

**ORO VERDE LIMITED**  
(Formerly Ezenet Limited)

**ABN 84 083 646 477**

**HALF YEAR FINANCIAL REPORT**  
**31 DECEMBER 2011**

**ORO VERDE LIMITED**  
**HALF YEAR FINANCIAL REPORT 31 December 2011**

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The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Dr Brad Farrell, BSc Hons Eco Geol, MSc, PhD, a consultant to the Company. Dr Farrell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Dr Farrell as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Farrell consents to the inclusion in the report of the foregoing matters based on his information in the form and context in which it appears. Dr Farrell is a Fellow of the Australasian Institute of Mining and Metallurgy, a Chartered Professional Geologist of that body and a Member of the Mineral Industry Consultants Association (the Consultants Society of the Australasian Institute of Mining and Metallurgy).

# **ORO VERDE LIMITED**

## **HALF YEAR FINANCIAL REPORT 31 DECEMBER 2011**

### **Corporate Directory**

**ABN 84 083 646 477**

#### **Directors**

|               |                                          |
|---------------|------------------------------------------|
| W G Martinick | Executive Chairman and Managing Director |
| B L Farrell   | Technical Director                       |
| G R O'Dea     | Non-Executive Director                   |
| D H Ward      | Non-Executive Director                   |

#### **Company Secretary**

B D Dickson

#### **Registered Office and Principal Place of Business**

Level 1  
30 Richardson Street  
West Perth WA 6005  
Telephone: 08 9481 2555  
Fax: 08 9485 1290

#### **Share Registry**

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6153

#### **Auditors**

Hewitt, Turner & Gelevitis  
Suite 4, 1<sup>st</sup> Floor  
63 Shepperton Road  
Victoria Park WA 6100

#### **Bank**

National Australia Bank  
96 High Street  
Fremantle WA 6160

# **ORO VERDE LIMITED**

## **HALF YEAR FINANCIAL REPORT 31 DECEMBER 2011**

### **Directors' Report**

The Directors present their report together with the consolidated financial report for the six months ended 31 December 2011 and the independent review report thereon.

#### **DIRECTORS**

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for the entire period unless otherwise stated.

W G Martinick  
B L Farrell (appointed 9 August 2011)  
G R O'Dea  
D H Ward

#### **REVIEW OF OPERATIONS**

The half year ending 31 December 2011 was a period of significant change for the Company. During that period it:

- Changed its name from Ezenet Limited to Oro Verde Limited to reflect its change of focus;
- Applied to the Australian Stock Exchange (ASX) to change its activities to a mineral explorer;
- Adopted a new Constitution and Option Plan for the Company;
- Consolidated the issued capital of the Company on the basis of consolidating every three shares into one share
- Secured shareholder approval for the acquisition of the Chuminga (copper/gold) and Vega (gold) projects in Chile;
- Issued a Prospectus to raise up to \$5 million.

The change of activities was approved by shareholders at the Annual General Meeting held on 28<sup>th</sup> November 2011 and the process was completed when the Company was permitted to resume trading on ASX as Oro Verde Limited on 3<sup>rd</sup> February 2012 after raising approximately \$2.4 million through its Prospectus.

Exploration drilling commenced in January 2012 at both the Chuminga and Vega projects and was continuing as at the date of this report.

#### **AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the Corporations Act 2001 requires the Company's auditors, Hewitt, Turner & Gelevitis to provide the Directors with a written independence declaration in relation to their review of the financial report for the half year ended 31 December 2011. The written auditor's independence declaration is attached at page 15 and forms part of this Directors' report.

Signed in accordance with a resolution of directors.



W G Martinick  
Executive Chairman  
Perth 13 March 2012

# ORO VERDE LIMITED

## HALF YEAR FINANCIAL REPORT 31 DECEMBER 2011

### Statement of Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

|                                                                                                               | <b>CONSOLIDATED</b>         |                             |
|---------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                                                               | <b>31 December<br/>2011</b> | <b>31 December<br/>2010</b> |
|                                                                                                               | <b>\$</b>                   | <b>\$</b>                   |
| <b>Continuing operations</b>                                                                                  |                             |                             |
| Interest income                                                                                               | 21,956                      | 48,098                      |
| Dividends Received                                                                                            | 27,293                      | -                           |
| Profit on sale of available-for-sale investments                                                              | 100,032                     | -                           |
|                                                                                                               | <hr/> 149,281               | <hr/> 48,098                |
| Depreciation                                                                                                  | (916)                       | (516)                       |
| Salaries and wages                                                                                            | (141,021)                   | (74,478)                    |
| Directors' Fees                                                                                               | (94,783)                    | (85,000)                    |
| Travel and accommodation                                                                                      | (55,838)                    | (48,552)                    |
| Promotion                                                                                                     | (32,915)                    | -                           |
| Consultants                                                                                                   | (241,298)                   | (117,095)                   |
| Insurance                                                                                                     | (11,500)                    | (8,649)                     |
| Legal fees                                                                                                    | (167,839)                   | (12,192)                    |
| Administration expenses                                                                                       | (48,797)                    | (10,952)                    |
| Other                                                                                                         | (146,403)                   | (32,562)                    |
| Change of business expenses                                                                                   | (132,174)                   | -                           |
| Exploration expense                                                                                           | (525,280)                   | -                           |
| Share based payments                                                                                          | (2,407,532)                 | -                           |
| <b>Profit /(Loss) from continuing operations before Income tax</b>                                            | <hr/> (3,857,015)           | <hr/> (341,898)             |
| Income tax credit/(expense)                                                                                   | (314,643)                   | 875,014                     |
| <b>Profit /(Loss) from continuing operations after income tax</b>                                             | <hr/> (4,171,658)           | <hr/> 533,116               |
| <b>Other comprehensive income</b>                                                                             |                             |                             |
| Changes to available-for-sale financial assets, net of tax                                                    | (734,166)                   | 2,040,195                   |
| Exchange differences in translating foreign controlled entities                                               | (58,522)                    | -                           |
| <b>Other comprehensive income net of tax</b>                                                                  | <hr/> (792,688)             | <hr/> 2,040,195             |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                                                              | <hr/> (4,964,346)           | <hr/> 2,573,311             |
| <i>Earnings per share from continuing operation attributable to the ordinary equity holder of the parent:</i> |                             |                             |
| Basic earnings per share (cents per share)                                                                    | (6.87)                      | 0.37                        |
| Diluted earnings per share (cents per share)                                                                  | (6.87)                      | 0.37                        |
| <i>Earnings per share for loss attributable to the ordinary equity holder of the parent:</i>                  |                             |                             |
| Basic earnings per share (cents per share)                                                                    | (6.87)                      | 0.37                        |
| Diluted earnings per share (cents per share)                                                                  | (6.87)                      | 0.37                        |

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

# ORO VERDE LIMITED

## HALF YEAR FINANCIAL REPORT 31 DECEMBER 2011

### Statement of Financial Position

AS AT 31 DECEMBER 2011

|                                            | Note | CONSOLIDATED        |                  |
|--------------------------------------------|------|---------------------|------------------|
|                                            |      | 31 December<br>2011 | 30 June<br>2011  |
|                                            |      | \$                  | \$               |
| <b>ASSETS</b>                              |      |                     |                  |
| <b>Current Assets</b>                      |      |                     |                  |
| Cash and cash equivalents                  | 4    | 2,706,389           | 1,519,421        |
| Receivables                                |      | 98,633              | 23,056           |
| Other                                      |      | 16,697              | 5,881            |
| <b>Total Current Assets</b>                |      | <b>2,821,719</b>    | <b>1,548,358</b> |
| <b>Non-current Assets</b>                  |      |                     |                  |
| Available for sale financial assets        | 5    | 2,856,743           | 4,257,225        |
| Property, plant and equipment              | 7    | 7,817               | 1,576            |
| Exploration & Evaluation expenditure       |      | 1,033,909           | 900,000          |
| <b>Total Non-current Assets</b>            |      | <b>3,898,469</b>    | <b>5,158,801</b> |
| <b>TOTAL ASSETS</b>                        |      | <b>6,720,188</b>    | <b>6,707,159</b> |
| <b>LIABILITIES</b>                         |      |                     |                  |
| <b>Current Liabilities</b>                 |      |                     |                  |
| Payables                                   |      | 783,088             | 279,042          |
| Provisions                                 |      | 16,174              | 7,229            |
| Share application monies pending allotment |      | 2,396,636           | -                |
| <b>Total Current Liabilities</b>           |      | <b>3,195,898</b>    | <b>286,271</b>   |
| <b>TOTAL LIABILITIES</b>                   |      | <b>3,195,898</b>    | <b>286,271</b>   |
| <b>NET ASSETS</b>                          |      | <b>3,524,290</b>    | <b>6,420,888</b> |
| <b>EQUITY</b>                              |      |                     |                  |
| Contributed equity                         | 6    | 11,741,581          | 12,081,365       |
| Reserves                                   |      | 4,068,318           | 2,453,474        |
| Accumulated losses                         |      | (12,285,609)        | (8,113,951)      |
| <b>TOTAL EQUITY</b>                        |      | <b>3,524,290</b>    | <b>6,420,888</b> |

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

# ORO VERDE LIMITED

## HALF YEAR FINANCIAL REPORT 31 DECEMBER 2011

### Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

| CONSOLIDATED                                                  |                    |                                 |                                            |                            |                                               |                       |           |
|---------------------------------------------------------------|--------------------|---------------------------------|--------------------------------------------|----------------------------|-----------------------------------------------|-----------------------|-----------|
|                                                               | Ordinary<br>shares | Convertible<br>notes<br>Reserve | Available<br>for sale<br>Assets<br>Reserve | Share<br>option<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Accumulated<br>losses | Total     |
|                                                               | \$                 | \$                              | \$                                         | \$                         | \$                                            | \$                    | \$        |
| <b>At 1 July 2010</b>                                         | 10,612,254         | 136,403                         | 63,630                                     | 1,058,200                  | -                                             | (8,526,243)           | 3,344,244 |
| Profit for the period                                         | -                  | -                               | -                                          | -                          | -                                             | 533,116               | 533,116   |
| Changes to available-for-sale<br>financial assets, net of tax | -                  | -                               | 2,040,195                                  | -                          | -                                             | -                     | 2,040,195 |
| Total comprehensive income<br>for the period                  | -                  | -                               | 2,040,195                                  | -                          | -                                             | 533,116               | 2,573,311 |
| Transactions with owners in their capacity as owners          |                    |                                 |                                            |                            |                                               |                       |           |
| Shares issued during the period                               | -                  | -                               | -                                          | -                          | -                                             | -                     | -         |
| Transaction Costs                                             | -                  | -                               | -                                          | -                          | -                                             | -                     | -         |
| <b>At 31 December 2010</b>                                    | 10,612,254         | 136,403                         | 2,103,825                                  | 1,058,200                  | -                                             | (7,993,127)           | 5,917,555 |

| CONSOLIDATED                                                          |                    |                                 |                                            |                            |                                               |                       |             |
|-----------------------------------------------------------------------|--------------------|---------------------------------|--------------------------------------------|----------------------------|-----------------------------------------------|-----------------------|-------------|
|                                                                       | Ordinary<br>shares | Convertible<br>notes<br>Reserve | Available<br>for sale<br>Assets<br>Reserve | Share<br>option<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Accumulated<br>losses | Total       |
|                                                                       | \$                 | \$                              | \$                                         | \$                         | \$                                            | \$                    | \$          |
| <b>At 1 July 2011</b>                                                 | 12,081,365         | 136,403                         | 1,274,234                                  | 1,058,200                  | (15,363)                                      | (8,113,951)           | 6,420,888   |
| Loss for the period                                                   | -                  | -                               | -                                          | -                          | -                                             | (4,171,658)           | (4,171,658) |
| Changes to available-for-sale<br>financial assets, net of tax         | -                  | -                               | (734,166)                                  | -                          | -                                             | -                     | (734,166)   |
| Exchange differences in<br>translating foreign controlled<br>entities | -                  | -                               | -                                          | -                          | (58,522)                                      | -                     | (58,522)    |
| Total comprehensive loss for<br>the period                            | -                  | -                               | (734,166)                                  | -                          | (58,522)                                      | (4,171,658)           | (4,964,346) |
| Transactions with owners in their capacity as owners                  |                    |                                 |                                            |                            |                                               |                       |             |
| Shares issued during the period                                       | 300,512            | -                               | -                                          | -                          | -                                             | -                     | 300,512     |
| Transaction costs                                                     | (640,296)          | -                               | -                                          | -                          | -                                             | -                     | (640,296)   |
| Share based payments                                                  | -                  | -                               | -                                          | 2,407,532                  | -                                             | -                     | 2,407,532   |
| <b>At 31 December 2011</b>                                            | 11,741,581         | 136,403                         | 540,068                                    | 3,465,732                  | (73,885)                                      | (12,285,609)          | 3,524,290   |

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

**ORO VERDE LIMITED**  
**HALF YEAR FINANCIAL REPORT 31 DECEMBER 2011**

**Statement of Cash Flows**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

|                                                                | Note     | CONSOLIDATED<br>31 December<br>2011<br>\$ | 31 December<br>2010<br>\$ |
|----------------------------------------------------------------|----------|-------------------------------------------|---------------------------|
| <b>Cash flows from operating activities</b>                    |          |                                           |                           |
| Payments to suppliers and employees                            |          | (1,280,639)                               | (421,143)                 |
| Exploration expenditure                                        |          | (525,280)                                 | -                         |
| Interest received                                              |          | 21,956                                    | 48,098                    |
| <b>Net cash flows used in operating activities</b>             |          | <b>(1,783,963)</b>                        | <b>(373,045)</b>          |
| <b>Cash flows from investing activities</b>                    |          |                                           |                           |
| Purchase of plant and equipment                                |          | (7,146)                                   | -                         |
| Purchase of mineral property                                   |          | (35,629)                                  | -                         |
| Proceeds from sale of available-for-sale investments           |          | 732,376                                   | -                         |
| <b>Net cash flows from investing activities</b>                |          | <b>689,601</b>                            | <b>-</b>                  |
| <b>Cash flows from financing activities</b>                    |          |                                           |                           |
| Proceeds from application for shares, net of transaction costs |          | 2,292,423                                 | -                         |
| <b>Net cash flows from financing activities</b>                |          | <b>2,292,423</b>                          | <b>-</b>                  |
| Net increase/(decrease) in cash and cash equivalents           |          | 1,198,061                                 | (373,045)                 |
| Cash and cash equivalents at beginning of period               |          | 1,519,421                                 | 2,428,947                 |
| Effect of exchange rate changes on cash and cash equivalents   |          | (11,093)                                  | (1,502)                   |
| <b>Cash and cash equivalents at end of period</b>              | <b>4</b> | <b>2,706,389</b>                          | <b>2,054,400</b>          |

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

# ORO VERDE LIMITED

## HALF YEAR FINANCIAL REPORT 31 DECEMBER 2011

### Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

#### 1 BASIS OF PREPARATION

These general purpose financial statements for the interim half year reporting period ended 31 December 2011 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134 *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Oro Verde Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2011 together with any public announcements made during the half year.

#### **Going Concern**

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Consolidated Entity has incurred a net loss after tax for the half year ended 31 December 2011 of \$4,171,658 (2010: profit \$533,116) and experienced net cash outflows from operating activities of \$1,783,963 (2010: \$373,045). At 31 December 2011, the Consolidated Entity had net current liabilities of \$374,179 (30 June 2011: net current assets of \$1,262,087). Included in current liabilities at 31 December 2011 is an amount of \$2,396,636 which represents share application monies received for shares that had not been allotted as at that date. On 11 January 2012 those shares were allotted thereby removing the liability. Net current assets of the Consolidated Entity at 31 December 2011 after removing the share application monies liability was \$2,022,457.

The Directors believe there are sufficient funds to meet the Company's working capital requirements and as at the date of this report the Consolidated Entity believes it can meet all liabilities as and when they fall due. However the Directors recognise that additional funding either through the issue of further shares, convertible notes or a combination of both will be required for the Consolidated Entity to continue to actively explore its mineral properties.

The Directors have reviewed the business outlook and the assets and liabilities of the Consolidated Entity and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Company will continue to be successful in securing additional funds through debt or equity issues or partial sale of its mineral properties as and when the need to raise working capital arises.

Should the directors not achieve the matters set out above, there is significant uncertainty whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and liabilities in the normal course of business.

The financial report does not include any adjustments that may be necessary if the Consolidated Entity is unable to continue as a going concern.

# ORO VERDE LIMITED

## HALF YEAR FINANCIAL REPORT 31 DECEMBER 2011

### Notes to the Financial Statements

#### FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

#### 1 BASIS OF PREPARATION (Cont'd)

##### Accounting Standards not previously applied

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial statements for the year ended 30 June 2011 and the corresponding half year interim reporting period.

From 1 July 2011 the Company has adopted all Australian Accounting Standards and Interpretations mandatory for annual reports beginning on or after 1 July 2011, including:

*AASB 124: Related Party Disclosure (December 2009)*

AASB 124 (December 2009) introduces a number of changes to the accounting treatment of related parties compared to AASB 124 (December 2005, as amended), including the following:

- The definition of a "related party" is simplified, clarifying its intended meaning and eliminating inconsistencies from the definition, including:
  - the definition now identifies a subsidiary and an associate with the same investor as related parties to each other;
  - entities significantly influenced by one person and entities significantly influenced by a close family member of that person are no longer related parties of each other;
  - the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other; and
  - the definition now clarifies that a post-employment benefit plan and an employer sponsor of such a plan are related parties of each other.
- A partial exemption is provided from the disclosure requirements of government related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.

Application of AASB 124 (December 2009) did not have a significant impact on the financial statements of the Company.

*AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 and AASB 134 and Interpretation 13]*

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- addition a number of examples to the list of events and transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various Standards and Interpretations.

# ORO VERDE LIMITED

## HALF YEAR FINANCIAL REPORT 31 DECEMBER 2011

### Notes to the Financial Statements

#### FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

#### 1 BASIS OF PREPARATION (Cont'd)

Application of the amendments in AASB 2010-4 did not have a significant impact on the financial statements of the Group.

*AASB 1054: Australian Additional Disclosures and AASB 2011-1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 223]*

AASB 1054 sets out the Australian-specific disclosures that are additional to IFRS disclosure requirements. The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

Application of AASB 1054 did not have a significant impact on the financial statements of the Company.

The Group has not elected to early adopt any other new Standards or amendments that are issued but not yet effective.

#### 2 OPERATING SEGMENT

The Group does not have operating activities and is only currently involved in investing in the minerals sector. Operating segments are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of service line manager. Discrete financial information about each of these areas is reported to the Board of Directors as the chief operating decision maker.

Based on this criterion, management has determined that the company has one operating segment being investing activities in the mineral resource sector. As the company is focused on investments in the mineral sector, the Board monitors the company based on the value of particular investments. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the company and its ongoing investing activities, while also taking into consideration the results of investing activities that had been undertaken by the investee companies.

#### 3 COMPONENTS OF OTHER COMPREHENSIVE INCOME

|                                     | 31 December<br>2011 | 31 December<br>2010 |
|-------------------------------------|---------------------|---------------------|
|                                     | \$                  | \$                  |
| Available for sale financial assets |                     |                     |
| Gain (loss) arising during the year | (734,166)           | 2,040,294           |

# ORO VERDE LIMITED

## HALF YEAR FINANCIAL REPORT 31 DECEMBER 2011

### Notes to the Financial Statements

#### FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

#### 4 CASH AND CASH EQUIVALENTS

|                                                                                                                               | 31 December<br>2011<br>\$ | 30 June<br>2011<br>\$ |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------|
| For the purpose of the half-year condensed statement of cash flows, cash and cash equivalents are comprised of the following: |                           |                       |
| Cash at bank and in hand                                                                                                      | 2,672,888                 | 1,489,421             |
| Short-term deposits                                                                                                           | 33,501                    | 30,000                |
|                                                                                                                               | <u>2,706,389</u>          | <u>1,519,421</u>      |

Cash at bank and in hand includes an amount of \$2,396,636 which is escrowed until the Australian Securities Exchange provides unconditional approval for the Company to recommence trading on ASX. Subsequent to balance date, on 2<sup>nd</sup> February 2012, approval was granted for the Company to recommence trading on the ASX and escrow restrictions on those funds were removed.

#### 5 AVAILABLE FOR SALE FINANCIAL ASSETS

|                                        | 31 December<br>2011<br>\$ | 30 June<br>2011<br>\$ |
|----------------------------------------|---------------------------|-----------------------|
| <i>Listed shares at fair value (a)</i> |                           |                       |
| Weatherly International plc            | 1,632,647                 | 2,661,344             |
| China Africa Resources plc             | 28,058                    | -                     |
| Dundee Precious Metals Inc.            | -                         | 546,294               |
| Allied Gold Limited                    | -                         | 49,331                |
| Island Gas plc                         | -                         | 57,596                |
|                                        | <u>1,660,705</u>          | <u>3,314,565</u>      |
| Unlisted Investments at cost (b)       | 1,196,038                 | 942,660               |
| Total available-for-sale assets        | <u>2,856,743</u>          | <u>4,257,225</u>      |

*During the half year, the balance movement was as follows:*

|                                                      |                  |
|------------------------------------------------------|------------------|
| Opening balance 1 July 2011                          | 4,257,225        |
| Purchases                                            | 300,511          |
| Effect of exchange differences                       | (47,133)         |
| China Africa Resources plc shares issued as dividend | 27,293           |
| Sales                                                | (635,386)        |
| Fair value adjustment to reserve                     | (1,045,767)      |
| Closing balance 31 December 2011                     | <u>2,856,743</u> |

- (b) Unlisted investments represents an investment in a Chilean based company that holds the mineral licences for the Chumunga project, a project in which the Group has the right to acquire an initial 20% interest and the option to move to 100% ownership.

# ORO VERDE LIMITED

## HALF YEAR FINANCIAL REPORT 31 DECEMBER 2011

### Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

#### 6 SHARE CAPITAL

|                                                     | Shares                 | \$                    |
|-----------------------------------------------------|------------------------|-----------------------|
| <b>Balance at 1 July 2010</b>                       | <b>144,111,710</b>     | <b>10,612,254</b>     |
| Movement during the period                          | -                      | -                     |
| <b>Balance at 31 December 2010</b>                  | <b>144,111,710</b>     | <b>10,612,254</b>     |
| <br><b>Balance at 1 July 2011</b>                   | <br><b>181,569,497</b> | <br><b>12,081,365</b> |
| Balance after 1:3 share consolidation on 8 Dec 2011 | 60,523,536             | 12,081,365            |
| 23 Dec 2012 issued for Chuminga project acquisition | 2,003,406              | 300,512               |
| Share issue expenses (a)                            | -                      | (640,296)             |
| <b>Balance as at 31 December 2011</b>               | <b>62,526,942</b>      | <b>11,741,581</b>     |

(a) Share Issue Expenses were incurred in relation to a prospectus issued on 2<sup>nd</sup> November 2011 which raised \$2,396,636. The 11,983,181 shares to be issued as result of this raising were issued on 11 January 2012.

#### 7 PLANT AND EQUIPMENT

During the six months ended 31 December 2011, the Group acquired assets with a cost of \$7,145 (2010: Nil). There were no assets sales during 2011 or 2010.

#### 8 EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial period 11,983,181 shares were issued for applications made and monies received prior to the end of the period. In addition the acquisition of 20% of Compania Minera Chumi, the Chilean based Company that owns the Chuminga project, was completed.

The Company has also agreed to raise up to \$2.6 million through a share placement managed by D J Carmichael Pty Ltd to professional and sophisticated investors through the issue of approximately 13 million new fully paid shares at \$0.20 per share.

No other matter or circumstance has 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.

#### 9 COMMITMENTS AND CONTINGENT LIABILITIES

There has been no change in Commitments and Contingent Liabilities since the end of the last annual reporting period.

## ORO VERDE LIMITED HALF YEAR FINANCIAL REPORT 31 DECEMBER 2011

### Directors' Declaration

The directors of the company declare that:

- a) the financial statements and notes of the consolidated entity as set out in the accompanying pages are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*
- b) 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 decision is made in accordance with a resolution of the board of directors



W G Martinick  
Executive Chairman  
Perth, 13 March 2012

**ORO VERDE LIMITED**  
**A.B.N. 84 083 646 477**

**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

Suite 4, 1st Floor  
63 Shepperton Road  
Victoria Park  
Western Australia 6100  
**Telephone:** (08) 9362 5855  
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**ABN:** 78 607 011 001  
**PO Box 199**  
Victoria Park  
Western Australia 6979

To the Directors of Oro Verde Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2011 there have been no contraventions of:

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

This declaration is in respect of Oro Verde Limited and the entities it controlled during the period.



**HEWITT TURNER & GELEVITIS**  
Audit Assurance Division



**TIMOTHY TURNER**  
PARTNER

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**HEWITT**

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**TURNER &**

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**GELEVITIS**

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Audit Assurance  
Taxation Advisors  
Strategic Planning  
Accounting Services  
Management Consultancy

**PRINCIPALS**

**Timothy Turner**  
B.BUS (ACC), FCPA,  
FTIA  
Registered Company Auditor

**Vick Gelevitis**  
B.BUS (ACC), FCPA,  
NTAA, FTIA

**Darryl Rodrigues**  
B.Sc, B.BUS (ACC), CPA

Dated this 13<sup>th</sup> day of March 2012.

Hewitt Turner & Gelevitis  
is a CPA Practice



Liability Limited by a scheme  
approved under Professional  
Standards Legislation

**ORO VERDE LIMITED  
A.B.N. 84 083 646 477**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE  
MEMBERS OF ORO VERDE LIMITED**

**Report on the Half Year Financial Report**

We have reviewed the accompanying half-year financial report of Oro Verde Limited and controlled entities (the consolidated entity) which comprises the consolidated condensed statement of financial position as at 31 December 2011, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity, the consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

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

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

**Auditor's Responsibility**

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

**Matters Relating to the Electronic Presentation of the Audited Financial Report**

This review report relates to the financial report of Oro Verde Limited and controlled entities for the half year ended 31 December 2011 which may be included on the website of Oro Verde Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

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## Independence

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

## Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half year ended on that date; and
- (b) complying with AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

## Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our conclusion, we draw attention to note 1 to the financial report which indicates that the group incurred a net loss of \$4,171,658 for the six months ended 31 December 2011, and for the six month period the group experienced net cash outflows from operating activities of \$1,783,963. These conditions along with other matters as set out in Note 1 to the financial report indicate the existence of a material uncertainty which may cast doubt on the entity's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Signed at Perth this 13<sup>th</sup> day of March 2012.

**HEWITT TURNER & GELEVITIS**  
**AUDIT ASSURANCE DIVISION**

**TIMOTHY TURNER**  
**REGISTERED COMPANY AUDITOR**

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*HEWITT*

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*GELEVITIS*

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