OROPA LIMITED
ACN 009 241 374

HALF YEAR REPORT
31 DECEMBER 2004

OROPA LIMITED AND CONTROLLED ENTITIES
ACN 009 241 374

HALF YEAR REPORT
For the Half Year Ended 31 December 2004

CONTENTS

DIRECTORS' REPORT
For the Half Year Ended 31 December 2004

Your Directors present their report on the consolidated entity consisting of Oropa Limited ("Oropa") and the entities it controlled at the end of, or during the half-year ended 31 December 2004.

DIRECTORS

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

- B J Hurley
- P C J Christie
- R G Murchison
- B N V Tomich

REVIEW OF OPERATIONS

Indonesia

Pungkut Gold Project, Sumatra; (75%)

Work on the Pungkut project this reporting period has largely focussed on advancing the Sihayo prospect area through reinterpretation of geology, diamond drilling and trenching.

New Deposit Model

Initial exploration of the Sihayo 1 North gold deposit (Inferred Resource of 7.1 Million tonnes @ 2.71g/t Au) indicated that gold was sedimentary hosted, forming relatively flat-lying blankets of mineralisation, with the source of gold mineralisation, the so-called "feeder zone", unknown. This interpretation had never been properly scrutinised and appeared to be inconsistent with drill data and field observations.

During this second half of 2004, careful re-logging of old holes, revisiting outcrop and trenches, reviewing existing geochemistry and geophysical data revealed the presence of previously unrecognised mineralised intrusive breccia systems.

Punkut Gold Project - Sihayo Deposit Model

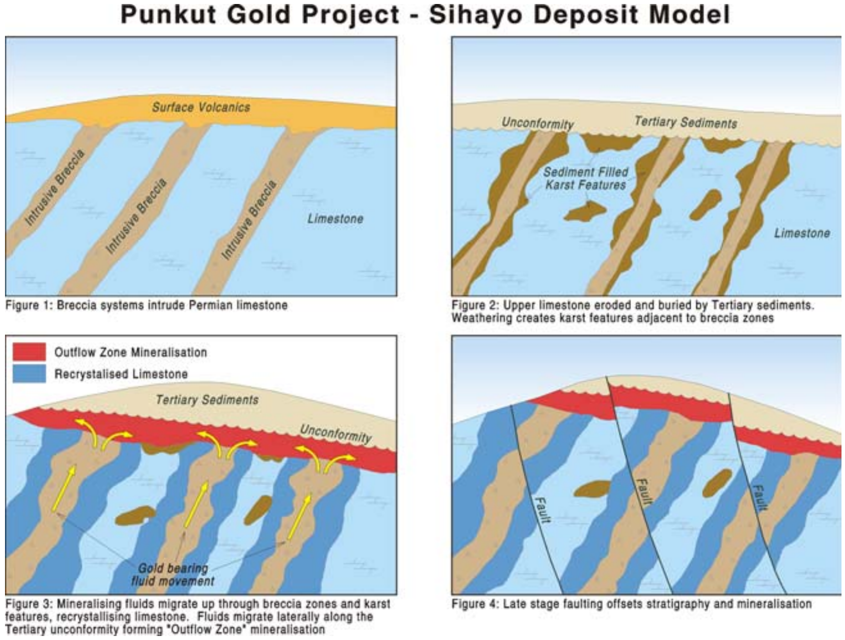


Figure 1: Breccia systems intrude Permian limestone

Figure 2: Upper limestone eroded and buried by Tertiary sediments. Weathering creates karst features adjacent to breccia zones

Figure 3: Mineralising fluids migrate up through breccia zones and karst features, recrystallising limestone. Fluids migrate laterally along the Tertiary unconformity forming "Outflow Zone" mineralisation

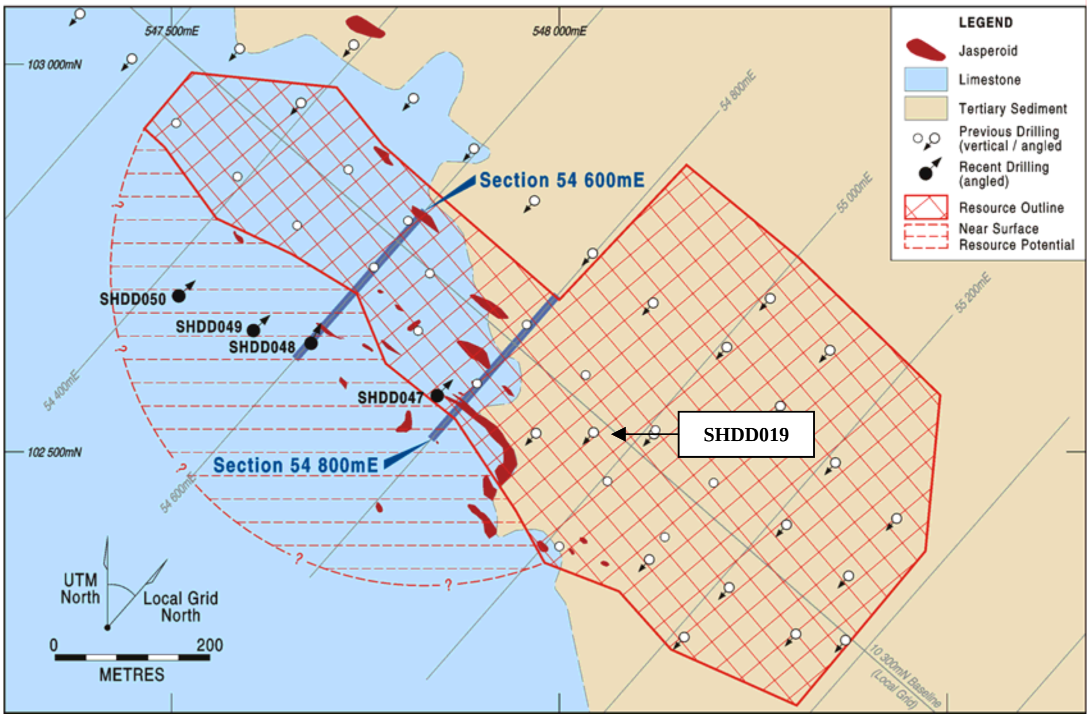
Figure 4: Late stage faulting offsets stratigraphy and mineralisation

In the new model, the breccia systems act as the elusive "feeder zone" for gold mineralisation. Breccias are open along strike and at depth, indicating that the potential Resource size at Sihayo 1 North could be substantially larger than originally thought.

<u>Sihayo 1 North Drilling</u>

In December 2004, the new model was tested by four drill holes; SHDD047, 48, 49 and 50. Holes were designed to test for down-dip extensions of interpreted breccia zones in areas of high gold geochemistry, outside the current Resource envelope.

Pungkut Gold Project - Sihayo 1 North Drillhole Location Plan

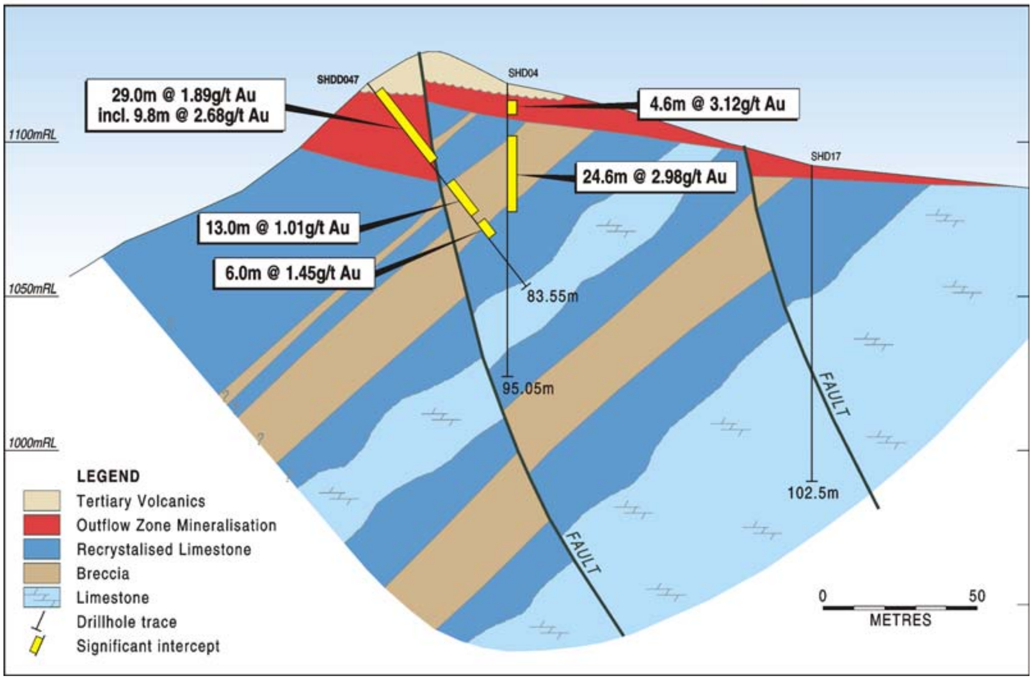


SHDD047 encountered a thick zone of broken Permian limestone at surface, with significant jasperoid development typical of outflow zone mineralisation.
A zone of **29m at 1.89/t Au from surface** was intersected before the hole encountered a late – stage, steeply dipping fault zone. This outflow zone mineralisation included a zone of **9.8m @ 2.68g/t Au from 1m** down hole.

Beneath the fault zone, a 37 metre wide, highly oxidised hydrothermal breccia system was encountered, confirming the hypothesised dip direction of breccia "feeder zones" as being generally towards magnetic south. The high degree of oxidation is interpreted as being fault-related.

Although in a highly oxidised state, this breccia zone returned intercepts of **13m @ 1.01g/t Au from 39m** down hole and **6m @ 1.45g/t Au from 60m** down hole, with assays up to 2.6g/t Au.

Sihayo 1 North Section - 54 800mE (looking grid west)



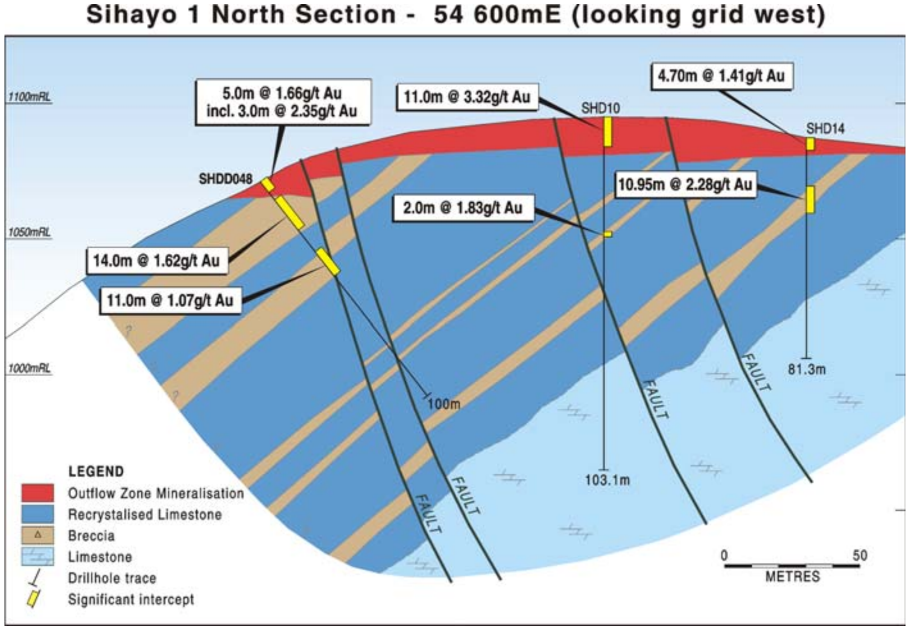
SHDD048 encountered a highly weathered breccia zone from surface to 43m down-hole, with interfingered zones of highly altered, recrystallised limestone. A massive recrystallised limestone unit in a faulted contact with the breccia was intersected from 43m to the bottom of the hole at 100m.

Three zones of mineralisation were encountered in SHDD048:
5 m @ 1.66g/t Au from surface (including **3m @ 2.35g/t Au from surface**), **14m @ 1.62 g/t Au from 9m** (**including 4m @ 3.01 from 19m**) and **11m @ 1.07g/t Au from 32m.**

Gold grades are thought to be lower within this breccia due to the intensity of weathering. This may be attributable to the absence of Outflow Zone jasperoid, which may reduce weathering effects elsewhere within the deposit.

The fact that the breccia encountered in SHDD048 is both thick and mineralised is very encouraging and augurs well for future exploration success.

Sihayo 1 North Section - 54 600mE (looking grid west)



SHDD049 encountered extremely altered and recrystallised limestone, often with pyrite infilling hydrothermal fractures. Although the peak value returned from this hole was 1.33g/t Au, broad zones of weakly mineralised material were intersected down the entire hole length. Observations made from earlier drilling suggest that intensity of alteration and fracturing observed in SHDD049 is indicative of close proximity to a breccia zone. Extensive faulting observed in the hole indicates that the breccia may be offset at this location, with the hole trace passing through the gap between the offset breccia zone. Outcropping mineralised breccia and jasperoid some 80m upslope from the collar position of SHDD049 indicates that additional drilling is required to track down the breccia system.

SHDD050 encountered a volcanogenic sequence similar to a small, late stage andesitic porphyry observed in the southern portion of the Sihayo deposit. This unit is believed to post-date mineralisation and is therefore unmineralised.

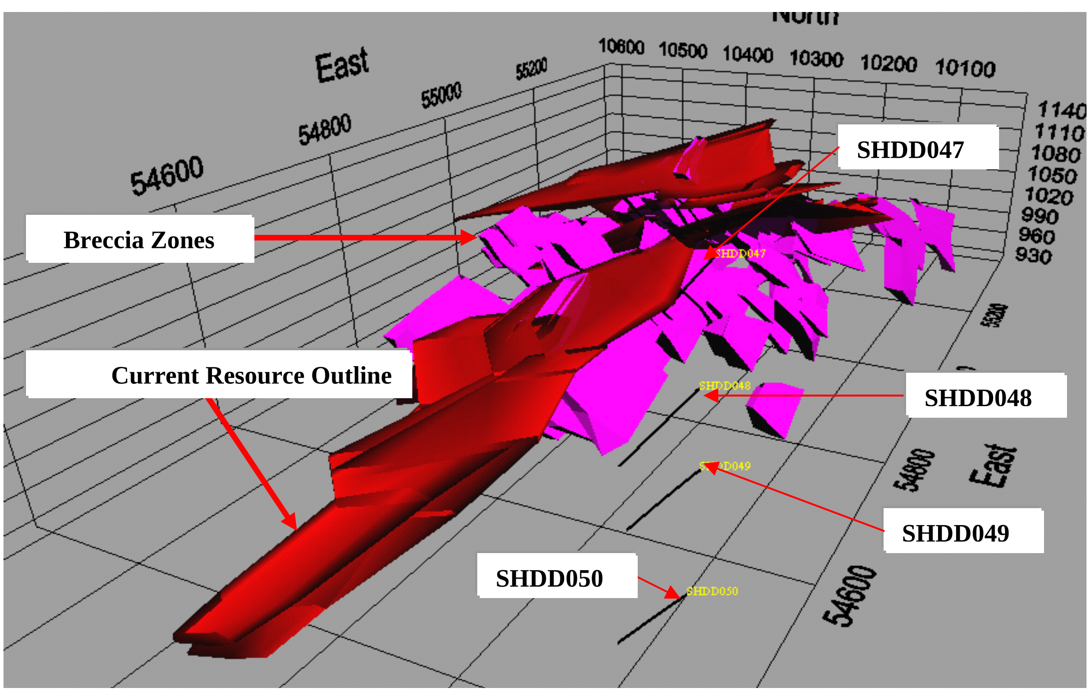
Implications

Several very important observations can be made from these drill holes:

1. Outflow Zone mineralisation can be very thick, well-mineralised (up to 5.5g/t Au in SHDD047 and 31g/t Au in outcrop) and persistent from surface. This has important economic implications as mineralisation is accessible from surface.
2. The hypothesised breccia zones are confirmed, thick, mineralised and dipping to the south.
3. Unoxidised breccia zones intersected in earlier holes elsewhere in the Resource returned significantly higher gold grades (e.g. SHDD019: 19.75m @ 3.23g/t Au from 106.45m down hole) suggesting significant exploration upside in targeting breccia zones down-dip in their unoxidised state.
4. Earlier drilling was angled to the south and therefore sub-parallel to breccia zones. Significant scope remains to discover additional breccia zones between earlier wide-spaced drilling.
5. Breccia zones dip sub-parallel to topography, making them relatively accessible at shallow depths.
6. Breccia zones dip towards grid south, away from the existing Resource envelope, making the current Resource completely open in this direction.

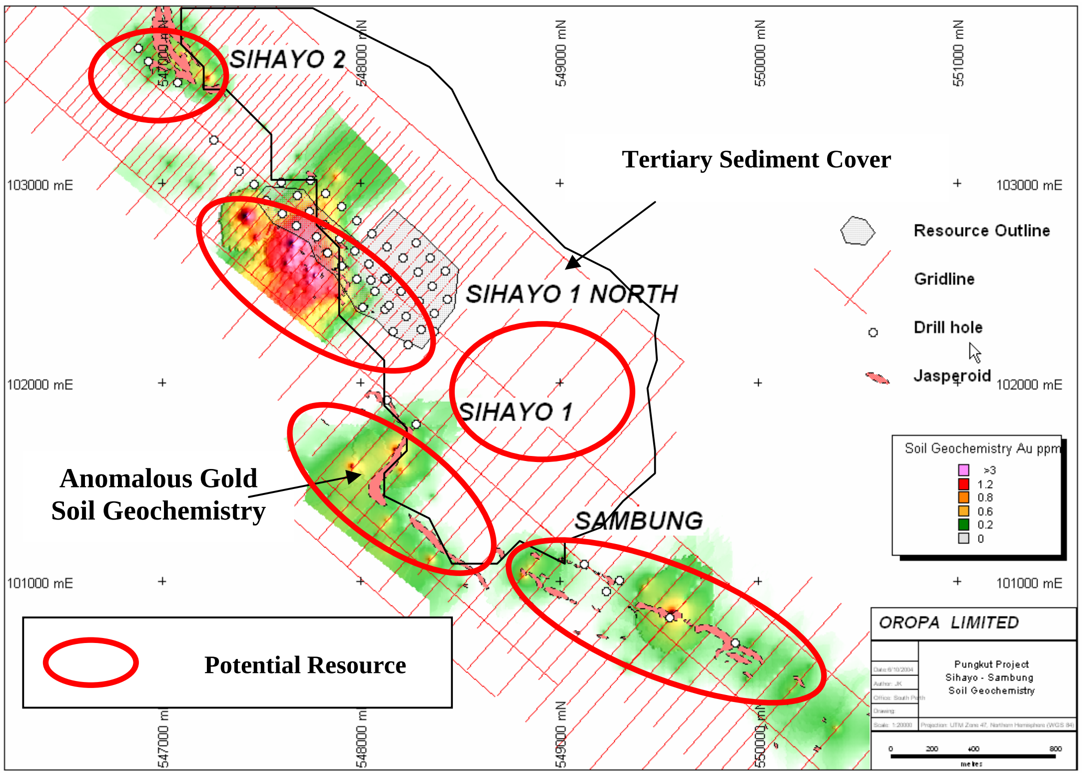
Exploration Upside

It is clear that the identification of mineralised breccia systems has the potential to significantly lift the current Resource. The figure below outlines the current Resource envelope in red, with recently modelled breccia zones (not included in the Resource) in purple. The breccia zones are open at depth and along strike as evidenced by intercepts in recent drilling.



Mineralisation is now confirmed over a 1km strike length at Sihayo 1 North, with some of the best intercepts generated on the grid easternmost drill traverse. When viewed on a regional scale, it appears that Sihayo 1 North represents only a small portion of a substantially larger alteration system that, where sampled, consistently returns anomalous gold values up to 101g/t Au.

Soil gold geochemical anomalies have a distinct relationship to the presence of jasperoid at the overlying Tertiary sediment unconformity. This is interpreted as representing gold "leakage" as outflow zone mineralisation, with obvious implications for a substantially larger Resource if mineralisation is proven to be present under the Tertiary unconformity over the entirety of the anomalous area.



Drill Intercept Table:

Hole	Easting (local grid)	Northing (local grid)	Depth (m)	Dip	Azimuth (magnetic)	Downhole Interval (m)	Grade g/t Au	From (m)
SHDD047	54,769	10,175	83.55	-52	047	29m including 9.8m 13m 6m	1.89 2.68 1.01 1.45	0m 1m 39m 60m
SHDD048	54,611	10,120	100	-52	025	5m including 3m 14m 11m	1.66 2.35 1.62 1.07	0m 0m 9m 32m
SHDD049	54,540	10,088	100	-51	047	3m	0.88	0m
SHDD050	54,445	10,055	87.5	-51.5	050			

Notes on Reported Drill Intercepts:

1. *All assays were determined by 50gm fire assay*
2. *A 0.5ppm Au lower cut was used*
3. *A maximum of 2m of consecutive internal waste (material less than 0.5ppm Au) per reported intersection*
4. *All interval grades were calculated as a weighted average*

Trench Re-sampling

Oropa field staff recently cleaned and channel sampled old trenches located within and along strike of the main mineralised trend at Sihayo. These trenches were originally excavated by earlier explorers, who selectively sampled distinctive “jasperoid” material, leaving broad unsampled zones of silica/clay alteration or in most cases, did not sample trenches at all.

The current trench sampling programme has returned wide zones of previously unrecognised anomalous gold values, both within and outside of the Sihayo 1 North >610,000Oz Au Resource envelope. A table of results is appended to this release.

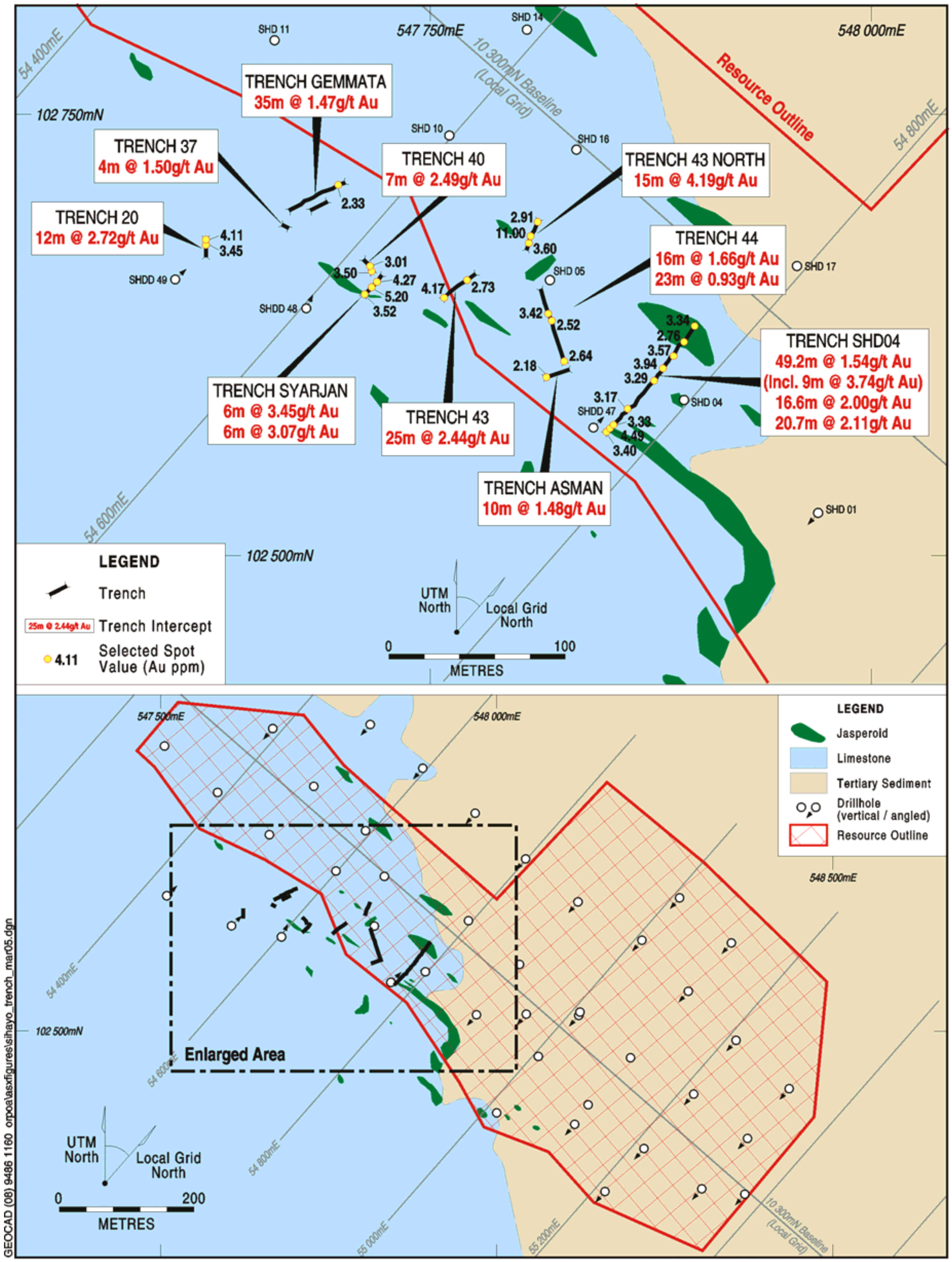
Gold values up to 11g/t were encountered in highly weathered, silica–clay altered hydrothermal breccia material, silica limestone breccia and clays. Additional sampling of old, poorly sampled trenches plus the excavation of new trenches is ongoing.

These results confirm the presence of shallow ore grade gold values outside the Resource envelope, in positions both above and along strike of previously recognised mineralisation.

Sihayo 1 North Trench Results:

Trench	Length (m)	Gold Grade (g/t)
Trench 20	12m	2.72
Trench 37	4m	1.50
Trench 40	7m	2.49
Trench 43	25m	2.44
Trench 43 North	15m	4.19
Trench 44	23m and 16m	0.93 1.66
Limestone Breccia	10m	0.97
Trench SHDD004	16.6m and 20.7m and 49.2m (including) 9m	2.00 2.11 1.54 3.74
Trench Asman	10m	1.48
Trench Gemmata	35m	1.47
Trench Syarjan	6m and 6m	3.45 3.07

Notes:
- *All assays Fire Assay 50gm*
- *Maximum 2 metres of consecutive internal waste*
- *0.5g/t Au lower cut off*
- *All interval grades calculated as a weighted average*



Pungkut Gold Project
Sihayo 1 North, Trench Location Plan

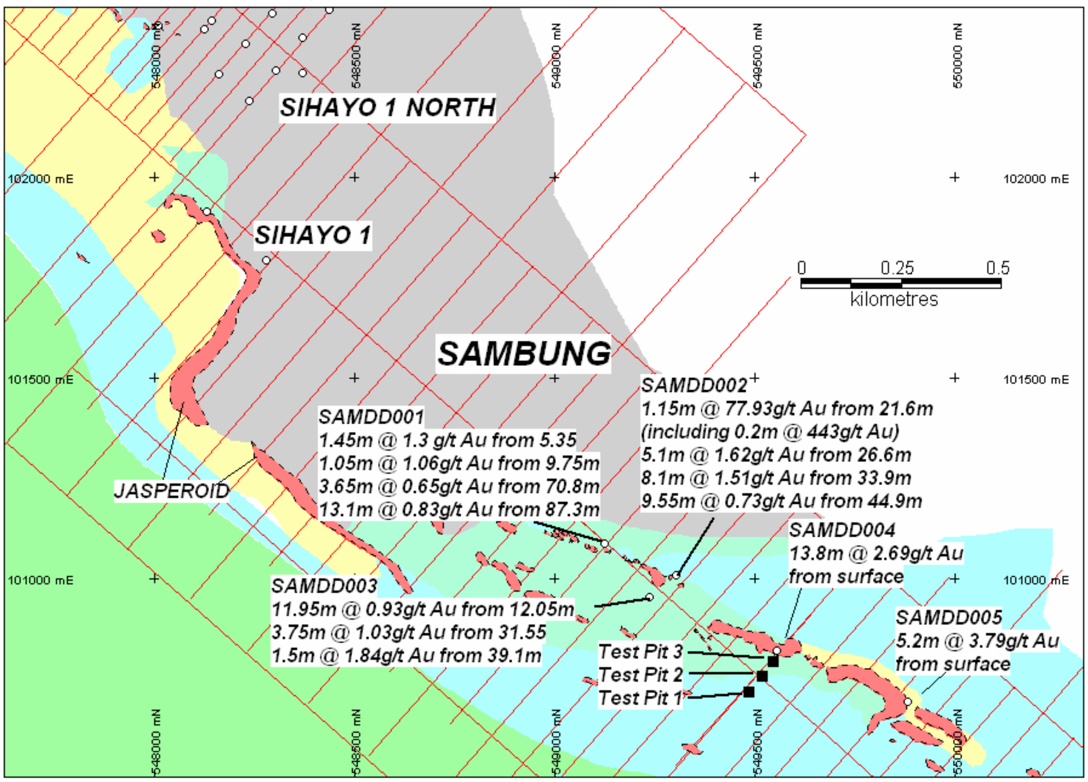
Sambung

The Sambung prospect is located 1.5km southeast of the Sihayo1 North Resource. A broad soil gold anomaly, rock chip samples to 101.5g/t Au and drill intercepts of up to 443g/t Au (SAMDD002 20cm @443g/t from 25.55m) make Sambung a high priority target area.

High gold values in colluvial material were followed up by a series of vertical test pits, designed to ascertain the upslope edge of mineralised material. 4 test pits were completed with 11 samples returning assays over 1g/t Au. Test pit 3 effectively found the edge of the mineralised system, with colluvial clay samples returning values of up to **3.41g/t Au** and embedded float rock chip samples returning assays of **11.7g/t Au** and **13.7g/t Au** respectively. Test pit 4, excavated to a depth of 3.8m, encountered **1.38m @ 2.23g/t Au** in soil material sampled from the pit wall. A single grab sample of quartz float from the bottom of the pit assayed **3.29g/t Au.**

Although it is uncertain how deep colluvial material is at this location due to test pits being stopped above bedrock for safety reasons, drill hole SAMDD004, drilled 100m away from the test pits, returned a colluvial intercept of **13.35m @ 2.75g/t Au from 0.45m** downhole.

Although identified in two drill holes 350m apart, the dimensions of the mineralised colluvial material remain completely open along strike and down slope.



Exploration Programme

Exploration activities scheduled for next six months will focus on additional drilling at Sihayo 1 North to infill wide-spaced earlier drilling and to test the down dip extent of identified breccia zones. Drilling will also generate bulk samples for metallurgical test work.

A rigorous metallurgical investigation of Sihayo ore has commenced. Test work will assess ore mineralogy and is designed to provide parameters for potential processing options.

A comprehensive petrological study undertaken by Sinclair Knight Mertz commenced in February 2005. This study is designed to gain better insight into the nature and controls of gold mineralisation, with a view towards identifying additional resource targets.

Detailed surveying of the Sihayo area will be conducted to produce an accurate digital terrain model to assist the Resource modelling process.

At Sambung, additional test pits are planned along strike to better define the underlying mineralised system edge for future drill targeting.

India

Block D-7 Diamond Project, Chhattisgarh; (18%, with option to increase to 27%)

Although Oropa directed most of its recent exploration activities towards the Pungkut gold project in Indonesia, the company retains its equity interest in the Block D-7 diamond project ("Block D-7") in southeast Chhattisgarh, even though any potential loss on this investment has been fully provided for in the accounts to 31 December 2004. Oropa's directors made a number of trips to India during the second half of 2004 to meet the company's Indian joint venture partners to review their strategy for the Prospecting License ("P/L") to be reinstated. Ongoing negotiations between B.Vijaykumar Chhattisgarh Exploration Pvt Ltd ("BVCE") and the state government have been positive and Oropa is pressing hard for the P/L to be re-issued to enable a resumption of field work, originally scheduled for mid-2001. Results from extensive regional field activities during 2000 and early 2001 were extremely encouraging and several diamondiferous kimberlite diatremes were identified in the southern part of the block. A bulk sampling program was planned for a couple of these kimberlites at the time that the state government forced BVCE to cease field operations. The past four years have been extremely frustrating for BVCE and Oropa and much time and effort has been spent in attempting to convince both the Chhattisgarh high court and the state government to reinstate the project. Considerable progress has been made in this regard since the BJP won the December 2003 state elections.

Oropa remains optimistic that a resolution to this long standing impasse is not far away and the company is already making tentative plans for work programs to resume before the onset of the monsoon season in mid year. However, a decision will need to be handed down by the state government in the near term to permit a resumption of work during this field season, failing which field work will not be possible until October this year. Tentative programs include a bulk sampling program of the Behradih kimberlite pipe, along with a regional airborne geophysical survey of the entire 4,600 sq km block.

Australia

Mulgabbie Gold Project (95% diluting to 44%)

The Mulgabbie gold project nearby to the Carosue Dam gold mine is located north-east of Kalgoorlie. The project is subject to a farm-in agreement between Oropa and Mulgabbie Mining Pty Ltd ("Mulgabbie Mining"). Mulgabbie Mining is spending $100,000 under the terms of the agreement over a 3 year period commencing 26 June 2002 to earn 51% of Oropa's 95% interest in the project. Limited fieldwork was undertaken by Mulgabbie Mining during the second half of 2004.

Golden Valley Gold Project (5% Free Carried)

The Golden Valley tenements comprise a portion of a joint venture agreement entered into between Polaris Metals NL ("Polaris"), Western Areas NL, Geoinformatics Exploration Limited (collectively "JV Parties") and Oropa during the September quarter of 2004. In this particular segment of the joint venture, Oropa is free carried to the completion of a bankable feasibility study by Polaris, with an option for Oropa to increase its interest in the Lake Deborah tenements ("designated area") to a 15% participating interest by paying Polaris $50,000 cash consideration, plus 15% of Polaris' total expenditure on the designated area. No field work was undertaken by the JV Parties on Oropa's area of interest subsequent to the agreement being executed.

King George Diamond Project (50%)

The King George project comprising one exploration license (E80/1592) is located in the North Kimberley province of Western Australia. During the December quarter, Ellendale Resources NL, 50% shareholder and manager of the project and Oropa reached agreement for Oropa to withdraw from the project. Finalisation of this withdrawal is currently in progress.

Mt Keith Gold Prospect (10% Free Carried)

During the December quarter Oropa and the other vendors of M53/490 and M 53/491 (Oropa, KT Moore and Murchison Exports Limited) agreed to sell their collective interests in the project to a Kalgoorlie based exploration and mining group. Oropa, formerly holding a 10% free carried in the project agreed to a 2% nett smelter royalty on all minerals produced from the Mt Keith tenements under the terms of the agreement, which is currently being executed by the parties.

PROJECT EVALUATION

Limited project evaluation was undertaken during the second half of 2004, although a number of interesting projects in S.E. Asia and Africa were appraised, one of which is currently being followed up.

NON MINERAL ASSETS

CEPO Systems Pty Ltd (19.9%)

Oropa, which presently holds a 19.9% interest in CEPO Systems Pty Ltd ("CEPO") has recently agreed to reduce its interest to 10% to permit CEPO's majority shareholders to source a substantal cornerstone investor to assist CEPO to expand its internet and hand held solutions through the major telecom companies. Oropa intends to retain an ongoing interest in CEPO Australia and also in the five countries where it presently holds CEPO's intellectual property rights.

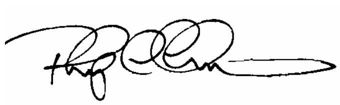
SUBSEQUENT EVENTS

On 16 March 2005, the Company announced that it has raised $1,221,372 via a placement of 50,890,500 shares at an issue price of 2.4 cents each, together with 16,963,500 free attached options each to acquire one share exercisable at 5 cents per share on or before 31 December 2007, on the basis of one option for every three shares issued to Findlay & Co Stockbrokers and offshore institutional investors.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 24.

Signed for and on behalf of the board in accordance with a resolution of the Board of Directors.



PHILIP C CHRISTIE
Director

Dated this 16th day of March 2005

OROPA LIMITED AND CONTROLLED ENTITIES
ACN 009 241 374

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
For the Half Year Ended 31 December 2004

	Note	31 Dec 2004 $	31 Dec 2003 $
Revenue from ordinary activities		19,326	16,526
Revenue from ordinary activities		19,326	16,526
Corporate secretarial expenses		(31,178)	(29,521)
Depreciation		(4,848)	(7,385)
Directors' fees		(7,750)	-
Employee benefits expense		(73,611)	(63,023)
Exchange rate loss		(27,570)	-
Exploration expenditure written off		(100,072)	(62,134)
External consultancy expenses		(79,155)	(97,300)
Insurance expenses		(16,296)	(21,045)
Legal costs		(527)	(2,419)
Postage		(8,787)	(6,595)
Project office costs		(113,564)	
Printing and stationary		(20,382)	(17,362)
Rates and taxes		(5,678)	(5,934)
Rental expense		(17,062)	(15,312)
Travel and entertainment		(16,289)	(24,619)
Other expenses from ordinary activities		(42,406)	(20,843)
Loss from ordinary activities before income tax expense	3	(545,849)	(356,966)
Income tax expense		-	-
Net loss		(545,849)	(356,966)
Total changes in equity other than those resulting from transactions with owners as owners		(545,849)	(356,966)
Loss per share (cents per share)		(0.11)	(0.09)

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

The accompanying notes form part of this financial report.

OROPA LIMITED AND CONTROLLED ENTITIES
ACN 009 241 374

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004

	Note	31 Dec 2004 $	30 June 2004 $
Current assets			
Cash		381,038	776,218
Receivables		188,191	130,524
Other financial assets		10,916	10,916
Total current assets		580,145	917,658
Non-current assets			
Other financial assets		100,200	100,200
Plant and equipment		72,490	69,881
Exploration expenditure		4,245,574	3,819,640
Total non-current assets		4,418,264	3,989,721
Total assets		4,998,409	4,907,379
Current liabilities			
Payables		202,224	233,470
Provisions		15,927	14,583
Deferred consideration		-	861,111
Other		25,458	12,935
Total current liabilities		243,609	1,122,099
Non-current liabilities			
Payables		44,584	44,584
Total non-current liabilities		44,584	44,584
Total liabilities		288,193	1,166,683
Net assets		**4,710,216**	**3,740,696**
Shareholders' equity			
Share capital	5	25,547,968	24,032,599
Reserves		486,171	486,171
Accumulated losses		(22,209,350)	(21,663,501)
Total parent entity interest		3,824,789	2,855,269
Outside equity interest in controlled entities		885,427	885,427
Total shareholders' equity		**4,710,216**	**3,740,696**

The accompanying notes form part of this financial report

OROPA LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CASH FLOWS
For the Half Year Ended 31 December 2004

	Note	31 Dec 2004 $	31 Dec 2003 $
Cash flows from operating activities			
Payments to suppliers and employees		(487,018)	(389,083)
GST input tax credit refunds received		31,699	33,234
Interest received		9,326	16,526
Net cash (outflows) from operating activities		(445,993)	(339,323)
Cash flows from investing activities			
Purchase of plant and equipment		(20,800)	(903)
Proceeds from sale of plant and equipment		10,000	-
Payments for investments		-	(989,212)
Mining exploration and evaluation expenditure		(561,093)	(69,271)
Net cash (outflows) from investing activities		(571,893)	(1,059,386)
Cash flows from financing activities			
Proceeds from share issue		690,000	2,850,000
Share issue costs		(35,742)	(138,096)
Net cash inflows from financing activities		654,258	2,711,904
Net increase / (decrease) in cash held	6	(363,628)	1,313,195
Cash at the beginning of the reporting period		763,293	330,048
Effects of exchange rate changes on cash		(31,333)	-
Cash at the end of the reporting period	6	368,332	1,643,243

The accompanying notes form part of this financial report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Half Year Ended 31 December 2004

1. BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2004 and any public announcements made by Oropa Limited during the half-year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001.*

The accounting policies have been consistently applied by the Company and are consistent with those applied in the 30 June 2004 annual report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

The financial statements have also been prepared on the going concern basis of accounting, which assumes that the company will be able to meet its commitments, realise its assets and discharge its liabilities in the ordinary course of business. Subsequent to balance date the Company raised $1,221,372 as detailed in note 8.

International Financial Reporting Standards (IFRS)

The Australian Accounting Standards Board (AASB) is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB will issue Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the Company's financial statements for the half year ending 31 December 2005 and the year ending 30 June 2006.

Entities complying with Australian equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

The company and its auditors, are assessing the significance of these changes and preparing for their implementation. There is a continual review of the Australian Equivalents of IFRS to determine the changes in accounting policies that will be required.

Major changes identified to date that will be required to the consolidated entity's existing accounting policies are as follows:

(i) Income Tax

Under AASB112 Income Taxes, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity. This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, where items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss.

(ii) Exploration and Evaluation

AASB 6 “Exploration for and Evaluation of Mineral Resources” continues to allow companies either to expense exploration and evaluation costs as incurred or to partially or fully capitalise costs on an area of interest basis. Under AASB 6, if facts and circumstances suggest that the carrying amount of any recognised exploration and evaluation assets may be impaired, the Company must perform impairment tests on those assets and measure any impairment in accordance with AASB 136 “Impairment of Assets”. Impairment of exploration and evaluation assets is to be assessed at a cash generating unit or group of cash generating units level provided this is no larger than an area of interest. Any impairment loss is to be recognised as an expense in accordance with AASB 136. It is anticipated that it is unlikely that the requirements of this standard will have a material impact on the financial position of the Company except where areas of interest are abandoned and costs are written off.

(iii) Impairment of Assets

Under AASB 136 “Impairment of Assets” the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in a change in the company’s current accounting policy which determines recoverable amount of an asset on the basis of undiscounted cashflows. Under the new policy it is likely that the impairment of assets will be recognised sooner and the amount of write downs will be greater.

(iv) Financial Instruments

Under AASB 139 “Financial Instruments: Recognition and Measurement” there may be major impacts as a result of financial assets held by the company being subject to classification as either held for trading, held-to-maturity, available for sale or loans and receivables and depending on classification, measured at fair value or amortised cost. The most likely accounting change is that the investments in some equity securities will be classified as available for sale and measured at fair value, with changes in fair value recognised directly in equity until the underlying asset is derecognised.

(v) Equity based compensation benefits

Under AASB 2 “Share-based Payment”, equity-based compensation to employees will be recognised as an expense in respect of the services received. This will result in a change to the current accounting policy, under which no expense is recognised for equity based compensation.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to Australian equivalents to IFRS, as not all of the standards have been analysed yet, and some decisions have not yet been made where choices in accounting policies are available.

2. SEGMENT INFORMATION

Primary Reporting – geographical segments
The geographical segments of the consolidated entity are as follows:

Half-year 2004

	Australia	South East Asia	India	South Africa	Un-allocated	Consolidated
	$	$	$	$	$	$
Total Segment Revenue	10,000	-	-	-	9,326	19,326
Segment Result	(30,145)	(113,564)	(69,294)	-	(332,846)	(545,849)

Half-year 2003

	Australia	South East Asia	India	South Africa	Un-allocated	Consolidated
	$	$	$	$	$	$
Total Segment Revenue	-	-	-	-	16,526	16,526
Segment Result	(19,549)	(2,399)	(20,197)	(27,369)	(287,452)	(356,966)

3. OPERATING LOSS

	Consolidated	
	31 Dec 2004	31 Dec 2003
	$	$
Operating loss from ordinary activities before income tax has been determined after:		
(a) crediting as revenue:		
interest received	9,326	16,526
proceeds from sale of assets	10,000	-
(b) charging as expense:		
depreciation	4,848	7,385
exploration expenditure written off	100,072	62,134
foreign exchange loss	27,570	-

	Consolidated	
	31 Dec 2004 Number	**31 Dec 2003 Number**
4. EARNINGS PER SHARE		
Weighted average number of shares on issue during the period used in the calculation of basic earnings per share	477,259,009	379,076,642

5. SHARE CAPITAL MOVEMENTS

		Number of shares	cents	$
01/07//04	Opening balance	444,300,072		24,032,599
24/08/04	Issue for acquisition of API	27,777,778	3.1	861,111
29/10/04	Issue to raise capital	38,333,333	1.8	690,000
	Share issue costs	-		(35,742)
		510,411,183		25,547,968

As at 31 December 2004, the company had the following listed options on issue:

- 115,844,642 options to subscribe for fully paid ordinary shares exercisable at 5 cents at any time on or before the expiry date of 31 December 2007.

The following unlisted options expired unexercised during the period ended 31 December 2004:

- 16,000,000 options to subscribe for fully paid ordinary shares exercisable at 9 cents at any time on or before the expiry date of 24 December 2004.
- 2,500,000 options to subscribe for fully paid ordinary shares exerciseable at 5 cents at any time on or before the expiry date of 31 August 2004.

6. RECONCILIATION OF CASH

	31 Dec 2004	30 June 2004	31 Dec 2003
	$	$	$
Cash at bank	368,332	763,293	1,643,243
Restricted cash at bank	12,706	12,925	13,040
	381,038	776,218	1,656,283

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

7. CONTINGENT LIABILITIES

There are no changes in contingent liabilities since 30 June 2004.

8. EVENTS OCCURRING AFTER REPORTING DATE

On 16 March 2005, the Company announced that it has raised $1,221,372 via a placement of 50,890,500 shares at an issue price of 2.4 cents each, together with 16,963,500 free attached options each to acquire one share exercisable at 5 cents per share on or before 31 December 2007, on the basis of one option for every three shares issued to Findlay & Co Stockbrokers and offshore institutional investors.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 13 to 20:

(a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
(b) give a true and fair view of the consolidated entity's financial position as at 31 December 2004 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001; and
(b) there are reasonable grounds to believe that Oropa Limited will be able to pay its debts as and when they become due and payable.

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

Dated at Perth this 16th day of March 2005

P C CHRISTIE
Director

STANTONS INTERNATIONAL

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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF OROPA LIMITED

Scope

We have reviewed the financial report comprising the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration of Oropa Limited (the Company) for the half-year ended 31 December 2004 as set out on pages 13 to 21. The financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half year or from time to time during the half year. The disclosing entity's directors are responsible for preparing a financial report that gives a true and fair view of the statement of financial position and performance, and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing and Assurance Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian ethical pronouncements and the Corporations Act 2001. We have given the directors of the Company a written Auditor's Independence Declaration.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Oropa Limited is not in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2004 and of its performance for the half year ended on that date; and

(ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

Inherent Risk Regarding Non Current Assets and Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matters:

As referred to in note 1 to the financial statements, the financial statements have been prepared on a going concern basis. Included in the consolidated entity's statement of financial position there exists capitalised exploration expenditure of $4,245,574. The recoverability of such assets is dependent on the successful commercial exploitation of the mineral projects of the parent entity and its subsidiaries.

The consolidated entity incurred losses from ordinary activities of $545,849 for the half year ended 31 December 2004. At 31 December 2004 the consolidated entity had working capital of $335,536. The ability of the consolidated entity to continue as a going concern and to meet planned and committed expenditure requirements is subject to the Company and its subsidiaries successfully exploiting the investments and mining projects owned by the Company and its subsidiaries and the raising of further equity and/or loan capital.

In the event that the Company is not successful in raising further funds, the realisable value of the consolidated entity's non–current assets may be significantly less than their current carrying values.

STANTONS INTERNATIONAL

Stantons International

J P Van Dieren
Partner

West Perth, Western Australia
16 March 2005

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16 March 2005

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

Dear Directors

RE: OROPA LTD

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

As Audit Partner for the review of the financial statements of Oropa Ltd for the half year ended 31 December 2004, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely
STANTONS INTERNATIONAL

J Van Dieren

John Van Dieren
Partner

Registered Proprietor: Stantons International Pty Ltd A.C.N 103 088 697
as trustee for the Stanton Partners Unit Trust