

# **OROPA LIMITED**

**ACN 009 241 374**

**HALF YEAR FINANCIAL REPORT  
31 DECEMBER 2008**

**OROPA LIMITED AND CONTROLLED ENTITIES**  
**ACN 009 241 374**

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**OROPA LIMITED AND CONTROLLED ENTITIES**  
**ACN 009 241 374**

**DIRECTORS' REPORT**  
**For the Half Year Ended 31 December 2008**

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Your directors present their report on the consolidated entity consisting of Oropa Limited ("Oropa") and the entities it controlled at the end of, or during the half-year ended 31 December 2008.

**DIRECTORS**

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

BNV Tomich

PCJ Christie

MA Collins

Director Brian Hurley was removed from the board as voted by shareholders at the Company's annual general meeting on 27 November 2008.

**RESULT**

The net operating loss for the half-year ended 31 December 2008 was \$1,506,340 and for the half year ended 31 December 2007 the loss was \$1,823,215.

**REVIEW OF OPERATIONS**

**Corporate**

The Company's Annual General Meeting was held on 27 November 2008, with the majority of resolutions being passed. However, two of Oropa's non-executive directors were not re-elected as a consequence of some shareholders expressing their disappointment with the company's performance. These same shareholders also indicated their objection to the adoption of the Remuneration Report and this has been duly noted by the board and referred to the Remuneration Committee for further consideration. On 28<sup>th</sup> November the Company announced the appointment of Mr Bruce Tomich as Oropa's new interim Chairman. More recently, on 23 February 2009, Bruce Tomich was appointed to the position of Chief Executive Officer responsible for the day to day running of the Company, and Phil Christie, who remains a director of the Company, takes on a specific consultancy role.

After lengthy negotiations, the Company announced on 31<sup>st</sup> December that it had appointed Blackwood Capital Limited ("Blackwood") as lead manager to complete a funding package for Oropa of up to \$2 million prior to 31<sup>st</sup> March 2009. Details of the funding package were finalised and provided to the market on 19<sup>th</sup> February 2009 with a Notice of Meeting and Explanatory Memorandum dispatched to the Company's shareholders to convene a General Meeting on 24 March 2009.

The Blackwood funding package is designed to assist with financing Oropa's ongoing exploration and development programs at its 75% owned 1 million ounce inferred resource at the Pungkut gold project in Indonesia, and working capital.

At a General Meeting of shareholders held on 12<sup>th</sup> May 2008, shareholders approved the issue of up to 13,280,376 new listed 2011 Options at the issue price of \$0.002 per Option to the holders of options that expired unexercised on 31 December 2007. Shareholders also approved the placement of the shortfall (if any) by directors at their discretion. The Options Offer Prospectus was dispatched to the relevant holders on 8 August 2008 and a total of 8,510,285 2011 Options were applied for before the closing Date (22 August 2008). The shortfall was issued to Blackwood as part of Blackwood's commissions covering a series of fund raisings completed during the second half of 2008, from which the Company raised \$803,500 before costs via placements of 521,455 shares at 5.4655 cents per share, 8,090,907 shares at 5.5 cents per share and 6,600,000 shares at 5 cents per share to sophisticated investor clients of Blackwood.

These funds were applied towards ongoing exploration activities at the Pungkut project, the re-commencement of sampling programs in Malawi and working capital.

## EXPLORATION

### Indonesia

#### **Pungkut Gold Project, Sumatra (75%)**

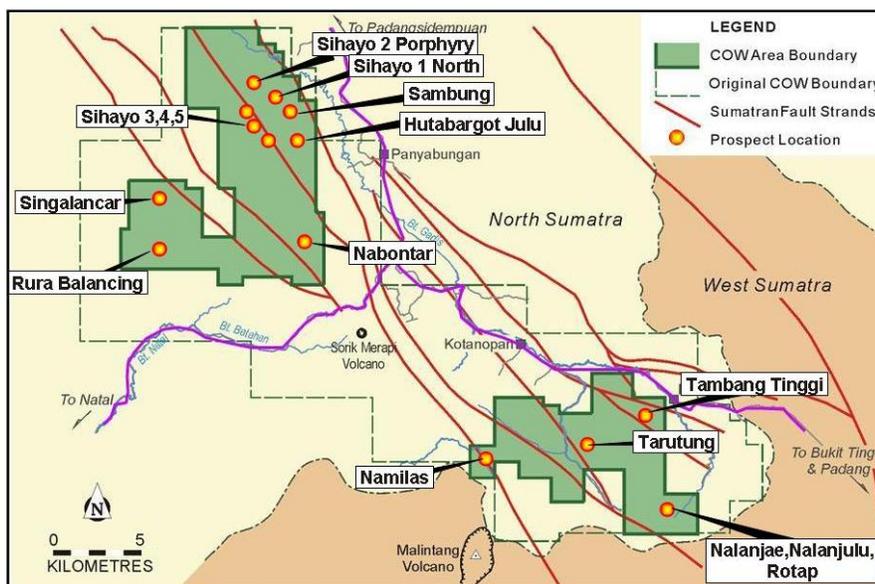
A fifth extension to the Exploration Stage of the PT Sorikmas Mining (“Sorikmas”) owned 7<sup>th</sup> Generation Pungkut Contract of Work (“Pungkut”) was approved by the Indonesian government under a Decree Letter to Sorikmas by the Minister of Energy and Mineral Resources in Jakarta and is valid until 6<sup>th</sup> October 2009. During the extension period, Oropa plans to advance the development of the Sihayo 1 North and Sambung Inferred Resources towards indicated Resource status and increase total gold resources within the general area of Sihayo 1 North.

Positive results were returned from the Scoping Study completed by SRK Consultants (Australasia) Pty Ltd (“SRK”) in late November as to the feasibility of mining the combined Sihayo 1 North and Sambung Inferred Resources. A profitable operation sustained over a ten year life-span is indicated at prevailing gold prices (>US\$800 per ounce). Additional resources would significantly boost the project’s economic robustness and excellent drill intersections at areas adjacent to the Inferred resource at the Old Camp Area indicate excellent potential to add significantly to the current resource base. Consequently, further work is warranted to advance the project to a Bankable Feasibility Study (“BFS”) stage, the next key step towards mine development and production.

Drilling re-commenced at Hutabargot Julu in the South Sarahan area in August. Previous soil geochemical sampling had outlined a large gold and multi-element anomaly at the interpreted intersection of the Sarahan and Ali veins, while follow up mapping revealed massive pervasive silicification and significant gold in rock chips and a reconnaissance shallow drilling program was initiated to test for near-surface mineralisation. Deeper drilling is planned to test the intersection of Sarahan and Ali veins, before returning to the Ali vein to follow up on the bonanza grade intersection in HUTDD018. However, owing to the downturn in market conditions and the difficulty in raising equity funds, drilling at Hutabargot Julu was suspended during the December quarter, with one of the two rigs on site being de-mobilised in mid-November.

Oropa’s principal activities during the latter part of the reporting period were directed towards the completion of the Scoping Study, as well as follow up exploration on regional targets identified by earlier stream sediment sampling in the North Block, and the bonanza grade epithermal float rock previously discovered at the Nalanjulu and Nalanjae prospects in the South Block.

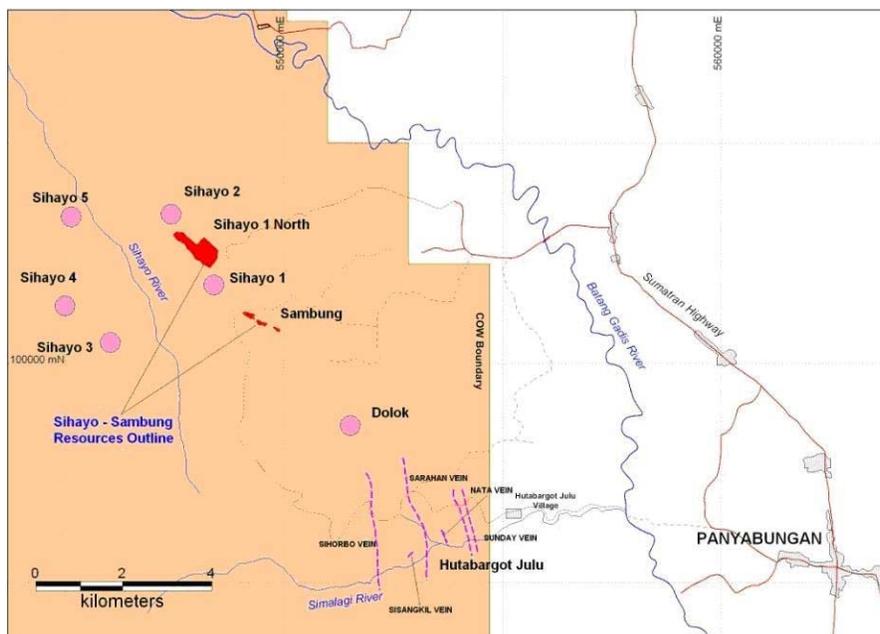
**Figure 1: Pungkut project area North Sumatra, showing principal prospects**



## Exploration Activities – North Block:

- **Sihayo 1 North:**
  - Scoping Study into the mining economics of Sihayo 1 North and Sambung Inferred Resources completed with positive results
  - Initial exploration drilling at the Old Camp Area
- **Hutabargot Julu:**
  - Exploration drilling at Sarahan South
- **Regional:**
  - Follow-up of regional stream-sediment anomalies

Figure 2: Sihayo – Sambung – Hutabargot Julu gold trend, North Block, Pungkut Project



## Scoping Study

Oropa commissioned SRK to commence a Scoping Study during August 2008 that was designed to investigate the approximate costs and economics of mining and processing the combined Sihayo 1 North and Sambung Inferred Resources. The results confirmed the potential to develop the two Inferred Resources into a profitable mining operation (**Table 1**). The study was based on the treatment of 1Mtpa using a conventional Carbon in Pulp (CIP) circuit with open pit mining of the two resources. Specific assumptions and outcomes from the study (100% of project) are as follows:

## Operating Costs

At the time of the study, significant operating cost pressures were being experienced by the mining industry as a consequence of a number of factors, including a booming industry impacting on labour rates, high oil and diesel prices, high steel costs etc. In the context of those high cost inputs, the study estimated production cash costs at Pungkut to be US\$442/oz, which compares favourably with cash operating costs announced by three of the world's largest gold producers; Barrick, Newmont and AngloGold-Ashanti.

**Table 1: Summary of Scoping Study assumptions and results:**

Nominal Plant Throughput	1Mtpa
Mineral Resources Scheduled	Inferred Resources
Expected Mine Life	10 years
Total mineralised inventory processed	10.1 M tonnes
Expected Head Grade	2.43 g Au/t
Expected Gold Recovery	80%
Average Annual Production	63,000 tr. Ounces
Stripping Ratio (t waste : t mineralised inventory)	3.8 : 1 (t/t)
Unit Cost per Tonne of mineralised inventory treated	US\$28.22/t
Cash Operating Costs per troy ounce of gold	US\$442/tr.oz
Gold price per troy ounce of gold	US\$800/tr.oz
Indicative pre-tax Net present value (NPV) (discount rate of 10%)	US\$50.3 million
Pre-tax IRR	25.8 %

### Study Parameters

An assessment of the Sihayo 1 North and Sambung Inferred Resources totalling 13.2Mt at 2.4 g Au/t for 1.01 Moz of contained gold (**Table 2**) was undertaken by SRK. It should be noted that the study was based on Inferred Resources only and therefore the results must be interpreted with caution and give a guide only to possible economic viability.

**Table 2: Sihayo 1 North and Sambung Inferred Mineral Resources**

Project	Inferred Mineral Resources Million tonnes	Grade g/t gold	Contained Gold Million ounces
<b>Sihayo 1 North</b>	12.1	2.4	0.91
(+1.0 g/t cut-off grade)			
<b>Sambung</b>	1.1	2.6	0.10
(+1.5 g/t cut-off grade)			
<b>Combined Inferred Resources</b>	<b>13.2</b>	<b>2.4</b>	<b>1.01</b>

SRK utilised Whittle<sup>tm</sup> pit optimisation software for pit optimisation and indicative scheduling on pit shells only, with an assumed gold price of US\$800 per ounce. Mining operating costs, treatment operating costs and capital expenditure were estimated by SRK. SRK's processing plant capital expenditure was based on utilising new plant and equipment. Power costs were supplied by Oropa based on estimates for contract power generation, or grid power.

### Mining and Processing

The Scoping Study presumed:

- Open pit mining with drill and blast methods, by contractor owned and operated mining fleet;
- An average stripping ratio of 3.8 to 1;
- Indicative production scheduling aimed at providing 1 million tonnes of mineralised inventory per year to the process plant;
- A 10 year life of mine/milling schedule;
- Processing conducted with crushing, grinding, and conventional leaching using CIP treatment; and
- Gold recovery of 80% (based on metallurgical testwork performed to date)

## Capital Costs

Total capital expenditure for new equipment and infrastructure was estimated at US\$75.6m, which includes owners' costs, and allowance for contingencies and working capital.

There is scope for optimisation of SRK's projected capital expenditure which would lead to materially lower total capital outlays than assumed in the study, which indicate that the final capital expenditure could be reduced to between US\$40m and US\$50m prior to contingencies, but including all owners' costs and working capital.

At present, the above capital expenditure scenarios are indicative and actual capital expenditure would not be established until the completion of a BFS.

## Future Development

SRK concluded that "...if the many assumptions used are representative of the deposit, then the project would appear to be both technically and economically feasible. More security would be given by a longer life."

The positive results achieved from the Scoping Study clearly support continued exploration and development efforts at Pungkut. Oropa's priorities at the project will be to enhance project viability by increasing resources in the vicinity of the Sihayo 1 North resource, and to improve resource status to that of Indicated/Measured by a program of infill drilling at Sihayo 1 North and Sambung.

The drilling results achieved at the Old Camp Area which are not presently included within the existing Sihayo 1 North resource inventory indicate there is a strong likelihood of further mineralisation being discovered at Sihayo 1 North, at low stripping ratios. The discovery of further mineralisation will create an opportunity to extend the assumed 10 year mine life, and/or increase annual gold production.

## Quality Assurance and Quality Control

Formal documentation was made for the existing and historical procedures used for Quality Control at Pungkut and procedures not commensurate with best practices are being refined. Objectives have been identified and formal documentation of the Quality Control Protocol is planned.

Oropa uses the database program DataShed which is specifically tailored for use by minerals resources companies. Implementation of the database management has been an on-going process to ensure that all laboratory data is captured and that quality control procedures are managed to the high standards demanded in today's industry. The aim is to ensure that proper protocols are in place such that laboratory data obtained during the coming infill drilling programs at Sihayo 1 North and Sambung is at the standard required to achieve Indicated Resource status.

## Sihayo 1 North

Final assays returned from the drilling at the North Western Extension in June indicated that the mineralised jasperoid is thinner in that area. More encouragingly, exploration programs at the Old Camp Area (**Figure 3**) to the north-east of Sihayo 1 North that was previously interpreted to have been closed off by a fence of drill holes completed by Oropa in 2005 encountered significant gold intersections in both regolith and primary jasperoid mineralisation. A series of test pits dug to depths of approximately 7m outlined significant gold in the regolith profile. Subsequently, drilling was initiated to test the extent of the regolith and a possible source of the mineralisation. Nine holes were drilled (including SHDD119, which failed to reach target depth and was replicated by nearby SHDD120).

Significant near surface gold mineralisation was encountered in both thick regolith cover, and in-situ jasperoid developed within silty-limestone over a 200m strike length. The silty-limestone appears to have formed in a deep channel, situated behind what may have been a limestone reef (now marble) to the north-east of the main resource (**Figure 4**). The south-western contact of the silty-limestone is bounded by a disconformity with volcanics. This channel interpretation allows for narrow but laterally continuous mineralisation that may pinch and swell along its strike. Further drilling in both directions will be undertaken as there is no outcrop in the area, with host bedrock either obscured by regolith or Tertiary sediments.

Figure 3: Sihayo 1 North Inferred Resource outline and Old Camp Area exploration targets

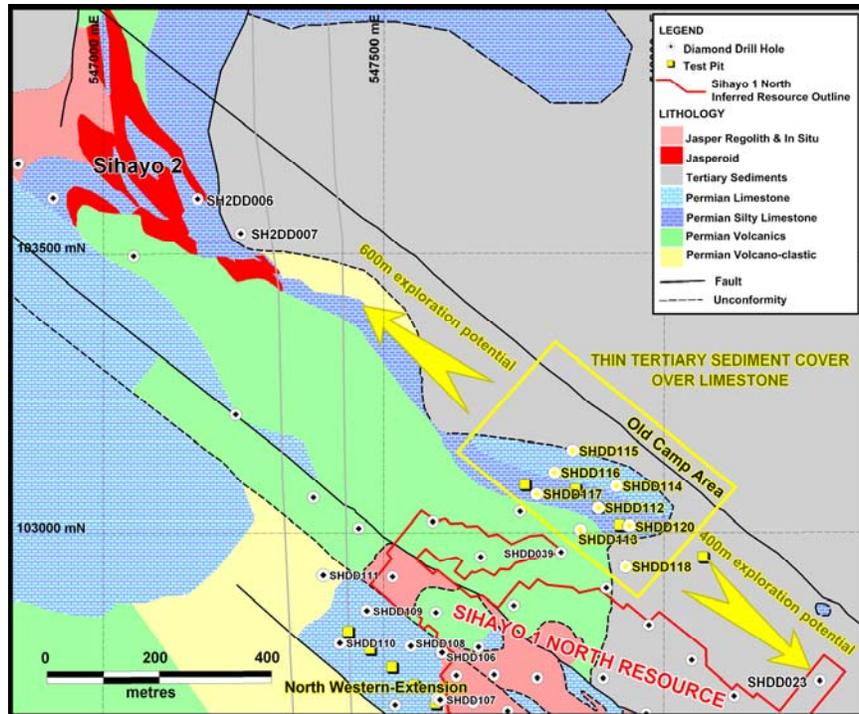
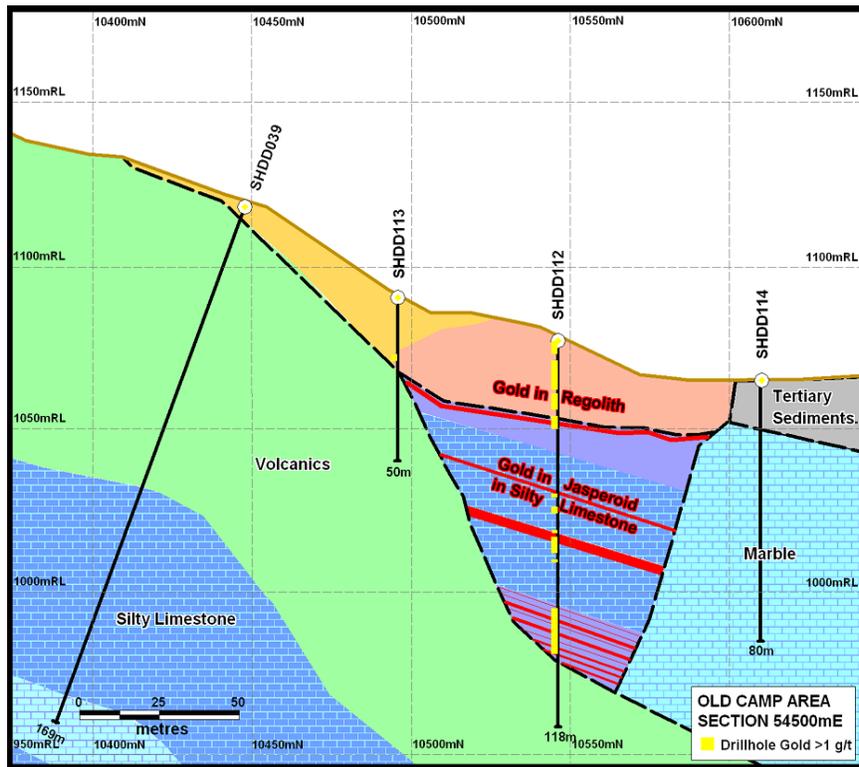


Figure 4: Old Camp Area geological cross section



Similar style 'jasperoid in silty-limestone' has also been observed 600m along strike to the north-west at Sihayo 2, where extensive outcropping jasperoid was previously drill tested by Oropa in 2004. That program comprising seven widely spaced holes largely failed to intersect the outcropping mineralisation at depth.

Further drilling at Sihayo 2 was not warranted at the time due to the lower grades encountered in outcrop. However, the Old Camp Area drilling indicates the potential exists for this higher grade mineralisation to extend to Sihayo 2 and possibly beyond. Additionally, 400m along strike to the south-east of the Old Camp Area, drill hole SHDD023 encountered 4.2m @ 3.36 g/t Au from 10.55m in jasperoid at the Tertiary sediment – Permian limestone contact (**Table 3**).

**Table 3: Sihayo 1 North/Old Camp Area Significant Drill Intersections**

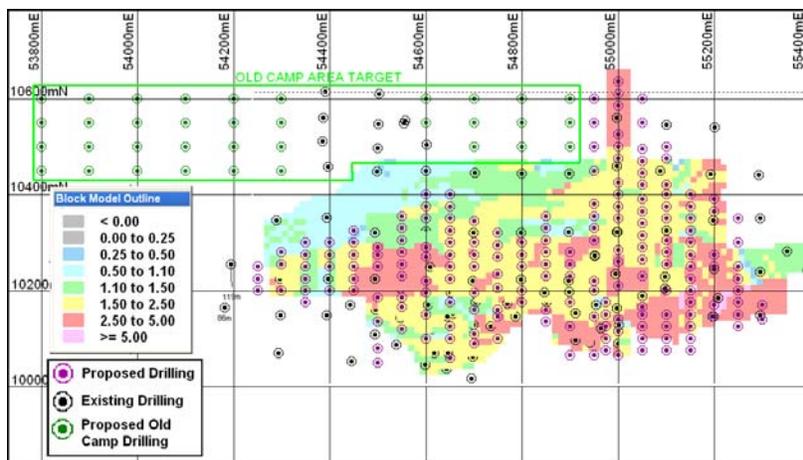
Hole ID	Prospect	Northing	Easting	Azimuth	Dip	Total Depth	From	To	M	g/t Au
SHDD110	North-West	103069	547294	320	-90	81.2	no significant assays			
SHDD111	North-West	103002	547848	0	-90	86.3	no significant assays			
SHDD112	Old Camp	103040	547882	0	-90	118.30	0.0	27.0	27.0	2.36
							47.0	48.0	1.0	1.04
							51.0	53.0	2.0	1.44
							58.0	68.0	10.0	2.5
							82.0	96.0	14.0	2.35
SHDD113	Old Camp	103002	547848	0	-90	49.70	17.0	19.0	2.0	1.64
SHDD114	Old Camp	103089	547924	0	-90	80	no significant assays			
SHDD115	Old Camp	103163	547839	0	-90	77.1	no significant assays			
SHDD116	Old Camp	103123	547801	0	-90	55	no significant assays			
SHDD117		103087	547769	0	-90	74.3	3.0	6.0	3.0	1.4
							9.0	11.0	2.0	3.88
							25.0	26.0	1.0	1.01
SHDD118	Old Camp	102941	547929	0	-90	76.15	34.0	42.0	8.0	3.08
SHDD119	Old Camp	165564	541730	0	-90	24.4	10.0	17.0	7.0	1.75
							22.0	23.0	1.0	1.52
SHDD120	Old Camp	103012	547909	0	-90	87.65	6.0	19.0	13.0	4.23
							21.4	25.0	3.6	3.09
							53.0	54.0	1.0	1.26

**Notes**

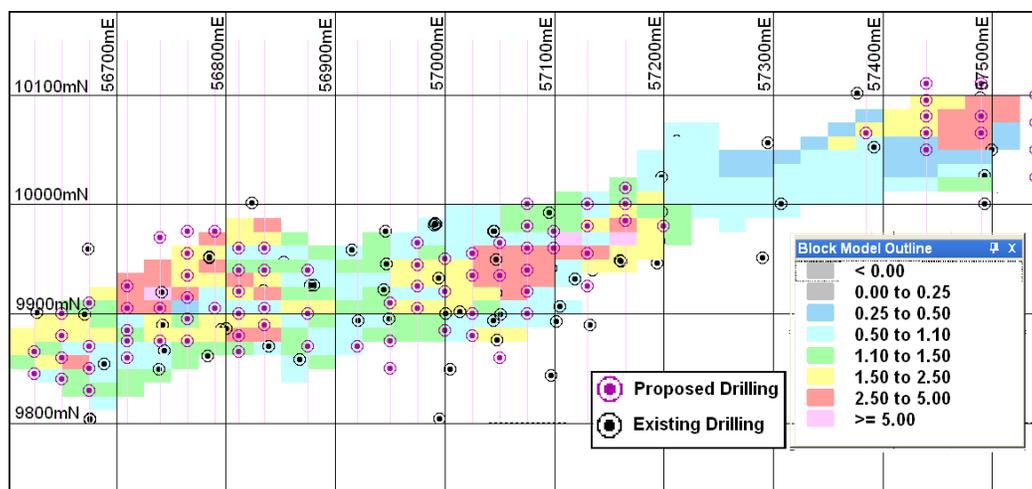
1. All assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
2. Lower cut of 1.0ppm Au used
3. A maximum of 2m of consecutive internal waste (material less than 1.0ppm Au) per reported intersection
4. All interval grades were calculated as a weighted average
5. All intervals reported as down hole lengths
6. Sampling regime as quarter core for PQ diameter core and half core for HQ diameter core
7. Quality Assurance and Quality Control (QAQC):
8. Coordinates in UTM grid system

Although no drilling was undertaken at Sihayo 1 North during the half year, a preliminary study was completed to establish the requirements for infill drilling at both Sihayo 1 North and Sambung to achieve Indicated Resource Status (**Figures 5 & 6**).

**Figure 5: Sihayo 1 North block model and proposed infill drilling (local grid)**



**Figure 6: Proposed Sambung Drill-Out Locations**



### Hutabargot Julu

Hutabargot Julu was Oropa’s primary regional exploration target throughout most of 2008, with drill programs testing intermediate-sulphidation epithermal quartz and massive silica alteration in veins interpreted to extend over a strike length of up to 3km. Results from Oropa’s earlier drilling included a vein intersection of 5m @ 37.7 g/t Au from 47m (Ali Vein - HUTDD018) supporting the potential of the area to host rich deposits as exist elsewhere in Indonesia; Newcrest’s Gosowong and Kencana mines on Halmahera Island and Antam’s Pongkor mine in West Java.

During the reporting period, encouraging multi-element assay results were obtained from the Sarahan - Ali soil geochemical sampling program. This program was generated on 100m line spacings with 50m spaced samples, and was implemented to establish the location of strongest alteration zones in the area.

The soil geochemistry has outlined several anomalous areas; the most prominent being at Sarahan South, located south of the Simalagi River. The Sarahan South (plus 0.1 g/t Au) soil anomaly extends over 150m, with maximum values of 12.8 g/t Au and 22 g/t Ag. Elevated anomalous lead, silver, arsenic, antimony and molybdenum values are indicative of a major fluid up-welling zone and a high priority target for deep mineralisation (**Table 4**).

**Table 4: Best results Hutabargot Julu soils**

SampleID	Location	Au ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	As ppm	Sb ppm	Mo ppm	Local North	Local East
957015	Sarahan South	12.8	57	94	69	22	380	22	93	5700	53300
957663	Sarahan vein	2.78	23	13	29	-1	331	2	-1	6200	53200
957787	North Ali	3.4	17	21	67	-1	33	2	-1	6400	52600
957781	North Ali	1.17	20	19	63	-1	46	1	2	6500	52600

Geological mapping following up on two plus 5 g/t Au rock outcrop samples situated within the Sarahan South anomaly identified massive silica alteration and veining. Anomalous gold and multi-element values were also confirmed in soils at the Sarahan Vein, with a maximum value of 2.78 g/t Au associated with a broader (plus 0.1 g/t Au) soil geochemistry halo over the northern portion of the Sarahan Vein. At the North Ali Vein, high values in soils of 3.4 g/t Au and 1.17 g/t Au warrant follow up geochemical sampling and geological mapping of this target area. A weak multi-element anomaly located south-east of the 5m @ 37.7 g/t Au intersected in Ali Vein hole HUTDD018 will be drill tested for extensions of this bonanza grade mineralisation.

Subsequent to the completion of the soil geochemistry and geological mapping programs, drilling commenced at Sarahan South Vein targeting the massive silica alteration. Four reconnaissance shallow drill holes were completed to test for near surface mineralisation. All drill holes intersected significant mineralisation within the vein (**Table 5, Figures 7 & 8**).

**Table 5: Sarahan South Vein Significant Drill Intersections**

Hole_ID	Vein	Northing	Easting	Azimuth	Dip	Total Depth	From	To	M	g/t Au
HUTDD020	South Sarahan	5694	53297	0	-90	63.5	33.0	34.0	1.0	2.22
HUTDD021	South Sarahan	5692	53259	0	-90	76.0	4.0	6.0	2.0	1.7
HUTDD022	South Sarahan	5605	53324	0	-90	74.0	0.0	12.0	12.0	1.58
HUTDD023	South Sarahan	5591	53283	0	-90	58.5	0.0	1.0	1.0	1.43
							7.0	9.0	2.0	3.26
							17.0	18.0	1.0	3.36

**Notes**

1. All assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
2. Lower cut of 1.0ppm Au used
3. A maximum of 2m of consecutive internal waste (material less than 1.0ppm Au) per reported intersection
4. All interval grades were calculated as a weighted average
5. All intervals reported as down hole lengths
6. Sampling regime as quarter core for PQ diameter core and half core for HQ diameter core
7. Quality Assurance and Quality Control (QAQC);
8. Coordinates in HUTLG local grid system

**Figure 7: Hutabargot Julu Prospect plan and diamond drill hole locations**

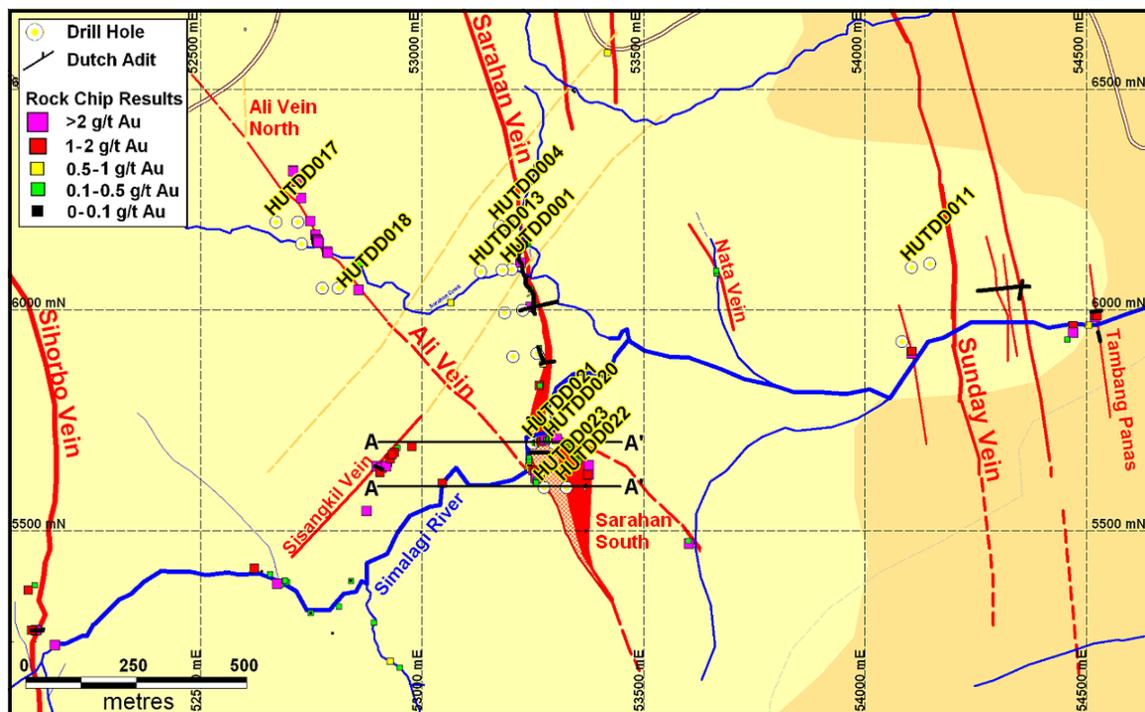
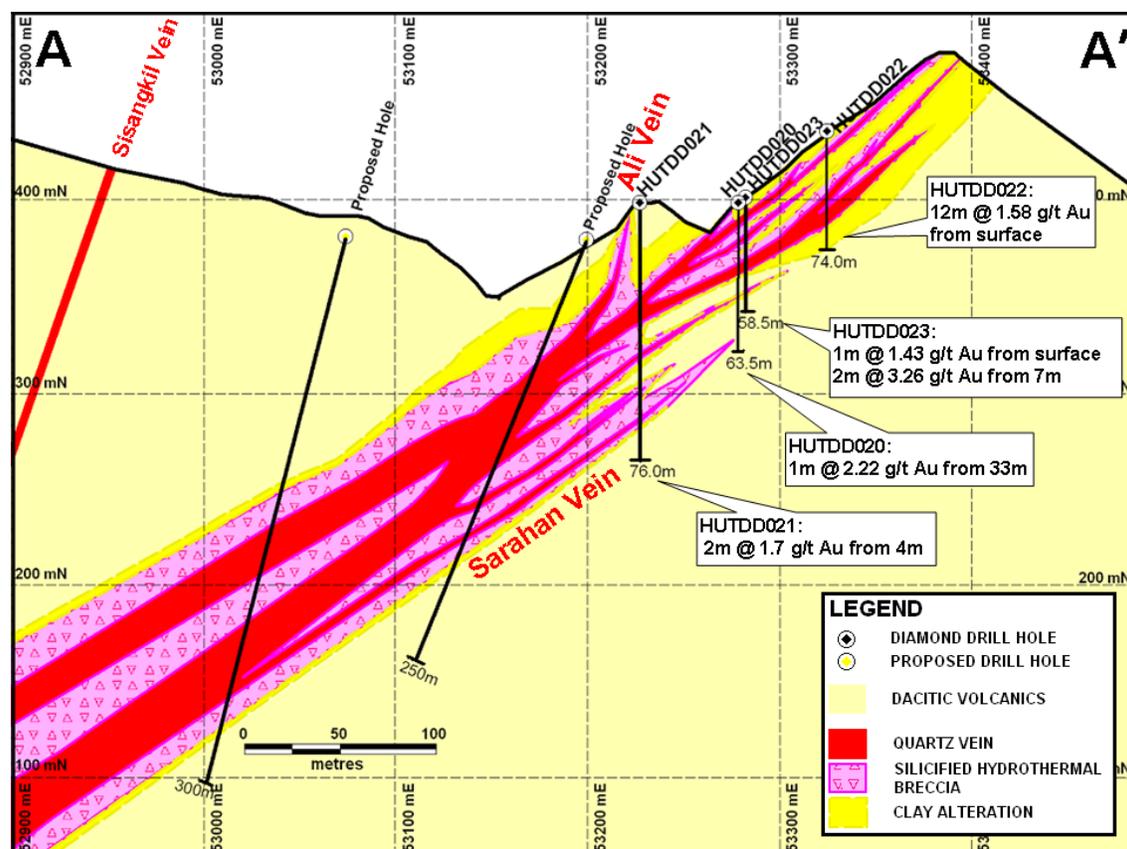


Figure 8: Sarahan South Vein combined sections for 5700mN and 5600mN



Further deeper drilling is planned in the Sarahan South area to test the interpreted intersection of the Sarahan and Ali Veins, which also has a coincident multi-element surface geochemical anomaly, and is along-strike from the bonanza grade intersection in hole HUTDD018 encountered on the Ali Vein. Prior to the re-commencement of drilling, a petrological study is scheduled to obtain further information regarding the vein style, fluid inclusion composition and mineralogy to better understand the mineralisation and to assist with future drill target selection.

#### Regional Activities - North Block:

Stream-sediment sampling was conducted over several anomalies identified in the original Aberfoyle Resources Ltd regional exploration program, but which had not previously been followed up by Oropa. Areas of alteration and significant thicknesses of very poorly gold-mineralised jasperoid were discovered.

#### Regional Activities - South Block:

Traverses of streams were conducted in the Nalanjae area in the far south of the South Block. Previous follow-up of a stream-sediment anomaly led to the discovery of epithermal vein material in stream-float grading 19.9 g/t Au and 1,170 g/t Ag. Swarms of near-barren quartz veins in outcrop were later discovered in a number of nearby locations. The origin of the high grade mineralised epithermal float remains unknown and further soil sampling is warranted.

Traverses of streams were made at the Nalanjulu prospect nearby to Nalanjae and appraisal of a stream-sediment anomaly led to the discovery of a large boulder of epithermal stream-float for which a composite sample returned 60.5 g/t Au and 777 g/t Ag. The boulder has subsequently been completely chipped away and dollied by local villagers and it was reported that 2 to 3kg of gold was recovered from that one boulder. Soil sampling is also warranted to locate the source of this material.

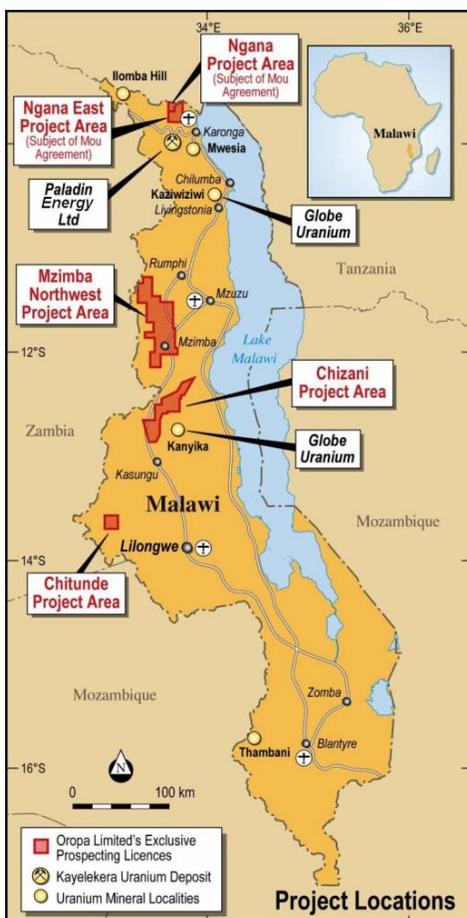
## Malawi

The global economic downturn has had a dramatic effect on the ability of small and large exploration and mining companies to raise working capital to explore and develop their respective mineral projects, both in Australia and overseas. Oropa, like most other companies has been forced to scale back on its exploration programs and focus on its core project, while actively seeking new funding sources. Consequently, limited work was undertaken in Malawi during the reporting period, although an in-house review of all previous work was undertaken.

Oropa holds its interests in the Malawian uranium portfolio through its wholly owned subsidiary, Oropa Exploration Pty Ltd (“OEPL”), which holds 100% interests in three Exclusive Prospecting Licences (“EPLs”) for uranium exploration over the Mzimba Northwest, Chitunde and Chizani Project areas covering a total of some 3,500km<sup>2</sup>. The Chizani project area is located immediately to the north of Globe Metals & Mining’s (“Globe’s”) niobium-uranium-tantalum-zircon multi-commodity Kanyika deposit in central Malawi.

Additionally, OEPL has entered into separate Memorandum of Understandings (“MOUs”) with two local EPL holders to joint venture 90% interests in exploration and mining for uranium and other minerals (excluding coal) in these two contiguous EPLs to the north of Paladin Energy Ltd’s (“Paladin’s”) Kayelekera uranium deposit (“Kayelekera”). The Ngana and Ngana East EPLs are presently granted for coal exploration and development. The two prospects are in a strategic location, containing basins of Karroo sediments and being the nearest mapped occurrence of Karroo within the 20km to the north of Karroo hosting uranium mineralisation at Kayelekera (**Figure 9**). Negotiations are ongoing with the two vendors to advance the MOUs to formal Shareholder Agreements.

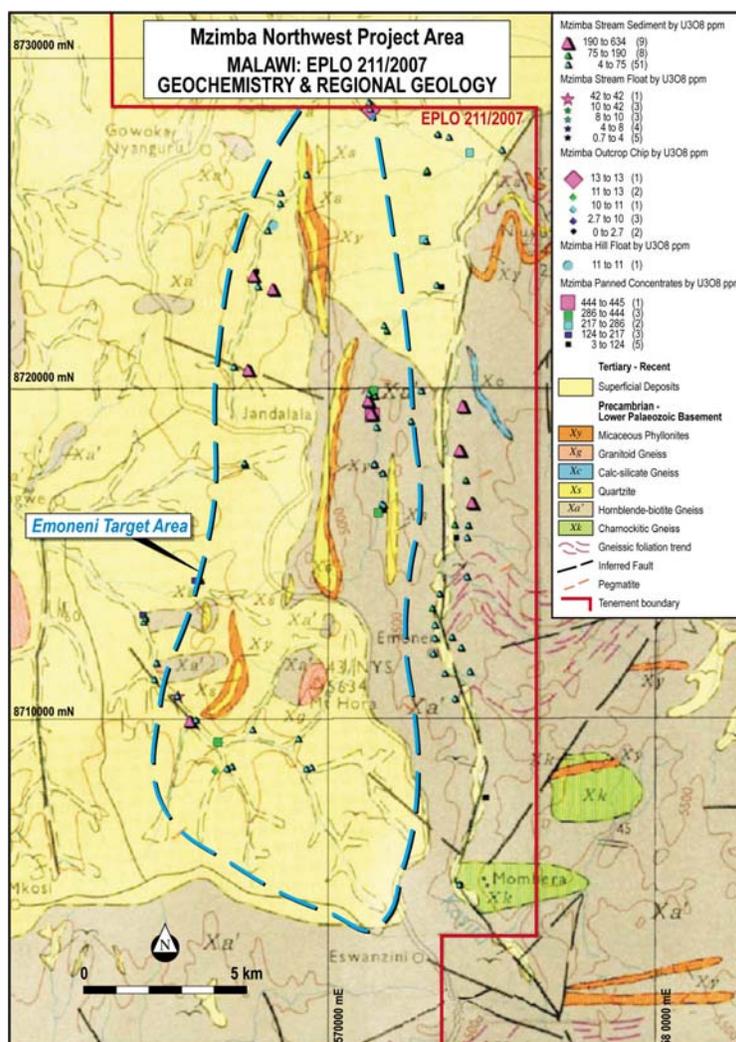
**Figure 9: Malawi EPLs Location Map**



## Mzimba Northwest Project (100%)

Exploration in Malawi re-commenced in late July with a follow up geochemical sampling program being undertaken at Mzimba Northwest. This program concentrated on the Emoneni-Jandalala district in the north-eastern sector of the EPL (**Figure 10**) where a north-south striking ridge coincident with airborne uranium radiometric anomalies has been interpreted to be associated with the Mafingi quartzites. These quartzites, formed from the erosion of the basement sediments during the Proterozoic era, filled valleys, basins and other topographic low areas. Subsequently, the entire Proterozoic sequence has experienced deformation and high grade metamorphism. The contact between the quartzites and gneiss is unconformable, and has been associated with uranium mineralisation. (Sixty eight stream sediment samples, 14 panned concentrate samples, and 26 rock chip samples were collected earlier in the year in the Emoneni-Jandalala area to complete the initial exploration program for this target, details of which were reported in the March Quarterly Report.)

**Figure 10: Emoneni Target Area**



This second phase reconnaissance program involved follow up on the initial geochemical sampling, geological investigations and ground radiometric surveys. The new program covered parts of the Emoneni hills where previous exploration had yielded geochemically anomalous  $U_3O_8$  values at or above 100 ppm from the initial stream sediment survey. It included the collection of stream sediment samples upstream of the known anomalies in order to define their provenance and a pitting program designed to investigate regolith in anomalous areas. Ancillary survey work included ground radiometric surveying using a hand held gamma ray spectrometer.

The pitting program was carried out on the western flank of the Emoneni hills. A 6km baseline was established along with two survey lines set on either side of the baseline. This configuration was used for reconnaissance radiometric surveying at 500m intervals along the survey lines and pits were sunk up to 3m deep along the baseline at 1000m intervals to investigate the soil profile and collect soil and rock chip samples at 1m depth intervals from each pit. The regolith profile proved to be deep as none of the pits were successful in reaching bedrock. The encouraging results from the radiometric surveying are yet to be considered for follow up work.

A random radiometric survey carried out at the top of the Emoneni hills identified two uraniferous rock types which are potentially the provenance of the radioactive sediments. The feldspathic-quartz-biotite gneiss is a very coarse grained leucocratic rock. K-Feldspar constitutes 60% of the rock with grain sizes of up to 30mm. White quartz is the second dominant mineral and is uniform throughout the package. The biotite is medium to coarse grained. The quartz-biotite gneiss is characterised by distinct bands of coarse grained clear quartz up to 10mm in diameter, separated by thin bands of biotite. It also contains minor muscovite and plagioclase feldspar. The total radiometric readings in the vicinity of these rock types averaged 2,000cpm. Rock chip samples were collected from these outcropping rocks.

A unique type of vegetation was also observed on the western side of the Emoneni hills towards the Kawiruwiru River. This pocket of vegetation is similar to areas underlain by Karroo sandstones as observed in other parts of Africa and in the Karroo sandstones of the Ngana area in the north of Malawi. Pits were dug in the area, but the bedrock could not be reached due to hardness of the ground and the thickness of the overburden. However, the soils recovered from these pits were rich in quartz grits and pebbles suggesting quartz rich bedrock.

Seventy six samples, including 4 soil samples, 15 rock chip samples and 57 stream sediment samples were collected during this program. The results of these analyses are to be interpreted in Perth before another field program is finalised. Based on field observations from the second program, broader based ground radiometric survey, gridding and soil sampling on the western side of the Emoneni hills is warranted to determine the western extent of the anomaly and the trend of the potential mineralisation, along with a ground radiometric survey and geological validation of geochemically anomalous eastern and southern portions of the Emoneni hills area.

### **Chizani Project (100%)**

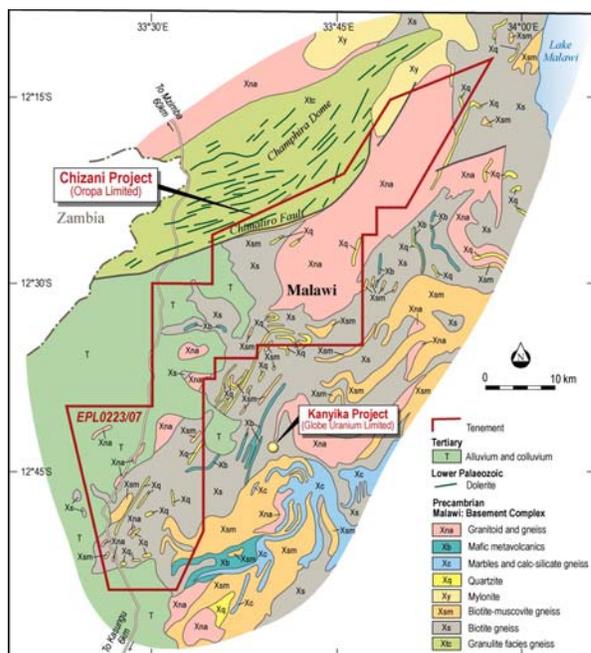
This 1,283km<sup>2</sup> Chizani Project area (EPL0223/2007) is situated adjacent to Globe's niobium-uranium-tantalum-zircon multi-commodity Kanyika deposit hosted by alkalic granitoid and pegmatitic zones, and also lies adjacent to tenements held by CC Mining SA. The EPL is considered to offer uranium exploration potential for hydrothermal uranium targets and is currently being assessed as part of a remote sensing study designed to provide for the selection and ranking of target areas for future ground exploration for uranium and other minerals. The proximity of Chizani to Kanyika provides Oropa with a nearby niobium-uranium-tantalum and zircon deposit model to apply to exploration search parameters within the Chizani area.

A Landsat Mapping Interpretation of the Chizani project area was completed during the reporting period, with the intention being to map the geology of the area and provide uranium targets for further exploration (**Figures 11 & 12**). Sixteen exploration targets were identified from the survey, based on the Landsat mapping in conjunction with the airborne radiometric data. High uranium counts occur in a number of areas which will constitute the initial work programs to be undertaken at Chizani. The report recommends that although focus should be on uranium exploration, the area is also considered to be favourable for other minerals such as base metals and gold, while the tectonic setting of the area is also considered to be favourable for diamondiferous kimberlite exploration. More interpretive work will be undertaken.

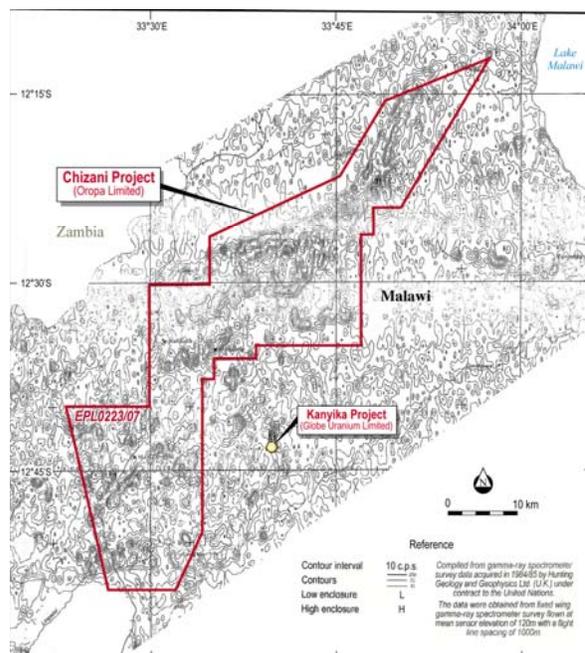
## Ngana and Ngana East Projects

Early in the reporting period cordial discussions were held with the current holders of the contiguous Ngana and Ngana East EPLs, located some 20km to the north of Paladin's Kayelekera uranium mine (currently in start-up mode). Oropa has entered into Memorandums of Understanding with both EPL holders and is in negotiations to advance these MOUs to more formal Shareholder Agreements. The two EPLs currently granted for coal exploration and mining are in a strategic location, containing basins of Karroo sediments, host rocks of the Kayelekera uranium deposit.

**Figure 11: Chizani Project Area Malawi  
Geology**



**Figure 12: Chizani Project Area Malawi  
Radiometric Contours Uranium**



## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 31.

Signed in accordance with a resolution of the Board of Directors.

*Bruce N Tomich*

**BRUCE N TOMICH**  
Director

13 March 2009

**OROPA LIMITED AND CONTROLLED ENTITIES**

**ACN 241 374**

**CONSOLIDATED INCOME STATEMENT**

**For the Half Year Ended 31 December 2008**

		<b>CONSOLIDATED</b>	
	<b>Note</b>	<b>31.12.2008</b>	<b>31.12.2007</b>
		<b>\$</b>	<b>\$</b>
Other revenue	3	<u>3,746</u>	<u>13,925</u>
Total Revenue		3,746	13,925
Corporate secretarial expenses		(37,245)	(29,675)
Depreciation	3	(7,936)	(7,153)
Diminution in the value of investments		(32,897)	(-)
Directors' fees		(8,791)	(-)
Employee benefits expense		(77,473)	(63,139)
Exchange rate loss		(-)	(223,292)
Exploration expenditure written off	3	(1,099,219)	(1,289,133)
External consultancy expenses		(114,257)	(99,317)
Insurance expenses		(28,167)	(16,329)
Legal costs		(5,900)	(1,391)
Postage		(5,149)	(4,619)
Printing and stationary		(11,660)	(11,536)
Rates and taxes		(4,281)	(5,847)
Rental expense		(27,139)	(22,257)
Travel and entertainment		(21,040)	(19,510)
Other expenses		(28,932)	(43,942)
		<hr/>	<hr/>
Profit/(Loss) before income tax	3	(1,506,340)	(1,823,215)
Income tax expense		-	-
		<hr/>	<hr/>
Loss after income tax		(1,506,340)	(1,823,215)
		<hr/>	<hr/>
Loss attributable to members of Oropa Limited		(1,506,340)	(1,823,215)
		<hr/> <hr/>	<hr/> <hr/>
Basic loss per share (cents per share)		(0.75)	(1.21)
		<hr/> <hr/>	<hr/> <hr/>

*Diluted earnings per share is not disclosed as this would not reflect an inferior position.*

The accompanying notes form part of these financial statements.

**OROPA LIMITED AND CONTROLLED ENTITIES**  
**ACN 009 241 374**

**CONSOLIDATED BALANCE SHEET**  
**As at 31 December 2008**

	Note	<b>CONSOLIDATED</b> 31.12.2008 \$	30.06.2008 \$
<b>Current Assets</b>			
Cash and cash equivalents	8	98,174	407,241
Trade and other receivables		80,134	147,625
Financial assets		13,550	41,333
		191,858	596,199
<b>Non-Current Assets</b>			
Plant & equipment		94,459	157,832
Other		212,937	98,133
		307,396	255,695
<b>Total Assets</b>		<b>499,254</b>	<b>852,164</b>
<b>Current Liabilities</b>			
Trade and other payables		380,856	194,832
Provisions		625,282	394,315
Other		23,864	23,864
Interest bearing liabilities	9	50,000	-
		1,080,002	613,011
<b>Non-Current Liabilities</b>			
Non interest bearing loans		46,399	33,329
Provisions		9,917	14,000
		56,316	47,329
<b>Total Liabilities</b>		<b>1,136,318</b>	<b>660,340</b>
<b>Net Assets</b>		<b>(637,064)</b>	<b>191,824</b>
<b>Equity</b>			
Issued capital	7	35,890,879	35,141,145
Shares to be issued		210,000	245,000
Reserves		2,417,564	2,454,846
Accumulated losses		(39,253,958)	(37,747,618)
		(735,515)	93,373
Total parent entity interest		(735,515)	93,373
Minority interest in controlled entities		98,451	98,451
		(637,064)	191,824
<b>Total Equity</b>		<b>(637,064)</b>	<b>191,824</b>

The accompanying notes form part of these financial statements.

**OROPA LIMITED AND CONTROLLED ENTITIES**  
**ACN 009 241 374**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the Half Year ended 31 December 2008**

**CONSOLIDATED**

	\$	\$	\$	\$	\$
	Share Capital	Reserves	Accumulated Losses	Outside Equity Interest	Total
Balance at 1.7.07	33,411,976	1,484,110	(33,839,624)	98,451	1,154,913
Issue of shares	963,525	-	-	-	963,525
Share issue costs	(52,676)	-	-	-	(52,676)
Foreign currency reserve	-	177,848	-	-	177,848
Issue of options	-	-	-	-	-
Loss for the half year	-	-	(1,823,215)	-	(1,823,215)
<hr/>					
Balance at 31.12.07	34,322,825 98,451	1,661,958 420,395	(35,662,839)		

	\$	\$	\$	\$	\$
	Share Capital & shares to be issued	Reserves	Accumulated Losses	Outside Equity Interest	Total
Balance at 1.7.08	35,386,145 98,451	2,454,846 191,824	(37,747,618)		
Issue of shares & shares to be issued	768,500	-	-	-	768,500
Share issue costs	(53,766)	-	-	-	(53,766)
Foreign currency reserve	-	(52,906)	-	-	(52,906)
Issue of options	-	26,561	-	-	26,561
Option issue costs	-	(10,937)	-	-	(10,937)
Loss for the half year	-	-	(1,506,340)	-	(1,506,340)
<hr/>					
Balance at 31.12.08	36,100,879	2,417,564	(39,253,958)	98,451	(637,064)

The accompanying notes form part of these financial statements.

**OROPA LIMITED AND CONTROLLED ENTITIES**  
**ACN 009 241 374**

**CONSOLIDATED CASH FLOW STATEMENT**  
**For the Half Year Ended 31 December 2008**

		<b>CONSOLIDATED</b>	
	<b>Note</b>	<b>31.12.2008</b>	<b>31.12.2007</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(243,253)	(838,568)
Interest received		3,746	13,925
		<hr/>	<hr/>
<b>Net cash (used in) operating activities</b>		<b>(239,507)</b>	<b>(824,643)</b>
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchase of plant & equipment		(2,006)	(22,195)
Mining exploration and evaluation expenditure		(910,227)	(745,960)
Payments for investments		(5,114)	-
		<hr/>	<hr/>
<b>Net cash (used in) investing activities</b>		<b>(917,347)</b>	<b>(768,155)</b>
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Proceeds from share issue		740,004	963,525
Share issue costs		(25,262)	(52,676)
Proceeds from options issue		18,248	-
Cost of options issue		(10,937)	-
Borrowings from shareholders		50,000	-
Proceeds refunded from security deposits		679	-
		<hr/>	<hr/>
<b>Net cash provided by financing activities</b>		<b>772,732</b>	<b>910,849</b>
		<hr/>	<hr/>
Net increase /(decrease) in cash and cash equivalents held		(384,122)	(681,949)
Cash and cash equivalents at the beginning of the reporting period		383,377	1,427,548
Effects of exchange rate changes on cash and cash equivalents		75,055	(31,162)
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period	8	74,310	714,437
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

**OROPA LIMITED AND CONTROLLED ENTITIES**  
**ACN 009 241 374**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Half Year Ended 31 December 2008**

**1. Corporate Information**

Oropa Limited (the Company) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated half year report of the Company as at and for the six months ended 31 December 2008 comprises the Company and its subsidiaries, together referred to as the "Group".

The consolidated annual financial report of the Group as at and for the year ended 30 June 2008 is available upon request from the Company's registered office at 25 Charles Street, South Perth, Western Australia or at [www.oropa.com.au](http://www.oropa.com.au).

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

**(a) Basis of preparation**

The general purpose financial report for the half-year ended 31 December 2008 has been prepared in accordance with the requirements of the *Corporations Act* and AASB 134 *Interim Financial Reporting*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half year financial report should be read in conjunction with the Annual Financial Report of Oropa Limited as at 30 June 2008 and considered together with any public announcements made by Oropa Limited and its controlled entities during the half-year ended 31 December 2008 in accordance with its continuous disclosure obligations of the *ASX Listing Rules*.

The half-year financial report has been prepared on a historical cost basis.

**(b) Significant accounting policies**

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2008.

**(c) Changes in accounting policies**

In the current period, the group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any material changes to the Group's accounting policies.

**OROPA LIMITED AND CONTROLLED ENTITIES**  
**ACN 009 241 374**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Half Year Ended 31 December 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED**

**(d) Going Concern**

The consolidated financial statements have also been prepared on the going concern basis.

The ability of the Company and consolidated entity to actively explore and continue as a going concern, and to meet their debts and commitments as they fall due is dependant upon further capital raisings.

The directors on 31 December 2008 entered into a capital fundraising package with Blackwood Capital Limited, to be completed prior to 31 March 2009, with additional funds to follow.

The funding package consists of placing 29,949,000 shares in the Company at a price of 1.3 cents per share to raise \$389,337. In addition to the shares being placed, one share option for every two shares placed will be issued in the capital of the company. Additionally convertible notes of 80,533,150 at a conversion rate of 2 cents are to be placed in order to raise \$1,610,663.

As at the date of this report the company has received funds of \$276,000 as a result of the funding package. They represent funds from shareholders who have agreed to purchase shares in Oropa Limited. As at the date of this report 15,461,539 shares have been issued to shareholders raising funds of \$201,000. The balance of \$75,000 is to be issued in shares to shareholders following shareholder approval at the company's general meeting scheduled to take place on 24 March 2009.

In addition to the funds raised by the funding package, the directors also raised an additional \$100,000 being 5,000,000 shares issued at 2 cents each. These shares were issued on 9 February 2009.

**(e) Basis of consolidation**

The half year condensed consolidated financial statements comprise the financial statements of Oropa Limited and its subsidiaries as at 31 December 2008.

	<b>CONSOLIDATED</b>	
	<b>31.12.2008</b>	<b>31.12.2007</b>
	\$	\$
<b>3. OPERATING LOSS</b>		
Operating loss from ordinary activities before income tax has been determined after:		
(a) Crediting as revenue:		
Interest received	3,746	13,925
(b) Charging as expense:		
Depreciation	7,936	7,153
Exploration expenditure written off	1,099,219	1,289,133

**OROPA LIMITED AND CONTROLLED ENTITIES**  
**ACN 009 241 374**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Half Year Ended 31 December 2008**

**4. SEGMENT INFORMATION**

**Primary Reporting – geographical segments**

The geographical segments of the consolidated entity are as follows:

**Half year 2008**

	Australia \$	Africa \$	South East Asia \$	India \$	Unallocate d \$	Consolidate d \$
Total Segment Revenue	3,746	-	-	-	-	3,746
Segment Result	(389,073)	(135,494)	(947,476)	(34,297)	-	(1,506,340)

**Half year 2007**

	Australia \$	Africa \$	South East Asia \$	India \$	Unallocate d \$	Consolidate d \$
Total Segment Revenue	13,925	-	-	-	-	13,925
Segment Result	(973,270)	-	(831,026)	(18,919)	-	(1,823,215)

**5. SUBSEQUENT EVENTS**

**Fundraising Package**

The following share issue has occurred as a result of the funding package:

On 9 February 2009 the following share placements occurred:

- 15,461,539 ordinary shares at 1.3 c each were issued to sophisticated investors of Blackwood Capital Limited, with free attaching options issued on the basis of one free option for each two shares issued. This has raised funds of \$201,000.

A general meeting of shareholders is scheduled for 24 March 2009 where the company is seeking shareholder approval for the issue of the remaining shares of the funding package as well as the issue of convertible notes.

- In addition to the fundraising package, a further share issue on 9 February 2009 also took place. 5,000,000 shares were issued at 2 cents each raising funds of \$100,000.

**OROPA LIMITED AND CONTROLLED ENTITIES  
ACN 009 241 374**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Half Year Ended 31 December 2008**

**5. SUBSEQUENT EVENTS (CONTINUED)**

**Indonesian Contract of Work**

On 16 December 2008, the Indonesian Parliament passed a new Law on Mineral and Coal Mining (the "Law"), which received the assent of the President on 12 January 2009, becoming Law No. 4/1009. The Contract of Work ("CoW") system under which the Company operates will no longer be available to investors. While the Law indicates that existing CoWs, such as the Company's, will be honored, the transition provisions are unclear, and will require clarification in yet to be issued government regulations. There are a number of issues which existing CoW holders, including the Company, are currently analysing. Among others these include:

- the CoW transition provisions. The new Law notes that existing CoWs will be honored until their expiration. However, it also states that existing CoWs must be amended within one year to conform with the provisions of the new Law (other than terms related to State revenue – which is not defined, but presumably includes royalties and taxes);
- the requirement for CoW holders which have already commenced some form of activity to, within one year of enactment of the new Law, submit a mining activity plan for the entire contract area. If this plan is not fulfilled, the contract area may be reduced to that allowed for licences under the new Law (which is significantly smaller than the Company's current area); and
- the requirement for holders of existing CoWs, within five years of enactment of the Law, to comply with the obligation under the Law to conduct onshore processing of their ore. Onshore processing is not clearly defined.

It is expected that CoW holders, with the support of mining industry associations, will vigorously defend their rights under their existing contracts. It is possible that the arbitration provisions of the CoWs will be invoked if the government attempts to force changes in CoW terms without the agreement of the contractors. The Company is analysing the impact of this situation on its operations, and believes that there will be no impact in the near term, as the industry and the government work towards a consensus on these issues.

**Senior Management Restructuring**

Effective from 23<sup>rd</sup> February 2009 Bruce Tomich will be the company's new CEO, in addition to his interim position of Chairman to the Board. The Company intends to appoint a new chairman once re-positioning and financial stability of the Company has been established.

Mr Phil Christie has taken on the role of Business Projects Manager and continues to be a director of the Company.

**6. CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the previous annual reporting date.

**OROPA LIMITED AND CONTROLLED ENTITIES**  
**ACN 009 241 374**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Half Year Ended 31 December 2008**

	<b>31.12.2008</b>	<b>30.06.2008</b>
	\$	\$
<b>7. ISSUED CAPITAL</b>		
<b>Ordinary shares</b>		
Issued & fully paid	35,890,879	<u>35,141,145</u>
	<b>31.12.2008</b>	<b>31.12.2008</b>
	<b>Number</b>	<b>\$</b>
<b>Movements in ordinary shares on issue:</b>		
As at 1 July 2008	184,451,912	35,141,145
15 July 2008	7,636,362	420,000
7 October 2008	454,545	25,000
7 October 2008	6,600,000	330,000
7 October 2008	521,455	28,500
Share issue costs	-	(53,766)
28 November 2008	1	-
	199,664,275	35,890,879
	199,664,275	35,890,879

**Options**

As at 28 February 2009, the Company had the following listed options:

- 12,791,439 options to subscribe for fully paid ordinary shares exercisable at 20 cents at any time on or before the expiry date of 31 January 2010.
- 13,280,376 options to subscribe for fully paid ordinary shares exercisable at 20 cents at any time on or before the expiry date of 31 January 2011.

The above options are quoted on the Australian Securities Exchange Limited ("ASX").

The following options are unlisted:

- 2,700,000 to subscribe for fully paid ordinary shares exercisable at 13 cents at any time on or before the expiry date of 31 December 2009.
- 8,500,000 options to subscribe for fully paid ordinary shares exercisable at 15 cents at any time on or before the expiry date of 31 May 2013.
- 7,730,769 options to subscribe for fully paid ordinary shares exercisable at 5 cents at any time on or before the expiry date of 31 August 2011.
- During the period 500,000 unlisted options exercisable at 12 cents expired on 20 October 2008.

**OROPA LIMITED AND CONTROLLED ENTITIES**  
**ACN 009 241 374**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Half Year Ended 31 December 2008**

	<b>31.12.2008</b>	<b>31.12.07</b>
	\$	\$
<b>8. RECONCILIATION OF CASH</b>		
Cash and cash equivalents	74,310	714,437
Restricted cash at bank (not available for use)	23,864	23,948
	98,174	738,385
	98,174	738,385

The restricted cash at bank is unclaimed monies from the sale of un-marketable parcels of shares. The amount represents the cheques sent to shareholders that were returned to Oropa Limited.

Cash at bank at 31 December 2008 includes a Bank Guarantee of AUS \$20,000 and an Import Letter of Credit of US \$24,267.

	<b>31.12.2008</b>	<b>30.06.08</b>
	\$	\$
<b>9. INTEREST BEARING LIABILITIES</b>		
Loans from shareholders	50,000	-
	50,000	-

Shareholders Brian Hurley and Philip Christie have each lent the company \$25,000 with interest accruing at a rate of 8.75% per annum. The loans are on call and are payable upon demand. As at 31 December 2008 interest of \$1,078.76 has accrued.

**10. RELATED PARTIES**

**Wholly-owned Group**

The wholly-owned group consists of Oropa Limited and its wholly-owned subsidiaries Inland Goldmines Pty Limited, Excelsior Resources Pty Limited, Oropa Technologies Pty Limited, Oropa Indian Resources Pty Limited and Oropa Exploration Pty Ltd.

Oropa owns 100% of the shares in Aberfoyle Pungkut Investments Pte Ltd (API). API holds a 75% interest in PT Sorikmas Mining, with the Indonesian Government mining company, P.T. Aneka Tambang holding the remaining 25%.

Transactions between Oropa Limited and related parties in the wholly-owned group during the period ended 31 December 2008 consist of loans on an interest free basis with no fixed term and no specific repayment arrangement. Oropa Limited made an additional provision for doubtful debts of \$3,061,273 in its accounts for the period ended 31 December 2008 in relation to the loans made to its subsidiaries. No other amounts were included in the determination of operating loss before tax of the parent entity that resulted from transactions with related parties in the wholly-owned group.

### Other related parties

Aggregate amounts receivable from related parties in the wholly owned group at balance date were as follows:

	<b>31.12.2008</b>	<b>30.06.2008</b>
	\$	\$
Non current receivables	14,830,118	11,768,845
Provision for Doubtful Debts	(14,830,118)	(11,768,845)
	<u>                    </u>	<u>                    </u>
	-	-
	<u>                    </u>	<u>                    </u>

### 11. SHARE BASED PAYMENTS

On 7 October 2008, Mancora Capital Pty Ltd were issued with 521,455 shares valued at \$28,500 in lieu of their commission payment for fundraising on behalf of the company.

Additionally, Nathan Featherby was issued with 4,156,198 options exercisable at 20c expiring on 31 January 2011 valued at \$8,312.40 in lieu of his commission payment for fundraising on behalf of the company. This amount has been presented in the accounts as a prepayment as the commission payment is not due until 25 March 2009. These options represent the shortfall of the 2011 options issued, and as the shortfall had to be issued within three months of the first issue of the 2011 options, it was agreed that this amount would therefore be considered as part of payment of the commission payment due in March 2009.

**OROPA LIMITED AND CONTROLLED ENTITIES**  
**ACN 009 241 374**

**DIRECTORS' DECLARATION**

The directors declare that

1. The consolidated financial statements and notes set out on pages 17 to 27;
  - (a) comply with Accounting Standard AASB 134: – Interim Financial Reporting, the Corporations Regulations; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dated at Perth this 13<sup>th</sup> day of March 2009



**BRUCE N TOMICH**  
Director

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF OROPA LIMITED

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Oropa Limited, which comprises the consolidated balance sheet as at 31 December 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, a condensed statement of accounting policies, other selected explanatory notes and the directors' declaration.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Oropa Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to

obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Oropa Limited on 13 March 2008.

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Oropa Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

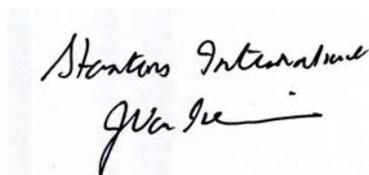
### *Inherent Uncertainty Regarding Going Concern*

Without qualification to the review, as referred to in note 2 (d) to the financial statements, the financial statements have been prepared on a going concern basis. At 31 December 2008 the consolidated entity had negative working capital of \$888,144 and incurred losses for the half year of \$1,506,340 increasing accumulated losses to \$39,253,958. The consolidated entity had a deficiency in net assets of \$637,064. The directors have stated in note 2 (d) that the consolidated entity is dependent upon the ability of the Company to raise further equity and loan funds.

The ability of the Company and the consolidated entity to continue as going concerns and to meet planned and committed expenditure requirements is subject to the Company and the consolidated equity raising further equity and/or loan capital.

In the event that the consolidated group is not successful in raising further funds, the realisable value of the consolidated entity's non-current assets may be significantly less than their current carrying values and the consolidated entity may not be able to continue in its present form and may not be able to meet its current liabilities and future commitments.

**STANTONS INTERNATIONAL**  
**(An authorised audit company)**



**J P Van Dieren**  
Director

West Perth, Western Australia  
13 March 2009

13 March 2009

Board of Directors  
Oropa Limited  
25 Charles Street  
SOUTH PERTH WA 6151

Dear Sirs

**RE: OROPA LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Oropa Limited.

As Audit Director for the review of the financial statements of Oropa Limited for the six months ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

**STANTONS INTERNATIONAL**  
**(Authorised Audit Company)**



**John Van Dieren**  
**Director**