established a framework for the management of the Company and the roles and responsibilities of the Board and management. Previously, due to the small size of the Board and of the Company, the Board did not think that it was necessary to formally document the roles of the Board and management as these roles were clearly understood by all members of the Board and management. The Board is responsible for the strategic direction of the Company, establishing goals for management and monitoring the achievement of these goals, monitoring the overall corporate governance of the Company and ensuring that shareholder value is increased.

Principle 2 Recommendation 2.1

Notification of Departure:

The Board does not have a majority of independent Directors.

Explanation for Departure:

The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each Director has the relevant industry experience and specific expertise relevant to the Company's business and level of operations. The Board considers that its structure is, and will continue to be, appropriate in the context of the Company's recent history. The Company considers that the non-independent Directors possess the skills and experience suitable for building the Company. Furthermore, the Board considers that in the current phase of the Company's growth, the Company's shareholders are better served by directors who have a vested interest in the Company. The Board intends to reconsider its composition as the Company's operations evolve, and may appoint independent directors as it deems appropriate.

As of the date of this report the Company has 3 non-independent directors (including the Chairman) and 1 independent directors.

Principle 2 Recommendation 2.4

Notification of Departure:

The full Board carries out the role of a nomination committee, and therefore a charter relevant to the specific functions of a nomination committee have not been adopted.

Explanation for Departure:

The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee, in particular at this early stage of the Company's operations, where the Company's focus is on the retention of directors and senior executives. In the future, as the Company grows and increases in size and level of activity, the Board will reconsider the establishment of a separate nomination committee.

Principle 2 Recommendation 2.5

Notification of Departure:

The Company has not disclosed the process for evaluating the performance of the Board, and individual directors.

Explanation for Departure:

The Board considers that at this time no efficiencies or other benefits would be gained by introducing formal evaluations. In the future, as the Company grows and increases in size and activity, the Board will consider the establishment of formal Board and individual director evaluation processes.

Principle 2 Recommendation 2.6

Notification of Departure:

The Company has not disclosed whether a performance evaluation for the Board and directors has taken place in the reporting period and whether it was in accordance with a disclosed process.

Explanation for Departure:

The Board considers that at this time no efficiencies or other benefits would be gained by introducing formal evaluations. In the future, as the Company grows and increases in size and activity, the Board will consider the establishment of formal Board and individual director evaluation processes.

Principle 3 Recommendation 3.2, 3.3, 3.5

Notification of Departure:

The Company has not established and disclosed a diversity policy.

Explanation for Departure:

The Board considers that at this time no efficiencies or other benefits would be gained by introducing a formal diversity policy. In the future, as the Company grows and increases in size and activity, the Board will consider the establishment of a formal diversity policy.

Currently there is 1 woman in the Company (being the Company Secretary). Other than the Board members, there are no employees within the Company.

Principle 4 Recommendation 4.1, 4.2, 4.3, 4.4

Notification of Departure:

There is no separate Audit Committee.

Explanation for Departure:

The Company's financial statements are prepared by the external consultants and reviewed in detail by the Board. The Board also relies on the functions and capabilities of its external auditors to ensure proper audit of financial statements. While the Board considers this process sufficient to ensure integrity in financial reporting in the current circumstances, it will continue to monitor whether any further safeguards are required and make changes as appropriate.

Principle 6 Recommendation 6.1, 6.2

Notification of Departure:

The Company does not have a formal documented Shareholder communication policy.

Explanation for Departure:

The Company strongly encourages more communication between the shareholders and the Company and Board. All general meetings include briefings by Board members to provide a deeper insight into the Company, opportunities for the shareholders to have their questions answered, and following all general meetings, the directors encourage shareholders to chat informally with them. As the Company grows in size, the Board is very keen to develop more formal and expansive communications with shareholders.

Principle 7 Recommendation 7.1, 7.2, 7.4

Notification of Departure:

The Company has not established and disclosed its risk management policies and assessment framework.

Explanation for Departure:

The Board is aware of the various risks that affect the Company and its particular business. As the Company develops, the Board will further develop appropriate procedures to deal with risk oversight and management and internal compliance, taking into account the size of the Company and the stage of development of its projects.

Principle 8 Recommendation 8.1, 8.2, 8.4

Notification for departure:

The Company has not established a separate remuneration committee.

Explanation for Departure:

Due to the early stage of development and small size of the Company, a separate remuneration committee was not considered to add any efficiency to the process of determining the levels of remuneration for the Directors and key executives. The Board considers that it is more appropriate to set aside time at 2 Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee. In addition, all matters of remuneration will continue to be in accordance with Corporations Act requirements, especially in respect of related party transactions. That is, none of the Directors participate in any deliberations regarding their own remuneration or related issues.

2 DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of United Orogen Limited (Group or Consolidated Entity) and the entities it controlled at the end of or during the year ended 30 June 2012.

Directors

The following persons were directors of the Group during the whole of the financial year and up to the date of this report.

PARMESH VAKIL (Appointed 18 November 2011)

MSc, MBA

Managing Director

Mr Vakil has had over 25 years experience in the industry. He has worked in the areas exploration, mine geology and resource estimation.Mr Vakil has had experience in exploration for gold, base metals, uranium and iron ore gained whilst employed by BHP Iron Ore, Kalgoorlie Consolidated Gold Mines and St. Barbara Mines.

Directorships in ASX listed companies over the past 3 years – Nil.

Mr Vakil holds nil ordinary shares and nil options in United Orogen Limited

DAVID ALAN ZOHAR

BSc DipEd

Executive Director

Mr Zohar has undertaken undergraduate studies in Geology and post graduate studies in Accountancy and Commercial Law. He has been active in the exploration industry for over 20 years. He has been a director and/or CEO of a number of exploration companies and has also negotiated numerous agreements with various companies and other participants within the mining industry. He has been involved in the formation and/or listing on the ASX of several public mining companies. Directorships of other listed public companies over the past three years are Red River Resources Limited, Iron Mountain Mining Ltd, Actinogen Ltd, Eagle Nickel Ltd, Terrain Minerals Ltd and Aluminex Resources Ltd.

Mr Zohar holds 28,331,820 ordinary shares and 5,876,274 options in United Orogen Limited.

JOHN KARAJAS

BSc (Hons) MAIG MPESA

Non Executive Director

Mr Karajas is an exploration geologist with over 30 years of experience in both the mining and oil industries. After graduating from the University of Western Australia with a BSc (Hons) in 1970, he gained his grounding in the mining industry by working for mining companies, Falconbridge, Anaconda and Hanna Mining. This period extended through to 1982 and was predominantly spent in Western Australia but included three years in Mt Isa. Commodities explored for include nickel, copper/lead/zinc, gold, phosphate, taconitic iron ore, tin/tantalite and lignite/oil shale. Between 1982 and 1985 he gained his initial experience in oil exploration by working for Eagle Corporation and IEDC (Australia). This period was spent in working on sedimentary basins in Western Australia and included basin studies, well-site geology, and other duties related to oil and gas exploration. From 1986 onwards, he has worked predominantly as a consultant/contract geologist for a wide range of mining and oil industry clients, both within Australia and abroad. Periods of a more managerial nature have included:

- 1989 – 1991 Technical Director of King Mining Ltd
- 1992 – 1995 Technical Director of Omega Oil NL
- 1996 – 1997 Exploration Vice President of Icelandic Gold Corporation

He is currently a Member of the Australian Institute of Geoscientists.

Mr Karajas has held a directorship over the past three years in the listed public company, Red River Resources Limited.

Mr Karajas holds 5,525,000 ordinary shares in United Orogen Limited.

ZHUKOV (Zeke) PERVAN

MB, BS(WA), FRACGP, FAICD

Non-Executive Director and Chairman

Dr Pervan is a Doctor of Medicine with over 35 years experience in various capacities in Western Australia. He has consulted to several university and government bodies in many areas. He has conducted original research in collaboration with the University of Western Australia Departments of Microbiology and Human Movement. This research has been published in international journals. In the past Dr Pervan has served as a Director of several public companies involved in exploration and in the general commercial world, including Agforce Limited, Gold Lake Mining Pty Ltd, Innovative Coatings Limited and Visionglow Global Limited. Directorships of listed public companies over the past three years are Actinogen Ltd, Eagle Nickel Ltd and Iron Mountain Mining Ltd.

Mr Pervan holds 1,666,667 ordinary shares and 725,000 options in United Orogen Limited.

NOEL TAYLOR (resigned 15 March 2012)

Non-Executive Managing Director

Mr Taylor is a Geologist with over 30 years experience in the Mining and Exploration industry, including in Australia, Africa and Europe. He has held senior posts with both junior explorers and major mining companies including MIM, Sons of Gwalia and Rand Mines in South Africa. Mr Taylor was previously Managing Director of Balkans Gold Ltd, an ASX listed junior exploring Europe, and was a Director of Bronzewing Gold NL, an unlisted West Australian junior exploring the goldfields.

Mr Taylor holds nil ordinary shares and 2,000,000 options in United Orogen Limited.

Company Secretaries

Shoshanna Zohar (Appointed 16 December 2011)

Ms Zohar serves is a lawyer with over five years of experience. She has a Bachelor of Laws from the Murdoch University and has previously worked in law firms practicing in corporate law, including Minter Ellison and Clavey Legal.

Ms Zohar holds 264,401 ordinary shares and nil options in United Orogen Limited.

Jacy Leu (appointed 13 May 2011) (resigned 16 December 2011)

BSc DipAcc

Ms Leu has over 14 years experience in the accounting and administration profession including 8 years within the mining industry. She previously held positions with Millennium Minerals Ltd, an ASX-listed gold exploration and mining company, where her responsibilities included assisting the Company Secretary. She holds a Bachelor of Science in Mathematical Sciences, and a Diploma in Accounting.

Ms Leu has no interest in shares and options.

Principal Activities

The principal activity of the Group during the course of the financial year was mineral exploration.

Operating Results

The Group made a loss after tax of $1,915,693 (2011: $265,613) for the year ended 30 June 2012.

Dividends

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

Review of Operations

Exploration Highlights

New tenements were granted in the Tambellup area and the Redmond area, north of Albany.

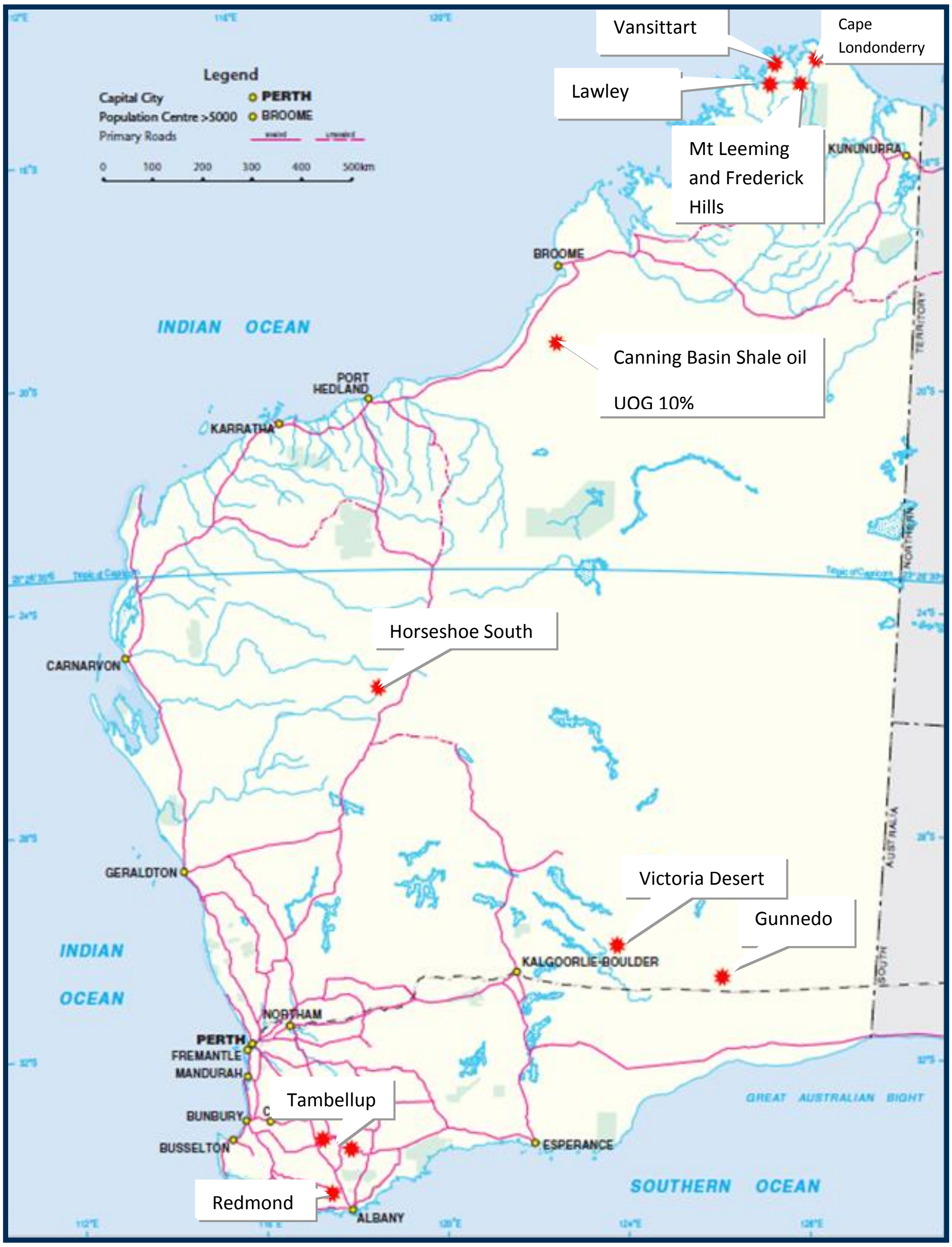
Tenements prospective for gold, uranium and base metals were also granted in the Victoria Desert area and during the year detailed data reviews were undertaken with the aim of defining targets for new exploration programmes.

New tenements prospective for gold, base metals, diamonds and Bauxite were acquired from Orange Hills Ltd, and work has been carried out on data acquisition and assessments.

We have conducted geochemical exploration programmes during the year and we have obtained encouraging new results from soil sampling enabling us to define extensions to existing anomalies and to delineate new anomalies.

Corporate Affairs

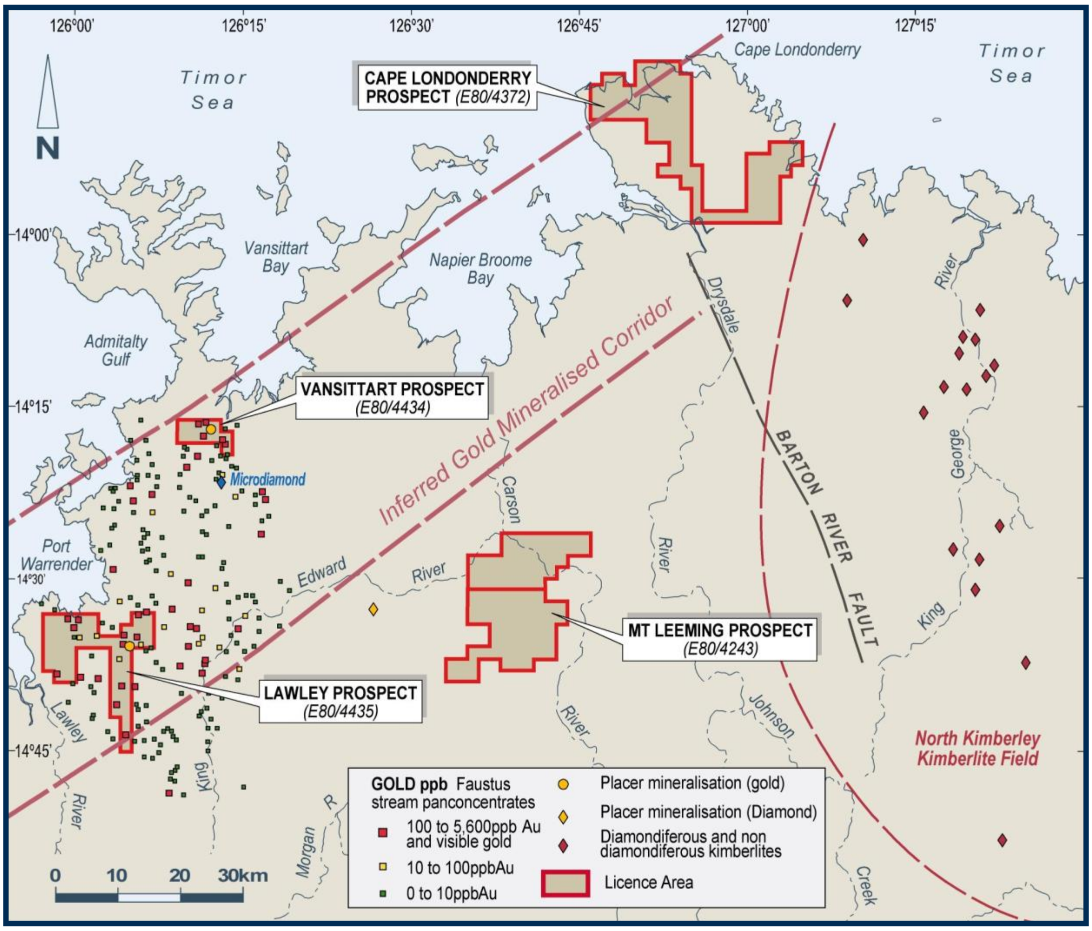
On 6th April 2012 Shareholders passed a resolution to acquire 100% of the shares in Orange Hills Resources Limited. This has added a number of projects to our assets with gold, base metals diamond and bauxite potential.



Exploration Activities

Kimberleys Projects

The Mt Leeming, (Bauxite), Cape Londonderry (Gold), Lawley (Gold) and Vansittart (Gold) projects have been added to our portfolio of assets. The acquisition of these areas of the Kimberley will provide prospective areas for gold, bauxite, base metals and diamonds. The key bauxite project at Mt Leeming, located south of Kalumburu has identified resources. The existing data consists of results from modern air core drillholes and testwork results from bulk sampling.



Map showing Kimberley tenements

Reconnaissance exploration by previous explorers between 1965 and 2007 identified significant lateritic bauxite minerals hosted by Carson Volcanic rock sequences. Only limited sampling and assessment has been carried out. The prospectivity of the project area is considered to be significant and more detailed exploration and sampling is warranted. Access from Kalumburu Mission, situated some 40kms to the north is by the Gibb River – Kalumburu Road that passes the prospect area to the west. There is good power and road infrastructure in place.

The project tenements are largely underlain by Palaeo-proterozoic Kimberley Group, Carson Volcanic rock sequences, on which occur irregular outcrops of bauxite-rich laterite. (The irregular outcrops cover an area of approximately 110 km). The BHP deposits were referred to as the West Kalumburu and Mt Leeming bauxites. In 1980, Pacific Exploration Consultants Pty Ltd reviewed the BHP/AMAX data and estimated the volume of the bauxite mineralisation for Mt Leeming deposits. This historical estimate was completed well before the introduction of the JORC code.

The BHP combined West Kalumburu and Mt Leeming test results showed that processing reduced the total silica from 1.3% to 0.5%. . Grades of bauxite concentrate from the scrubbed and screened (>1/16") product returned average results of 46.1% total alumina, 37.2% 180°C alumina,33.5% 143°C alumina, 25% Fe_2O_3 and 5% total silica of which only 0.3% was a reactive silica .Average grades of the other impurities were 25% Fe_2O_3 and 3.9% TiO_2. Overall the iron content was stated as high but not exceptional.

In 2004, Aldoga/Cape Alumina Pty Ltd carried out a check reconnaissance sampling of the original BHP ground and the area adjacent to and north of E80/4243. Aldoga drilled 80 air core holes at Mt Leeming for a total of 660.5m. Samples from each hole were collected for metallurgical testing. One further 25 litre drum of handpicked lump specimens was collected from each 1m interval for bulk density tests. At

Mt Leeming, the highest alumina assay was 43.3% in Hole K80. Bulk samples were collected from each of two pits dug by excavator to 4m.

The Mt Leeming project is an advanced exploration project for bauxite with a significant amount of earlier exploration...Exploration and mining studies carried out by Cape Alumina/Aldoga Minerals in 2005 indicate the possibility of an open pit operation in close proximity to Asian markets. Their objective was export through a nearby facility on Napier Broome Bay.UOG is planning to review all exploration, resource and scoping data prior as part of a re-assessment of the project.

Cape Londonderry-Gold E80/4372 (100%)

The Cape Londonderry project covers Proterozoic-aged King Leopold Sandstone and Carson Volcanic rock sequences which are prospective for both gold and alumina. Reconnaissance exploration by earlier explorers has identified gold and volcanic-hosted sulphide mineralisation, in prospective rock sequences that occur within the tenement area.

Lawley-Gold E80/4435 (100%)

The geological setting of the Lawley Prospect comprises King Leopold Sandstone rock sequences prospective for both gold and diamonds. Although relatively unexplored, work by others has identified a number of anomalous gold values ranging up to 5600ppb, together with at least one diamond occurrence. Areas that have outcropping (and faulted) Hart Dolerite will be the subject of detailed mapping and sampling in the search for hydrothermal alteration and vein type base metal mineralisation.

Vansittart-Gold E80/4434 (100%)

The Vansittart Prospect is believed to be prospective for gold hosted by King Leopold Sandstone and possibly base metals in the Hart Dolerite, where hydrothermal veins elsewhere in that rock sequence reportedly contain identified, polymetallic (gold, silver and base metal) mineralisation. Extensive areas of the Hart Dolerite surround the prospect and detailed exploration is warranted in the search for these prospective rock sequences within the Company's tenement area. The Vansittart Prospect reportedly contains gold identified by others and is located at the south-eastern part of the same postulated gold corridor that is believed to extend from Cape Londonderry south-westerly to the Vansittart and Lawley project areas to the Admiralty Gulf.

The Vansittart Prospect is believed to be prospective for gold and possibly diamonds. Exploration by others report on the presence of anomalous gold values and microdiamond occurrences, within the postulated gold mineralised corridor that extends northeast-southwest, along a line between

Horseshoe Project (100%)

The Horseshoe West Project (E52/2016) was relinquished following a review. A helimag geophysical survey indicated that that no deep conductors were present on the tenement At Horseshoe South, we will plan for exploration in the north west of the tenement. Previous exploration has given results of up to 38 ppb gold in soil sampling.

Victoria Desert (100%)

Victoria Desert North E39/1594 and Victoria Desert South E39/1528.

E 39/1594 is prospective for uranium, gold and base metals. The tenement's potential for uranium has been enhanced by the discoveries made by Energy and Minerals Australia at their Mulga Rocks holdings .UOG is assessing whether heliborne geophysical surveys will be required to obtain more detailed structural information and to detect the presence of palaeochannels.

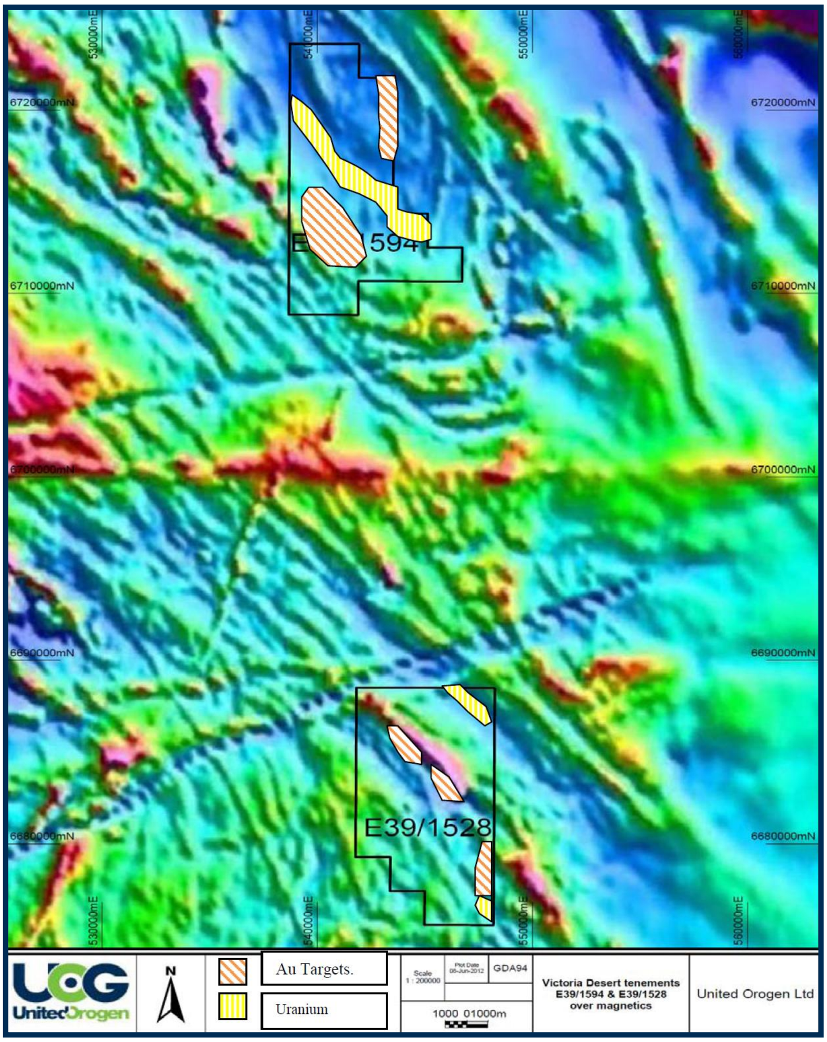
E39/1528 is prospective for gold and base metals along a NW trending magnetic high .UOG has reviewed historical vacuum drilling information and UOG's 2011 auger programme results to compile a programme of infill soil sampling.

Gunnedo Project (100%)

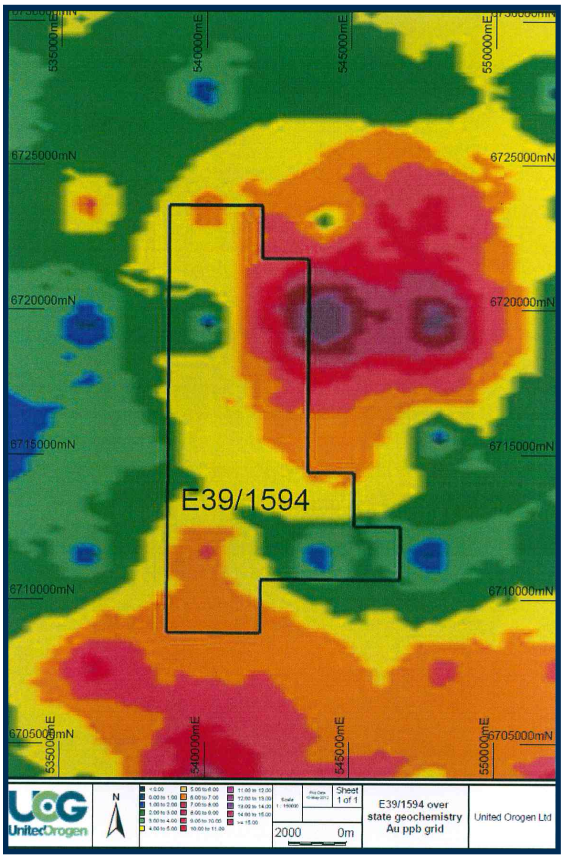
El 69/2808

The tenement at Gunnedo is underlain by a gravity and magnetic anomaly present in the Archaean Basement. There is potential for nickel sulphide mineralization and for gold mineralization.

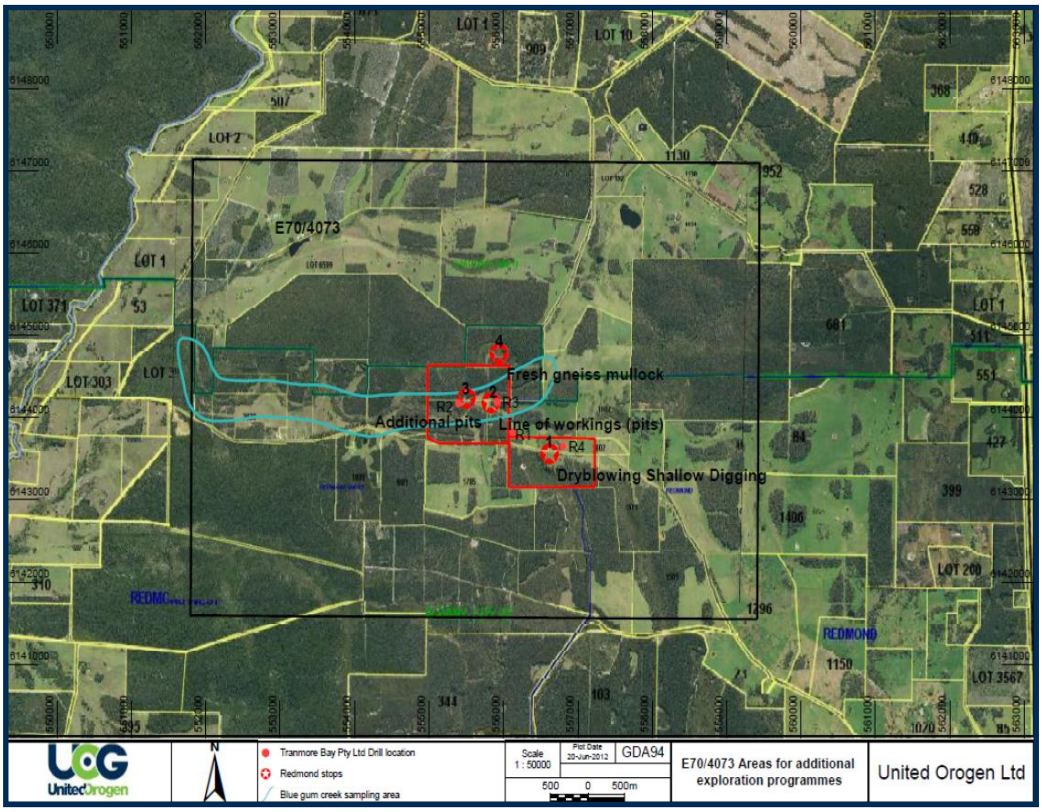
Previous holders drilled two holes in 2009.This year the core from this drilling was examined and was thought not to give encouragement to the possibility of significant thicknesses of base metals or gold mineralization. Scintillometer surveys did not give good results either. UOG is reviewing the status of this tenement.



Victoria Desert tenements showing gold and uranium targets



E39/1594 Victoria Desert South



Redmond Prospect: E70/4073: Location of old workings.

Redmond Project (100%)

E70/4073

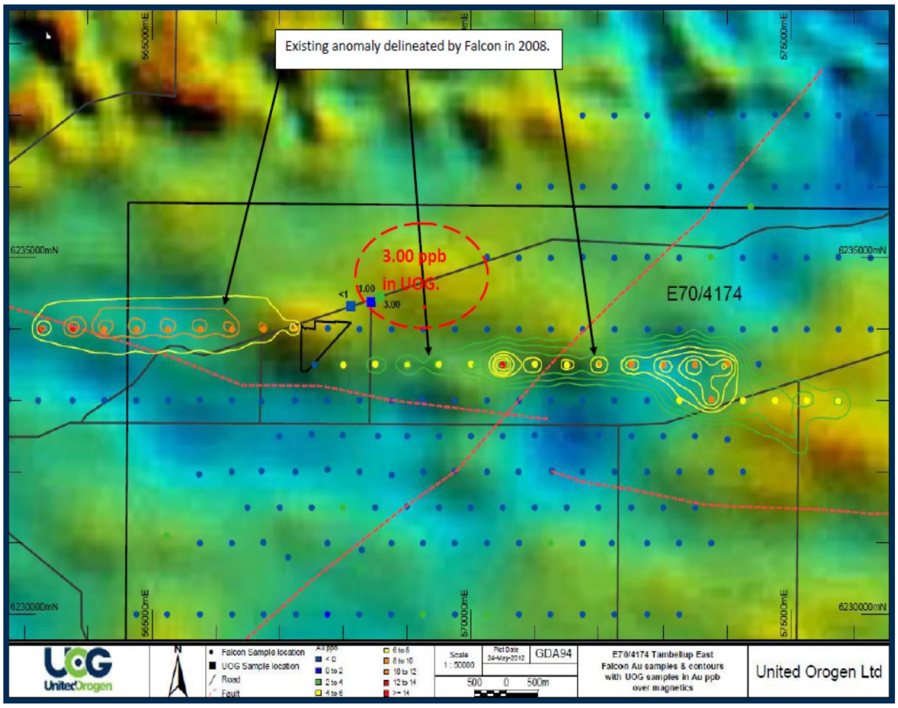
This tenement was granted during the year .The tenement is centred on the Blue Gum gold prospect which had several pits and shafts worked in the 1890's.There is potential for gold and base metals.

During the year extensive research was carried out on the Redmond tenement. This included a field visit, map and history searches at Perth's State Library and Albany Museum and conversations with geologists who have worked on previous exploration campaigns in the area. UOG acquired archival information such as aerial photography taken in 1943, which would assist in locating these old workings to which modern exploration methods would be applied. Some progress was made in locating the area of former gold workings.

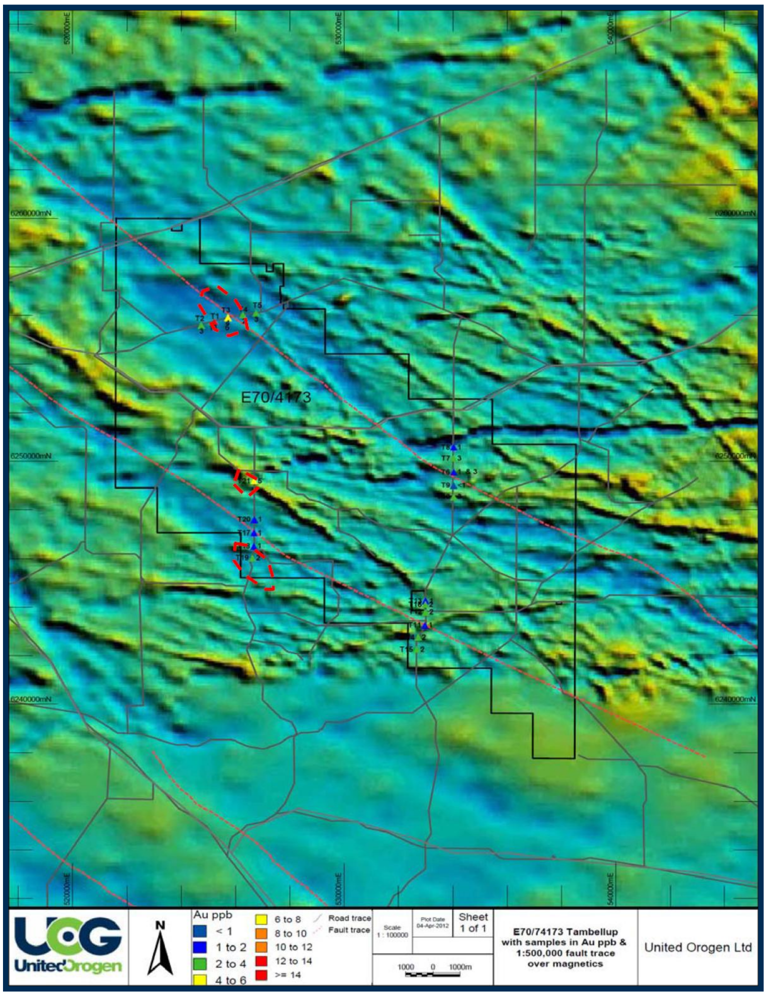
Tambellup Project (100%)

Tambellup E70/4173 and Tambellup East E70/4174

Both tenements were granted during the year and soil sampling was carried out on the western part of E70/4173 and E70/4174. UOG sampled along structural trends for gold and base metals mineralisation. Surface sampling has delineated Au anomalies on both tenements. On E70/4174, the results extended the anomaly defined by Falcon Minerals .On E70/4173, results of up to 13 ppb have been obtained along the interpreted position of the Darkan Fault in the northern part of the tenement .Other soil samples in the vicinity have values of 6.4 and 3 ppb.UOG is planning to carry out infill soil sampling to determine the extent of soil anomalism.



Tambellup East E70/4174:   Soil sampling along the Darkan trend.

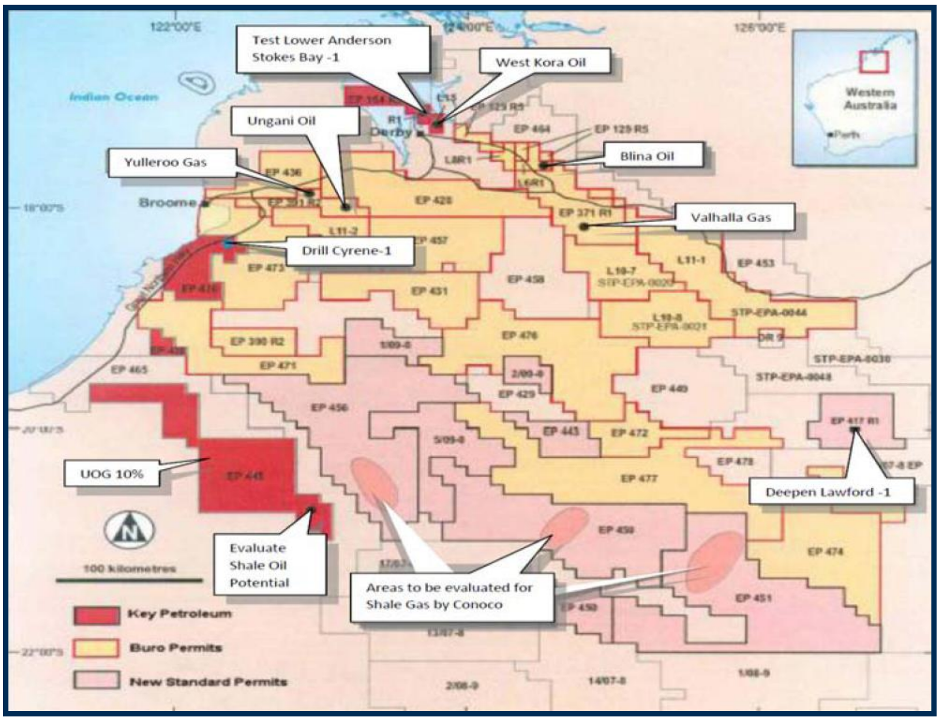


Aeromagnetic Image of E70/4173 showing new Au anomalies from soil sampling.

Joint Venture: Canning Basin

Shale Oil and Gas Potential, EP448:

UOG holds 10% of this petroleum permit. Key Petroleum, on behalf of the EP 448 Joint Venture, (of which UOG holds 10%), are negotiating with potential farmin groups to progress exploration within the EP448 Permit in the Canning Basin. This part of the Canning Basin has rich oil source rocks of the Goldwyer Formation which are considered some of the richest source rocks in Western Australia.



Map showing Exploration activity around EP 448.

The permit is strategically located in the Canning Basin with a large potential market in the Pilbara and Mid West regions of WA due to expanding and new resource projects. The permit contains rich source rocks in the Goldwyer and Laurel Formations and is prospective for accumulations of large quantities of oil and gas. The West Anketell 8,000 line km Aeromagnetic Survey was completed and existing seismic is being evaluated to delineate carbonate reef type prospects in the Nita and structural development in carbonates of the Nullara Formation as well as the Goldwyer Formation for Shale Oil/Shale Gas potential.RPS Energy have been appointed to undertake Shale Oil Maturation Studies.

Exploration Tenements Relinquished, Withdrawn and Divested

Western Australia: Horseshoe West E52/2016

Following an interpretation of geophysical data by consultants showing that no deep conductors were present, it was decided to surrender this tenement.

The information within this report as it relates to exploration results and mineral resources was compiled by the Managing Director Mr. Parmesh Vakil. Mr.Vakil is a full-time employee of the company and is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Vakil 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 the matters based on information in the form and context which it appears.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the Group occurred during the financial year.

On 30th August 2011 The company issued 20,329,279 ordinary shares and 20,329,279 free options in a 1 for 2 rights issue.

On 30th April 2012 United Orogen Limited acquired 100% of the shares in Orange Hills Resources Limited for the consideration of 11,666,667 ordinary shares in United Orogen Limited (of which 7,666,667 are restricted for a period of 12 months from the date of issue) which included new tenements in the Kimberleys prospective for bauxite, gold; diamonds and base metals

There were no significant changes in the state of affairs of the company during the year other than for the loss for the year as noted elsewhere in this report.

Matters subsequent to the end of the financial year

On the 6th of July 2012, Iron Mountain Mining Ltd has determined to make an off market bid for all shares and options in United Orogen Limited.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely developments and expected results of operations

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would likely result in unreasonable prejudice to the Group.

Environmental Regulation

The directors believe the Group is not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Greenhouse Gas and Energy data reporting requirements

The group is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 requires the group to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the group intends to take as a result.

The National Greenhouse and Energy Reporting Act 2007 requires the group to report its annual greenhouse gas emissions and energy use.

For the year ended 30 June 2012 the group was below the reported threshold for both legislative reporting requirements therefore is not required to register or report. The group will continue to monitor its registration and reporting requirements however it does not expect to have future reporting requirements.

REMUNERATION REPORT (AUDITED)

The information contained in the remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

Principles used to determine the nature and amount of remuneration

The Group's policy for determining the nature and amount of emoluments of board members and senior executives are as follows:

Executive Remuneration

The Group's remuneration policy for executive directors is designed to promote superior performance and long term commitment to the Group. Executives receive a base salary which is market related. Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the best interests of the Group and its shareholders to do so. The Board's reward policy reflects its obligation to align executive's remuneration with shareholders' interests and retain appropriately qualified executive talent for the benefit of the Group. The main principles of the policy are:

- Reward reflects the competitive market in which the Company operates
- Individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Refer below for details of Executive Directors' remuneration.

Non- Executive Remuneration

Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The Board recommends the actual payments to Directors. The maximum aggregate remuneration approved for Non-Executive Directors is currently $100,000. During the financial year, the Company paid $11,458 in indemnity insurance for the directors and secretaries of the Group. Currently each Non-Executive Director is entitled to receive $45,000 per annum (plus statutory superannuation entitlements).

Refer below for details of Non-Executive Directors' remuneration.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of Executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements. Refer to Note 16(b) of the financial report for details of all Directors' share and option holdings.

The Executive Directors and Executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Options are valued using either the Black-Scholes or binomial methodologies.

The board 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 practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting (currently $100,000). Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group and are able to participate in an employee option plan (none adopted to date).

Performance based remuneration

The Group currently has no performance based remuneration component built into Director and Executive remuneration packages.

The Board believes that as the Group is in its start up phase of development it is not feasible to establish meaningful Key Performance Indicators from which to base Director and Executive remuneration packages. Once the Group is more fully established the Board will reconsider this policy.

Details of remuneration

Details of the remuneration of the Directors and Key Management Personnel of United Orogen Limited are set out below.

The Key Management Personnel of the Group are the directors and company secretary. The following personnel are also the 5 highest paid as required to be disclosed under the Corporations Act 2001:

Directors:

Parmesh Vakil (Managing Director) (appointed on 18 November 2011)

David Alan Zohar (Executive Director)

John Karajas (Non-Executive Director)

Noel Taylor (Non Executive Director) (resigned 15 March 2012)

Zhukov Pervan (Non-Executive Chairman)

Executives:

Jacy Leu
(Company Secretary) (resigned on 16 December 2011)

Shoshanna Zohar
(Company Secretary) (appointed on 16 December 2011)

Key Management Personnel Remuneration:

2012	Short Term		Post-employment	Share based payments		
Name	Cash salary and fees $	Cash bonus $	Superannuation $	Options $	Shares $	Total $
Directors:						
David Alan Zohar	120,000	-	7,425	-	-	127,425
John Karajas	34,924	-	25,076	-	-	60,000
Zhukov Pervan	45,000	-	-	-	-	45,000
Parmesh Vakil	92,692	-	8,342	-	-	101,034
Noel Taylor	80,665	-	22,340			103,005
Executives:						
Shoshanna Zohar[1]	-	-	-	-	-	-
Jacy Leu[2]	-	-	-	-	-	-
Total	373,281	-	63,183	-	-	436,464

1 Shoshanna Zohar was appointed as Company Secretary on 16 December 2011. Ms Zohar is employed and remunerated by Iron Mountain Mining Ltd. Iron Mountain Mining Ltd charged for the time spent by Ms Zohar on the Group's affairs. Ms Zohar's remuneration is reported in the Iron Mountain Mining Ltd annual reports. An amount of $2,679 (exc GST) was recharged to the Group during the year.

2 Jacy Leu resigned as Company Secretary on 16 December 2011. Ms Leu was employed and remunerated by Iron Mountain Mining Ltd. Iron Mountain Mining Ltd charged for the time spent by Ms Leu on the Group's affairs. An amount of $14,150 (exc GST) was recharged to the Group during the year.

2011	Short Term		Post-employment	Share based payments		
Name	Cash salary and fees $	Cash bonus $	Superannuation $	Options $	Shares $	Total $
Directors:						
David Alan Zohar	90,000	-	8,100	-	-	98,100
John Karajas	21,747	-	23,253	-	-	45,000
Zhukov Pervan	45,000	-	-	-	-	45,000
William Edwin Bannister	75,096	-	6,750	-	-	81,846
Noel Taylor	141,000	-	22,500	28,800	-	192,300
Executives:						
Mark Killmier[1]	-	-	-	-	-	-
Jacy Leu[2]	-	-	-	-	-	-
Total	372,843	-	60,603	28,800	-	462,246

[1] Mark Killmier was employed and remunerated by Iron Mountain Mining Ltd. Iron Mountain Mining Ltd charged for the time spent by Mr Killmier on the company's affairs. Mr Killmier's remuneration is reported in the Iron Mountain Mining Ltd annual reports. Mr Killmier resigned as company secretary and chief financial officer on 13 May 2011.

2 Jacy Leu was appointed as company secretary on 13 May 2011. Jacy Leu is employed and remunerated by Iron Mountain Mining Ltd. Iron Mountain Mining Ltd charged for the time spent by Ms Leu on the company's affairs. An amount of $8,300 (exc GST) was recharged to the company during the year.

There are no short term incentive plans in place for Key Management Personnel at any time during the 2011 or 2012 years.

Additional Information

The table below sets out the performance of the company and the consequences on shareholders' wealth for the past five years.

	2012	2011	2010	2009	2008
Quoted price of ordinary shares at period end (cents)	1.4	1.7	1.1	3.2	10
Quoted price of options at period end (cents)	0.00	0.00	0.1	0.5	4.5
Loss per share (cents)	2.00	0.40	1.55	2.57	1.62
Dividends paid	-	-	-	-	-

Service Agreements and remuneration commitments (audited)

There are no service agreements in place as at 30 June 2012.

There are nil outstanding commitments owed to any of the key management personnel as at 30 June 2012 (2011: nil).

Securitisation Policy

The Group's security trading policy provides guidance on acceptable transactions in dealing in the Company's various securities, including shares, debt notes and options. The Group's security trading policy defines dealing in company securities to include:

(a) Subscribing for, purchasing or selling Company Securities or entering into an agreement to do any of those things;

(b) Advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in Company Securities; and

(c) Entering into agreements or transactions which operate to limit the economic risk of a person's holdings in Company Securities.

The securities trading policy details acceptable and unacceptable times for trading in Company Securities including detailing potential civil and criminal penalties for misuse of "inside information". The Directors must not deal in Company Securities without providing written notification to the Chairman. The Chairman must not deal in Company Securities without the prior approval of the Chief Executive Officer. The Directors are responsible for disclosure to the market of all transactions or contracts involving the Group's shares.

The United Orogen Limited Employee Option Plan rules contain a restriction on removing the 'at risk' aspect of the options granted to key management personnel and executives. Participants in the United Orogen Limited Employee Option Plan may not enter into derivative transactions with third parties to eliminate the performance element of the options. This rule is enforced via an annual declaration of compliance by all option plan participants.

End of Audited Remuneration Report

Directors' Meetings

The following table sets out the number of meetings of the Group's Directors held while each Director was in office and the number of meetings attended by each Director:

	Board Meetings	
Director	**Number of meetings held**	**Number of meetings attended**
Parmesh Vakil (appointed 18 November 2011)	3	3
David Alan Zohar	4	4
John Karajas	4	4
Zhukov Pervan	4	4
Noel Taylor (resigned 15 March 2012)	2	2

Shares Under Option

There are no unissued ordinary shares of United Orogen Limited under option at the date of this report.

Insurance of officers

During the financial year, United Orogen Limited paid a premium of $11,458 to insure the directors and secretaries of the company and its Australian-based controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the entity in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage from themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Indemnity of auditors

The Group has not, during or since the financial year, in respect of any person who is or has been an auditor of the Group a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Proceedings on behalf of the Group

No person has applied for leave of Court under section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is party for the purpose of taking responsibility on behalf of the Group for all or part of these proceedings.

The Group was not a party to any such proceedings during the year.

Non-audit services

No fees were paid for non-audit services to the external auditors and their associated entities during the year ended 30 June 2012 and 30 June 2011.

Auditor's Independence Declaration

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2012 has been received and is set out on page 19.

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

Parmesh Vakil
Managing Director

Perth, Western Australia
31 August 2012

AUDITOR'S INDEPENDENCE DECLARATION 3

ROTHSAY

Level 18, Central Park Building, 152-158 St Georges Terrace, Perth WA 6000
P.O. Box 8716, Perth Business Centre WA 6849
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 30 June 2012 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 31 August 2012

Chartered Accountants

4 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Note	CONSOLIDATED 2012 $	2011 $
Revenue from continuing operations	5	86,118	729,293
Other income	5	20,607	551,687
Administration		(187,597)	(154,676)
Exploration costs		(92,415)	(135,953)
Occupancy costs		(13,818)	(14,964)
Depreciation		(3,342)	(10,840)
Employment costs(including directors)		(451,592)	(540,660)
Share of net loss of associates accounted for using the equity method		-	-
Takeover costs		(27,310)	-
Impairment of available for sale financial assets	10	(1,246,344)	(689,500)
Profit/(Loss) Before Income Tax		(1,915,693)	(265,613)
Income tax expense	6	-	-
NET PROFIT/(LOSS) FOR THE YEAR		**(1,915,693)**	**(265,613)**
Other Comprehensive Income			
Changes in the fair value of available for sale financial assets		(370,364)	386,864
Other comprehensive income for the year net of tax		(370,364)	386,864
Total comprehensive income for the year attributable to members of the group		**(2,286,057)**	**121,251**
Basic and diluted earnings/(loss) per share (cents)	25	(2.00)	(0.40)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

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	Note	CONSOLIDATED 2012 $	CONSOLIDATED 2011 $
CURRENT ASSETS			
Cash and cash equivalents	7	110,893	418,154
Trade and other receivables	8	41,041	13,989
TOTAL CURRENT ASSETS		151,934	432,143
NON-CURRENT ASSETS			
Property, plant and equipment	9	4,565	7,907
Available for sale financial assets	10	731,005	2,347,713
Exploration Assets	11	5,900,000	-
TOTAL NON-CURRENT ASSETS		6,635,570	2,355,620
TOTAL ASSETS		6,787,504	2,787,763
CURRENT LIABILITIES			
Trade and other payables	12	73,460	280,914
Provisions	13	7,772	8,385
TOTAL CURRENT LIABILITIES		81,232	289,299
TOTAL LIABILITIES		81,232	289,299
NET ASSETS		6,706,272	2,498,464
EQUITY			
Contributed Equity	14	13,493,263	6,999,398
Reserves	15	129,180	499,544
Accumulated losses		(6,916,171)	(5,000,478)
TOTAL EQUITY		6,706,272	2,498,464

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Contributed Equity $	Accumulated Losses $	Option Reserve $	Available-for-sale Investments Revaluation Reserve $	Total $
2011					
Balance as at 1.07.2010	6,697,752	(4,734,865)	80,380	3,500	2,046,767
Total comprehensive income for the year					
Loss for the year	-	(265,613)	-	-	(265,613)
Other comprehensive income					
Change in fair value of available for sale financial assets	-	-	-	386,864	386,864
Total other comprehensive income for the year	-	-	-	386,864	386,864
Total comprehensive income for the year	-	(265,613)	-	386,864	121,251
Shares issued during the year	363,715	-	-	-	363,715
Capital raising costs	(62,069)	-	-	-	(62,069)
Options issued during the year	-	-	28,800	-	28,800
Balance as at 30.06.2011	6,999,398	(5,000,478)	109,180	390,364	2,498,464
2012					
Balance as at 1.07.2011	6,999,398	(5,000,478)	109,180	390,364	2,498,464
Total comprehensive income for the year					
Loss for the year	-	(1,915,693)	-	-	(1,915,693)
Other comprehensive income					
Change in fair value of available for sale financial assets	-	-	-	(370,364)	(370,364)
Total other comprehensive income for the year	-	-	-	(370,364)	(370,364)
Total comprehensive income for the year	-	(1,915,693)	-	(370,364)	(2,286,057)
Shares issued during the year	6,499,878	-	-	-	6,499,878
Capital raising costs	(6,013)	-	-	-	(6,013)
Balance as at 30.06.2012	13,493,263	(6,916,171)	109,180	20,000	6,706,272

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Other Income		80,555	114,498
Payments for exploration, evaluation and acquisition costs		(94,694)	(135,953)
Payments to suppliers and employees		(882,562)	(560,687)
Takeover expenses		(27,310)	
Interest received		12,886	11,877
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	21	(911,125)	(570,265)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		-	(1,648)
Payments for available for sale investments		-	-
Payments for purchase of investment in associate		-	-
Proceeds from sale of investment in associate		-	-
Loans to related entities		-	-
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		-	(1,648)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		609,878	363,715
Payment of capital raising costs		(6,014)	(62,069)
NET CASH INFLOW FROM FINANCING ACTIVITIES		603,864	301,646
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		(307,261)	(270,267)
Cash and cash equivalents at the beginning of the financial year		418,154	688,421
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	21	110,893	418,154

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

8 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include financial statements for the consolidated entity consisting of United Orogen Ltd and its subsidiaries.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the Corporations Act 2001. The financial statements have been prepared on a going concern basis.

Compliance with IFRS

The financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

Critical accounting estimates and significant judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Financial statement presentation

The Group has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Group had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of United Orogen Limited (company) as at 30 June 2012 and the results of all subsidiaries for the year then ended. United Orogen Limited and its subsidiaries together are referred to in this financial report as either the Consolidated Entity or Group.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(c)).

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interests result in gains and losses for the Group that are recorded in the statement of comprehensive income. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of United Orogen Limited.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

c) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

d) 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.

Change in accounting policy

The Group has adopted AASB 8 Operating Segments from 1 July 2009. AASB 8 replaces AASB 114 Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This change in policy has not changed the number or nature of reportable segments.

e) Exploration and Evaluation Expenditure

Acquisition, exploration and evaluation expenditure incurred is written off as incurred.

Mineral assets acquired as part of the acquisition of another entity are capitalised in accordance with the accounting principles set out for consolidations (refer to note 1(b)) and business combinations (refer to note 1(c)).

When production commences, development costs will be capitalised for the relevant area of interest and then amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. Any costs of site restoration are provided for during the relevant production stages, (where the liabilities exist) and included in the costs of that stage.

f) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

h) Property, Plant & Equipment

Each asset of property, plant and equipment is carried at cost less where applicable, any accumulated depreciation and impairment losses.

Plant & equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

Items of property, plant and equipment are depreciated using the diminishing value method over their estimated useful lives to the Group. The depreciation rates used for each class of asset for the current period are as follows:

- Computer Equipment 50%

Assets are depreciated from the date the asset is ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets continual use or subsequent disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

I) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the end of the reporting period.

Deferred income tax is accounted for using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax from the initial recognition of an asset or liability, in a transaction other than a business combination is not accounted for if it arises that at the time of the transaction affects neither accounting or taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Investment allowances

The Group may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

j) Employee Benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

k) Share-based payments

The Group provides benefits to employees (including directors) of the Consolidated Entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the

Consolidated Entity, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

l) Investments and other Financial Assets

Classification

The Group classifies its financial assets in the following categories: loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments or other financial assets at initial recognition.

Recognition

Financial instruments are initially measured at fair value 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.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting period.

Subsequent Measurement

Available for sale financial assets are subsequently measured at fair value. Changes in the fair value of available for sale financial assets are recognised in the statement of comprehensive income. Details on how the fair value of financial investments is determined are disclosed in note 2.

Loans and receivables

Loans and receivables are non-derivative financial assets initially recognised at fair value 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.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

If there is evidence of impairment for any of the Consolidated Entity's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

m) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, high liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown with borrowings in current liabilities in the statement of financial position.

n) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

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

Option fee income is recognised when payment for the option fee is received. Revenue from the sale of investments is recognised when the relevant sale contract is executed.

o) Contributed Equity

Ordinary issued share capital is recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

p) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

q) Joint Venture Operations

Interest in the joint venture operation is brought to account by including in the respective classifications, the share of individual assets employed and share of liabilities and expenses incurred.

r) Provisions

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

s) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

t) 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 Tax Office. 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 expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

u) Going Concern

For the year ended 30 June 2012, the Group recorded a loss of $1,915,693 (2011: $265,613). At 30 June 2012, the cash balance was $110,893 (2011: $418,154).

The accounts have been prepared on a going concern basis. The Directors have determined that future capital raisings or asset sales will be required in order to continue the Group's exploration and development of its mining tenements to achieve a position where they can prove exploration reserves.

The ability of the Group to continue as a going concern is dependent upon the Consolidated Entity raising further capital or realising funds from the sale of assets sufficient to meet the Group's expenditure commitments.

The Directors have prepared a cash flow forecast for the foreseeable future reflecting the above mentioned expectations and their effect upon the Group. The achievement of the forecast is dependent upon the future capital raising and/or sale of assets, the outcome of which is uncertain.

In the event that sufficient capital raising or asset sales at an amount and timing necessary to meet the future budgeted operational and investing activities of the Group is unfavourable the Directors believe that they will be able to contain the operating and investment activities sufficiently to ensure that the Group can meet its debts as and when they become due and payable.

In the event that the events referred to above results in a negative outcome, then the going concern basis of accounting may not be appropriate with the result that the Group 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 report.

The financial report does not include any adjustments relating to the recoverability or classification of recorded amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

v) Earnings per Share

Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to owners of the Consolidated Entity, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

w) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

x) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010- 7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2013)

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Group has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

(ii) *AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013)*

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):

- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

Since the Group is a for-profit private sector entity that has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

AASB 2011–2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific "RDR" disclosures.

(iii) *AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2011) [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] (applies to periods beginning on or after 1 January 2013)*

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Group has not yet determined any potential impact on the financial statements from adopting AASB 9.

(iv) *AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012)*

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it.

The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the Group.

(v) *AASB 2010–9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011/1 January 2013)*

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the Group.

(vi) *AASB 2010–10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009–11 & AASB 2011–7] (applies to periods beginning on or after 1 January 2013)*

This Standard makes amendments to AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9, and AASB 2011–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009–11 will only affect early adopters of AASB 2009–11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010–7.]

This Standard is not expected to impact the Group.

(vii) *AASB 1054: Australian Additional Disclosures (applies to periods beginning on or after 1 January 2013)*

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 the following areas:

- compliance with Australian Accounting Standards;
- the statutory basis or reporting framework for financial statements;
- whether the financial statements are general purpose or special purpose;
- audit fees; and
- imputation credits.

This Standard is not expected to impact the Group.

(viii) *AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project – Reduced disclosure regime [AASB 101 & AASB 1054] (applies to periods beginning on or after 1 July 2013)*

This Standard makes amendments to the application of the revised disclosures to Tier 2 entities that are applying AASB 1053.

This Standard is not expected to impact the Group.

(ix) *AASB 10: Consolidated Financial Statements (applies to periods beginning on or after 1 January 2013)*

This Standard 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 new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.

This Standard is not expected to impact the Group.

(x) *AASB 12: Disclosures of Interests in Other Entities (applies to periods beginning on or after 1 January 2013)*

This Standard 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 Group has not yet determined any potential impact on the financial statements.

(xi) *AASB 13: Fair Value Measurement (applies to periods beginning on or after 1 January 2013)*

This Standard establishes a single source of guidance under AASB for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under AASB when fair value is required or permitted by AASB. Application of this definition may result in different fair values being determined for the relevant assets.

AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. The Group has not yet determined any potential impact on the financial statements.

(xii) *AASB 119: Employee Benefits (applicable for annual reporting periods commencing on or after 1 January 2013)*

The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognized in full with actuarial gains and losses being recognized in other comprehensive income. It also revised the method of calculating the return on plan assets. The definition of short-term benefits has been revised, meaning some annual leave entitlements may become long-term in nature with a revised measurement. Similarly the timing for recognising a provision for termination benefits has been revised, such that provisions can only be recognised when the offer cannot be withdrawn.

Consequential amendments were also made to other standards via AASB 2011-10.

2. Financial Risk Management

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

Risk management is carried out by the Board in their day to day function as the overseers of the business. Where necessary the Board provides principles for overall risk areas, as well as defined policies for specific risks such as foreign exchange and credit risk. Currently the Board has not deemed it necessary to issue written principal cover financial risks.

The Consolidated Entity holds the following financial instruments:

	2012 $	2011 $
Financial Assets		
Cash and cash equivalents	110,893	418,154
Trade and other receivables	9,795	2,325
Available-for-sale financial assets	731,005	2,347,713
	851,693	2,768,192
Financial Liabilities at amortised cost		
Trade and other payables	73,460	280,914
	73,460	280,914

(a) Market Risk

i) Foreign Exchange Risk

The Consolidated Entity's operations are limited to domestic activities within Australia.

ii) Price risk

The Consolidated Entity is exposed to equity securities price risk. This arises from investments held by the Group and classified on the statement of financial position as available-for-sale. The Group is not exposed to commodity price risk.

The majority of the Group's equity investments are publicly traded and listed on the Australian Securities Exchange.

The Group manages equity securities price risk by only investing in companies where the Board has a detailed understanding of its financial and operational position.

The table below summarises the impact of the all ordinaries index on the Group's post-tax profit for the year and on equity. The analysis is based on the assumption that the all ordinaries index had decreased by 11.25% (2011 – increased by 7.84%) with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

The Group's equity investments do not form part of any quoted index. Accordingly the Group has adopted the movement in the all ordinaries index for the purpose of assessing the sensitivity of equity securities price risk as this index is the commonly accepted measure of general quoted equity investment price movement. This methodology and assumptions in measuring equity security price risk is consistent with the prior reporting period.

	Impact on Post Tax Profit		Impact on Equity	
	2012 $	2011 $	2012 $	2011 $
All ordinaries index	1,246,344	689,500	1,352,591	510,422

Post tax profit and equity would further increase as a result of gains on equity securities classified as available-for-sale.

Given the nature of the financial assets, the Directors believe the all ordinaries index is the most appropriate benchmark to measure the sensitivity of the price risk of the Group's listed financial investments. However, it should be noted that the maximum negative impact on net loss is $2,327,714.

iii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from funds on interest bearing deposits. Funds on interest bearing deposits at variable rates expose the Group to cash flow interest rate risk. During 2011 and 2012, the Group's funds on deposit at variable rate were denominated in Australian Dollars only.

As at the reporting date, the Consolidated Entity had the following variable rate interest bearing deposits:

	30 June 2012		30 June 2011	
	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Funds on deposit	3.72	110,893	3.95	418,154

The Group has assessed that the impact of movements in interest rates does not have a material impact on the net profit after tax. Accordingly the Group's funds on deposit are managed according to the cash flow requirements of the Group rather than impact of interest rate risk.

Group sensitivity

At 30 June 2012, if interest rates had changed by -100/+70 basis points (2011 -100/+70 basis points) from the year-end rates with all other variables held constant, post-tax profit for the year would have been $3,465 lower/$2,426 higher (2011 – change of -100/+70 bps: $3,005 lower/$2,104 higher), mainly as a result of higher/lower interest income from cash and cash equivalents. Equity would have been $3,465 lower/$2,426 higher (2011 - $3,005 lower/$2,104 higher) mainly as a result of an increase/decrease in the interest income from cash and cash equivalents. The sensitivity disclosed is based on a reasonable estimate using available information of the possible movement in interest rates applicable to the Group's investments to illustrate the impact on equity and net profit such movements would have.

b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and receivables from Joint Venture and Farm-In operations.

The Group's maximum exposure to credit risk at the reporting date was:

	2012 $	2011 $
Financial Assets		
Cash and cash equivalents	110,893	418,154
Other receivables	9,795	2,325
Total	120,688	420,479

The Directors believe that there is negligible credit risk with the cash and cash equivalents, as funds are held at call with a reputable Australian Banking Institution with a S & P long term credit rating of AA-.

At balance date the Group has no outstanding trade receivables.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested at call interest bearing deposits or in bank bills that are highly liquid and with maturities of less than six months.

Financing arrangements

The Group does not have any financing arrangements.

Maturities of financial liabilities

The Group's only debt relates to trade payables where payments are generally within 30 days.

d) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the bid price at the end of the financial year.

The fair value of financial instruments that are not traded in an active market (for example, investments in unlisted subsidiaries) is determined using net asset value.

As of 1 July 2009, the Group has adopted the amendment to AASB 7 *Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2),and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following tables present the Group's assets measured and recognised at fair value at 30 June 2012 and 30 June 2011.

Consolidated Entity – at 30 June 2012	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
Equity securities	731,005	-	-	731,005
Total assets	**731,005**	**-**	**-**	**731,005**

Consolidated Entity – at 30 June 2011	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
Equity securities	2,347,713	-	-	2,347,713
Total assets	**2,347,713**	**-**	**-**	**2,347,713**

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid prices at the end of the financial year. These instruments are included in Level 1.

The carrying value of trade receivables and trade payables are assumed to approximate their fair value due to their short-term nature.

3. Critical Accounting Estimates and Judgements

Key estimates

(i) Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

During the year ended 30 June 2012, the Group made significant judgement about the impairment of a number of its available-for-sale financial assets.

The Group follows the guidance of AASB 139 Financial Instruments: Recognition and Measurement on determining when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

The decline in fair value below cost for some of these assets has been considered to be significant and/or prolonged. The Group has recorded an impairment loss during the year ended 30 June 2012, being the transfer of the accumulated fair value adjustments recognised in equity on the impaired available-for-sale financial assets to the statement of comprehensive income.

(ii) Exploration & Evaluation Expenditure

The Group's accounting policy for exploration & evaluation expenditure results in the expense to the statement of comprehensive income all exploration & evaluation expenditure. Management has taken the judgement that the Group's projects are in an early stage of development and as such management have the judgement that there is insufficient evidence to justify the capitalisation of exploration & evaluation expenditure incurred.

(iii) Business Combinations

The Group's accounting policy for business combinations requires management to exercise judgement over the fair value of shares issued to the former equity holders of the acquiree and the fair value of identifiable assets and liabilities acquired. Management utilises the services of independent experts to measure the fair values of the assets, liabilities and equity instruments and base their judgements accordingly.

4. Parent Entity Information

The following details information related to the parent entity, United Orogen Limited, at 30 June 2012. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2012 $	2011 $
Current assets	141,326	432,143
Non-current assets	6,625,570	2,355,620
Total assets	**6,766,896**	**2,787,763**
Current liabilities	81,232	289,299
Total liabilities	**81,232**	**289,299**
Contributed equity	13,493,263	6,999,398
Reserves	129,180	499,544
Accumulated losses	(6,936,779)	(5,000,478)
Total equity	**6,685,664**	**2,498,464**
Profit / (Loss) for the year	(1,936,301)	(265,613)
Other comprehensive income for the year	(370,364)	386,864
Total comprehensive income for the year	**(2,306,665)**	**121,251**

5. Revenue

From Continuing Activities		
Sales revenue from continuing operations	73,232	717,416
Other Revenue		
Interest received	12,886	11,877
	86,118	729,293
Other Income		
Rental Income	-	900
Profit on disposal of property, plant and equipment	-	550,787
Discount on acquisition of Orange Hills Resources Limited	20,607	-
	20,607	551,687

6. Income Tax

	2012 $	2011 $
Numerical reconciliation of income tax income to prima facie tax payable		
Net (Loss) before tax	(1,915,693)	(265,613)
Tax benefit at the Australian tax rate of 30% (2011: 30%)	(574,708)	(79,684)
Tax effect of amounts that are not deductible / taxable in calculating taxable income		
Disposal of investments	-	(120,447)
Non-deductible expenses	8,193	8,640
Provisions & accruals	(13,060)	15,146
Capital raising costs	(4,085)	(62,110)
Impairment of available for sale financial assets	373,903	206,850
Income not taxable	(6,182)	-
Impairment of related party receivables	-	-
Tax losses and temporary differences not brought to account	215,939	31,605
Income Tax Expense	-	-

Tax Losses

	2012 $	2011 $
Unused tax losses for which no deferred tax asset has been recognised	4,668,571	3,948,777
Potential tax benefit at 30%	1,400,571	1,184,633

Unrecognised temporary differences

	2012 $	2011 $
Temporary differences for which deferred tax assets have not been recognised.		
• Provisions and accruals	61,803	105,335
• Capital raising costs	42,051	207,032
	103,854	312,367
Unrecognised differed tax assets relating to the above temporary differences	31,156	93,710

7. Cash and Cash Equivalents

	2012 $	2011 $
Cash at bank and in hand	110,893	418,154
	110,893	418,154

The Group's exposure to interest rate risk is discussed in note 2(a). The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

8. Trade and other receivables

	2012 $	2011 $
Trade receivables	9,795	2,325
Goods and services tax refund	7,529	-
Prepayment	23,717	11,664
	41,041	13,989

Refer Note 2 for Financial Risk Management.

9. Property, Plant and Equipment

	2012 $	2011 $
Computer and sundry plant and equipment, at cost	34,123	34,123
Accumulated depreciation	(29,558)	(26,216)
TOTAL PROPERTY, PLANT AND EQUIPMENT	4,565	7,907

Movements during the year

Movement in the carrying amounts for each class of property, plant & equipment between the beginning and the end of the financial year.

2012	Land & Buildings $	Plant & Equipment $	Total $
Balance at 1 July 2011	-	7,907	7,907
Additions	-	-	-
Disposals	-	-	-
Depreciation	-	3,342	3,342
Balance at 30 June 2012	-	4,565	4,565

2011	Land & Buildings $	Plant & Equipment $	Total $
Balance at 1 July 2010	827,940	12,371	840,311
Additions	-	1,648	1,648
Disposals	(821,875)	(1,337)	(823,212)
Depreciation	(6,065)	(4,775)	(10,840)
Balance at 30 June 2011	-	7,907	7,907

10. Available for sale financial assets

	2012 $	2011 $
Shares in listed corporation at fair value	731,005	2,347,713
	731,005	2,347,713
At beginning of year	2,347,713	584,849
Acquisitions	-	2,065,500
Disposal	-	-
Fair Value Adjustment to reserves	(370,364)	386,864
Impairment of available for sale financial assets	(1,246,344)	(689,500)
At end of year	731,005	2,347,713

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.

11. Exploration Expenditure

Opening book amount	-	-
Additions upon consolidation of subsidiary (note 28)	5,900,000	-
Additions	-	-
Closing book amount	5,900,000	-

(a) Impairment Tests for Intangible Assets

It is considered that there is no impairment of the intangible asset as the Group believes that the realisable value of the assets, should they be sold, is considered to be equal to or greater than their recorded book value.

12. Trade and other payable

	2012 $	2011 $
Trade Creditors and accruals	73,460	280,914
	73,460	280,914

Refer Note 2 for Financial Risk Management.

13. Provisions

Employee entitlements		
	7,772	8,385
	7,772	8,385

All provisions are expected to be settled within 12 months.

14. Contributed Equity

(a) Issued and Paid Up Capital

108,825,946 (2011: 76,830,000) fully paid ordinary shares	14,553,515	8,053,637
Capital raising costs	(1,060,252)	(1,054,239)
	13,493,263	6,999,398

(b) Movement of fully paid ordinary shares during the period were as follows:

Date	Details	Number of Shares	Issue Price (cents)	$
1 July 2010	Opening Balance	64,762,853		6,697,752
31 August 2010	Exercise of Options	10,000	20	2,000
31 January 2011	Rights issue	12,057,147	3	361,715
	Less capital raising costs			(62,069)
30 June 2011	Balance	76,830,000		6,999,398

Date	Details	Number of Shares	Issue Price (cents)	$
1 July 2011	Opening Balance	76,830,000		6,999,398
30 August 2011	Rights Issue	20,329,279	3	609,878
30 April 2012	Share Issue on acquisition of Orange Hills Resources Limited	11,666,667	50.5	5,890,000
	Less capital raising costs			(6,013)
30 June 2012	Balance	108,825,946		13,493,263

(c) Share Options

The Consolidated Entity has 34,386,426 options on issue as at 30 June 2012.

32,386,426 options are exercisable at $0.20 on or before 31 March 2016. 2,000,000 options which were issued to the company's managing director Noel Taylor are exercisable at $0.20 on or before 1 May 2016.

(d) Terms and Conditions of Issued Capital

Ordinary shares participate in dividends and the proceeds on winding up of the Consolidated Entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands. Ordinary shares have no par value.

(e) Capital Risk Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern so that the Group can provide returns to shareholders and benefits for other stakeholders whilst maintaining an optimal capital structure to reduce the cost of capital. The Group considers capital to consist of cash reserves on hand and available for sale financial assets.

The Group monitors its working capital position against expenditure requirements to undertake its planned exploration program and maintain its ongoing operations. Where required the Group will sell assets, issue new securities, raise debt or modify its exploration program to ensure the Group's working capital requirements are met.

15. Reserves

	2012 $	2011 $

The Option Reserve is used to recognise fair value of options issued. The available-for-sale investment revaluation reserve recognises the change in value of available for sale assets. Details of movements in reserves are shown below.

Option Reserve

	2012 $	2011 $
Balance at the beginning of the year	109,180	80,380
Option expense	-	28,800
Balance at end of year	109,180	109,180

Available for sale investments revaluation reserve

	2012 $	2011 $
Balance at the beginning of the year	390,364	3,500
Change in fair value	(370,364)	386,864
Balance at end of year	20,000	390,364

16. Key Management Personnel Disclosures

(a) Key Management Personnel Compensation:

	The Group 2012 $	The Group 2011 $
Short-term	373,281	372,843
Post employment	63,183	60,603
Other long-term	-	-
Termination benefits	-	-
Share-based payment	-	28,800
	436,464	462,246

The detailed remuneration disclosures are provided in the remuneration report on pages 15 to 17.

(b) Equity Instrument Disclosure relating to Key Management Personnel

At balance date the relevant interest of each Director in ordinary fully paid shares and options of the Consolidated Entity were:

2012	Fully Paid Ordinary Shares			
Director / Key Management Personnel	**Balance at beginning of the year**	**Shares issued – Orange Hills Resources Ltd takeover**	**Net change other**	**Balance at the end of the year**
David Alan Zohar	21,691,320	7,000,000	(359,500)	28,331,820
John Karajas	5,525,000	-	-	5,525,000
Zhukov Pervan	412,500	666,667	587,500	1,666,667
Parmesh Vakil	-	-	-	-
Jacy Leu	-	-	-	-
Shoshanna Zohar	264,401	-	-	264,401
	27,893,221	7,666,667	228,000	35,787,888

No shares are held nominally.

	Share Options			
Director / Key Management Personnel	**Balance at beginning of the year**	**Options issued - Orange Hills Resources Ltd takeover**	**Net change other**	**Balance at the end of the year**
David Alan Zohar	6,563,774	-	(687,500)	5,876,274
John Karajas	-	-	-	-
Zhukov Pervan	137,500	-	587,500	725,000
Parmesh Vakil	-	-	-	-
Noel Taylor	2,000,000	-	-	2,000,000
Jacy Leu	-	-	-	-
Shoshanna Zohar	-	-	-	-
	8,701,274	-	(100,000)	8,601,274

2011	Fully Paid Ordinary Shares			
Director / Key Management Personnel	**Balance at beginning of the year**	**Shares issued - Direct**	**Transfers / Ceasing to be a director**	**Balance at the end of the year**
David Alan Zohar	15,457,503	6,563,774	(65,556)	21,955,721
John Karajas	5,525,000	-	-	5,525,000
Zhukov Pervan	275,000	137,500	-	412,500
William Bannister	25,000	-	-	25,000
Mark Killmier	-	-	-	-
Jacy Leu	-	-	-	-
	21,282,503	6,701,274	(65,556)	27,918,221

No shares are held nominally.

	Share Options			
Director / Key Management Personnel	**Balance at beginning of the year**	**Options issued - Direct**	**Options Expired**	**Balance at the end of the year**
David Alan Zohar	11,410,000	6,563,774	(11,410,000)	6,563,774
John Karajas	2,012,500	-	(2,012,500)	-
Zhukov Pervan	2,212,500	137,500	(2,212,500)	137,500
William Bannister	2,012,500	-	(2,012,500)	-
Noel Taylor	-	2,000,000	-	2,000,000
Mark Killmier	-	-	-	-
Jacy Leu	-	-	-	-
	17,647,500	8,701,274	17,647,500	8,701,274

Other transactions and balances with Key Management Personnel are disclosed in Note 19 (b).

17. Remuneration of Auditor

	2012 $	2011 $
Amounts paid or payable to BDO Audit (WA) Pty Ltd for:		
- an audit or review of the financial statements of the entity	-	523
Amounts paid or payable to Rothsay for:		
- An audit or review of the financial statements of the entity	28,000	25,998
	28,000	26,521

18. Segment Information

The Group operates in the mineral exploration industry in Australia only.

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

The Group's management operate 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.

19. Related Party Transactions

(a) Subsidiary Companies

During the year United Orogen Limited did not advance any funds to 100% owned subsidiary Orange Hills Resources Limited (2011: nil). The total loan balance as at 30 June 2012 is nil (2011: nil).

(b) Key Management Personnel

Refer to note 16 for disclosures relating to key management personnel.

(c) Transactions with related parties and key management personnel

During the year ended 30 June 2012 secretarial, consulting and associated services were provided by the Group to the following related parties:

	2012 $ (GST excl.)	2012 Owing $ (GST Incl.)	2011 $ (GST excl.)	2011 Owing $ (GST Incl.)
Iron Mountain Mining Ltd	76,850	9,769	162,692	1,594
Eagle Nickel Ltd	-	-	10,145	332
Actinogen Ltd	8	-	1,229	-
Red River Resources Ltd	2,929	27	2,607	399
Total	79,787	9,796	176,673	2,325

During the year ended 30 June 2012 secretarial, consulting and associated services were provided to the Group from the following related parties:

	2012 $ (GST excl.)	2012 Owing $ (GST Incl.)	2011 $ (GST excl.)	2011 Owing $ (GST Incl.)
Iron Mountain Mining Ltd	73,144	2,063	85,883	34,234
Eagle Nickel Ltd	-	-	30	-
Actinogen Ltd	463	463	824	330
Red River Resources Ltd	-	-	25	-
Total	73,607	2,526	86,762	34,564

During the year ended 30 June 2012, United Orogen Limited paid $643 (excl GST) to Iron Mountain Mining Limited, a Director related entity of David Zohar, for tenement related expenses. This amount was repaid prior to 30 June 2012.

At 30 June 2012, the company holds 23,732,341(2011: 23,732,341) ordinary shares in Iron Mountain Mining Ltd, a director related entity of David Zohar, at a fair value of $664,506 (2011: $2,064,714).

As at 30 June 2012, the company holds 1,000,000 (2011: 1,000,000) ordinary shares in Black Gold Resources Ltd, a director related entity of David Zohar at a fair value of Nil (2011: Nil).

As at 30 June 2012, the company holds 500,000 (2011: 500,000) ordinary shares in Eagle Nickel Ltd, a director related entity of David Zohar, at a fair value of $6,500 (2011: $11,000). The company also holds 250,000 attaching options at a fair value of Nil (2011: Nil).

As at 30 June 2012, the Company holds 2,000,000 (2011: 2,000,000) ordinary shares in Actinogen Ltd, a Director related entity of David Zohar, at a fair value of $60,000 (2011: $62,000).

(d) Joint ventures

Refer to note 24 for related party joint venture disclosures.

20. Commitments

Tenement Commitments

The following expenditure is required to maintain the exploration tenements over which the Group has an interest in:

Tenement Name	Holders	Area	Grant Date	Expiry Date	Rent ($)	Minimum Expenditure ($)
E69/2825	United Orogen Ltd	49 Blocks	06/07/2011	05/07/2016	$5,718	$49,000
E52/2569	United Orogen Ltd	2 Blocks	18/06/2010	17/06/2015	$227	$15,000
E39/1528	United Orogen Ltd	25 Blocks	29/07/2010	28/07/2015	$2,918	$25,000
E39/1594	United Orogen Ltd	25 Blocks	03/05/2011	02/05/2016	$2,918	$25,000
E70/4073	United Orogen Ltd	15 Blocks	2/04/2012	1/04/2017	$1,751	$20,000
E70/4140	United Orogen Ltd	32 Blocks	N/A	N/A	N/A	N/A
E70/4173	United Orogen Ltd	69 Blocks	4/10/2011	3/10/2016	$8,052	$69,000
E70/4174	United Orogen Ltd	60 Blocks	4/10/2011	3/10/2016	$7,002	$60,000
E80/4243	Timothy Vincent TATTERSON and Geotech International Pty Ltd	54 Blocks	10/11/2010	9/11/2015	$6,302	$54,000
E80/4372	Timothy Vincent TATTERSON and Geotech International Pty Ltd	87 Blocks	18/04/2011	17/04/2016	$10,153	$87,000
E80/4434	Timothy Vincent TATTERSON and Paul Winston ASKINS	10 Blocks	10/08/2011	9/08/2016	$1,167	$20,000
E80/4435	Timothy Vincent TATTERSON and Paul Winston ASKINS	48 Blocks	10/08/2011	9/08/2016	$5,602	$48,000
E80/4439	Swancove Enterprises Pty Ltd	42 Blocks	14/06/2011	13/06/2016	$4,767	$42,000
EP448	Buru Energy Ltd, Gulliver Productions Pty Ltd, Indigo Oil Pty Ltd and United Orogen Ltd	8,427.269 km^2	16/06/2006	15/06/2014	$8,610	N/A

21. Reconciliation of the operating (loss) after tax to the net cash flows from operating activities

	2012 $	2011 $
Cash Flow Information		
Operating loss after income tax	(1,915,693)	(265,613)
Non cash items -		
Depreciation	3,342	10,840
Profit on disposal of property, plant & equipment	-	(550,787)
Non-cash sales	-	(691,500)
Impairment of available for sale financial assets	1,246,344	689,500
Employee share based payments	-	28,800
Discount on consolidation	(20,607)	-
Changes in assets and liabilities		
Increase (Decrease) in payables	(207,454)	211,796
Increase (Decrease) in provisions	(613)	(13,838)
Decrease (Increase) in receivables	(16,444)	10,537
Net cash flow from/(used in) operating activities	(911,125)	(570,265)
Reconciliation of Cash		
Cash balance comprises;		
Cash at bank	110,893	418,154

Financing facilities available

As at 30 June 2012 the Group had no financing facilities available.

Non Cash financing and Investing Activities

During the year ended 30 June 2012 United Orogen Limited acquired 100% of the shares in Orange Hills Resources Limited in exchange for 11,666,667 ordinary shares in United Orogen Limited.

22. Share – Based Payments

The following share based payments existed at 30 June 2012:

	2012		2011	
	Number of options	**Weighted average exercise price**	**Number of Options**	**Weighted average exercise price**
Outstanding at the beginning of the year	2,000,000	20 cents	20,750,000	30 cents
Granted	-	-	2,000,000	20 cents
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	20,750,000	30 cents
Outstanding at year end	2,000,000	20 cents	2,000,000	20 cents
Exercisable at year end	2,000,000	20 cents	2,000,000	20 cents

2,000,000 options have been issued to Consolidated Entity's managing director Noel Taylor, with an exercise price of 20 cents and expiring on 1 May 2016. Using the Black Scholes Model the fair value of an option is approximately 1.44 cents based on the following criteria:

Weighted average exercise price	20 cents
Weighted average life of the options	1,798 days
Underlying share prices	3 cents
Expected volatility	100.46
Risk free interest rate	5.03

23. Contingencies

The Directors are not aware of any contingent liabilities or assets as at 30 June 2012 (2011: Nil).

24. Joint Venture Operations

Canning Basin

EP448, in which United Orogen Limited has a 10% interest, is in a joint venture with Gulliver Productions Pty Ltd and Indigo Oil Pty Ltd. Gulliver Productions Pty Ltd is the operator of a major exploration program for oil and gas in the Canning Basin of which EP448 is part.

25. Earnings per share

	2012 $	2011 $
Basic and diluted loss per share (cents)	(2.00)	(0.40)
The options are not considered dilutive and therefore no diluted earnings per share is disclosed		
Weighted average number of ordinary shares used as the denominator	95,854,912	65,696,114
Net loss used in calculating EPS	(1,915,693)	(265,613)

26. Events occurring after the reporting period

On the 6th of July 2012, the Consolidated Entity Iron Mountain Mining Ltd has determined to make an off market bid for all shares and options in United Orogen Limited.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

27. Subsidiaries

The consolidated financial statements incorporate assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

			Equity Holding	
Name of Entity	**Country of incorporation**	**Class of shares**	**2012 %**	**2011 %**
Orange Hills Resources Limited	Australia	Ordinary	100	0

28. Business Combination

	2012 $	2011 $

On 30 April 2012, United Orogen Limited acquired 100% of the issued shares in Orange Hills Resources Limited, through consideration of the issue of 11,666,667 shares in United Orogen Limited. The acquisition was intended to create an exploration company with an interest in a diverse range of mineral exploration projects.

Details of net liabilities acquired and discounts are as follows:

Purchase Consideration	**$**
Shares issued in United Orogen Limited	5,890,000
Total Purchase Consideration	5,890,000

The assets and liabilities arising from the acquisition are as follows:	**Fair Value $**
Mining Assets	5,900,000
Trade and other receivables	10,608
Net identifiable assets	5,910,608
Less: Discount on acquisition	(20,608)
	5,890,000

Acquisition-related costs

Acquisition-related costs of $27,310 were included in the statement of comprehensive income for the year ended 30 June 2012, relating to the takeover of Orange Hills Resources Limited.

Acquired receivables

The fair value of trade and other receivables acquired was $5,900,000. This includes the option to purchase tenements E80/4372, E80/4243, E80/4434, E80/4435 and E80/4439.

Revenue and profit contribution

The acquired business contributed nil revenue and loss to the consolidated group for the period 30 April 2012 to 30 June 2012. If the acquisition had occurred on 1 July 2011, consolidated revenue and consolidated loss for the year ended 30 June 2012 would have been $86,119 and $1,915,693 respectively.

DIRECTORS' DECLARATION 9

In the Directors opinion:

1. The financial statements comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and notes set out on pages 20 to 46, are in accordance with the *Corporations Act 2001* and:
    a. Complying with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
    b. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2012 and of its performance for the financial year ended on that date
2. The Consolidated Entity has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. 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.
4. The remuneration disclosure included in the audited Remuneration Report in the Director's Report comply with Section 300A of the *Corporations Act 2001*.
5. The directors have been given the declaration by the Managing Director, Parmesh Vakil, as required by section 295A of the *Corporations Act 2001*.

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

Parmesh Vakil
Managing Director

Perth, Western Australia
31 August 2012

10 AUDIT REPORT

ROTHSAY

Level 18, Central Park Building, 152-158 St Georges Terrace, Perth WA 6000
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 6364 5076 www.rothsay.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF UNITED OROGEN LIMITED

Report on the financial report

We have audited the accompanying financial report of United Orogen Limited (the Company") which comprises the statement of financial position as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) 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. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of 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 our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to 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 in 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.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.

Audit opinion

In our opinion the financial report of United Orogen Limited is in accordance with the *Corporations Act 2001*, including:

a) (i) giving a true and fair view of the Company's financial position as at 30 June 2012 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 report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1(u) in the financial report, wherein it is stated that the group will have to seek additional funding or make asset sales to continue its exploration and development of its mining tenements.. If the group is unable to obtain additional funding it may indicate the existence of a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern and therefore whether it will realize its assets and extinguish its liabilities in the normal course of business at the values stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2012. 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.

Audit opinion

In our opinion the remuneration report of United Orogen Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Rothsay

Graham Swan
Partner

Dated 31 August 2012

11

SHAREHOLDER INFORMATION

ASX Information

Substantial shareholders

The substantial shareholders as at 27 August 2012 were:

Mr David Zohar	30,172,471
Iron Mountain Mining Limited [1]	20,526,361
Mr John Karajas	5,525,000

1 On 6 July 2012 Iron Mountain Mining Limited announced it was lodging a takeover bid for all of the shares in United Orogen Limited. As at 27 August 2012 the Company had received a total of 41,216,589 acceptances. The takeover bid remains conditional and as such this amount has not been included in the balance for Iron Mountain Mining Limited.

Distribution of shareholders as at 27 August 2012

Range of Holding	Holders	Shares
1-1,000	18	4,858
1,001-5,000	91	372,653
5,001-10,000	552	5,354,925
10,001 - 100,000	918	26,534,527
100,001 - over	60	76,558,983
	1,639	108,825,946

Shareholders with less than a marketable parcel 1,526

Distribution of Option Holders as at 27 August 2012

Range of Holding	Holders	Options
1-1,000	0	0
1,001-5,000	175	782,566
5,001-10,000	58	511,522
10,001 - 100,000	113	2,365,764
100,000 - over	14	28,726,574

Shareholders with less than a marketable parcel 354

Voting Rights

Each fully paid ordinary share carries voting rights of one vote per share.

Twenty Largest Shareholders as at 27 August 2012 - 62.15%	Number of Shares	Percentage of capital held
Iron Mountain Mining Limited	20,526,361	18.86
Ms Julie Zohar	7,500,002	6.89
Mr David Zohar <Zohar Family A/C>	7,000,000	6.43
Mr David Alan Zohar	6,812,502	6.26
Swancove Enterprises Pty Ltd	6,500,000	5.97
Mr John Karajas	5,525,000	5.08
Mr Timothy Vincent Tatterson	2,000,000	1.84
Eagle Nickel Ltd	1,904,250	1.75
Geotech International Pty Ltd <Paul Askins Super Fund A/C>	1,460,000	1.34
Tromso Pty Limited	1,050,000	0.96
Shellgrove Pty Ltd <Rjm Superannuation Fund A/C>	1,000,000	0.92
J & F James Bros Holdings Pty Ltd	937,500	0.86
Z P Pty Ltd <Z Pervan Super Fund A/C>	837,500	0.77
Mr Timothy Phillip Coleman	777,494	0.71
Z P Pty Ltd <Z Pervan Super Fund A/C>	666,667	0.61
Acn 139 886 025 Pty Ltd	661,398	0.61
M & K Korkidas Pty Ltd <M&K Korkidas P/L S/Fund A/C>	649,865	0.60
Jp Morgan Nominees Australia Limited <Cash Income A/C>	627,569	0.58
J & F James Brothers Holdings Pty Ltd	627,140	0.58
Miss Maria Marciniak	577,494	0.53
TOTAL	**67,640,742**	**62.15**

Twenty Largest Option Holders as at 27 August 2012 – 90.12%	Number of Options	Percentage of options issued
Iron Mountain Mining Limited	20,012,775	61.79
Ms Julie Zohar	2,500,001	7.72
Mr David Alan Zohar	1,812,501	5.60
Swancove Enterprises Pty Ltd	1,500,000	4.63
Eagle Nickel Ltd	634,750	1.96
Shellgrove Pty Ltd <Rjm Superannuation Fund A/C>	500,000	1.54
Z P Pty Ltd <Z Pervan Super Fund A/C>	450,000	1.39
J & F James Bros Holdings Pty Ltd	312,500	0.96
Mr Matthew Burford	300,000	0.93
J & F James Brothers Holdings Pty Ltd	209,047	0.65
Dr Zhukov Pervan	162,500	0.50
Dr Zhukov Pervan	112,500	0.35
Dr Adrian Pierce Serone	112,500	0.35
Mrs Janice Julie Hopetoun Waddell	107,500	0.33
Mr Shane Chen	100,000	0.31
Mr Dang Quang Le + Mrs Rachaneeboon Le <Dang Quang Le Family A/C>	100,000	0.31
Jp Morgan Nominees Australia Limited <Cash Income A/C>	95,870	0.30
Mr David Alan Zohar	63,772	0.20
B Harries Pty Ltd <Bh Super Fund A/C>	50,000	0.15
Mr Serge Dann + Mrs Rhonda Dann <Dann Superannuation A/C>	50,000	0.15
TOTAL	**29,311,216**	**90.12**

Unquoted securities

There are 7,666,667 unquoted ordinary shares and 2,000,000 unquoted options exercisable at $0.20 on or before 1 May 2016.

Shares and Options escrowed

There are a total 7,666,667 ordinary shares escrowed that were issued on 30 April 2012 and restricted for a period of 12 months of issue.

12 INTEREST IN MINING TENEMENTS

The Group has an interest in the following tenements as at 27 August 2012:

Tenement Name	Holders	Area	Grant Date	Expiry Date	Company's beneficial interest
E39/1528	United Orogen Limited	25 Blocks	29/07/2010	28/07/2015	100%
E39/1594	United Orogen Limited	25 Blocks	03/05/2011	02/05/2016	100%
E52/2569	United Orogen Limited	2 Blocks	18/06/2010	17/06/2015	100%
E69/2825	United Orogen Limited	49 Blocks	06/07/2011	05/07/2016	100%
E70/4073	United Orogen Limited	15 Blocks	2/04/2012	1/04/2017	100%
E70/4140	United Orogen Limited	32 Blocks	N/A	N/A	100%
E70/4173	United Orogen Limited	69 Blocks	4/10/2011	3/10/2016	100%
E70/4174	United Orogen Limited	60 Blocks	4/10/2011	3/10/2016	100%
E80/4243	Timothy Vincent TATTERSON and Geotech International Pty Ltd	54 Blocks	10/11/2010	9/11/2015	100%
E80/4372	Timothy Vincent TATTERSON and Geotech International Pty Ltd	87 Blocks	18/04/2011	17/04/2016	100%
E80/4434	Timothy Vincent TATTERSON and Paul Winston ASKINS	10 Blocks	10/08/2011	9/08/2016	100%
E80/4435	Timothy Vincent TATTERSON and Paul Winston ASKINS	48 Blocks	10/08/2011	9/08/2016	100%
E80/4439	Swancove Enterprises Pty Ltd	42 Blocks	14/06/2011	13/06/2016	100%
EP448	Buru Engergy Limited, Gulliver Productions Pty Ltd, Indigo Oil Pty Ltd and United Orogen Limited	8,427.269 km^2	16/06/2006	15/06/2014	10%

United Orogen

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