



ASX ANNOUNCEMENT 10 APRIL 2007

PROSPECTUS FOR RIGHTS ISSUE OFFER

RECENT ASX ANNOUNCEMENTS

4 April 2007
[PowerPoint Presentation](#)

4 April 2007
[Placement/Pro-rata Rights Issue](#)

2 April 2007
[Trading Halt](#)

CORPORATE

25 Charles Street
South Perth WA 6151

Ph: +61 8 9368 4544
Fax: +61 8 9368 4522

Email: oropa@oropa.com.au
www.oropa.com.au

ABN: 77 009 241 374

BOARD OF DIRECTORS

Brian Hurley-	Chairman
Philip Christie-	Director
Rod Murchison-	Non-Executive Director
Bruce Tomich-	Non-Executive Director

ASX Code: ORP



The Manager
Company Announcements
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

Dear Sir

PROSPECTUS FOR RIGHTS ISSUE OFFER

Further to our announcement dated 4 April 2007, the Company is pleased to advise that it has today lodged with the Australian Securities and Investments Commission, a prospectus for a pro rata renounceable rights issue to eligible shareholders.

Under the issue, which is fully underwritten by Patersons Securities Limited the Company intends to raise \$1,661,135 through the issue of approximately 41,528,379 New Shares on the basis of 2 New Shares for every 5 shares held at 5.00pm AWST on the Record Date of 19 April 2007.

Attached is a copy of the prospectus which includes a timetable for the offer. A copy of the letter dispatched earlier today to the holders of Employee Options is also attached.

Yours faithfully
OROPA LIMITED


Philip C Christie
Director

Attachments.

OROPA LIMITED

ABN 77 009 241 374

RIGHTS ISSUE PROSPECTUS

For a pro rata, renounceable rights issue to Shareholders of approximately 41,528,379 New Shares on the basis of 2 New Shares for every 5 Shares held at 5.00pm (AWST) on the Record Date of 19 April 2007, at an issue price of \$0.04 per New Share, for the purpose of raising approximately \$1,661,135.

The Rights Issue Offer closes at 5.00pm (AWST) on 9 May 2007

Lead Manager and Underwriter: Patersons Securities Limited

Important Notice

This Prospectus is an important document and requires your immediate attention. It should be read in its entirety. If you are in any doubt as to how to deal with this document, please consult your stockbroker or professional adviser. The New Shares offered by this Prospectus should be considered speculative.

TABLE OF CONTENTS

Important Information	2
Chairman's Letter	3
Corporate Directory	4
1. Details of the Rights Issue Offer	5
2. Actions required of Eligible Shareholders	8
3. Purpose and effect of the Rights Issue Offer	10
4. Risk Factors	13
5. Rights attaching to Shares	17
6. Additional Information	19
7. Directors' Authorisation	27
8. Glossary	28
Entitlement and Acceptance Form	

IMPORTANT NOTICE

Important dates

Announcement of Rights Issue Offer	4 April 2007
Prospectus lodged with ASIC and ASX	10 April 2007
“Ex” date	13 April 2007
Rights trading starts	13 April 2007
Record Date to determine Entitlements under the Rights Issue Offer	19 April 2007
Despatch of Prospectus	24 April 2007
Rights trading ends	2 May 2007
Closing Date for receipt of acceptances and payment in full under the Rights Issue Offer	9 May 2007
Notification to ASX of Shortfall	14 May 2007
Despatch of holding statements	17 May 2007

These dates are indicative only and are subject to change. The Directors, in conjunction with the Underwriter, reserve the right to amend this indicative timetable including, subject to the Corporations Act and the Listing Rules, to extend the Rights Issue Offer, without prior notice, which may have a consequential effect on subsequent dates

Important information

This Prospectus is dated 10 April 2007 and was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This Prospectus does not constitute an offer in any place where, or to any person to whom, it would not be lawful to make such an offer or issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and investors residing outside Australia who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No person is authorised to give any information or to make any representation in connection with the Rights Issue Offer or this Prospectus which is not contained in this Prospectus. Any information or representation in relation to the Rights Issue Offer which is not contained in this Prospectus may not be relied on as having been authorised by the Company or its Directors in connection with the Rights Issue Offer.

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company or the payment of a return on the securities offered under the Prospectus. Please read this document carefully before you make a decision to invest and consider whether the securities offered by this Prospectus are an appropriate investment for you. The securities offered by this Prospectus should be considered speculative.

Defined terms and abbreviations used in this Prospectus are set out in the Glossary in Section 8.

CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Board, I am pleased to offer you the opportunity to participate in the pro rata, renounceable rights issue being made by the Company pursuant to this prospectus. All Shareholders registered at 5.00pm (AWST) on the record date of 19 April 2007, will be entitled to participate in this new offer on the basis of 2 New Shares for every 5 Shares held on that date at the issue price of \$0.04 per New Share.

Since last seeking shareholder support in November 2005 to a non-renounceable rights issue, which was strongly supported to raise \$3,580,000, the Company has continued to aggressively explore the Pungkut gold project in Indonesia. Some 94 holes for 6,935 metres were completed during 2006. This resulted in the Company discovering and outlining a new satellite inferred resource of 100,000 oz Au at the Sambung prospect in the North Block, approximately 2.5 km south of the larger 610,000 oz Au inferred resource at Sihayo 1 North.

Significantly, these exploration programmes in the North Block also identified a number of previously untested geological and geophysical targets along the Sihayo-Sambung ridge line, nearby to the project's known gold resources. The Company's current objective is to conduct ongoing drilling programmes in 2007 with the aim of increasing the area's inferred resources from 710,000 oz Au to in excess of 1,000,000 oz Au, prior to initiating a scoping study to assess the commercial viability of this promising area. A new drilling contractor has been engaged and special purpose drill rigs have been fabricated, the first of which is planned to be deployed to site during April 2007. A second rig is planned to be mobilized to the North Block in June/July to expedite drilling activities in the area. The Company has negotiated an option to purchase these rigs at a future date, depending on the amount of infill drilling that may be required to upgrade the inferred resources.

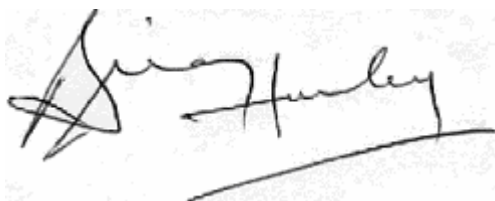
The Board is now seeking shareholder support to fund these objectives in the Sihayo-Sambung area of the North Block, as well as to continue with regional exploration activities in both Blocks comprising the Contract of Work. The offer being made pursuant to this prospectus seeks to raise approximately \$1,661,135 which, after deduction of associated expenses, will be applied for those purposes and for general working capital. The Board continues to appraise new mineral exploration opportunities, both in Australia and overseas, and a small portion of the funds raised from this offer and allocated to working capital may be used for this purpose.

The rights issue offer is renounceable, which means that eligible Shareholders who do not wish to take up their entitlements to New Shares may sell their rights on ASX. The New Shares are competitively discounted and I urge you to take up your entitlements in whole or in part.

The Board is pleased to advise that the rights issue offer is being fully underwritten by Patersons Securities Limited.

On behalf of the Directors, I would like to thank you for your past support and encourage you to promptly take up your entitlements to facilitate the Company's ongoing exploration programmes for 2007.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Brian Hurley', with a horizontal line underneath it.

Brian Hurley
Chairman

CORPORATE DIRECTORY

Directors

Mr Brian J Hurley (Chairman)
Mr Philip C Christie (Chief Executive Officer)
Mr Roderick G Murchison
Mr Bruce N Tomich

Company Secretary

Mr Dean W Calder

Registered Office and Business Address

25 Charles Street
SOUTH PERTH WA 6151

Telephone: 08 9368 4544
Facsimile: 08 9368 4522
Email: oropa@oropa.com.au
Website: www.oropa.com.au

Lead Manager and Underwriter to the Rights Issue Offer

Patersons Securities Limited
Level 23, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Telephone: 08 9263 1111
Facsimile: 08 9325 5123
Email: corporate.finance@psl.com.au

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Telephone: 08 9315 2333
Facsimile: 08 9315 2233
Email: registrar@securitytransfer.com.au

Auditors

Stantons International
Level 1, 1 Havelock Street
WEST PERTH WA 6005

Solicitors

Solicitors to the Rights Issue Offer

Margaret McGuinn
Level 1, 25 Richardson Street
WEST PERTH WA 6005

Solicitors to the Company

Williams & Hughes
Level 1, 25 Richardson Street
WEST PERTH WA 6005

ASX Code

ORP

1. DETAILS OF THE RIGHTS ISSUE OFFER

1.1 The Rights Issue Offer

Subject to the terms and conditions of this Prospectus, this Prospectus invites Eligible Shareholders to participate in a pro rata, renounceable rights issue of approximately 41,528,379 New Shares on the basis of 2 New Shares for every 5 Shares held on the Record Date at an issue price of \$0.04 per New Share, for the purpose of raising approximately \$1,661,135.

Any fractional entitlements to New Shares will be rounded up in calculating each Eligible Shareholder's entitlement to New Shares.

The Company currently has on issue 13,280,376 quoted Options and 2,700,000 unquoted Options. The terms of these Options do not allow the Option holders to participate in the Rights Issue Offer. The Option holders will however be entitled to exercise their Options prior to the Record Date in accordance with the terms of issue of those Options if they wish to participate in the Rights Issue Offer.

As described in Section 3.5 below, the Company proposes to issue up to 12,791,441 2010 Options pursuant to the Options Offer which is being made under a separate prospectus. It is not expected that these 2010 Options will be issued prior to the Record Date and, accordingly, the allottees of these Options will not be able to exercise these Options prior to the Record Date in order to participate in the Rights Issue Offer. The 2010 Options may not be subscribed for pursuant to this Prospectus.

1.2 Sale of Rights

Rights are renounceable which means that Eligible Shareholders who do not wish to take up their Entitlements may choose to sell their Rights on ASX. Information on how Eligible Shareholders may sell their Rights on ASX is set out in Section 2.1.

The Rights will be quoted on ASX. Trading of Rights will commence on ASX on 13 April 2007 and will cease on 2 May 2007.

1.3 Opening and Closing Dates

The Rights Issue Offer will open for receipt of acceptances on 24 April 2007 and will close on 9 May 2007 at 5.00pm (AWST). The Directors reserve the right, subject to compliance with the Corporations Act and the Listing Rules, to extend the Closing Date without prior notice. Shareholders are therefore encouraged to lodge their Entitlement and Acceptance Forms as early as possible.

1.4 Underwriting

The Rights Issue Offer is fully underwritten by the Underwriter subject to certain termination events. Details of the Underwriting Agreement are set out in Section 6.10.

No brokerage or stamp duty will be payable by subscribers to the Rights Issue Offer.

1.5 Allotment

New Shares under the Rights Issue Offer are expected to be issued on 17 May 2007. No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Pending the issue of the New Shares under the Rights Issue Offer, all application monies will be held in trust in a separate bank account as required by the Corporations Act. Any interest earned on these monies will be retained by the Company.

1.6 Quotation on ASX

The Company will make application to ASX within 7 days of the date of this Prospectus for Official Quotation of the New Shares offered under this Prospectus.

If approval for Official Quotation of the New Shares is not granted within 3 months after the date of this Prospectus, or such period as varied by ASIC, the Company will not allot or issue any New Shares pursuant to this Prospectus and will return all application monies without interest as soon as practicable.

The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

1.7 CHESS

The Company participates in CHESS in accordance with the Listing Rules and ASTC Settlement Rules. By participating in CHESS, the Company operates an electronic issuer-sponsored sub register and an electronic CHESS sub register. The two sub registers together make up the Company's register of Shares and Options.

Under CHESS, the Company will not issue certificates to investors. Instead, as soon as practicable after allotment, Shareholders who apply for New Shares in accordance with this Prospectus will receive a holding statement (similar to a bank account statement) which sets out the number of New Shares allotted to that Shareholder under this Prospectus.

The holding statement will also provide details of a security holder's Holder Identification Number (**HIN**), in the case of a holding on the CHESS sub register, or Shareholder Reference Number (**SRN**), in the case of a holding on the issuer-sponsored sub register, which they must quote to their stockbroker if they wish to sell their New Shares. Applicants who choose to be registered on the CHESS sub register will receive a further statement from CHESS, acting on behalf of the Company, confirming their holding.

Further statements, whether from CHESS or the Company, will generally only be sent when the Share or Option holdings changes. A holder may request statements at any other time however a charge may be incurred for additional statements.

1.8 Foreign Shareholders

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and investors residing outside Australia who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with those restrictions might constitute a violation of applicable securities laws.

This Prospectus or the New Shares have not been, and will not be, registered in any jurisdiction other than Australia. This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or issue this Prospectus.

The Company is of the view that it is unreasonable to extend the Rights Issue Offer to Shareholders who have a registered address in a jurisdiction other than Australia or New Zealand on the Record Date (**Excluded Shareholders**) having regard to the number of Excluded Shareholders concerned, the number and value of the securities which would be offered to them and the cost of complying with the requirements of regulatory authorities in the overseas jurisdictions. Accordingly, the Company is not required to make offers under this Prospectus to Excluded Shareholders.

The Company has appointed the Underwriter, on normal commercial terms, as nominee for the Excluded Shareholders to arrange for the sale of the Rights of the Excluded Shareholders. The Underwriter will have the absolute and sole discretion to determine the timing and the price at which those Rights may be sold and the manner of any such sale. Neither the Company nor the nominee will be subject to any liability for failure to sell those Rights or to sell them at a particular price.

If, in the reasonable opinion of the Underwriter, there is not a viable market for the Rights or a surplus over the expenses of the sale cannot be obtained, then the Rights of the Excluded Shareholders will be allowed to lapse and will form part of the Shortfall and be dealt with under the terms of the Underwriting Agreement. In that event, the Excluded Shareholders will not receive any value for their Rights.

1.9 Dividend policy

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances in relation to the payment of dividends, or franking credits attached to those dividends, can be given by the Company. The Company is unlikely to pay a dividend for the year ending 30 June 2007.

1.10 Privacy Statement

The Company collects, holds and uses the personal information about each Applicant provided on the Entitlement and Acceptance Form and uses that information for processing the application and, if the application is successful, to service the holder's security holding in the Company and for administration.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided on the Form for the purposes set out in this privacy disclosure statement and may disclose it from time to time for those purposes to the Share Registry, persons inspecting the register, the Company's related bodies corporate, agents, contractors and third party service providers, including mail and print providers and professional advisers, and to ASX, ASIC and other regulatory authorities.

1.11 Withdrawal

The Company reserves the right to withdraw the Rights Issue Offer and this Prospectus at any time, in which case the Company will return all application monies (if applicable) without interest and the Rights will cease to have any value.

1.12 Risk factors

Investors should carefully read Section 4, Risk Factors. An investment of this kind involves a number of risks, some of which are specific to the Company and some of which are general and apply to all listed companies. The securities offered by this Prospectus should be considered speculative.

2. ACTIONS REQUIRED OF ELIGIBLE SHAREHOLDERS

2.1 What Eligible Shareholders may do

If you are an Eligible Shareholder, you may either:

- (a) take up your Entitlement in full or in part;
- (b) sell your Rights in full or in part;
- (c) transfer your Rights to another person other than via ASX; or
- (d) do nothing and allow your Entitlement to lapse and form part of the Shortfall.

Before taking any action in relation to the Rights Issue Offer, you should read this Prospectus in its entirety, including Section 4 dealing with risks. As the Rights Issue Offer is a pro rata issue, Eligible Shareholders who take up their Entitlements in full will not have their percentage holding in the Company diluted by the Rights Issue Offer. Eligible Shareholders who do not take up their Entitlements in full will be diluted.

Acceptance of your Entitlement in full or in part

If you are an Eligible Shareholder and wish to accept your Entitlement in full or in part, please complete the Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions set out on the Form. If accepting in part, please insert the number of New Shares for which you wish to accept (being less than the number specified on the Form). Please then forward the completed Entitlement and Acceptance Form, together with your cheque for the amount shown on the Form, or, if accepting in part, for the amount payable in respect of the New Shares accepted, to the Company's Share Registry at:

Mailing Address

Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

Delivery Address

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

so that it is received by them by no later than 5.00pm (AWST) on the Closing Date.

Cheques should be in Australian currency and made payable to "**Oropa Limited –Subscription Account**" and crossed "Not negotiable".

You may sell on ASX any Rights which you have not exercised, as explained below.

Sale of your Rights in full or in part on ASX

If you are an Eligible Shareholder and wish to sell all or some of your Rights on ASX, please read the instructions set out on the Form and contact your stockbroker as soon as possible. You can sell your Rights on ASX from 13 April 2007 until Rights trading ends on ASX on 2 May 2007.

Sale of your Rights in full or in part to a person other than on ASX

If you are an Eligible Shareholder and wish to sell all or some of your Rights to a person other than on ASX, you will need to forward:

- a completed standard renunciation form (which can be obtained from your stockbroker or the Company's Share Registry)
- your Entitlement and Acceptance Form completed by the applicable transferee
- the transferee's cheque for the application monies,

in relation to those Rights which you wish to transfer to the Company's Share Registry at:

Mailing Address

Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

Delivery Address

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

so that it is received by them by no later than 5.00pm (AWST) on the Closing Date.

No acceptance of Entitlement

If you decide not to accept any of your Entitlement, you are not required to take any action. Your Entitlement will lapse and will form part of the Shortfall and be dealt with by the Underwriter under the Underwriting Agreement.

2.2 Entitlement and Acceptance Form

If you are an Eligible Shareholder, the number of New Shares to which you are entitled under the Rights Issue Offer is shown in the accompanying personalized Entitlement and Acceptance Form. In determining Entitlements, fractions will be rounded up to the nearest whole number. Acceptance of your Entitlement must be made on that personalized Form. Receipt by the Company of your completed Entitlement and Acceptance Form will be treated as acceptance of the Rights Issue Offer on the terms and conditions set out in this Prospectus.

Instructions for completion of the acceptance of your Entitlement in full or in part under the Rights Issue Offer are set out in the accompanying Form.

2.3 Application monies and interest

Application monies received from Applicants will be held in trust for them in a separate bank account as required by the Corporations Act until the New Shares are issued. Each Applicant agrees that any interest that accrues on these monies will be retained by and belong to the Company.

2.4 Taxation

The Company does not propose to give any taxation advice and neither the Company, nor its Directors, officers or advisers accept any responsibility or liability for any taxation consequence that may arise by persons subscribing for New Shares under this Prospectus. Applicants should consult their own professional tax advisers in regard to the taxation implications of subscribing for New Shares under this Prospectus.

2.5 Enquiries

Enquiries concerning the Rights Issue Offer or this Prospectus should be directed to the Company on 08 9368 4544.

3. PURPOSE AND EFFECT OF RIGHTS ISSUE OFFER

3.1 Purpose of the Rights Issue Offer and use of funds

The purpose of the Rights Issue Offer is to raise approximately \$1,661,135 to fund further exploration of the North Block of the Pungkut gold project in Indonesia, regional exploration, working capital and the expenses of the Offer.

It is proposed that the funds raised under the Rights Issue Offer, together with the funds of up to \$400,000 raised under the Placement described in Section 3.6 below, will be allocated as set out in the table below. This reflects the Board's present intentions however the allocation of funds raised may differ from that set out below depending on exploration results and other opportunities.

Proposed use of funds	\$
Further exploration of the Sihayo-Sambung area of the Pungkut gold project in Indonesia	970,000
Regional exploration	100,000
Working capital	763,135
Expenses of the Rights Issue Offer and Placement	228,000
Total	2,061,135

3.2 Effect of the Rights Issue Offer

The principal effects of the Rights Issue Offer and Placement (assuming subscription in full or subscription in full of the Shortfall under the terms of the Underwriting Agreement) will be to:

- increase cash reserves by approximately \$1,833,135 (including the \$400,000 to be raised under the Placement) after deducting estimated expenses of the Rights Issue Offer and Placement (approximately \$228,000); and
- increase the number of Shares on issue from 103,820,949 at the date of this Prospectus (including the Shares to be issued under the Placement) to approximately 145,349,326 Shares.

The percentage holding in the Company of Eligible Shareholders who do not take up their Entitlements in full will be diluted by the Rights Issue Offer.

3.3 Pro forma balance sheet

The pro-forma statement of financial position set out below is based on the reviewed, unaudited balance sheet of the Company and its controlled entities for the half year ended 31 December 2006 (extracts of which are set out below) adjusted to reflect the following material transactions and assumptions:

- the 2010 Options Offer described in Section 3.5 below, assuming full subscription or placement in full of the shortfall by the Directors;
- the Placement described in Section 3.6 below, assuming full subscription; and
- the adjusted net proceeds of the Rights Issue Offer, assuming subscription in full or subscription in full of the Shortfall under the terms of the Underwriting Agreement.

	31 Dec 2006 (Reviewed)	Pro forma 31 Dec 2006 (Unaudited)
Current Assets		
Cash and cash equivalents	\$943,802	\$2,831,894
Trade and other receivables	\$162,489	\$162,489
Financial Assets	\$1,333	\$1,333
Total Current Assets	\$1,107,624	\$2,995,716
Non-Current Assets		
Plant & Equipment	\$82,815	\$82,815
Other	\$68,442	\$68,442

Total Non-Current Assets	\$151,257	\$151,257
Total Assets	\$1,258,881	\$3,146,973
Current Liabilities		
Trade and other payables	\$179,904	\$179,904
Provisions	\$300,374	\$300,374
Other	\$13,966	\$13,966
Total Current Liabilities	\$494,244	\$494,244
Non Current Liabilities		
Non interest bearing loans	\$40,590	\$40,590
Total Non-Current Liabilities	\$40,590	\$40,590
Total Liabilities	\$534,834	\$534,834
Net Assets	\$724,047	\$2,612,139
Equity		
Issued capital	\$31,526,161	\$33,414,253
Reserves	\$854,929	\$854,929
Accumulated Losses	(\$31,755,494)	(\$31,756,494)
Total parent entity interest	\$625,596	\$2,513,688
Minority interest in controlled entities	\$98,451	\$98,451
Total Equity	\$724,047	\$2,612,139

3.4 Capital structure on completion of Rights Issue Offer

The effect of the Offer on the capital structure of the Company, assuming that the Rights Issue Offer is fully subscribed or subscription in full of the Shortfall under the terms of the Underwriting Agreement and assuming that no Options are exercised between the date of this Prospectus and the close of the Rights Issue Offer, is set out in the table below.

Shares	Number
Shares on issue at the date of this Prospectus	93,820,949
Shares to be issued under the Placement (1)	10,000,000
Shares to be issued under this Prospectus	41,528,379
Post completion of Rights Issue Offer	145,349,328
Options	Number
2007 Options on issue at the date of this Prospectus	13,280,376
2010 Options to be issued under the prospectus for the Options Offer (2)	12,791,441
EOP Options on issue at the date of this Prospectus(3)	2,700,000
Post completion of Rights Issue Offer	28,771,817

Notes:

1. Assuming full subscription under the Placement.
2. Assuming full subscription under the Options Offer or placement in full of the shortfall by the Directors and assuming no 2010 Options are issued and exercised prior to the Record Date.

3. The EOP Options are exercisable at \$0.13 on or before 31 December 2009 but are not quoted on ASX or transferable.

3.5 2010 Options Offer

At the general meeting held on 31 January 2007, Shareholders approved the issue by the Company of up to 12,795,104 2010 Options at the issue price of \$0.005 per 2010 Option and the placement of the shortfall by the Directors in their discretion.

The Options Offer is being made pursuant to a separate prospectus to those holders of 2006 Options registered as holders at 5.00pm (AWST) on the option expiry date of 31 December 2006 and whose options expired unexercised at that time. A total of 12,791,441 2006 Options expired unexercised. The Options Offer is made to these 2006 Option Holders on the basis of one 2010 Option offered for every one 2006 Option held at that time.

The Directors reserve the right to place any shortfall arising from the Options Offer at their discretion to sophisticated or professional investors.

The prospectus for the Options Offer is intended to be lodged with ASIC on or about the date of this Prospectus. Based on the indicative timetable for the Options Offer set out in that prospectus, it is not expected that any 2010 Options will be issued pursuant to the Options Offer prior to the Record Date.

A copy of the prospectus for the Options Offer may be obtained free of charge by any person who asks for a copy of the document before the Closing Date in relation to this Prospectus.

3.6 Placement

On 4 April 2007, the Company announced a proposed private placement of up to 10,000,000 Shares to sophisticated and professional investor clients of the Underwriter at an issue price of \$0.04 per Share to raise up to \$400,000. The Placement is not underwritten. It is expected that the Shares to be issued under the Placement will be issued prior to the Record Date and the subscribers to the Placement will be eligible to participate in the Rights Issue Offer.

4. RISK FACTORS

There are risks associated with an investment in the Company, some of which are general risks and some of which are specific to the Company, its business and the industry in which it operates. Before subscribing for the securities offered by this Prospectus, investors should carefully consider and evaluate the Company and the associated risks. Some of the major risk factors which investors need to be aware of are summarized below. Any of these factors or a combination of all or some of them in the future could materially affect the performance of the Company and the market price of the Shares. The risk factors set out below are not exhaustive.

The New Shares offered under this Prospectus are considered speculative. Neither the Company nor the Directors guarantee any investment made pursuant to this Prospectus or the performance of the Company, including with respect to the payment of dividends, return of capital or the price at which the Shares will trade. Any person who applies for New Shares pursuant to this Prospectus does so in recognition of those factors.

The Directors recommend that investors examine the full contents of this Prospectus, all previous ASX disclosures and other public information on the Company and consult their professional advisers before deciding whether or not to apply for New Shares pursuant to this Prospectus.

(a) General risks

Share market fluctuations

There are risks associated with any investment and the share market generally. The market price of the Company's Shares and the shares which the Company may hold in its share portfolio from time to time may rise or fall depending upon a range of factors beyond the Company's control. Movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions and government taxation and other policy changes may affect the stock market generally and the market price of the Company's securities.

Government policy

Changes in government policies relevant to mineral explorations and production, taxation, interest rates, and other legal, legislative and administrative regimes may have an adverse affect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.

Financing risks

The ability of the Company to actively explore and continue as a going concern and to meet its debts and commitments as they fall due is dependent upon further capital raisings. Any additional equity financing may dilute the security holdings of existing security holders. There is no guarantee that the Company will be able to raise capital when it is required or that the terms associated with providing such capital will be satisfactory to the Company. A lack of capital could have a material adverse effect on the Company's activities.

Contractual arrangements

The Company may be required to rely upon joint venture partners and contractors to supply services and infrastructure to it in order to conduct its operations. The supply of those services and infrastructure may be critical to the ongoing operation and development of the Company's interests. The financial failure, insolvency, management failure or other default of any party under those contractual arrangements may adversely affect the Company's operations and the financial performance of the Company generally.

Economic conditions

Economic conditions, both domestic and global, may affect the Company's performance. Factors such as general economic outlook, movements in interest rates and inflation rates, currency fluctuations, changes in investor sentiment towards particular market sectors, industrial disruption and the demand for and supply of capital can have an effect on operating costs, commodity prices and share market prices. The Company's future possible revenue and share price can be affected by these factors.

Commodity prices

The Company's prospects and share price will be influenced by the price obtained from time to time for the commodities targeted in its exploration programs. Commodity prices fluctuate and are affected by factors including the relationship between global supply and demand, forward selling by

producers, the cost of production, the outlook for inflation, interest rates, currency issues and general global economic and political conditions.

Operational risk

By its nature, the business of exploration, mineral development and production which the Directors intend the Company to undertake, contains risks. Prosperity depends on the successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and efficient financial management. For its part, exploration is a speculative endeavour, while mining operations can be hampered by force majeure circumstances, environmental considerations, adverse weather conditions and cost overruns for unforeseen events.

Environmental regulation

Mining activities may have an impact on the environment. The Company's operations in Australia and other countries are subject to State and Commonwealth laws and regulations and the laws and regulations of those other countries which govern environmental matters including environmental rehabilitation and the discharge of hazardous waste and materials. Although the Company intends to conduct its operations in accordance with applicable environmental laws and regulations, it is possible that environmental claims could arise in the future. Environmental difficulties may also adversely impact on the Company's exploration costs and/or the cost of mining any identified resources.

Native Title and Cultural Heritage

The Company's ability to obtain the grant of mining tenement applications and access to prospective exploration areas in Australia may be affected by Commonwealth and State laws and regulations governing native title, aboriginal land rights and aboriginal heritage matters.

The effect of the Native Title Act 1993 (Cth) (**NTA**) is that the tenements held by the Company in Australia and any future tenements acquired by the Company may be affected by native title claims and procedures. The administration and determination of native title issues may have a material adverse effect on the position of the Company. If native title rights do exist or if a native title claim is registered, the Company may need to comply with the procedures under the NTA in order to carry out its operations and such procedures may take considerable time and result in payment of compensation.

The discovery of Aboriginal sacred sites or artefacts on tenements held by the Company could limit or preclude exploration or mining activities within spheres of influence of those sites and result in delay and expenses in obtaining the necessary clearances.

Regulatory

In the jurisdictions in which the Company operates, both the conduct of its operations and the steps involved in the Company acquiring its current interests involve or have involved the need to comply with numerous procedures and formalities.

The Company's exploration and development programmes will in general be subject to approval by governmental authorities. Exploration in and development of any of the Company's properties will be dependant on meeting planning and environmental laws and guidelines and approval by governmental authorities. Delays may be encountered in obtaining these approvals.

(b) Specific risks associated with the Company.

Country and political risk

The Company has interests in developing countries, namely Indonesia and India. These countries are located in a region which has been, or continues to be, subject to significant political uncertainty. Changes in political, economic or social conditions in those countries, as well as the regulatory regime, may have a material adverse effect on the business of the Company's subsidiaries in those countries. Terrorist acts could also adversely affect the business of the Company's subsidiaries in Indonesia or India.

The Company's main project interest is located in Indonesia and conducted through an Indonesian subsidiary. Since the collapse of President Soeharto's regime in 1998, Indonesia has experienced a process of democratic change, resulting in political and social events that have highlighted the unpredictable nature of Indonesia's changing political landscape. In 2004, Indonesians directly elected the President, the Vice-President and representatives of the Indonesian parliament through a proportional voting system for the first time. Although the 2004 elections were conducted peacefully, future political campaigns and elections may bring a degree of political and social

uncertainty to Indonesia. Any resurgence of political instability could adversely affect the Indonesian economy, which could adversely affect the activities or operations of the Company.

Mining and land rights

The Contract of Work of the Company's Indonesian subsidiary only gives the rights to mine the gold and other associated minerals beneath the surface land. It does not give any rights over the surface land. Consequently, the Company's Indonesian subsidiary will have to obtain rights to use the surface land for its activities by paying some compensation amount or purchase amount. The surface land may be occupied by indigenous people in the form of indigenous title. Delays or inability to obtain rights to use from landowners for exploration or exploitation work may have a material adverse effect on the activities or operations of the Company.

Regional autonomy law

The enactment of regional autonomy laws and regulations in Indonesia in 1999 has resulted in a major change in the regulatory environment, particularly for mining business in Indonesia.. Regional governments where the mining sites of the Company's Indonesian subsidiary are located may adopt regulations or decrees, or interpret or implement the regional autonomy laws or regulations in a manner that adversely affects the activities or operations of the Company.

Forestry Laws and Regulations

The enactment of forestry law in Indonesia in 1999 has had a substantial impact on the mining industry as open-pit mining activities within the area of protected forest are prohibited. In 2004 the President granted permits to certain mining companies, including the Company's Indonesian subsidiary, to continue working in the protected forest. Despite this, the applicable regulations provide that where the Company carries out exploitation activities in protected forest, the Company must provide replacement forest area to the Government from an area adjacent to the mining area which is free and clear from all encumbrances. Similar provisions apply for any exploitation work carried out by the Company in production forest, where the Company is required to find replacement forest area adjacent to the mining area of twice the size of the area being exploited for mining purposes. If the Company fails to provide such replacement area, the Company will be required to pay a royalty to the Ministry of Forestry equal to 1% of the proceeds sold from the mining activities. The Company may not be able to locate any such replacement area as required by the regulations, and this may have an adverse impact on the activities or operations of the Company.

National Park affecting the Indonesian operations

In April 2004, the Indonesian Ministry of Forestry issues a decree (**National Park Decree**) declaring part of the Company's Indonesian mining area a national park. Under Indonesian laws and regulations, mining activities cannot be carried out inside a national park. In November 2004, the Company commenced a legal action in the Indonesian Supreme Court for a judicial review of the National Park Decree on the basis that the applicable Indonesian laws and regulations in force at the time of the issuing of the National Park Decree did not allow the Ministry of Forestry to declare a national park over an area which was subject to pre-existing mining rights. The Supreme Court case is still pending. In addition, the Indonesian Government has assembled a working team to try to resolve the issue of the overlap between the national park and the Company's mining area. Whilst the Company's current exploration activity is not being carried out inside the national park area, the continued uncertainty and delay in resolving the dispute regarding the national park may adversely affect the activities or operations of the Company.

Suspension of mining activities and extensions of time under Contract of Work

As a result of the conflicts between the mining rights granted to the Company under the Company's Contract of Work in respect of the Indonesian project and the provisions of the protected forest regulations and National Park Decree, the Company has applied to the Indonesian Ministry of Energy and Mineral Resources for suspensions of the exploration periods relating to such protected forest and national park areas until the regulatory conflicts have been clarified. The granting or refusal of such suspension requests are within the discretion of the Ministry of Energy and Mineral Resources, and the failure of the Company to obtain such further suspensions may have an adverse effect the activities or operations of the Company.

Proposed new Mineral and Coal Mining Law in Indonesia

The Ministry of Energy and Mineral Resources in Indonesia has proposed a new draft law on mineral and coal mining which has been submitted to the Indonesian House of Representatives for consideration. The draft mining law addresses the regulation of the mineral and coal mining

industries among the Government, the provincial governments and the regency governments. Although the current draft states that it will not affect any existing contracts of work, it cannot be guaranteed that the law will be approved by the House of Representatives in its present form. Some significant changes or amendments may be made to it prior to approval and the law, as adopted, may have an adverse effect on the activities or operations of the Company.

5. RIGHTS ATTACHING TO SHARES

The New Shares to be issued under this Prospectus will rank equally with Shares currently on issue.

The rights and liabilities attaching to ownership of the Shares arise from a combination of the Company's Constitution, statute and general law. The following summary of the more important rights and liabilities attaching to the Shares is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. A copy of the Constitution may be inspected during normal business hours at the Company's registered office if prospective investors require further detail.

(a) **Voting**

At a general meeting of the Company, every Shareholder present in person, or by proxy, attorney or representative, has one vote on a show of hands. On a poll, every Shareholder present in person, or by proxy, attorney or representative has one vote for every fully paid Share held and a fraction of a vote for every partly paid Share held. The fraction shall be equivalent to the proportion which the amount paid (excluding amounts credited) bears to the issue price of such Share.

(b) **Dividends**

The Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend. The Directors may from time to time pay to the Shareholders such interim dividend as they may determine. No dividend shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive.

(c) **Transfer of the Shares**

A Shareholder may transfer Shares by a proper market transfer or other instrument in writing in any usual or common form or other form approved by the Directors or ASX or effected under the Corporations Act.

The Directors may decline to register any transfer of Shares where permitted to do so by the Listing Rules. The Directors must decline to register any transfer of Shares when required to do so by the Listing Rules. If the Directors decline to register a transfer, they must give to the transferee and lodging party written notice of the refusal.

(d) **Winding up**

If the Company is wound up, the liquidator may with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

Subject to the rights of Shareholders (if any) entitled to Shares with special rights in a winding-up, all moneys and property that are to be distributed among Shareholders on a winding-up, shall be so distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid up on the Shares

(e) **Issue of further shares**

The issue of any new shares is under the control of the Directors and, subject to the Corporations Act, the Listing Rules and the Constitution, the Directors may issue, or grant options in respect of, such shares as they may, in their absolute discretion determine.

(f) **Variation of rights**

Subject to the Listing Rules and the Corporations Act, if at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied, whether or not the Company is being wound up, with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(g) **General meetings**

Each Shareholder is entitled to receive notice of and to attend, in person, or by proxy, attorney or representative, and vote at general meetings of the Company. A general meeting may be convened by the Directors but may also be convened on requisition as provided for by the Corporations Act.

6. ADDITIONAL INFORMATION

6.1 Transaction specific prospectus

The Company is a disclosing entity under the Corporations Act and the Listing Rules and as such is subject to regular reporting and disclosure obligations.

This Prospectus is issued under section 713 of the Corporations Act. That section sets out specific content rules applying to a prospectus for an offer of continuously quoted securities of a disclosing entity.

The Company believes, after making reasonable enquiries, that its Shares qualify as continuously quoted securities for the purpose of section 713 and that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months preceding the date of issue of this Prospectus which required the Company to notify ASX of information about specified matters or events as they arise for the purpose of ASX making that information available to the market.

ASIC has not made any determination which would prevent the Company relying on section 713 of the Corporations Act for the issue of this Prospectus.

Copies of documents lodged by the Company with ASIC may be obtained from, or inspected at, an office of ASIC.

6.2 Copies of documents

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) the annual audited financial report for the Company for the year ended 30 June 2006;
- (b) the reviewed half-year financial report lodged with ASIC by the Company for the period ended 31 December 2006; and
- (c) any continuous disclosure notices given by the Company to ASX in the period starting immediately after lodgement of the 30 June 2006 annual audited financial report of the Company and ending before the lodgement of this Prospectus with ASIC, being the following announcements:

Date lodged	Announcement
05/04/2007	PowerPoint Presentation
05/04/2007	Placement/Pro Rata Renounceable Rights Issue
02/04/2007	Trading Halt
15/03/2007	Half Year Accounts
31/01/2007	Results of Meeting
31/01/2007	Second Quarter Activities & Cashflow Reports
22/01/2007	Appendix 3B
19/01/2007	POL: Exploration Update
12/01/2007	Appendix 3B
12/01/2007	Lapsed Options
21/12/2006	Notice of General Meeting
30/11/2006	2006 Annual General Meeting Results & Presentation
08/11/2006	Adjournment of Annual General Meeting until 2pm
31/10/2006	First Quarter Activities & Cashflow Report
27/10/2006	Annual Report & Notice of Meeting
11/10/2006	Drilling reveals high grade gold zone at Sambung
28/09/2006	Annual Report for the year ended June 2006

6.3 Trading prices of Shares on ASX

The highest and lowest market sale prices of Shares in the Company on ASX in the 3 month period immediately prior to the date of lodgement of this Prospectus with ASIC, the last available closing market sale price on ASX before the date of this Prospectus, and the respective dates of those sales were:

Highest: \$0.10 on 24 January 2007
 Lowest: \$0.05 on 26 March 2007
 Last: \$0.065 on 5 April 2007

6.4 Interests and benefits of Directors.

Other than as set out below or elsewhere in this Prospectus, no Director of the Company holds, or at any time during the last 2 years held, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the Company in connection with its formation or promotion or in connection with the Rights Issue Offer; or
- (c) the Rights Issue Offer.

Other than as set out in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any Director:

- (i) to induce them to become, or to qualify as, a Director of the Company; or
- (ii) for services provided by a Director in connection with the formation or promotion of the Company or in connection with the Rights Issue Offer.

6.5 Interests of Directors' in securities

As at the date of this Prospectus, the relevant interests of each Director in the Shares and Options of the Company are as follows:

Director	Shares	2007 Options
Brian J Hurley	529,351	26,800
Philip C Christie	410,608	99,240
Roderick G Murchison	749,852	116,000
Bruce N Tomich	Nil	Nil

Each Director has stated that he intends to take up his full Entitlement under the Rights Issue Offer.

Mr Bruce Tomich has agreed with the Underwriter to sub-underwrite \$20,000 of the funds underwritten by the Underwriter under the Underwriting Agreement on the same terms and conditions as the other sub-underwriters and for a fee of 1.5% of the amount underwritten by him. These terms and conditions require him to subscribe for his proportionate amount of the Shortfall (up to 500,000 New Shares) following notification by the Underwriter and are otherwise on terms and conditions generally applicable to offers of sub-underwriting by the Underwriter.

6.6 Remuneration of Directors

The Constitution of the Company provides as follows in relation to remuneration of Directors:

- (a) The Directors shall be paid as remuneration for their services as Directors that sum which is from time to time determined by the Company in general meeting, to be divided among the Directors in such proportions as they shall from time to time agree or in default of agreement equally. The remuneration of the Directors shall not be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the suggested increase has been given to Shareholders in the notice convening the meeting.
- (b) The remuneration payable by the Company to non-executive Directors must be by a fixed sum and not by a commission on, or percentage of, profits or operating revenue. The remuneration payable to executive Directors must not include a commission on, or percentage of, profits or operating revenue.
- (c) The Managing Director or an executive Director shall, subject to the terms of any agreement entered into in a particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine provided that no executive Director shall be paid as the whole or part of his remuneration a commission on or percentage of operating revenue.
- (d) A Directors are also entitled to be paid reasonable travelling, hotel and other expenses properly incurred by them in the performance of their duties as directors. If a Director performs extra services or makes special exertions on behalf of the Company, the Directors

may remunerate the Director for those services or exertions in addition to or in substitution for the remuneration referred to in paragraph (a) above.

- (e) Subject to the Corporations Act and the Listing Rules, the Directors may at any time adopt any scheme or plan which they consider to be in the interests of the Company and which is designed to provide retiring or superannuation benefits for both present and future non-executive Directors.

6.7 Amounts paid to Directors

The Directors receive directors' fees for their services as Directors. In addition, Directors who provide consulting services to the Company receive a consultancy fee, calculated at commercial rates. The table below sets out the amounts paid or agreed to be paid to the Directors of the Company and their associated entities during the last financial year prior to the date of the Prospectus and during the current financial year to date, inclusive of directors' fees and consultancy fees but exclusive of GST.

Director	Year ended 30 June 2006	1 July 2006 to 31 March 2007
Brian J Hurley	\$52,600	\$32,750
Philip C Christie	\$203,630	\$165,604
Roderick G Murchison	\$43,285	\$33,742
Bruce N Tomich	\$17,780	\$16,105

6.8 Interests of experts and advisers

This Section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (**Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last 2 years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Rights Issue Offer; or
- (c) the Rights Issue Offer.

Other than that as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with:

- (i) the formation or promotion of the Company; or
- (ii) the Rights Issue Offer.

Security Transfer Registrars Pty Ltd has acted as the Share Registry to the Company in relation to the Rights Issue Offer and Placement for which the Company has paid or agreed to pay approximately \$4,000 (exclusive of GST). In addition, Security Transfer Registrars Pty Ltd has provided services as Share Registry to the Company during the last two years for which it has been paid the sum of \$32,346 (exclusive of GST).

Stantons International has acted as Auditors to the Company but has not performed work in relation to the Prospectus or in relation to the due diligence or verification program. Stantons International has provided audit services to the Company during the last two years for which the Company has paid or agreed to pay the sum of \$44,263 (exclusive of GST).

Patersons Securities Limited has acted as Lead Manager and Underwriter to the Rights Issue Offer but has not performed work in relation to the Prospectus. The Company has paid or agreed to pay the fees described in Section 6.10 in respect of these services. In addition, Patersons Securities Limited will receive a fee in respect of the Placement referred to in Section 3.6 equal to 5% of the total amount raised, being the sum of \$20,000 (exclusive of GST) assuming full subscription and a fee of \$100 (exclusive of GST) for the services referred to in Section 1.8.

Margaret McGuinn has acted as solicitor to the Rights Issue Offer for which the Company has paid or agreed to pay approximately \$20,000 (exclusive of GST). The Company has not paid Margaret McGuinn any other fees for professional services in the last two years.

6.9 Consents and Disclaimers

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by any of those parties, other than as specified in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to that party's name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Security Transfer Registrars Pty Ltd has given, and at the time of lodgement of this Prospectus has not withdrawn, its written consent to be named in this Prospectus as the Share Registry to the Company in the form and context in which it is named.

Stantons International has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as Auditor of the Company in the form and the context in which it is named together with all references to them in the Prospectus and to the audited financial statements of the Company as at 30 June 2006 and to the inclusion in the Prospectus of information from the reviewed, unaudited half yearly financial statements of the Company in the form and context in which they are included.

Patersons Securities Limited has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as Lead Manager and Underwriter to the Rights Issue Offer in the form and the context in which it is named.

Margaret McGuinn has given, and at the time of lodgement of this Prospectus has not withdrawn, her consent to be named in this Prospectus as solicitor to the Rights Issue Offer in the form and the context in which she is named.

Williams and Hughes has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as solicitors to the Company, in the form and the context in which they are named.

6.10 Summary of Underwriting Agreement

Pursuant to an Underwriting Agreement dated 10 April 2007 between the Company and the Underwriter, the Underwriter has agreed to underwrite all of the Rights Issue Offer pursuant to this Prospectus.

Pursuant to the Underwriting Agreement, the Company will pay the Underwriter, for its role as lead manager and underwriter, an underwriting fee equal to 5% of the aggregate funds raised under the Rights Issue Offer and a Lead Manager fee of \$60,000. In addition, the Company must pay, indemnify and keep indemnified the Underwriter for all costs incurred by the Underwriter in connection with the Rights Issue Offer, including legal fees and disbursements and the reasonable costs of advertising, printing and distributing the Prospectus.

The Company has given warranties and covenants to the Underwriter which are usual in an agreement of this nature.

The Underwriting Agreement provides that the Underwriter may terminate the Underwriting Agreement and its obligations thereunder at any time without cost or liability to the Underwriter upon the occurrence of any one or more of the termination events (**Termination Event**) including:

- (a) (Indices fall): any of the ASX/S&P 200 Index or the ASX/S&P 300 Mining & Metals Index as published by ASX is at any time after the date of the Underwriting Agreement 10% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement; or
- (b) (Prospectus): the Company does not lodge the Prospectus on the lodgement date or the Prospectus or the Rights Issue Offer is withdrawn by the Company; or
- (c) (No Official Quotation): Official Quotation has not been granted by the Shortfall Notice Deadline Date (as defined in the agreement and being within 2 business days of the Closing Date) or, having been granted, is subsequently withdrawn, withheld or qualified; or
- (d) (Supplementary prospectus):
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in

paragraph (o)(vi), forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or

- (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or
- (e) (Non-compliance with disclosure requirements): it transpires that the Prospectus does not contain all the information required by section 713 of the Corporations Act; or
- (f) (Misleading Prospectus): it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or
- (g) (Restriction on allotment): the Company is prevented from allotting the New Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (h) (Withdrawal of consent to Prospectus): any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or
- (i) (ASIC application): an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn; or
- (j) (ASIC hearing): ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act; or
- (k) (Takeovers Panel): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel; or
- (l) (Authorisation): any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter; or
- (m) (Indictable offence): a director or senior manager of the Company (and any subsidiary) is charged with an indictable offence; or
- (n) (Sub-underwriters): any of the sub-underwriters that are introduced by the Company do not comply with their obligations under the sub-underwriting agreements or threaten to not comply with their respective obligations under the sub-underwriting agreements; or
- (o) (Termination Events): subject always to clause 13.2 of the Underwriting Agreement, any of the following events occurs:
 - (i) (Default): default or breach by the Company under the Underwriting Agreement of any term, condition, covenant or undertaking; or
 - (ii) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect; or
 - (iii) (Contravention of constitution or Act): a contravention by the Company (and any subsidiary) of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX; or
 - (iv) (Adverse change): an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or

- operations of the Company (and any subsidiary) including, without limitation, if any forecast in this Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time; or
- (v) (Error in due diligence results): it transpires that any of the due diligence results or any part of the verification material was materially false, misleading or deceptive or that there was a material omission from them; or
 - (vi) (Significant change): a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor ;or
 - (vii) (Public statements): without the prior approval of the Underwriter a public statement is made by the Company in relation to the Rights Issue Offer or this Prospectus; or
 - (viii) (Misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Rights Issue Offer or the affairs of the Company (or any subsidiary) is or becomes misleading or deceptive or likely to mislead or deceive; or
 - (ix) (Official Quotation qualified): the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation" in the Underwriting Agreement; or
 - (x) (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy; or
 - (xi) (Prescribed Occurrence): a Prescribed Occurrence occurs, other than as disclosed in the Prospectus; or
 - (xii) (Suspension of debt payments): the Company suspends payment of its debts generally; or
 - (xiii) (Event of Insolvency): an Event of Insolvency occurs in respect of the Company (or any subsidiary); or
 - (xiv) (Judgement against Company or subsidiary): a judgment in an amount exceeding \$25,000 is obtained against the Company (or any subsidiary) and is not set aside or satisfied within 7 days; or
 - (xv) (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against the Company (or any subsidiary), other than any claims foreshadowed in the Prospectus or due diligence programme; or
 - (xvi) (Board or senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before the date on which allotment of the last of the New Shares occurs in accordance with the Prospectus, without the prior written consent of the Underwriter; or
 - (xvii) (Change in shareholding): there is a material change in the major or controlling shareholdings of the Company (or any subsidiary) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company (or any subsidiary); or
 - (xviii) (Timetable): there is a delay in any specified date in the Timetable which is greater than 7 Business Days; or
 - (xix) (Force Majeure): a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs; or
 - (xx) (Certain resolutions passed): the Company (or any subsidiary) passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter; or
 - (xxi) (Capital structure): the Company (or any subsidiary) alters its capital structure in any manner not contemplated by this Prospectus; or

- (xxii) (Breach of material contracts): any of the material contracts as specified in this Prospectus is terminated or substantially modified; or
- (xxiii) (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of the Company (or any subsidiary); or
- (xxiv) (Market conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets; or
- (xxv) (Suspension): the Company is removed from the Official List or the Shares become suspended from Official Quotation and that suspension is not lifted within 24 hours following such suspension; or
- (xxvi) (Hostilities): there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world.

Clause 13.2 of the Underwriting Agreement provides that the Underwriter may not exercise its rights under paragraph (o) unless, in the reasonable opinion of the Underwriter reached in good faith, the occurrence of a Termination Event has or is likely to have, or two or more Termination Events together have or are likely to have:

- (a) a Material Adverse Effect; or
- (b) could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

The following terms used in this Section 6.10 with respect to Underwriting Agreement are defined in the Underwriting Agreement as follows:

Event of Insolvency means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, Controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable Act to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

Insolvency Provision means any Act relating to insolvency, sequestration, liquidation or bankruptcy (including any Act relating to the avoidance of conveyances in fraud of creditors or preferences, and any Act under which a liquidator or trustee in bankruptcy may set aside or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.

Material Adverse Effect means:

- (a) a material adverse effect on the outcome of the Rights Issue Offer or on the subsequent market for the New Shares (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in New Shares); or
- (b) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries either individually or taken as a whole; or
- (c) the Underwriter's obligations under this Underwriting Agreement becoming materially more onerous than those which exist at the date of this Underwriting Agreement; or
- (d) a material adverse effect on the tax position of either:
 - (i) the Company and its subsidiaries either individually or taken as a whole; or
 - (ii) an Australian resident shareholder in the Company.

Prescribed Occurrence means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;
- (c) a Relevant Company:
 - (i) entering into a buy-back agreement or;
 - (ii) resolving to approve the terms of a buy-back agreement under section 257C or 257D of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option, other than an issue or agreement to issue in accordance with the Rights Issue Offer or the terms of this Agreement;
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Relevant Company charging, agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator to a Relevant Company;
- (j) the making of an order by a court for the winding up of a Relevant Company;
- (k) an administrator of a Relevant Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) a Relevant Company executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company,

where **Relevant Company** means the Company and each of its subsidiaries.

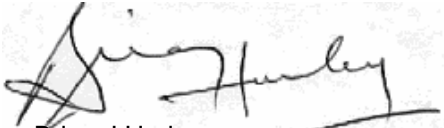
6.11 Expenses of the Rights Issue Offer

All expenses connected with the Rights Issue Offer are being borne by the Company. Total expenses of the Rights Issue Offer, together with estimated expenses of \$23,000 in connection with the Placement, are estimated to be \$228,000 (exclusive of GST). These costs include underwriting, legal and due diligence fees, administrative fees, fees for other advisers, ASIC and ASX fees, prospectus design and printing and despatch costs.

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by Oropa Limited and its issue has been authorized by the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Oropa Limited by



Brian J Hurley
Chairman

8. GLOSSARY

Terms and abbreviations used in this Prospectus have the following meanings:

Applicant	An Eligible Shareholder who applies for New Shares under this Prospectus
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ABN 98 008 624 691
ASTC Settlement Rules	The operating rules of ASX Settlement and Transfer Corporation Pty Ltd ABN 49 008 504 532, the settlement processing facility for ASX's market
AWDST	Australian Western Daylight Savings Time
AWST	Australian Western Standard Time
Board	The board of Directors of the Company
Closing Date	The closing date for receipt of valid Entitlement and Acceptance Forms under this Prospectus, being 5.00pm (AWST) on 9 May 2007 or such other date as the Directors may determine without prior notice
Company or Oropa	Oropa Limited ABN 77 009 241 374
Constitution	The constitution of the Company
Corporations Act	Corporations Act 2001(Cth)
Director	A director of the Company at the date of this Prospectus
Dollars or \$	Australian dollars.
Eligible Shareholder	A shareholder of the Company who was registered as the holder of Shares in the Company as at 5.00pm (AWST) on the Record Date.
Entitlement	The entitlement of an Eligible Shareholder to apply for New Shares under the Rights Issue Offer.
Entitlement and Acceptance Form or Form	The entitlement and acceptance form for the Rights Issue Offer which accompanies this Prospectus.
EOP Option	An unquoted option issued under the employee option scheme established by the Company and approved by shareholders in general meeting on 30 November 2006
Excluded Shareholder	Is defined in Section 1.8
Listing Rules	The official listing rules of ASX
New Shares	The Shares offered under this Prospectus pursuant to the Rights Issue (and includes any Shares subscribed for pursuant to the Underwriting Agreement)
Official List	The official list of entities that ASX has admitted and not removed
Official Quotation	Quotation on the Official List
2006 Option	An option to acquire a Share in the Company which was exercisable at \$0.20 on or before 31 December 2006
2007 Option	A quoted option to acquire a Share in the Company exercisable at \$0.50 on or before 31 December 2007
2010 Option	An option to acquire a Share in the Company being exercisable at \$0.20 on or before 31 January 2010
2006 Option Holder	A holder of 2006 Options registered as the holder at 5.00pm (AWDST) on 31 December 2006 and whose 2006 Options expired unexercised at that time

Option	An option to acquire an unissued Share
Options Offer	The offer of 2010 Options made pursuant to a separate prospectus, as further described in Section 3.5.
Placement	The proposed private placement of up to 10,000,000 Shares at an issue price of \$0.04 per Share to raise up to \$400,000, as further described in Section 3.6
Prospectus	This prospectus of the Company
Record Date	5.00pm (AWST) on 19 April 2007
Rights	A Shareholder's right to subscribe for 2 New Shares for every 5 Shares held at 5.00pm (AWST) of the Record Date, which right may be transferred
Rights Issue Offer or Offer	The pro rata renounceable rights issue offer of New Shares pursuant to this Prospectus as further described in Section 1
Section	A section of this Prospectus
securities	Has the same meaning as in section 92 of the Corporations Act
Share Registry	The share registry of the Company being Security Transfer Registrars Pty Ltd ABN 95 008 894 488
Shares	The fully paid ordinary shares in the capital of the Company
Shareholders	The registered holders of Shares from time to time
Shortfall	The New Shares representing Entitlements, or parts of Entitlements, which are not accepted.
Underwriter	Patersons Securities Limited ABN 69 008 896 311 AFSL No. 239 052
Underwriting Agreement	The underwriting agreement dated 10 April 2007 between the Company and the Underwriter as described in Section 6.10



10 April 2007

Dear Option holder

Renounceable Rights Issue Offer – Employee Option holders

On 4 April 2007, Oropa Limited (the **Company**) announced to ASX details of a pro rata, renounceable rights issue to eligible Shareholders of approximately 41,528,380 New Shares on the basis of 2 New Shares for every 5 Shares held on the record date set for the issue at an issue price of \$0.04 per New Share to raise approximately A\$1,661,135 (**Rights Issue Offer**). The Rights Issue Offer, which is being made pursuant to a prospectus, will be fully underwritten by Patersons Securities Limited.

In accordance with the terms of the options which you hold in the Company, we advise you that the record date for the Rights Issue Offer will be 19 April 2007 at 5.00pm (AWST) (**Record Date**). If you wish to participate in the Rights Issue Offer, you will be required to exercise your options prior to the Record Date.

If you wish to exercise your options, please lodge your notice of exercise of options, together with a cheque for payment of the exercise price in respect of the number of options to be exercised, with the Company in accordance with the terms and instructions set out on the notice so that it reaches the Company **prior to the Record Date**. If you have any queries in regard to the exercise of your options, please contact me before the Record Date.

Yours faithfully

Philip Christie
Chief Executive Officer

A handwritten signature in black ink, appearing to read "Philip Christie", with a long horizontal flourish extending to the right.

Yours faithfully,
OROPA LIMITED