

**HEALTH CORPORATION LIMITED
(TO BE RENAMED “ERIN RESOURCES LIMITED”)
AND CONTROLLED ENTITIES
ABN 30 116 800 269**

APPENDIX 4E-PRELIMINARY FINAL FINANCIAL REPORT

REPORTING PERIOD

Financial Year end 30/06/2012

PREVIOUS REPORTING PERIOD

Financial Year end 30/06/2011

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue	Up 122% to	38,061
Loss after income tax	Down 115% to	(290,880)
Loss for the period attributable to members	Down 115% to	(290,880)

Dividends Paid or Recommended

No dividends have been paid or declared for payment during the financial year.

2. COMMENT ON RESULTS DURING THE PERIOD

Review of Operations

- On 16 May 2012 the Company entered into a binding agreement to acquire 100% of Erin Mineral Resources Limited (**Erin**), which in turn holds various interests in seven (7) prospective gold assets located in the Republic of Senegal
- On completion HEA will become a West African gold focused exploration company
- Initial exploration programmes at Woye and Bouroubourou were completed during July 2012

Corporate

- The Company appointed a Managing Director, Exploration Manager and Senior Site Geologist
- The Company undertook a placement to sophisticated investors of 25,000,000 fully paid ordinary shares at 1 cent each to raise \$250,000 before costs, the placement was completed on 13 June 2012
- On 26 July the Company lodged a Prospectus for an offer of 12,500,000 Shares on a post consolidation basis at an issue price of \$0.20 per Share to raise \$2,500,000. Oversubscriptions of up to a further 2,500,000 Shares on a post consolidation basis at an issue price of \$0.20 each to raise a further \$500,000 may be accepted
- The General Meeting to approve the Erin acquisition was held on 17 August 2012 where all resolutions were passed and completion of the acquisition is anticipated for 7 September 2012, subject to all conditions of the transaction being satisfied. Refer note 13 for further details.

Operating Results

The consolidated loss for the group after providing for income tax amounted to \$290,880.

Entities over which control has been gained or lost during the period

Loss of control

None during the year.

Acquisition

None during the year.

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Associates and joint venture entities

Not applicable

Discussion of Trends and Significant changes

Health Corporation Limited (Company) has been renamed "Erin Resources Limited" following shareholder approval on 17 August 2012. Following the disposal of the Company's pharmacy franchising operations in November 2010 and the acquisition of Intramedics Pty Ltd, a bioscience company on 17 August 2010, the Company has refocused the principal activities of the Company in the mining sector.

On 17 August 2012, the shareholders at a general meeting, approved the financing and merger of the Company with Erin Mineral Resources Limited (Erin), an unlisted Australian public company under the financing and implementation agreement (Agreement) announced by the Company on 14 May 2012 resulting in the Company together with certain warrantors of Erin completing the acquisition of 100% of the issued share capital of Erin. Erin holds advanced gold exploration assets in Senegal, West Africa indirectly through its subsidiaries.

3. NET TANGIBLE ASSET PER ORDINARY SHARE (NTA BACKING)

2012	2011
cents/share	cents/share
0.37	0.44

4. AUDIT STATUS

This report is based on Financial Statements which are in the process of being audited by PKF Mack & Co.

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5. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2012

	<i>Notes</i>	CONSOLIDATED GROUP	
		30-Jun-12	30-Jun-11
		\$	\$
Revenue	5	38,061	17,115
Other revenue	5	15,000	18,393
Total revenue		53,061	35,508
Finance costs		-	(95,137)
Professional and consultancy fees		(177,931)	(62,372)
Marketing expenses		(3,157)	(4,833)
Directors fees		(5,000)	(81,651)
Employee benefit expenses		(69,912)	(14,318)
Occupancy expenses		(26,099)	(2,364)
Doubtful debt expense		-	(8,381)
Impairment expense	6	-	(137,356)
Other expenses		(61,842)	(78,535)
(Loss) before income tax		(290,880)	(449,439)
Income tax benefit		-	117,283
(Loss) from continuing operations after income tax		(290,880)	(332,156)
Profit from discontinued operations		-	2,267,324
Total comprehensive (loss)/income for the year		(290,880)	1,935,168
Loss attributable to:			
Members of the parent entity		(290,880)	1,935,168
Earnings per share for loss attributable to the ordinary equity holders of the parent:			
From continuing and discontinued operations			
Basic and diluted profit/(loss) per share (cents)		-	2.08
From continuing operations			
Basic and diluted profit/(loss) per share (cents)		(0.15)	(0.36)
From discontinued operations			
Basic profit/(loss) per share (cents)		-	2.44

To be read in conjunction with the notes to the financial information

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6. CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2012

	<i>Notes</i>	CONSOLIDATED GROUP	
		30-Jun-12	30-Jun-11
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	7	515,827	1,070,885
Other receivables	8	88,760	22,938
Total Current Assets		604,587	1,093,823
NON-CURRENT ASSETS			
Loan to Erin Resources	8	387,777	-
Total Non-Current Assets		387,777	-
TOTAL ASSETS		992,364	1,093,823
CURRENT LIABILITIES			
Other payables	9	204,942	227,688
Short-term financial liabilities	10	-	37,833
Total Current Liabilities		204,942	265,521
TOTAL LIABILITIES		204,942	265,521
NET ASSETS		787,422	828,302
EQUITY			
Contributed equity		5,764,533	5,514,533
Retained earnings		(4,977,111)	(4,686,231)
TOTAL EQUITY		787,422	828,302

To be read in conjunction with the notes to the financial information

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7. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2012

Consolidated Group	Share Capital Ordinary \$	Retained Earnings \$	Non- Controlling Interests \$	Total \$
Balance at 1 July 2010	4,032,490	(6,621,399)	(549,420)	(3,138,329)
Total comprehensive income for the year	-	1,935,168	-	1,935,168
Disposal of non-controlling interests	-	-	549,420	549,420
Shares issued during the year	1,528,998	-	-	1,528,998
Share issue costs	(46,955)	-	-	(46,955)
Balance at 30 June 2011	5,514,533	(4,686,231)	-	828,302
Total comprehensive loss for the year	-	(290,880)	-	(290,880)
Shares issued during the year	250,000	-	-	250,000
Share issue costs	-	-	-	-
Balance at 30 June 2012	5,764,533	(4,977,111)	-	787,422

To be read in conjunction with the notes to the financial information

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8. CONSOLIDATED STATEMENT OF CASHFLOWS
For the year ended 30 June 2012

	<i>Notes</i>	CONSOLIDATED GROUP	
		30-Jun-12	30-Jun-11
		\$	\$
<i>Cash flows from operating activities</i>			
Receipts from customers		-	613,669
Interest received		38,061	24,466
Payments to suppliers and employees		(417,509)	(1,069,770)
Finance costs		-	(24,472)
Income tax refund received		-	117,283
Net cash used in operating activities	13	(379,448)	(338,824)
<i>Cash flows from investing activities</i>			
Payments for intangible assets		-	(5,000)
Net cash used in investing activities		-	(5,000)
<i>Cash flows from financing activities</i>			
Repayment of loans	10	(37,833)	(25,000)
Repayment of leases		-	(17,878)
Receipts from related entities		-	85,000
Loans repaid by franchisees		-	(2,000)
Loan advanced to Erin Mineral Resources Limited	8	(387,777)	-
Proceeds from issue of shares, net of costs		250,000	1,362,042
Net cash provided by/(used in) financing activities		(175,610)	1,402,164
Net increase/(decrease) in cash held		(555,058)	1,058,340
Cash disposed of on disposal of subsidiaries		-	(46,925)
Cash at beginning of year		1,070,885	59,470
Cash at end of year	7	515,827	1,070,885

To be read in conjunction with the notes to the financial information

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NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS FOR THE YEAR END 30 JUNE 2012

NOTE 1: BASIS OF PREPARATION

The consolidated financial statements are a general purpose financial report prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements cover the economic entity Health Corporation Limited and its controlled entities (economic entity). Health Corporation Limited is a listed public company, incorporated and domiciled in Australia.

The financial statements of the economic entity comply with International Financial Reporting Standards (IFRS) in their entirety.

The accounting policies have been consistently applied unless otherwise stated.

The financial statements are presented in Australian dollars.

Reporting Basis and Conventions

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

NOTE 2: PROFIT FOR THE YEAR

All significant revenue and expense items for the year are disclosed on the face of the comprehensive income statement.

NOTE 3: DIVIDENDS

There are no dividends paid or declared during the year.

NOTE 4: SEGMENT INFORMATION

Segment reporting

The group disposed of all its active subsidiaries in franchising and financing operations in November 2010 which were recognised as reportable segments. Based on the information used for internal reporting purposes by the chief operating decision maker, being the executive management committee that makes strategic decisions, at 30 June 2012 and 30 June 2011 the group operated in a single reportable segment being the biotechnology segment.

During the current year, the directors decided to refocus the activities of the Company in the mining sector. On 14 May 2012, the Company entered into a financing and merger implementation agreement (Agreement) with Erin Mineral Resources Limited (Erin), an unlisted Australian public company, together with certain warrantors of Erin to acquire 100% of the issued share capital of Erin (Acquisition). Erin holds advanced gold exploration assets in Senegal, West Africa indirectly through its subsidiaries. The transaction was approved on 17 August 2012 following approval at a shareholder meeting.

For further details on the transaction, please refer note 13.

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NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS FOR THE YEAR END 30 JUNE 2012

NOTE 5: REVENUE

	CONSOLIDATED GROUP	
	30-Jun-12	30-Jun-11
	\$	\$
Interest received - other persons	38,061	7,115
Administration fees	-	10,000
Total revenue	38,061	17,115
Other income – debt forgiveness*	15,000	18,393
	53,061	35,508

*Director's fees amounting to \$15,000 that were payable by the Company to a director as at 30 June 2011 were forgiven during the period and have been written off to revenue in the consolidated statement of comprehensive income.

NOTE 6: IMPAIRMENT EXPENSE

	CONSOLIDATED GROUP	
	30-Jun-12	30-Jun-11
	\$	\$
Goodwill arising during the year on acquisition of Intramedics	-	137,356

Management have taken a conservative approach and fully impaired goodwill arising on the acquisition of Intramedics.

NOTE 7: CASH AND CASH EQUIVALENTS

	CONSOLIDATED GROUP	
	30-Jun-12	30-Jun-11
	\$	\$
Cash at bank	515,827	1,070,885

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NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS FOR THE YEAR END 30 JUNE 2012

NOTE 8: OTHER RECEIVABLES

	CONSOLIDATED GROUP	
	30-Jun-12	30-Jun-11
	\$	\$
Current		
GST receivable	24,908	22,938
Prepayments	63,852	-
	88,760	22,938
Non-current		
Long term loan receivable*	387,777	-

The Company is providing a loan facility to Erin up to \$900,000 under the merger and implementation agreement (Agreement) discussed in note 13 to be applied towards advancing the priority exploration activities on the Projects during the period up to completion of the merger and implementation agreement. The Loan is interest-free and unsecured with the Loan being treated as an intercompany loan between the parties following completion of the Acquisition.

The long term loan receivable above represents the amount advanced to Erin Mineral Resources Ltd to fund exploration expenditure until 30 June 2012. The loan balance is currently \$764,446.

If the Agreement is terminated (for whatever reason) prior to completion of the Acquisition, Erin must, at its election, either:

- repay the full amount of the Loan to the Company;
- convert the Loan to fully paid ordinary shares in the capital of Erin (Erin Shares) (at the price Erin Shares are issued under Erin's next capital raising); or
- repay part of the Loan in cash and convert the balance of the Loan to Erin Shares (at the price Erin Shares are issued under Erin's next capital raising).

NOTE 9: OTHER PAYABLES

	CONSOLIDATED GROUP	
	30-Jun-12	30-Jun-11
	\$	\$
Current		
Sundry payables and accrued expenses	204,942	227,688
	204,942	227,688

NOTE 10: FINANCIAL LIABILITIES

	CONSOLIDATED GROUP	
	30-Jun-12	30-Jun-11
	\$	\$
Current		
Loan repayable to director	-	37,833
	-	37,833

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NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS FOR THE YEAR END 30 JUNE 2012

NOTE 11: CASH FLOW INFORMATION

	CONSOLIDATED GROUP	
	30-Jun-12	30-Jun-11
<i>Reconciliation of cash flow from operations with profit / (loss) after income tax</i>	\$	\$
(Loss) / profit after income tax	(290,880)	1,935,168
<i>Non-cash flows in profit</i>		
Profit from discontinued operations	-	(2,552,373)
Doubtful debts provision	-	8,381
Impairment expense	-	137,356
Third party loan forgiven		(18,393)
Directors fees forfeited	(15,000)	-
<i>Change in assets and liabilities, net the effects of purchase and disposal of subsidiaries</i>		
Increase in trade and other receivable	(65,821)	(186,201)
(Decrease) / increase in trade payables and accruals	(7,747)	337,238
Net cash used in operating activities	(379,448)	(338,824)

NOTE 12: CONTINGENT LIABILITIES

An amount of \$250,000 is payable to Verona Capital Pty Ltd for consulting services in relation to the merger discussed in note 13 below. This amount is payable subject to successful completion of the merger and capital raising.

Other than disclosed above there are no other known contingent liabilities or contingent assets at the balance date.

NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE

On 17 August 2012, the shareholders approved the following transactions.

i) Company change of name

The change of name by the Company to Erin Resources Ltd.

ii) Change in nature and scale of operations

Following the completion of the successful completion of the merger of the Company and Erin Mineral Resources Ltd, the Company will become a gold exploration company.

iii) Consolidation of capital

The consolidation of the company's capital on a 10:1 basis.

iv) Capital raising

The allotment and issue of 12,500,000 ordinary shares on a post consolidation basis at \$0.20 each to raise \$2,500,000 by way of full subscription and a further 2,500,000 ordinary shares on a post consolidation basis at an issue price of \$0.20 to raise a further \$500,000

The issue of a total of 1,050,000 shares on a post consolidation basis to directors of the Company under the capital raising.

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NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS FOR THE YEAR END 30 JUNE 2012

(v) *Issue of consideration securities to vendors*

On 17 August 2012, the shareholders at a general meeting, approved the financing and merger of the Company with Erin Mineral Resources Limited (Erin), an unlisted Australian public company under the financing and implementation agreement (Agreement) announced by the Company on 14 May 2012 resulting in the Company together with certain warrantors of Erin acquiring 100% of the issued share capital of Erin.

In exchange for the Company acquiring 100% of the issued capital of Erin, the Company has issued by way of purchase consideration on a post-consolidation basis, the following to the Erin shareholders (in proportion to their existing shareholding) which will be capitalised as exploration and evaluation expenditure:

- a. 25,000,000 fully paid ordinary shares on a post consolidation basis under the Agreement.
- b. 13,000,000 unquoted VHL shares on a post consolidation basis subject which will "vest" (and be released) only upon the earlier of the following being satisfied:
 - (i) a change in control of the Company; or
 - (ii) the Company achieving an enterprise value of \$25 million for 10 consecutive trading days.

If there is no change of control of the Company and the Vesting Condition is not satisfied by the date that is 5 years after the date of issue of the VHL shares, the Company will conduct either a reduction of capital or a share buyback (at a price of \$0.000001 per VHL Share) of the VHL Shares, subject to compliance with the Corporations Act.

As the implementation of the Agreement is not complete, the group does not have any current commitments in relation to exploration expenditure.

(vi) *Share issues*

- a) The issue of 3,500,000 shares on a post consolidation basis to Verona Capital Pty Ltd (Verona) in part consideration for the provision of corporate advisory services to the Company in relation to the Erin acquisition.
- b) The issue of 4,000,000 share options on a post consolidation basis at an exercise at \$0.20 per share option to Verona in part consideration for the provision of corporate advisory services to the Company.