

**OROPA LIMITED**

**ABN 77 009 241 374**

**ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2007**

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## CORPORATE DIRECTORY

<b>Directors</b>	Brian J Hurley <i>AWASM, MAusIMM</i> (Chairman)
	Philip C J Christie (Chief Executive Officer)
	Roderick G Murchison (Non Executive Director)
	Bruce N V Tomich <i>B.Sc(Hons)</i> (Non Executive Director)
<b>Secretary</b>	Dean W Calder <i>B.Bus CA</i>
<b>Registered Office and Business Address</b>	25 Charles Street South Perth WA 6151
	Telephone: (08) 9368 4544 Facsimile: (08) 9368 4522 E-mail: <a href="mailto:oropa@oropa.com.au">oropa@oropa.com.au</a> Web: <a href="http://www.oropa.com.au">www.oropa.com.au</a>
<b>Share Registry</b>	Security Transfer Share Registry Pty Ltd Alexandrea House 770 Canning Highway Applecross WA 6153
	Telephone: (08) 9315 2333 Facsimile: (08) 9315 2233
<b>Home Exchange</b>	Australian Securities Exchange (Perth) Limited Exchange Plaza 2 The Esplanade Perth WA 6000
<b>Auditors</b>	Stantons International Level 1 / 1 Havelock Street West Perth WA 6005
<b>Solicitors</b>	Williams & Hughes 25 Richardson Street West Perth WA 6005
<b>Bankers</b>	National Australia Bank 50 St Georges Terrace Perth WA 6000

Oropa Limited is a company limited by shares, incorporated and domiciled in Australia.

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## CHAIRMAN'S REVIEW

Dear Shareholder,

During the year under review, your Company continued with its ongoing exploration efforts at the Sihayo 1 North – Sambung prospects at our Pungkut gold project in Indonesia to increase the global resource base in the Sihayo area. This has become a matter of priority, particularly at a time when the gold price is appreciating steadily and the Company's Directors consider that the Sihayo and Sambung resources, combined with potential additional resources at other nearby prospects, may be sufficient to take Pungkut into commercial production. Programs are now in progress to investigate these nearby prospects during the coming months to try to achieve this objective. Some regional exploration was undertaken in the Southern Block of the Pungkut CoW to follow up on reconnaissance work completed during 2005/06.

We have been exploring at Pungkut for a number of years, and due to the extremely complex regional geology and structural controls, the Directors formed the view that it would be beneficial to undertake an independent review of the work completed to date and to obtain an opinion of our geological modelling and proposed future exploration programs. To this end, we engaged the internationally recognised epithermal guru Richard Sillitoe to conduct the review.


As detailed further in this Annual Report, Sillitoe was in agreement with Oropa's general approach and also made several recommendations to focus our efforts towards addressing some regional targets. The Company has not previously investigated these in the past, primarily owing to financial constraints. Programs currently being initiated are designed to follow up on his recommendations.

While concentrating on the Pungkut project, we have, as we have done previously, also reviewed many proposals for minerals in other global locations. During recent years the Company has appraised diamonds in southern Africa, coal in Indonesia and Australia, etc. This year we continued with appraising coal in Indonesia and thereafter, uranium in Malawi. Two reconnaissance surveys were undertaken in Malawi, resulting in two Exclusive Prospecting Licenses being applied for and these have been recently granted to Oropa by the Malawi government. The Company is excited about the mineral prospectivity of the tenements we have been granted and initial fieldwork will commence in October this year. Additional areas are currently under review.

As has been the case for the past six years, our diamond exploration aspirations in India have continued to be frustrated by the lack of progress through the Indian judicial system. Notwithstanding this, we have maintained a watching brief and remain in regular contact with our Indian joint venture partners, so that in the event there is a favourable outcome, we will be able to move forward quickly.

In conclusion, I wish to thank my fellow directors, company staff and consultants for their sustained efforts and commitment during the year. We look forward to the future with renewed vigour and enthusiasm.

Yours sincerely,



**Brian J Hurley**

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## REVIEW OF OPERATIONS

### CORPORATE

At the Company's Annual General Meeting which was convened on 30 November 2006 all resolutions were passed.

A general meeting of shareholders held on 31 January 2007 passed a resolution for the Company to issue up to 12,791,441 listed options, each at an issue price of \$0.005 and expiring on 31 January 2010 ("2010 Options") to persons holding unexercisable options as at 31 December 2006. The Company subsequently lodged a Prospectus for the offer of the 2010 options with the ASX on 10 April 2007. A total of 57 applications for 6,811,996 2010 Options was received by the Closing Date (24 April 2007) and the shortfall to the offer was later placed by the directors.

On 4 April 2007 the Company announced that it had reach agreement with Patersons Securities Limited ("Patersons") to place 10 million shares to their sophisticated investor clients to raise \$400,000 before costs at an issue price of 4 cents per share. The Placement was completed on 12 April 2007. Also on 4 April 2007 the Company announced a pro-rata non renounceable rights issue to shareholders of up to 41,528,379 New Shares on the basis of two New Shares for every five shares held on the Record Date (19 April 2007) to raise up to \$1,661,135. The offer, which was fully underwritten by Patersons closed on 9 May 2007 and raised a total of \$1,198,676.90 via the issue of 29,966,923 New Shares. The shortfall of \$462,458.24 (representing 11,561,456 New Shares) was successfully placed by Patersons.

## INTERNATIONAL PROJECTS

### INDONESIA

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

##### Location Map:



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Pungkut is a 7<sup>th</sup> Generation Contract of Work (“CoW”) located in North Sumatra, Indonesia. It lies 70km to the south of Oxiana Ltd’s high-sulphidation Martabe gold deposit(s), which collectively contain a resource base of approximately 6Moz Au and 60Moz Ag (Feasibility Study). Further to the north at Dairi, Herald Resources Ltd is developing a high grade zinc-lead mine (total resource base of 13.2 Mt at 13.3% zinc and 7.9% lead).

The Pungkut project is owned by PT Sorikmas Mining (“Sorikmas”), which is 75% owned by Oropa and 25% by PT Antam Tbk. (“Antam”). Oropa manages the project and is responsible for contributing towards 100% of the exploration and development funding by way of loans to Sorikmas until the commencement of production. Under the terms of a Loan Agreement, Antam is to repay its share of those loans to Oropa or other lenders to Sorikmas from 80% of its share of available cash flow from production until its 25% share of the loans are repaid in full.

## **GEOLOGICAL SETTING**

Pungkut straddles part of the 1,900km long Sumatran Fault Zone, resulting from the oblique subduction of the Australian-Indian plate beneath the Sunda-Continental Plate. The CoW area also covers part of the Sumatran Volcanic Arc, with the dominant lithologies being Permian volcanics and sediments, intruded by Jurassic and Cretaceous plutons of dioritic through to granitic composition, juxtaposed and overlain by Tertiary to Recent volcanics and sediments. The tectonic setting provides both the deep seated mantle-tapping structures and hydrothermal cells to source and transport metals, and favourable depositional structural and lithological settings to host major gold, copper and zinc deposits. Similar tectonic settings in the Philippines (Philippine’s Fault), and Chile (Atacama Fault) host major gold and copper deposits.

## **PROJECT REVIEW**

The Company sought and secured the services of an industry leading individual to conduct an independent site review of the main prospects and to briefly review data for, and provide comment on, the potential of other prospects discovered during reconnaissance by Aberfoyle Limited during the 1990s, which for the most part have only had minor follow up. Oropa was fortunate to secure the services of Richard Sillitoe, who is an internationally recognized and widely published expert on copper and gold deposits.

As a result of Sillitoe’s recommendations, Oropa has shifted its exploration focus to regional targets in the search for additional gold resources to complement the existing Sihayo and Sambung Inferred Resources. 10 regional prospects were recommended, including; areas with jasperoids, which have good potential to augment the existing resource base; several epithermal vein gold prospects; and several stand-alone porphyry Cu-Au targets. Epithermal intermediate-sulphidation veins at the Hutabargot Julu prospect, centred approximately 6km from Sambung, are currently being prepared for drilling.

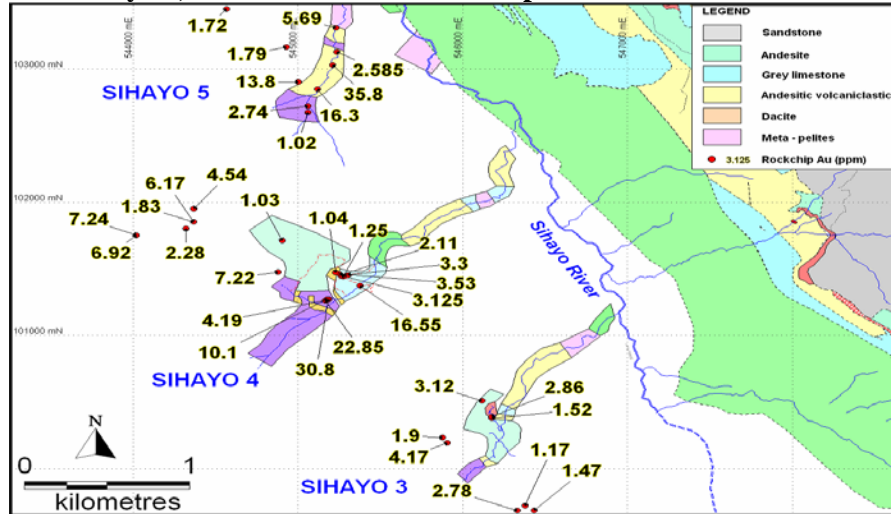
As part of his brief for a review of exploration activities at Pungkut, Sillitoe re-logged selected Sihayo 1 North and Sambung drill sections to independently develop a model to explain the controls of mineralisation. He concluded that gold mineralisation is largely controlled by receptive layers in the Permian limestone-epiclastic sedimentary sequences, supporting a previously interpreted shallow dipping resource model. This re-interpretation is consistent with the parameters used to wireframe the Sihayo 1 North and Sambung Inferred Resources. This style of mineralisation has similarities with Mesel in North Sulawesi, Bau in Sarawak, Gualcamayo in Argentina, Agua de la Falda in Chile, and Zarsharan in Iran.

**Summary of Review Findings:**

**(a) Sediment Hosted Gold Prospects**

Sediment hosted gold occurrences at Sihayo 3, 4 & 5 are considered worth exploring due to encouraging early exploration results and proximity to Sihayo 1 North and Sambung. Sihayo 3, 4 & 5, which are located on the western side of the Sihayo River cover 2.2km strike of jasperoid outcrop and hill float. Sihayo 3 rock chip samples returned an average grade of 0.93 g/t Au with a maximum of 4.1 g/t Au from 25 samples collected, and 24 samples from Sihayo 4 averaged 1.55 g/t Au with a maximum of 16.5 g/t Au.

**Figure 1: Sihayo 3, 4 & 5 Sediment hosted Jasperoids**



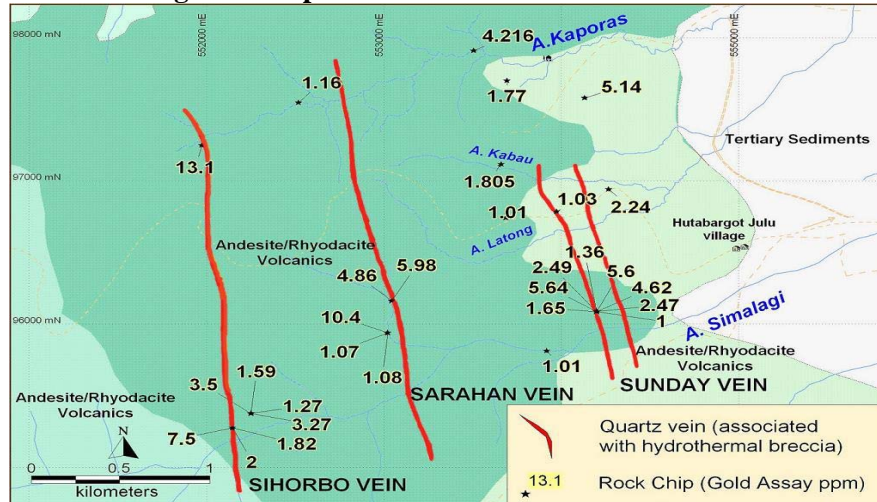
**(b) Epithermal Gold in Quartz Veins**

Hutabargot Julu, where historical Dutch reports record vein widths of up to 3m averaging 20 g/t Au, has good potential for high grade gold ore shoots. Several veins have been traced for up to 3km strike length, and the area is close to existing road infrastructure and Sihayo-Sambung.

Drill testing of the Tarutung prospect has also been recommended, with initial close step-outs from known outcrop assaying up to 166 g/t Au.

The Nalanjae, Nalanjulu and Rotap prospects in the South Block contain bonanza gold grade quartz vein floats assaying up to 634 g/t Au, which require follow up work to find the source veins.

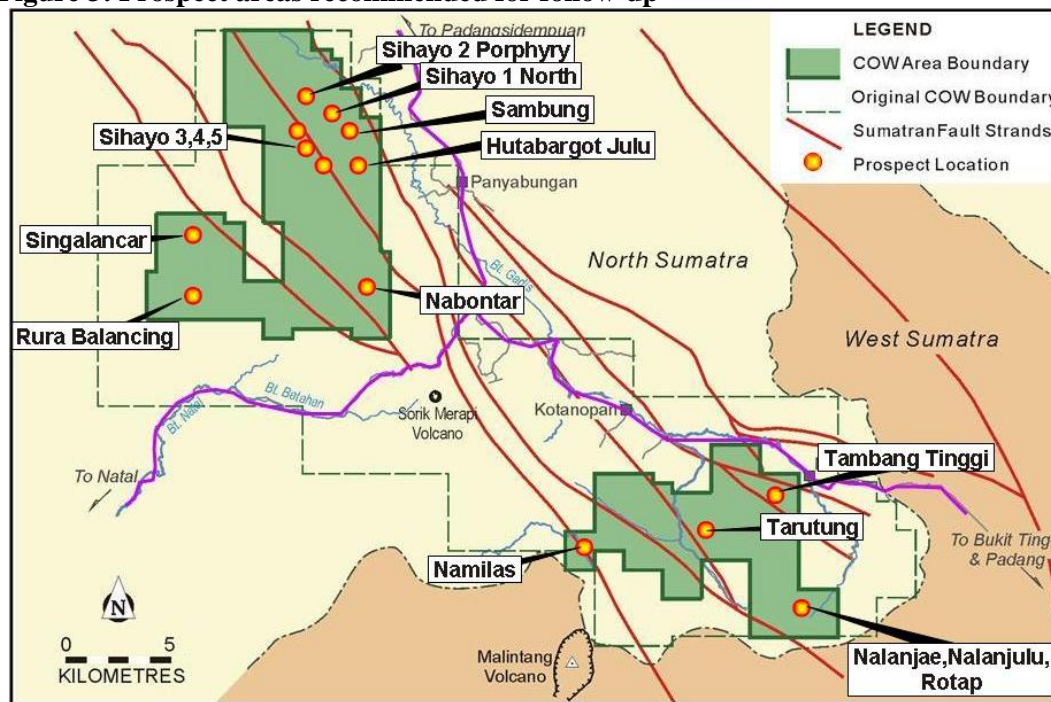
**Figure 2: Hutabargot Julu Epithermal Veins**



### (c) Porphyry Copper-Gold

The porphyry Cu-Au prospects have the potential for the discovery of major deposit(s). Sillitoe considers that four separate occurrences of outcropping Cu-Au mineralised potassic alteration in the Pungkut CoW area warrant drill testing. The prospects are Sihayo 2, located 2km north-west of Sihayo 1 North, Singalancar and Rura Balancing, situated in the western portion of the North Block, and Namilas, which is situated in the South Block. The best Singalancar rock-chip assay result of 0.2 g/t Au and 0.61% Cu falls within the range of economic grades for Cu porphyries, given sufficient tonnage.

**Figure 3: Prospect areas recommended for follow-up**



### EXPLORATION ACTIVITIES

A substantial amount of work was completed at Pungkut during this reporting year with two diamond drilling rigs operating for most of the year. Drilling ceased at the Sambung prospect in the North Block in December 2006, subsequent to the completion of an inferred resource calculation of 1.14 million tonnes at 2.6 g/t Au for 100,000oz Au, bringing the combined Sihayo 1 North-Sambung Inferred Resources to approximately 710,000oz Au. The historic Dutch Tambang Ubi Au-Cu skarn in the South Block was drilled to test for repetitions and down-dip extension of the main ore lode. Drilling then focused on testing two separate IP geophysical anomalies; one to the west of the Sambung resource and the other at Sihayo 1. More recently, a drilling program commenced at Sihayo 1 North to test outcropping jasperoid mineralisation still open on the west flank of the Sihayo 1 North resource, and drill target delineation mapping and sampling commenced at Hutabargot Julu.

Outcrop sampling and mapping continued to locate new mineralisation and add value to known prospects. A ground magnetics survey was completed at Tambang Ubi and Tambang Tinggi in the South Block.



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## NORTH BLOCK

### Summary of Activities:

- ➔ **Sambung Resource Drilling:**
  - 42 diamond drill holes (2606.75m) completed
  - Drilling completed for the Inferred Resource calculation
  
- ➔ **Sambung Geophysical target:**
  - 11 diamond drill holes (749.4m) completed
  - Drilling tested a geophysical Induced Polarisation (“IP”) anomaly to the west of the Sambung resource, discovering extensive, but poorly mineralised jasperoid units
  
- ➔ **Sihayo 1:**
  - 7 diamond drill holes (450.3m) completed
  - Drilling testing (incomplete) of a 1,400 metre long coincident geophysical Induced Polarisation (“IP”) and gold in soil anomaly
  
- ➔ **Sihayo 1 North:**
  - 6 diamond drill holes (421.85m)
  - Drilling in progress testing jasperoid outlined by mapping on the western flank of the Inferred Resource

### Sambung Inferred Resource

This Sambung Inferred Resource estimate was completed by Clay Gordon (BSc, MSc), Director Mining Assets who is a competent person as defined by the Australasian Code for the Reporting of Mineral Resources and Ore Reserves (JORC Code) 2004 Edition. The estimate was conducted using Ordinary Kriging interpolation inside grade-based wireframes which follow known geological trends. It is based on block model cut-off of 1.5 g/t Au and includes all mineralisation inside the 0.5 g/t Au 3-D wireframe which forms three distinct higher grade zones of reasonable coherency/continuity within a larger zone of mineralisation. The mineralisation occurs in three sub-horizontal lenses within 50m of the surface. The resource was classified as ‘Inferred’ due to the broad drill spacing introducing geological uncertainty, and resolvable issues of data QAQC and surface DTM.

Better intersections for drilling leading up to the calculation of the Inferred Resource include:

**SAMDD048: 14m @ 3.12 g/t Au from surface**  
**SAMDD049: 15m @ 3.43 g/t Au from 1m**  
**SAMDD054: 25m @ 2.84 g/t Au from 15m**  
**SAMDD055: 24m @ 3.25 g/t Au from 14m**  
**SAMDD056: 8m @ 8.63 g/t Au from 35m**  
**SAMDD061: 21m @ 5.36 g/t Au from 27m**  
**SAMDD071: 7m @ 6.49 g/t Au from 29m**

### Sambung Geophysical IP Anomaly

Drilling of a large IP geophysical anomaly to the west of and parallel to the Sambung resource has confirmed the existence of a large near surface zone of jasperoid of sub-economic grade, although visible gold was observed in several drill-holes. The zone is up to 100m wide over 200m strike and up to 30m thick. Best intersections include:

**SAMDD076: 3m @ 2.17 g/t from 4m**  
**SAMDD079: 1m @ 172.00 g/t from 3m**

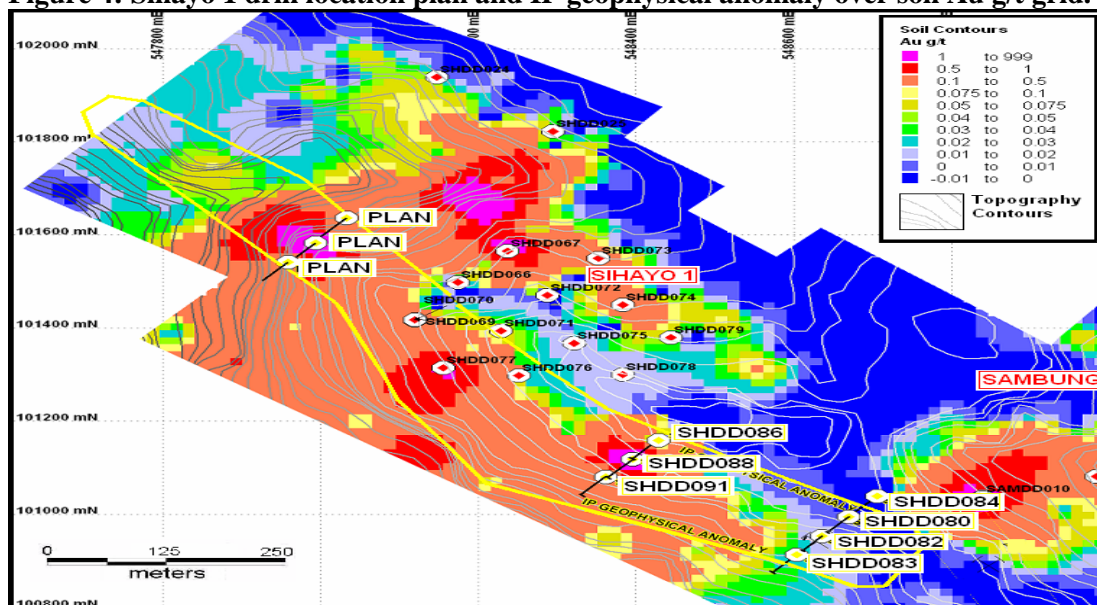
Although mineralisation found here is mostly low grade, the drilling has confirmed the effectiveness of IP geophysics in outlining concealed jasperoid units.

## Sihayo 1

Drilling at Sihayo 1 has targeted a large (1,400m by 150m) IP geophysical anomaly, with coincident soil anomaly averaging 0.24 g/t Au. The anomaly is 500m north-west of Sambung and is being drill tested for resource scale mineralisation. Initial drilling, including at the site of a test pit yielding gold values up to 5.97 g/t has encountered mineralisation, but not enough to warrant immediate follow-up. Best intersection:

**SHDD080: 5m @ 2.46 g/t from 59m.**

**Figure 4: Sihayo 1 drill location plan and IP geophysical anomaly over soil Au g/t grid.**



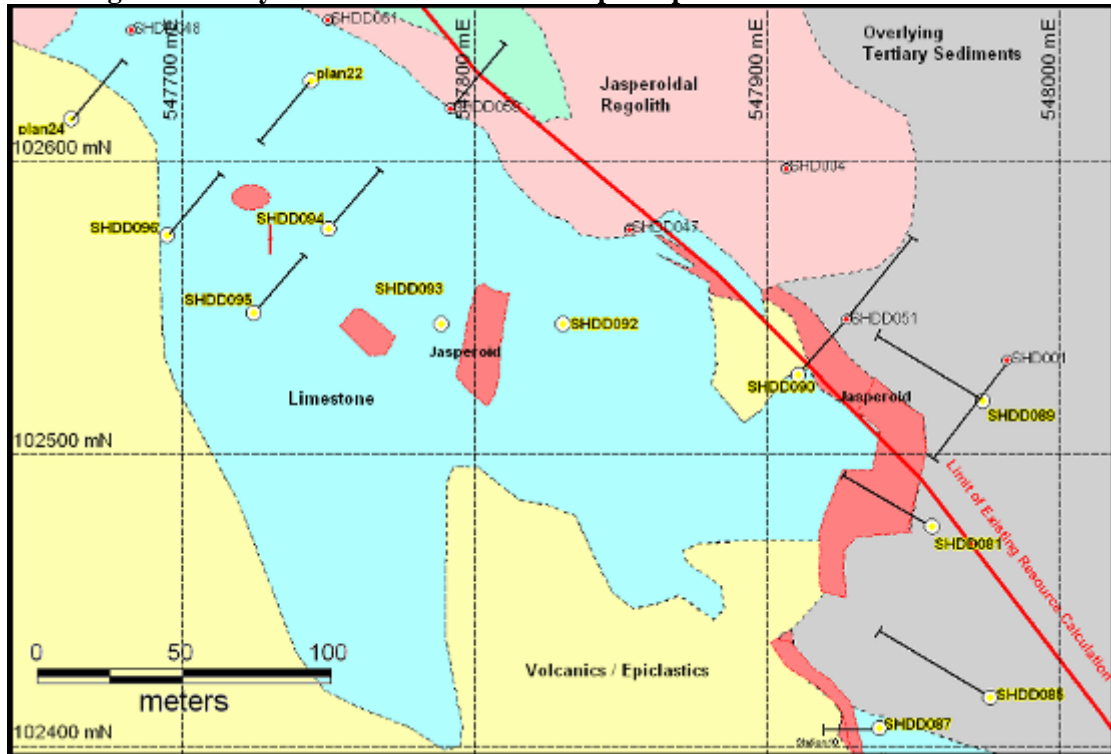
## Sihayo 1 North

Re-mapping to the west of the Sihayo 1 North resource has delineated a 20m thick bed of south dipping jasperoid with assay results from outcrop rock chip and channel samples (43 samples) averaging 5.8 g/t Au. Follow-up drilling has returned significant results and indicates that mineralisation extends up to 100 metres beyond the current resource outline. Further drilling is planned to adequately delineate this mineralisation. Intersections include:

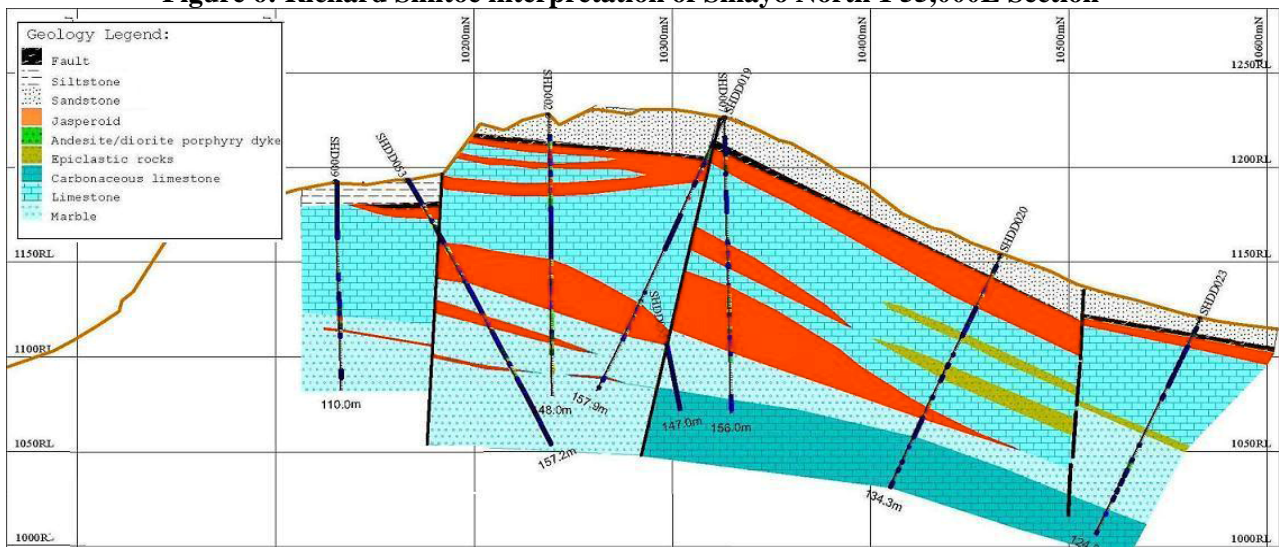
**SHDD081: 32m @ 3.87 g/t Au from 14m.**  
**SHDD085: 15m @ 1.99 g/t Au from 23m.**  
**SHDD087: 22m @ 2.87 g/t Au from surface.**

Drilling is in progress immediately to the north-west where mineralised outcrop and mineralisation open on drill-sections indicates potential to expand the Sihayo 1 North Inferred Resource which currently stands at 7.1Mt mineralisation at 2.7 g/t for 610,000oz Au.

**Figure 5: Sihayo 1 North drill and outcrop sample locations**



**Figure 6: Richard Sillitoe interpretation of Sihayo North 1 55,000E Section**



## SOUTH BLOCK

### Summary of Activities:

- **Tambang Ubi:**
  - 11 diamond drill holes (1,153.2m) completed
  - Drilling targeted repetitions and down-dip extension of historic Dutch mine
  - Mineralisation discovered but not sufficient to warrant follow-up
  - Ground magnetic survey completed

#### ➤ **Tambang Tinggi:**

- Ground magnetic survey and interpretation completed
- Mineralisation identified by R. Sillitoe as 'greisen-like'

#### ➤ **Pionggu-Sunda Parit Trend:**

- Significant outcrop samples returned up to maximum 73 g/t Au
- Further work not planned due to small and discontinuous nature of skarns discovered

### **Tambang Ubi**

Drilling commenced at this historic Dutch Tambang Ubi skarn Au-Cu mine area in the December Quarter following extensive sampling of the underground workings, digital mapping of the mine plans and geological mapping of the area. The old mine produced approximately 100,000 tonnes of ore, with recovered grades of 6.2 g/t Au, 2.77 g/t Ag and 0.24% Cu. Mining operations ceased in 1939 prior to the commencement of World War 2. The drilling was designed to test for a repetition of the deposit and to assess the extent of the extraction of the main load by the Dutch miners, as well as to test the down-dip continuity of the deposit. A total of 11 holes for 1,153.2m were drilled adjacent to the deposit and down-plunge to test for mineralisation at depth. Drilling established that mineralisation continues to depth, but not at grades or widths to be of economic interest, and no significant repetitions, nor remnant deposit mineralisation were encountered. Ground magnetics were completed to further understand the geology of the area, and to assist in the search for porphyry targets.

### **Tambang Tinggi**

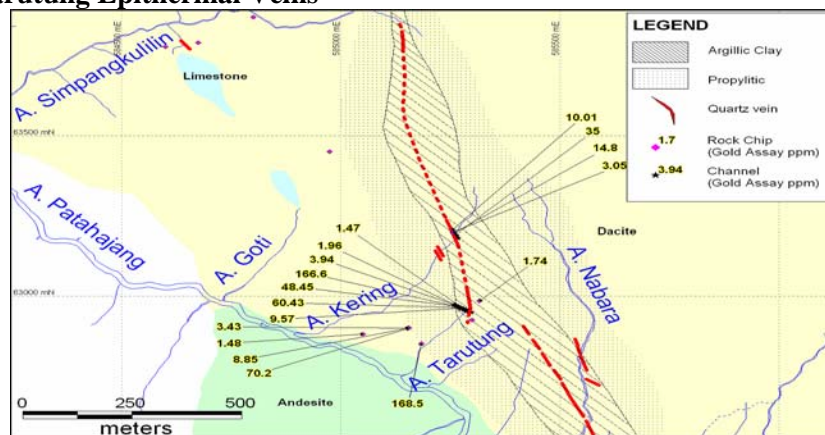
Ground magnetic surveying was completed over the soil sampling grid and detailed geologic mapping conducted over the prospect and adjacent areas as part of a larger broad based survey of several untested prospects in the vicinity of the significant gold mineralisation discovered at Tambang Tinggi, which was later identified by Richard Sillitoe as being greisen-like. A large gold (and copper) soil anomaly in the vicinity of Tambang Tinggi has the potential to be the surface expression of another concealed mineralised greisen.

### **Tarutung**

The Tarutung prospect covers an epithermal vein system where high grade gold and silver values of up to 166 g/t Au and 635 g/t Ag have returned from channel sampling. Follow up geological mapping delineated a 1.3km strike corridor of argillic clay alteration, within which the Tarutung vein system is exposed over 350m.

A field camp was constructed during 2005 along with the completion of a GPS/tape and compass survey grid, detailed geological mapping, soil geochemistry survey and ground magnetic survey over the prospect area. Drilling was planned for the area, but was postponed owing to environmental concerns expressed by the local villagers. Sorikmas and Antam representatives have achieved positive results from their ongoing negotiations with the local villagers' to address their concerns. Current indications suggest that the planned Tarutung drilling program may be included in Oropa's forthcoming drilling operations scheduled for later this year/early 2007.

**Figure 7: Tarutung Epithermal Veins**



## Pionggi-Sunda Parit

These prospects are located to the north-west of Tambang Ubi in a structural corridor of known skarn Au-Cu mineralisation and significant surface gold and copper anomalism. During the early part of the year geological mapping and outcrop sampling returned more highly anomalous assay results. However, exploration for skarn type mineralisation has been discontinued due to the limited scope for the discovery of substantial deposits.

### Summary Table of Best Drill Intercepts July 2006-2007

Table 1:

#### Sihayo 1 North

Hole ID	Northing	Easting	Azimuth	Dip	Depth	From	Intercept (Au)
SHDD081	102471	547951	300	-70	89.7	14	<b>32m @ 3.87 ppm</b>
SHDD085	102412	547971	300	-70	70.0	23	<b>15m @ 1.99 ppm</b>
SHDD087	102402	547929	270	-70	63.5	0	<b>22m @ 2.87 ppm</b>

#### Sihayo 1

Hole ID	Northing	Easting	Azimuth	Dip	Depth	From	Intercept (Au)
SHDD080	101018	548673	220	-70	89.9	59	5m @ 2.46 ppm

#### Sambung

Hole ID	Northing	Easting	Azimuth	Dip	Depth	From	Intercept (Au)
SAMDD033	100867	549603	216	-60	70.0	0	16m @ 1.26 ppm
SAMDD037	101021	549311	220	-60	90.0	5	5m @ 3.27 ppm
SAMDD038	100968	549324	-	-90	54.6	3	4m @ 2.40 ppm
SAMDD042	100952	549347	-	-90	77.2	0	34m @ 1.61 ppm
SAMDD042						44	20m @ 1.48 ppm
SAMDD045	101080	549183	-	-90	52.0	0	5m @ 2.87 ppm
SAMDD048	101040	549226	40	-60	100.0	0	<b>14m @ 3.12 ppm</b>
SAMDD048						64	<b>22m @ 2.42 ppm</b>
SAMDD049	100930	549457	-	-90	60.0	1	<b>15m @ 3.43 ppm</b>
SAMDD054	100870	549502	40	-60	61.5	15	<b>25m @ 2.84 ppm</b>
SAMDD055	100857	549545	40	-60	52.0	14	<b>24m @ 3.25 ppm</b>
SAMDD056	101104	549202	-	-90	80.5	35	<b>8m @ 8.63 ppm</b>
SAMDD058	100867	549520	-	-90	37.1	3	2m @ 6.42 ppm
SAMDD058						10	22m @ 1.33 ppm
SAMDD059	101100	549257	-	-90	80.0	48	10m @ 3.40 ppm
SAMDD061	101046	549275	-	-90	72.2	0	12m @ 2.16 ppm
SAMDD061						27	<b>21m @ 5.36 ppm</b>
SAMDD071	100889	549428	40	-60	54.3	29	<b>7m @ 6.49 ppm</b>
SAMDD073	100915	549402	40	-60	80.0	2	14m @ 1.77 ppm
SAMDD079	100680	549192	220	-70	94.2	3	<b>1m @ 172.00 ppm</b>

## DATABASE MANAGEMENT

During the year the Company consolidated its historical and current databases into one geological software package 'DataShed', which is currently in the process of being validated. This new database management package facilitates the stringent monitoring and the quality of the input data, in particular the laboratory assays and check samples assays which will be required to validate future resource calculations.

# MALAWI

## Uranium Exploration in Malawi

During the past 18 months, the Southern African country of Malawi has gained prominence as an emerging uranium region with significant recent uranium activities from several foreign explorers including Paladin (Africa) Ltd. (“Paladin”) with its advanced Kayelekera uranium deposit – 25.08 million lbs  $U_3O_8$  (“Kayelekera”). Paladin has commenced the development of Kayelekera where roll-front style mineralisation is hosted by Karroo sandstone and mudstone sediments. The project is scheduled to be commissioned in late 2008 with a forecast annual production of 3.3Mlbs of  $U_3O_8$  over a mine life of 7 years based reportedly on proven and probable ore reserves of 10.46Mt at 0.108%  $U_3O_8$ . The Government of Malawi is actively encouraging mineral exploration in the country and permits the mining of uranium to develop this fledgling industry.

Other uranium mineralisation currently known in Malawi is based on historical records and includes uranium and niobium mineralisation hosted by nepheline syenite complex intrusions. In the far north-west of the country at the Ilomba Hill locality surface trenching in the 1950s investigated a radioactive zone where rock samples returned analyses up to 2.15%  $U_3O_8$  and 7.50%  $Nb_2O_5$  associated with uranium pyrochlore.

Oropa’s wholly owned subsidiary, Oropa Exploration Pty Ltd (“OEPL”) was granted two Exclusive Prospecting Licences (“EPLs”) for uranium in June 2007 covering the Mzimba Northwest and Chitunde Projects for a total of 2,365km<sup>2</sup>. A further two EPL applications covering the Chizani and Mankhangala project areas to the north of Kasungu have been submitted to the Malawian Minister of Energy, Mines and Natural Resources, which are currently under consideration.

OEPL has also been pursuing the rights to explore for uranium and other minerals to the exclusion of coal covering ground held by other local parties over areas underlain by Karroo sediments to the north and nearby to Kayelekera. Currently, one Memorandum of Understanding (“MOU”) has been signed over one such area known as the Lupumba Hills Project area.

The following summaries provide a current synopsis of the project areas and progress made to date.

Figure 8:

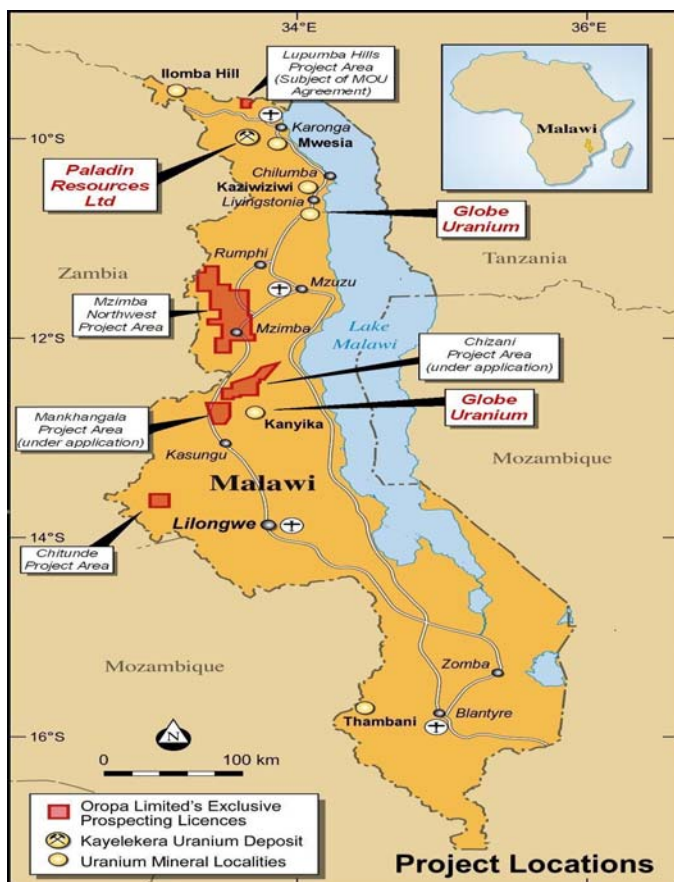
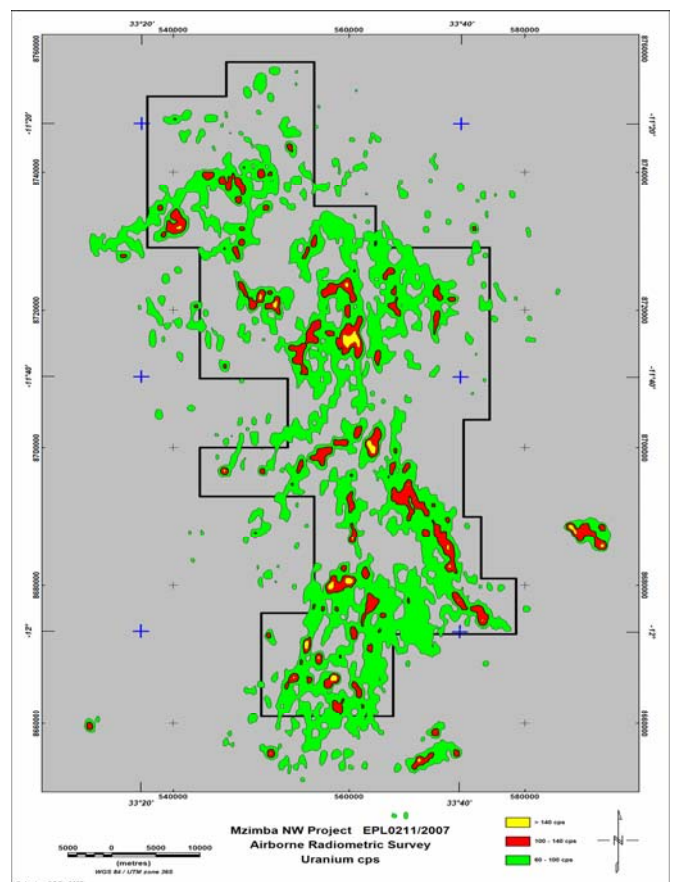


Figure 9:



## Mzimba Northwest Project

The Mzimba Northwest Project area comprises EPL0211/2007 which has been granted for a period of three years and is situated in the north-central portion of Malawi, some 200km south south-west of Kayelekera. The project area covers an area of 2,169km<sup>2</sup> and surrounds the provincial town of Mzimba. The Mzimba Northwest Project is considered to offer uranium exploration potential for hydrothermal and unconformity style uranium targets and offers the possibility of discovering concealed Karroo sediments prospective for roll-front style uranium mineralisation within low-lying areas of residual cover.

Following the granting of the two EPLs, OEPL commissioned two independent interpretive studies which are currently underway with the objective of prioritizing exploration targets for future ground investigation. The first study by Southern Geoscience Consultants considers radiometric data available from a country-wide airborne survey conducted in 1984/85 by Hunting Geology and Geophysics Limited based at the time in the United Kingdom. The second study by Richard Russell & Associates and Mackay & Schnellmann Pty Limited focuses on producing a geological interpretation of the project area based on satellite imagery.

Exploration targets drawn from these studies along with results obtained from a pilot stream sediment geochemical survey planned to commence in mid October 2007 will form the initial basis of future ground follow-up work.

Figure 10:

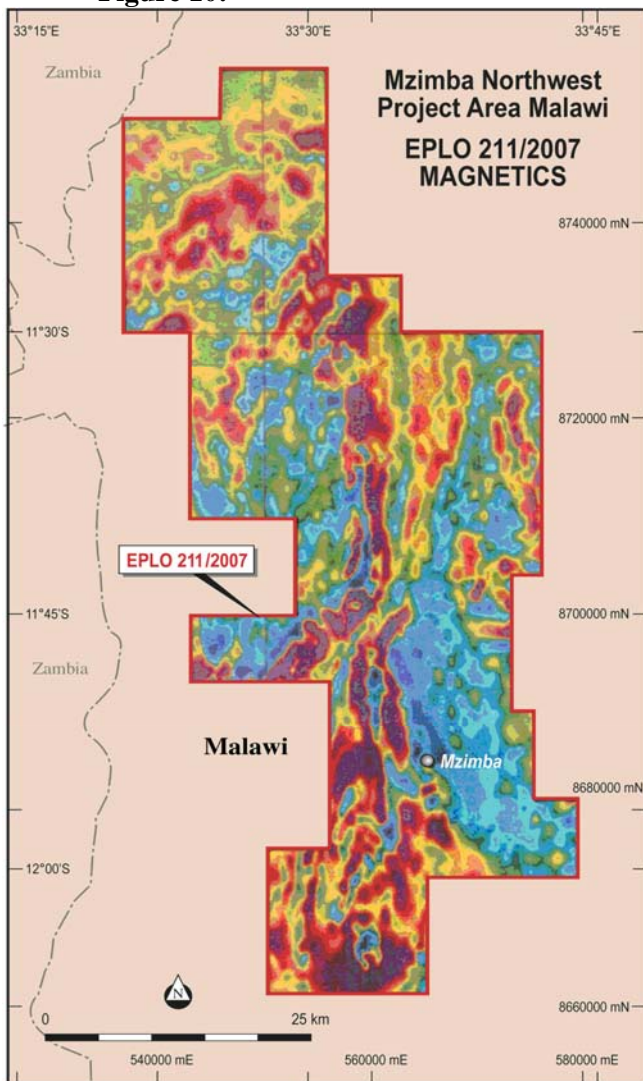
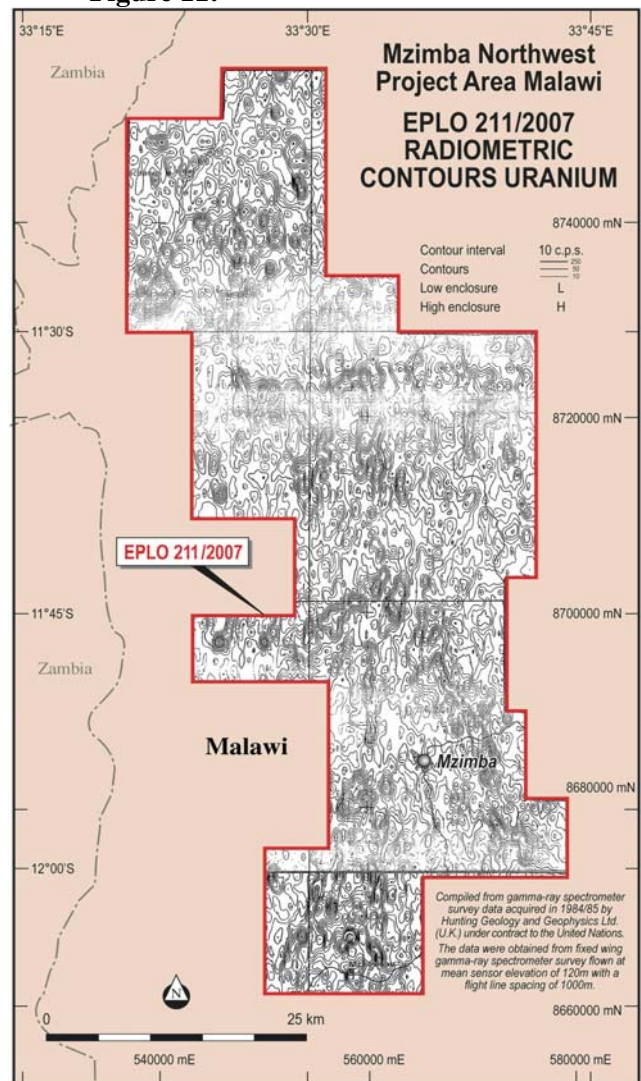


Figure 11:



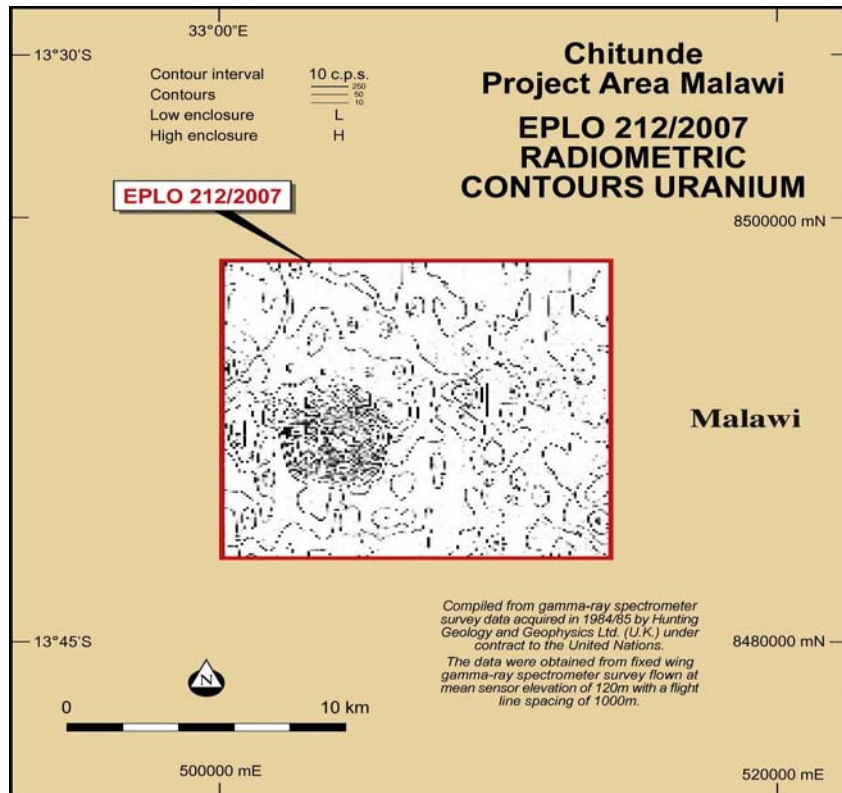
## Chitunde Project

The Chitunde Project area is situated in the west-central sector of Malawi some 86km west north-west of the capital Lilongwe. EPL0212/2007 constitutes the project area which covers an area of 196km<sup>2</sup> and this licence has also been granted for a three year period.

The focus of exploration within the Chitunde Project area is a prominent circular airborne radiometric anomaly measuring some 4km in diameter coincident with a syenite intrusive complex. Similar intrusions in the north of Malawi, notably the Ilomba Hill locality, are known to host uranium and niobium mineralisation.

Currently, radiometric and satellite imagery covering the Chitunde Project area are being evaluated in order to rank targets for future ground investigation.

Figure 12:



## Chinzani and Mankhangala Project Areas

The Chinzani and Mankhangala Project areas are currently under application. These areas are situated in central Malawi nearby to Globe Uranium Limited's multi-commodity Kanyika property where core drilling of uranium-niobium-tantalum-zircon mineralisation hosted by alkalic granitoid and pegmatitic zones is presently taking place. Recently granted EPLs in the district are also held by CC Mining SA.

The Chinzani and Mankhangala Project area applications cover 809km<sup>2</sup> and 442km<sup>2</sup> respectively of the structurally complex Malawi Basement Complex composed of metamorphic rocks of both igneous and sedimentary origin belonging to the Mozambique Orogenic Belt. A feature of the Chinzani Project area application is coverage of over 30km strike length of the Chimaliro fault zone.

If these two project areas are granted, OEPL will become one of three explorers in the Kasungu area. The project areas will be investigated for multi-commodity mineralisation initially by multi-element stream sediment geochemistry with support from the evaluation of regional radiometric data and geological interpretation of satellite imagery in order to prioritize targets for ground follow-up.



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## **Lupumba Hills Project Area**

The Lupumba Hills Project area is centred only 37km north north-west of Paladin's Kayelekera. It comprises EPL0133/2003 for an area of 85km<sup>2</sup> and covers a faulted sequence of late Palaeozoic to early Mesozoic Karroo sediments developed on Early Proterozoic basement complex. The focus for future exploration within this project area will be the investigation of the North Rukuru Sandstone and Shale formation within the Karroo System for the occurrence of roll-front style uranium mineralisation based on the analogous geological setting with nearby Kayelekera. OEPL has signed a MOU with CPL-Mchenga Coal Mine Ltd, holders of the EPL, to explore the project area for uranium and other minerals of potential commercial interest with the exclusion of coal. The formation of a Joint Venture Company is planned following further due diligence by OEPL in October this year.

OEPL has approached another coal explorer in the area adjacent to EPL0133/2003 with a view to negotiating a similar arrangement for the exploration rights for uranium and other minerals over adjoining prospective Karroo System sediments for roll-front style uranium deposits.

## **Malawi Operations Start –up**

OEPL has leased a transit base and office premises in Lilongwe. These premises will be used as the main operations base for OEPL's future operations in Malawi, with field bases to be established in areas proximal to the EPLs.

OEPL's personnel and consultants have made several visits to Malawi in recent times to familiarize themselves with the necessary protocols ahead of field operations and to obtain research data. Cordial meetings have been held with the District Commissioners, Police and provincial administrators in Mzimba and Mchinji districts to outline planned field operations relevant to the granted Mzimba Northwest and Chitunde Project areas respectively. OEPL's field operations are anticipated to commence in the 4<sup>th</sup> Quarter of 2007, initially aimed at conducting pilot geochemical surveys over parts of the Mzimba Northwest and Chitunde Project areas. Initial reconnaissance of the Lupumba Hill Project area will also be undertaken. It is anticipated that field operations will be suspended over the wet season, a period that usually extends for a four month period from late December until April or May.

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## INDIA

### **Block D-7 Diamond Project, Chhattisgarh; (9% plus 9% buy back)**

The past 12 months have produced very little apparent progress towards an outcome to this protracted high court case in Chhattisgarh. Consequently, during most of this financial year, Oropa has focused its field activities at Pungkut and more recently, expanding its mineral exploration activities with the recent acquisition of its Malawian uranium projects and seeking to further diversify its exploration activities with the advanced evaluation of a number of coal projects in Kalimantan, Indonesia. Furthermore, owing to the protracted delays with the high court matter, Oropa decided not to contribute to a number of cash calls made by the Indian partners, preferring to dilute its equity in B. Vijaykumar Exploration Pvt Ltd (“BVTs”) with the right to buy back the additional 10% equity in BVTs at a future date. Throughout the year Oropa has maintained regular contact with its Indian joint venture partners and a number of visits were made to India by Oropa’s directors to obtain updates on the Block D-7 court case and the status of the two Krishna River Reconnaissance Permit (“RP”) applications in Andhra Pradesh (“AP”).

On a positive note, there are a number of new key players currently involved with the Block D-7 matter, i.e. new case judge, new Chief Justice of the Chhattisgarh high court and a new lawyer representing Oropa’s Indian partners. Meetings have already taken place between the respective parties and a number of brief court hearings which indicate there may be some positive signs emerging relating to a decision being handed down by the high court.

According to high level government officials who visited Perth in June this year, the Indian central government is presently reviewing the current Indian Mining Act and there are a number of amendments planned for the existing Act. A government select committee is reviewing these amendments, which are to be put to the cabinet later this year. During the interim period, both the central and state governments are expeditiously processing all outstanding new applications and changes to existing leases, prior to the implementation of the new Act. Although Block D-7 does not fall under these current initiatives, the two RP applications in AP may come under this review process.

### **Raipur West Diamond Project, Chhattisgarh; (10% plus 10% buy back)**

This 2,400km<sup>2</sup> rectangular block is situated immediately to the west of Block D-7. The block was applied for by B.Vijaykumar Exploration Pvt Ltd (“BVTs”) to cover a strategic north-west trending structure that hosts the Raipur Kimberlite Field in the southern portion of Block D-7, and which appears to extend into Raipur West. The RP application was approved by the Government of Madhya Pradesh and later ratified by the central government in mid-2002, but the Chhattisgarh state government continues to defer the issuance the license to BVTs.

### **Krishna River Valley – Andhra Pradesh; (10% plus 10% buy back)**

In October 2000, BVTs applied for a large first-in-time RP application covering slightly in excess of 4,500km<sup>2</sup> over the lower meanders of the Krishna River after Oropa’s geologists had completed a geological survey of the area in mid-2000. No action was taken by the AP government from the time of lodgement up until late 2003. Government officials claimed that they preferred to wait on the outcome of the Block D-7 matter before making any recommendations to the central government on the BVTs application. Oropa has constantly maintained that this application should be processed entirely on its merits regardless of the issue in Chhattisgarh. Meetings with senior Mines Department personnel and the Minister for Mines later revealed that other Indian companies had also lodged RP applications for areas within and overlapping the BVTs application. As a result, BVTs sought legal advice and thereafter initiated proceedings in the AP high court to prevent the state from granting these overlapping applications by serving a Stay Order on the state. This matter is currently awaiting a high court decision.

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### **Krishna River Delta – Andhra Pradesh; (10%)**

Shortly after lodging the Valley RP application, Oropa considered that the alluvial diamond potential in the river terraces and gravels may also extend downstream into the delta areas exiting into the Bay of Bengal. BVTS lodged an Oropa prepared RP application covering a wedge shaped area that enveloped the eastern portion of the Valley area and flared out to cover the delta. This first-in-time application comprising an area of 4,500km<sup>2</sup> was lodged with the AP government on 15 June 2001.

Oropa learned from its meetings in AP in mid-2005, was that no other parties had applied for the delta area and that the AP government was recommending the BVTS application to Delhi. However, we were later informed that this application, although approved by the central government, was being withheld by the state government, presumably because of BVTS' Stay Order covering the Valley RP. BVTS applied for and was granted a Show Cause Notice in the AP high court which was served on the state on 10 November 2005. Both cases are presently stuck in the high court awaiting hearing dates.

Although Oropa's directors were cautiously optimistic that the two AP high court cases would be determined during 2006/07, based on our legal advice, regrettably, but probably predictably, the notorious Indian bureaucracy and the Indian judiciaries have once again frustrated an outcome to everyone's detriment. It will be interesting to observe whether the proposed amendments to the current Mining Act that the Indian central government will be implementing will actually make any positive impact on the international mining community's cautious approach towards investing in mineral exploration in India.

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## AUSTRALIAN PROJECTS

### **Mulgabbie Gold Project; (95%, diluting to 44%)**

The Mulgabbie gold project comprises Prospecting Licenses (P28/768, P28/769) and Mining Lease Application (MLA28/140 & MLA28/364) and is located approximately 130km northeast of Kalgoorlie, immediately to the east of the Carosue Dam gold mine. The project is operated under the terms of an agreement with Mulgabbie Mining Pty Ltd. ("Mulgabbie Mining"), which is earning a 51% interest by spending \$100,000 on joint venture expenditure. During the past 12 months Mulgabbie Mining has undertaken a comprehensive data review along with geological fieldwork. Identified structural controls over gold mineralisation at the historically high grade Mulgabbie Perserverance workings will be the initial target of a future drilling campaign.

### **Lake Deborah Gold Project; (5% free carried)**

The Lake Deborah tenement forms part of the Golden Valley Joint Venture ("GVJV") project which is subject to an agreement between Oropa, Polaris Metals NL ("Polaris"), Western Areas NL and Geoinformatics Exploration Limited (collectively "the Parties"). This tenement comprises only a small portion of the GVJV and Oropa is free carried to the completion of a bankable feasibility study by Polaris. Thereafter, Oropa has the option to increase its interest in the Lake Deborah area to a 15% Participating Interest by giving notice to Polaris and paying Polaris a \$50,000 cash consideration, plus 15% of Polaris' gross expenditure on Lake Deborah up until the time that Oropa exercises the option.

During the latter half of 2006, the Minister for Indigenous Affairs approved an application under Section 18 of the Aboriginal Heritage Act for Polaris to access Lake Deborah, which is listed as a cultural site. Polaris subsequently completed an air-core drilling program over a number of GVJV areas, including accessible margins of gold and nickel targets that are largely concealed beneath Lake Deborah (Aquarius, Trident South and Maries Find prospects). A total of 38 air-core holes were drilled for a total of 594m. No significant gold assays were returned from the drilling undertaken at Aquarius, Trident South and Maries Find prospects.

### **Mt Keith Gold Project; (2% nett smelter royalty)**

Oropa holds a 2% nett smelter royalty on all minerals produced from the Mt Keith gold project (M53/490 and M53/491) arising from its relinquishment of its majority contributing interest in the tenements. Under the terms of the agreement the tenements are to be maintained in good standing. No mining was undertaken over the project area during the year.

## PROJECT EVALUATION

The Company's concerted geological appraisal of areas in Kenya and Malawi during late 2006 and the first quarter of 2007 were extremely fruitful with resultant granting of two EPLs in Malawi to date, with an additional two EPL applications currently under consideration. Areas in Kenya were also evaluated and an EPL application has recently been lodged with the Department of Mines in Kenya for an area in the Rift Valley. Although numerous Indonesian coal projects were also assessed entailing a number of trips to Indonesia to meet with project vendors and review data, the vast majority were discarded owing to lack of technical data or dubious ownership of the various KP areas. However, during the past couple of months the company has entered into more advanced negotiations with two Indonesian groups regarding two areas in East and South Kalimantan that exhibit the potential to host medium to large coal resources, and that are reasonably accessible to the local ports.

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## NON MINERAL ACTIVITIES

### **CEPO Systems Pty Ltd; (9.9%)**

Oropa currently holds a 9.9% non-contributing share in CEPO Systems Pty Ltd (“CEPO”), a company that provides order management and supply chain solutions for the small to medium enterprise (SME) market. CEPO offers its clients cost-effective, efficient electronic platforms which have evolved from CEPO’s many years of experience with Internet hosted electronic data transmission. These unique solutions offer a vertically integrated single electronic platform for any given industry that is affordable and attractive to the SME market. CEPO’s platform is generic to any industry with current users being retailers, company sales representatives, suppliers, wholesalers and distributors across a wide range of industries.

While focusing on expanding this market, CEPO continues to develop its wireless technology products and has expanded its client base with more signings of buying groups during the past 12 months.

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## **DIRECTORS' REPORT**

Your directors present their report on the consolidated entity consisting of Oropa Limited (“Oropa, or the Company”) and the entities it controlled at the end of, or during the year ended 30 June 2007 (“the reporting period”).

### **DIRECTORS**

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

Brian J Hurley  
Philip C Christie  
Roderick G Murchison  
Bruce N V Tomich

### **PRINCIPAL ACTIVITIES**

The principal activities of the consolidated entity during the course of the financial year were mineral exploration. There were no significant changes in the nature of those activities during the financial year.

### **DIVIDENDS**

No dividends have been paid or declared since the end of the previous financial year and no dividend is recommended in respect of this financial year.

### **NATIVE TITLE**

Claims of native title over certain of the company's tenements have been made, and may in the future be made under the Commonwealth Native Title Act. In the event that native title is established by an indigenous community over an area that is subject to the company's mining tenements, the nature of the native title may be such that consent to mining may be required from that community but is withheld.

No determination of native title has yet been made by the Federal Court or any other body with appropriate jurisdiction in respect of any of the land the subject of the company's tenements. It is also possible that some of the existing claims may be removed from the National Native Title Tribunal Register for failure to satisfy the new registration test which became operative upon proclamation of the Native Title Amendment Act 1998. The consequence of removal of a claim from the Register is that those claimants lose the right to negotiate under the Native Title Act in respect of the future grant of mining tenements over their claim area.

Due to uncertainties in the application of the Native Title Act, the effect, if any, of these claims and procedures on Oropa Limited is not clear.

### **REVIEW OF OPERATIONS**

The review of operations are detailed at page 5 of the financial report.

### **OPERATING RESULTS**

During the financial year the consolidated entity incurred a consolidated operating loss after tax of \$4,114,065 (2006 - \$2,481,662).

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- On 30 April 2007, Oropa Limited issued 12,791,441 options expiring on 31 January 2010 with an exercise price of 20 cents to raise additional working capital.
- On 17 May 2007, Oropa Limited issued 10,000,000 shares to raise funds for exploration work on the Pungkut gold project in Indonesia.
- On 17 May 2007, Oropa Limited issued 41,528,379 shares under a rights issue to raise additional working capital.

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## DIRECTORS' REPORT

### EMPLOYEES

The consolidated entity employed 57 employees as at 30 June 2007 (2006: 51 employees)

### CORPORATE STRUCTURE

The corporate group consists of the parent entity Oropa Limited, its 100% owned subsidiaries Inland Goldmines Pty Ltd, Excelsior Resources Pty Ltd, Oropa Technologies Pty Ltd, Oropa Indian Resources Pty Ltd, Oropa Exploration Pty Ltd and Aberfoyle Pungkut Investments Pte Ltd.

Aberfoyle Pungkut Investments Pte Ltd holds a 75% interest in PT Sorikmas Mining, with an Indonesian Government mining company PT Aneka Tambang holding the remaining 25%.

### LIKELY FUTURE DEVELOPMENTS

Details of important developments occurring in this current financial year have been covered in the review of operations.

Further information on likely developments in the operations of the consolidated entity and the expected results have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

### FINANCIAL POSITION

The net assets of the consolidated entity as at 30 June 2007 are \$1,154,913 (2006: \$2,377,123).

### ENVIRONMENTAL REGULATION

The consolidated entity has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low, and has not identified any compliance breaches during the year.

### INFORMATION ON DIRECTORS

Details of the directors of the Company in office at the date of this report are:

**Brian J HURLEY** AWASM, MAusIMM  
(Chairman – appointed a director on 27 November 1992)

#### *Experience & expertise*

Mr Brian Hurley is a mining engineering graduate from the Western Australian School of Mines and a member of the Australasian Institute of Mining and Metallurgy. He has 40 years experience in open cut and underground gold and nickel mining operations. He currently conducts his own mining consultancy business since retiring as a senior executive with Western Mining Corporation.

#### *Other current directorships*

Currently chairman of Jaguar Minerals Limited  
Currently a director of Mundo Minerals Limited and Herald Resources Limited

#### *Former directorships in last 3 years*

Previously a director of White Gold Mining Limited until 2004

#### *Special responsibilities*

Chairman

#### *Interests in shares and options*

741,092 ordinary shares in Oropa Limited.  
26,800 options to subscribe for fully paid ordinary shares at 50 cents at any time on or before the expiry date of 31 December 2007.

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## DIRECTORS' REPORT

### INFORMATION ON DIRECTORS (CONTINUED)

#### ***Philip C CHRISTIE***

*(Chief Executive Officer – appointed a director on 30 November 1992)*

##### ***Experience and expertise***

Mr Philip Christie offers more than 30 years of technical and management experience and skills relevant to the petroleum and exploration/mining industries. He has spent most of his professional career in the oil and gas industry, providing geological, production testing services and reservoir engineering to many of the world's major oil and gas companies operating in Australia, Asia, India, Pakistan and the Middle East. He has in excess of 20 years experience in providing these specialised services to the oil and gas industry, initially through holding executive positions in two of the industry's largest USA based multinational corporations and subsequently as the managing director of a private exploration and production services consulting group. Since returning to Australia in early 1990, he has provided management and geological consultancy services to the exploration and mining industry in Australia, South East Asia, India and South Africa.

##### ***Other current directorships***

No other current directorships

##### ***Former directorships in last 3 years***

No former directorships

##### ***Special responsibilities***

Managing Director

##### ***Interests in shares and options***

574,852 ordinary shares in Oropa Limited.

99,240 options to subscribe for fully paid ordinary shares at 50 cents at any time on or before the expiry date of 31 December 2007.

25,202 options to subscribe for fully paid ordinary shares at 20 cents at any time on or before the expiry date of 31 January 2010.

#### ***Roderick G MURCHISON***

*(Non Executive Director – appointed a director on 1 September 1999)*

##### ***Experience and expertise***

Mr Roderick Murchison was born in Singapore and educated in Western Australia. Upon completion of his education, he returned to Singapore to work in the family business. Subsequently, he held senior management positions with two large retail groups in Singapore before establishing his own food manufacturing and distribution business based in Singapore and Malaysia. This business has achieved steady growth during recent years and today it services large multinational oriental food distributors in UK, Europe, USA and Australia. Mr Murchison has been a substantial Oropa shareholder since 1993 and he has represented the interests of other substantial Singaporean and Malaysian shareholders from time to time at the Company's Annual General Meetings. His many years of international management experience gained from his former associations with Singapore's leading supermarket groups and his current dealings with international food distributors has complemented the Oropa board's ability to negotiate and progress the Company's international projects.

##### ***Other current directorships***

No other current directorships

##### ***Former directorships in last 3 years***

No former directorships

##### ***Special responsibilities***

Nomination committee member

Audit committee member

Remuneration committee member

##### ***Interests in shares and options***

749,852 ordinary shares in Oropa Limited.

116,000 options to subscribe for fully paid ordinary shares at 50 cents at any time on or before the expiry date of 31 December 2007.

101,408 options to subscribe for fully paid ordinary shares at 20 cents at any time on or before the expiry date of 31 January 2010.



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## DIRECTORS' REPORT

### ***Bruce N V TOMICH BSc(Hons)***

*(Non Executive Director – appointed a director on 3 June 2003)*

#### ***Experience and expertise***

Mr Bruce Tomich has acquired thorough experience in numerous facets of the mining industry. He has worked at senior management levels within financial institutions (including HSBC/Wardley James Capel, Gold Corporation/R&I Bank and AIDC) involved in the provision of project finance and investment banking services to resource companies. In these capacities he has assisted in the development of financial packages for major resource projects including, amongst others, the Granny Smith gold project, the Plutonic gold project, the Girilambone copper project and the Greenbushes tin/tantalum project. Mr Tomich provides technical, corporate and commercial advisory services to the resource industry, and assists companies to progress the development of resource projects in tandem with the procurement of resource finance.

#### ***Other current directorships***

Non-executive director of Burdekin Resources Ltd

#### ***Former directorships in last 3 years***

No former directorships

#### ***Special responsibilities***

Nomination committee member

Audit committee member

Remuneration committee member

#### ***Interests in shares and options***

139,000 ordinary shares in Oropa Limited.

#### **Company secretary**

The company secretary is Mr Dean W Calder B.Bus CA. Mr Calder was appointed to the position of company secretary in 1999. He has had many years of experience in attending to the taxation, accounting and company secretarial requirements of mineral exploration companies, and is currently a Principal of the firm Calder Roth & Co, Chartered Accountants.

#### **MEETINGS OF DIRECTORS**

The following table sets out the number of meetings of the company's directors held during the year ended 30 June 2007, and the number of meetings attended by each director.

	Number eligible to attend	Number Attended
B J Hurley	10	10
P C J Christie	10	10
R G Murchison	10	10
B Tomich	10	10

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## DIRECTORS' REPORT

### REMUNERATION REPORT

Oropa Limited has established a remuneration committee comprising of Mr BNV Tomich and Mr RG Murchison.

The responsibilities and functions of the Remuneration Committee are as follows:

- review the competitiveness of the Company's executive compensation programs to ensure:
  - (a) the attraction and retention of corporate officers;
  - (b) the motivation of corporate officers to achieve the Company's business objectives; and
  - (c) the alignment of the interests of key leadership with the long-term interests of the Company's shareholders;
  
- review trends in management compensation, oversee the development of new compensation plans and, when necessary, approve the revision of existing plans;
- review the performance of executive management;
- review and approve Chairperson and chief executive officer goals and objectives, evaluate Chairperson and chief executive officer performance in light of these corporate objectives, and set Chairperson and chief executive officer compensation levels consistent with company philosophy;
- approve the salaries, bonus and other compensation for all senior executives, the committee will recommend appropriate salary, bonus and other compensation to the Board for approval;
- review and approve compensation packages for new corporate officers and termination packages for corporate officers as requested by management;
- review and approve the awards made under any executive officer bonus plan, and provide an appropriate report to the Board;
- review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the committee will act on behalf of the Board as the "Committee" established to administer equity-based and employee benefit plans, and as such will discharge any responsibilities imposed on the committee under those plans, including making and authorising grants, in accordance with the terms of those plans; and
- review periodic reports from management on matters relating to the Company's personnel appointments and practices.

## DIRECTORS' REPORT

### *Principles used to determine the nature and amount of remuneration*

Non-executive directors receive fees in cash. The fees are fixed and approved by shareholders.

Mr Christie is paid an hourly rate for hours worked on behalf of the Company.

Where non-executive directors provide services in their area of expertise they receive payment at normal commercial rates.

There are no executives (other than directors) with authority for strategic decision and management.

The remuneration of the directors is not linked directly to the performance of the company.

### *Details of remuneration*

Details of the remuneration of each director of Oropa Limited, including their personally related entities are set out below:

2007	Primary		Post Employment		Equity	
	Cash Salary & Fees	Other	Superannuation	Retirement Benefits	Shares	Total
Name						
PCJ Christie <sup>(a)</sup>	212,422	3,594	-	-	-	<b>216,016</b>
BJ Hurley <sup>(b)</sup>	40,500	3,594	450	-	-	<b>44,544</b>
RG Murchison <sup>(c)</sup>	45,878	3,594	-	-	-	<b>49,472</b>
BNV Tomich <sup>(d)</sup>	27,620	3,593	-	-	-	<b>31,213</b>
<b>Total</b>	<b>326,420</b>	<b>14,375</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>341,245</b>

There are no other key management personnel.

- (a) \$3,500 in directors fees paid to PCJ Christie and \$208,922 in consulting fees paid to Yellowmoon Gold Mines Pty Ltd, a personally related entity of PCJ Christie
- (b) \$5,000 in directors fees paid to BJ Hurley and \$35,500 in consulting fees paid to Bencove Pty Ltd, a personally related entity of BJ Hurley
- (c) \$3,500 in directors fees paid to RG Murchison and \$42,378 paid to Murchison Exports Ltd, a personally related entity of RG Murchison
- (d) \$3,500 in directors fees and \$24,120 in consulting fees paid to BNV Tomich

### *Officer Emoluments*

Fees of \$75,880 were paid to Calder Roth & Co, an accounting firm of which DW Calder is a principal, for accounting, company secretarial, taxation and other services during the year.

### *Directors and Officer Insurance*

During the year \$14,375 was paid for Directors and officeholders insurance which covers all directors and officeholders.

## DIRECTORS' INTERESTS IN SHARES AND OPTIONS

The interest in shares and options in the company in which the directors have a relevant interest as at the date of this report were:

	SHARES	OPTIONS
B J Hurley	741,092	26,800
P C Christie	574,852	124,445
R G Murchison	749,852	217,408
B Tomich	139,000	-

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## DIRECTORS' REPORT

### SHARES UNDER OPTION

Unissued ordinary shares of Oropa Limited under option at the date of this report are as follows:

- 13,280,376 options to subscribe for fully paid ordinary shares exercisable at 50 cents at any time on or before the expiry date of 31 December 2007.
- 12,791,441 options to subscribe for fully paid ordinary shares exercisable at 20 cents at any time on or before the expiry date of 31 January 2010.

These options are quoted on the Australian Securities Exchange Limited.

- 500,000 unlisted options exercisable at 12 cents at any time on or before the expiry date of 20 October 2008.
- 2,700,000 unlisted employee options exercisable at 13 cents at any time on or before the expiry date of 31 December 2009.

No person entitled to exercise any of the options has any right, by virtue of the options, to participate in any share issue of any other body corporate.

The names of all persons who currently hold options, granted at any time, are entered in the register kept by the company pursuant to Section 216C of the Corporations Act 2001 and the register may be inspected free of charge.

### PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of these proceedings.

The Company was not party to any such proceedings during the year.

### CORPORATE GOVERNANCE

The Company's Corporate Governance Statement is set out on page 30.

### INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Oropa Limited paid a premium of \$14,375 to insure the directors and officers of the company. The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity.

### NON-AUDIT SERVICES

There were no non-audit services undertaken by Stantons International during the financial year.

### 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 29.

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



**PHILIP C CHRISTIE**

Director

24 September 2007

24 September 2007

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

Dear Sirs

**RE: OROPA LIMITED**

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

As Audit Director for the audit of the financial statements of Oropa Limited for the year ended 30 June 2007, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

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



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

## CORPORATE GOVERNANCE STATEMENT

Oropa Limited (“Oropa, or the Company”) has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised below.

The following additional information about the Company's corporate governance practices is set out on the Company's website at [www.oropa.com.au](http://www.oropa.com.au):

- Corporate governance disclosures and explanations;
- Statement of Board and Management Functions;
- Nomination Committee Charter;
- Policy and procedure for selection and appointment of new directors;
- Summary of code of conduct for directors and key executives;
- Summary of policy on securities trading;
- Audit Committee Charter;
- Policy and procedure for selection of external auditor and rotation of audit engagement partners;
- Summary of policy and procedure for compliance with continuous disclosure requirements;
- Summary of arrangements regarding communication with and participation of shareholders;
- Summary of Company's risk management policy and internal compliance and control system;
- Process for performance evaluation of the Board, Board committees, individual directors and key executives;
- Remuneration Committee Charter; and
- Corporate Code of Conduct.

### EXPLANATIONS FOR DEPARTURES FROM BEST PRACTICE RECOMMENDATIONS

During the Reporting Period the Company has complied with each of the Ten Essential Corporate Governance Principles<sup>1</sup> and the corresponding Best Practice Recommendations<sup>2</sup> as published by the ASX Corporate Governance Council (“**ASX Principles and Recommendations**”), other than in relation to the matters specified below.

Principle Ref	Recommendation Ref	Notification of Departure	Explanation for Departure
2	2.1	No director of the Company is independent in accordance with the test in box 2.1 (“ <b>Independent Test</b> ”) of the best practice recommendations as published by ASX Corporate Governance Council.	The majority of directors are considered independent by the board for the reasons set out below under the heading “Identification of Independent Directors”. (see page 31)
2	2.2	The Chairperson does not satisfy paragraph 2 of the Independence Test.	The board considers Mr Hurley to act in an independent manner for the reasons set out under the heading “Identification of Independent Directors”. (see page 31)
4	4.3	The audit committee comprises 2 members, which is less than the minimum 3 member composition recommended under best practice recommendation 4.3.	The members of the audit committee are both independent from management and have experience relevant to carry out the obligations and duties of an audit committee. It is considered no additional benefit would be gained by adding another member to the audit committee.

### SKILLS, EXPERIENCE, EXPERTISE AND TERM OF OFFICE OF EACH DIRECTOR

A profile of each director containing the applicable information is set out on pages 23- 25 of the Annual Report.

<sup>1</sup> A copy of the Ten Essential Corporate Governance Principles are set out on the Company’s website under the Section entitled “Corporate Governance”.

<sup>2</sup> A copy of the Best Practice Recommendations are set out on the Company’s website under the section entitled “Corporate Governance”.

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## CORPORATE GOVERNANCE STATEMENT

### IDENTIFICATION OF INDEPENDENT DIRECTORS

The independent directors of the Company are Brian Hurley, Roderick Murchison and Bruce Tomich, subject to the comments set out below.

Mr Hurley provides mining consulting services to the Company. The fees for his consulting services are material to the Company, but are not the sole source of Mr Hurley's income. The consulting services relate to Mr Hurley's technical management involvement in the Company's projects.

As a result of Mr Hurley providing material consulting services to the Company he does not fit within paragraph 3 of the Independence Test. Mr Hurley passes all other aspects of the Independence Test.

The Board (in absence of Mr Hurley) considers he is capable of and demonstrates he consistently makes decisions and takes actions which are designed to be for the best interest of the Company and therefore consider him to be independent.

Messrs Murchison and Tomich both provide consultancy services to the Company. The fees for their services are not material to the Company. Accordingly the Board considers these directors to be independent.

### STATEMENT CONCERNING AVAILABILITY OF INDEPENDENT PROFESSIONAL ADVICE

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his office as a director then, provided the director first obtains approval for incurring such expense from the chairperson, which will not be unreasonably withheld, the Company will pay the reasonable expenses associated with obtaining such advice.

### NAMES OF NOMINATION COMMITTEE MEMBERS AND THEIR ATTENDANCE AT COMMITTEE MEETINGS

The following table identifies those directors who are members of the Nomination Committee and shows their attendance at committee meetings:

Name	No. of meetings held	No. of meetings attended
Roderick G Murchison	1	1
Bruce Tomich	1	1

### NAMES AND QUALIFICATIONS OF AUDIT COMMITTEE MEMBERS

The following directors are members of the Audit Committee, Roderick Murchison (Chairman) and Bruce Tomich. Both are independent non-executive directors, with experience in finance and mining industries as set out in this Annual Report at page 24 - 31.

### NUMBER OF AUDIT COMMITTEE MEETINGS AND NAMES OF ATTENDEES

Name	No. of meetings held	No. of meetings attended
Roderick G Murchison	1	1
Bruce Tomich	1	1

### CONFIRMATION WHETHER PERFORMANCE EVALUATION OF THE BOARD AND ITS MEMBERS HAVE TAKEN PLACE AND HOW CONDUCTED

During the Reporting Period an evaluation of the Board and its members was carried out. The evaluation process comprised an information review by the Chairman.

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## **CORPORATE GOVERNANCE STATEMENT**

### **COMPANY'S REMUNERATION POLICIES**

Non-executive directors receive fees in cash. The fees are fixed and approved by shareholders.

Mr Christie has a contract for services pursuant to which he is paid an hourly rate for hours worked on behalf of the Company.

Where non-executive directors provide services in their area of expertise they receive payment at normal commercial rates.

The directors may be issued with options as part of their remuneration package. They are required to be issued with shareholder approval and are in accordance with thresholds set in plans approved by shareholders.

The remuneration of the directors is not linked directly to the performance of the company.

### **NAMES OF REMUNERATION COMMITTEE MEMBERS AND THEIR ATTENDANCE AT COMMITTEE MEETINGS.**

Name	No of meetings held	No of meetings attended
Roderick G Murchison	1	1
Bruce Tomich	1	1

### **EXISTENCE AND TERMS OF ANY SCHEMES FOR RETIREMENT BENEFITS FOR NON-EXECUTIVE DIRECTORS**

There are no termination or retirement benefits for non-executive directors.



**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	Consolidated		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
<b>Revenue</b>	2	70,526	214,408	70,526	159,191
Corporate secretarial expenses		(61,588)	(43,030)	(60,952)	(40,459)
Depreciation and amortisation	3(a)	(5,828)	(6,352)	(5,816)	(6,336)
Employee benefits expense		(145,450)	(94,671)	(145,450)	(94,671)
Exploration expenditure written off	3(a)	(2,407,217)	(1,940,334)	(569,875)	(394,087)
External consultancy expenses		(210,573)	(207,797)	(177,500)	(171,455)
Foreign exchange loss		(914,317)	(9,108)	(714,779)	-
Insurance expenses		(44,832)	(38,855)	(44,832)	(38,823)
Provision for diminution in value of investments	3(a)	-	(30,283)	-	(333)
Provision for doubtful debts	3(a)	-	(212)	(1,216,865)	(1,834,666)
Rental expenses	3(a)	(38,779)	(36,572)	(38,779)	(36,572)
Share based payments		(81,891)	-	(81,891)	-
Travel and entertainment expenses		(34,694)	(93,145)	(32,149)	(90,425)
Other expenses		(239,422)	(195,711)	(238,340)	(195,400)
<b>Loss before income tax</b>		(4,114,065)	(2,481,662)	(3,256,702)	(2,744,036)
Income tax expense	3(b)	-	-	-	-
<b>Net loss after income tax</b>		(4,114,065)	(2,481,662)	(3,256,702)	(2,744,036)
<b>Net loss after income tax attributable to the members of the parent entity</b>		(4,114,065)	(2,481,662)	(3,256,702)	(2,744,036)
Basic/diluted loss per share (cents per share)	19	(0.04)	(0.04)		

The above Income Statement should be read in conjunction with the accompanying notes.

**BALANCE SHEET  
AS AT 30 JUNE 2007**

	Note	Consolidated		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	18(a)	1,451,496	2,514,708	1,040,620	2,174,428
Trade and other receivables	4	131,302	255,459	24,199	82,235
Other financial assets	5	1,333	1,333	1,333	1,333
<b>TOTAL CURRENT ASSETS</b>		<b>1,584,131</b>	<b>2,771,500</b>	<b>1,066,152</b>	<b>2,257,996</b>
<b>NON-CURRENT ASSETS</b>					
Trade and other receivables	4	-	-	-	-
Other financial assets	5	-	-	-	-
Property, plant and equipment	6	92,880	87,949	55,435	37,436
Other	7	63,725	38,777	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>156,605</b>	<b>126,726</b>	<b>55,435</b>	<b>37,436</b>
<b>TOTAL ASSETS</b>		<b>1,740,736</b>	<b>2,898,226</b>	<b>1,121,587</b>	<b>2,295,432</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	8	192,124	161,731	99,322	47,336
Provisions	9	331,697	303,393	8,444	21,768
Other	18(a)	24,242	12,643	24,242	12,643
<b>TOTAL CURRENT LIABILITIES</b>		<b>548,063</b>	<b>477,767</b>	<b>132,008</b>	<b>81,747</b>
<b>NON-CURRENT LIABILITIES</b>					
Trade and other payables	8	37,760	43,336	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>37,760</b>	<b>43,336</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>585,823</b>	<b>521,103</b>	<b>132,008</b>	<b>81,747</b>
<b>NET ASSETS</b>		<b>1,154,913</b>	<b>2,377,123</b>	<b>989,579</b>	<b>2,213,685</b>
<b>SHAREHOLDERS' EQUITY</b>					
Parent entity interest:					
Contributed equity	10	33,411,976	31,525,228	33,411,976	31,525,228
Reserves	11(a)(b)	1,484,110	479,003	632,019	486,171
Accumulated losses	11(c)	(33,839,624)	(29,725,559)	(33,054,416)	(29,797,714)
Total parent entity interest		1,056,462	2,278,672	989,579	2,213,685
Minority interest in controlled entities	17(b)	98,451	98,451	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,154,913</b>	<b>2,377,123</b>	<b>989,579</b>	<b>2,213,685</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	Consolidated		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Payments to creditors and suppliers		(678,303)	(923,268)	(638,895)	(874,686)
Receipts from customers		-	1,453	-	-
GST Input tax credit refunds received		-	82,063	-	76,267
Interest received		70,526	39,323	70,526	39,323
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	18(b)	<b>(607,777)</b>	<b>(800,429)</b>	<b>(568,369)</b>	<b>(759,096)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Mining exploration and evaluation expenditure		(2,318,970)	(1,916,924)	(569,875)	(394,087)
Purchase of property, plant and equipment		(35,638)	(32,648)	(26,225)	(5,553)
Proceeds from sale of property plant and equipment		-	-	-	-
Payments for investments		-	-	-	-
Advances in loans to controlled entities		-	-	(1,931,644)	(1,714,788)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(2,354,608)</b>	<b>(1,949,572)</b>	<b>(2,527,744)</b>	<b>(2,114,428)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issue of shares and options		2,126,275	5,034,232	2,126,275	5,034,232
Share and option issue costs		(175,570)	(195,006)	(175,570)	(195,006)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>1,950,705</b>	<b>4,839,226</b>	<b>1,950,705</b>	<b>4,839,226</b>
Net increase / (decrease) in cash and cash equivalents held		(1,011,680)	2,089,225	(1,145,408)	1,965,702
Effects of exchange rate changes on cash		(63,131)	(33,642)	-	-
Cash and cash equivalents at the beginning of the financial year		2,502,065	446,482	2,161,785	196,083
Cash and cash equivalents at the end of the financial year	18(a)	<b>1,427,254</b>	<b>2,502,065</b>	<b>1,016,377</b>	<b>2,161,785</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2007**

**Consolidated**

	Share Capital	Reserves	Accumulated Losses	Minority Interest	Total
	\$	\$	\$	\$	\$
Balance at 1.7.05	26,686,002	636,199	(27,243,897)	98,451	176,755
Issue of shares	5,034,232	-	-	-	5,034,232
Share issue costs	(195,006)	-	-	-	(195,006)
Foreign currency reserve	-	(157,196)	-	-	(157,196)
Issue of options	-	-	-	-	-
Loss for the year	-	-	(2,481,662)	-	(2,481,662)
<b>Balance at 30.06.06</b>	<b>31,525,228</b>	<b>479,003</b>	<b>(29,725,559)</b>	<b>98,451</b>	<b>2,377,123</b>
Balance at 1.7.06	31,525,228	479,003	(29,725,559)	98,451	2,377,123
Issue of shares	2,062,318	-	-	-	2,062,318
Share issue costs	(175,570)	-	-	-	(175,570)
Foreign currency reserve	-	859,259	-	-	859,259
Issue of options	-	145,848	-	-	145,848
Loss for the year	-	-	(4,114,065)	-	(4,114,065)
<b>Balance at 30.06.07</b>	<b>33,411,976</b>	<b>1,484,110</b>	<b>(33,839,624)</b>	<b>98,451</b>	<b>1,154,913</b>

**Parent**

	Share Capital	Reserves	Accumulated Losses	Minority Interest	Total
	\$	\$	\$	\$	\$
Balance at 1.7.05	26,686,002	486,171	(27,053,678)	-	118,495
Issue of shares	5,034,232	-	-	-	5,034,232
Share issue costs	(195,006)	-	-	-	(195,006)
Foreign currency reserve	-	-	-	-	-
Issue of options	-	-	-	-	-
Loss for the year	-	-	(2,744,036)	-	(2,744,036)
<b>Balance at 30.06.06</b>	<b>31,525,228</b>	<b>486,171</b>	<b>(29,797,714)</b>	<b>-</b>	<b>2,213,685</b>
Balance at 1.7.06	31,525,228	486,171	(29,797,714)	-	2,213,685
Issue of shares	2,062,318	-	-	-	2,062,318
Share issue costs	(175,570)	-	-	-	(175,570)
Foreign currency reserve	-	-	-	-	-
Issue of options	-	145,848	-	-	145,848
Loss for the year	-	-	(3,256,702)	-	(3,256,702)
<b>Balance at 30.06.07</b>	<b>33,411,976</b>	<b>632,019</b>	<b>(33,054,416)</b>	<b>-</b>	<b>989,579</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the economic entity of Oropa Limited and controlled entities, and Oropa Limited as an individual parent entity. Oropa Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Basis of Preparation  
Statement of compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) and the Corporations Act 2001. The consolidated financial report of the Group also complies with IFRSs and interpretations adopted by the International Accounting Standards Board. The Company's financial report does not comply with IFRSs as the Company has elected to apply the relief provided to parent entities by AASB 132 Financial Instruments – Presentation and Disclosure in respect of certain disclosure requirements.

**Adoption of New and Revised Accounting Standards**

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

At the date of authorisation of the financial report, the following Standards and Interpretations were in issue but not yet effective:

AASB 7 Financial Instruments: Disclosures and consequential amendments to other accounting standards resulting from its issue. This is effective for annual reporting periods beginning on or after 1 January 2007.

AASB 101 Presentation of Financial Statements – revised standard. This is effective for annual reporting periods beginning on or after 1 January 2007.

Interpretation 10 Interim Financial Reporting and Impairment. This is effective for annual reporting periods beginning on or after 1 November 2006.

**Reporting Basis and Conventions**

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

**Going Concern**

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

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

The Directors are confident that the company will be successful in raising further capital and, accordingly, have prepared the financial report on a going concern basis. At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2007. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**Accounting Policies**

**(a) Principles of Consolidation**

A controlled entity is any entity Oropa Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 17 to the financial statements. All controlled entities have a June financial year end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profit or losses have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included / excluded from the date control was obtained or until the date control ceased.

**(b) Income Tax**

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**(c) Property, Plant & Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

**Plant and equipment**

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all Property, Plant and Equipment (other than Leasehold Improvements which are based on the prime cost method) is based on the diminishing value method over their useful lives to the Company commencing from the time the assets are held ready for use. The depreciation rates used for plant and equipment vary between 2.5% and 40%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

**(d) Acquisition of Assets**

The purchase method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs incidental to the acquisition. Where shares are issued in an acquisition, the value of the shares is determined having reference to the fair value of the assets or net assets acquired, including goodwill or discount on acquisition where applicable.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the rate at which a similar borrowing could be obtained under comparable terms and conditions.

**(e) Exploration and Evaluation Expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the areas have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

**(f) Financial Instruments**

**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

**(g) Impairment of Assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**(h) Interest in Joint Ventures**

The economic entity's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated income statement and consolidated balance sheet.

The economic entity's interest in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interest in joint venture entities are brought to account using the cost method.

**(i) Foreign Currency Transactions and Balances**

**Functional and presentation currency**

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

**Transaction and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical costs continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as qualifying cashflow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

**Group Companies**

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and Liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.

Exchange rate differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

**(j) Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the sale of assets is recognised at the date that the contract is entered into.

All revenue is stated net of the amount of goods and services tax (GST).

**(k) Employee Benefits**

Provision is made for the group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**(l) Provisions**

Provisions are recognised when the group has a legal or constructive obligation, as a result of a past event, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**(m) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

**(n) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(o) Share Based Payment Transactions**

The group provides benefits to the directors and senior executives in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with directors is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to price of the shares of Oropa Limited.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the market conditions are fulfilled.

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that in the opinion of the directors will ultimately vest. The opinion is formed on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

**(p) Trade and other receivables**

**CURRENT**

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 60 days overdue.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NON-CURRENT**

All debtors that are not expected to be received within 12 months of reporting date are included in non-current receivables.

Collectibility of non-current receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

**(q) Trade and other creditors**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(r) Operating Leases**

Operating lease payments are charged to the Income Statement in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

**(s) Significant accounting judgements, estimates and assumptions**

**Significant accounting judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

**Exploration and evaluation assets**

The Group's accounting policy for exploration and evaluation expenditure is set out above. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves are found. Any such estimates and assumptions may change as new information becomes available.

**Significant accounting estimates and assumptions**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

**Recovery of deferred assets**

Deferred tax assets are recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

**Share-based payment transactions**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The Group measures the cost of cash-settled share-based payments at fair value at the grant date using a binomial formula taking into account the terms and conditions upon which the instruments were granted.

**(t) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>2. REVENUE</b>				
Revenue from outside the operating activities				
Interest	70,526	39,323	70,526	39,323
Foreign exchange gain	-	173,596	-	119,868
Other	-	1,489	-	-
Revenue from ordinary activities	70,526	214,408	70,526	159,191

	Consolidated		Parent Entity	
	2007 \$	2006 \$	2007 \$	2006 \$
<b>3(a) LOSS BEFORE INCOME TAX</b>				
<b>Net Expenses</b>				
The loss before income tax includes the following expenses:				
(i) <b>Expenses:</b>				
Exploration expenditure written off	2,407,217	1,940,334	569,875	394,087
Depreciation	5,828	6,352	5,816	6,336
Provision for diminution in value of investments	-	30,283	-	333
Rental expenses	38,779	36,572	38,779	36,572
Provision for doubtful debts	-	212	1,216,865	1,834,666
<b>3(b) INCOME TAX</b>				
(i) <b>Numerical reconciliation of income tax expense to prima facie tax payable:</b>				
Loss from ordinary activities before income tax expense	(4,114,065)	(2,481,662)	(3,256,702)	(2,744,036)
Prima facie tax benefit on loss from ordinary activities:	(1,234,219)	(744,499)	(977,010)	(823,211)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income				
Unrealised foreign exchange losses (gains)	274,295	(52,079)	214,434	(35,960)
Entertainment	4,730	4,581	4,730	4,581
Equity based remuneration	19,764	-	19,764	-
Legal	12,671	278	12,671	278
Donations	264	433	68	433
	(922,495)	(791,286)	(725,343)	(853,879)
Movement in unrecognised temporary difference	706,576	563,665	522,374	640,925
Tax effect of current year tax losses for which no Deferred tax asset has been recognised	215,919	227,621	202,969	212,954
Income tax expense	-	-	-	-
(ii) Unrecognised temporary differences				
Deferred Tax Assets (at 30%)				
Carried forward revenue tax losses	3,687,815	3,472,348	3,000,260	2,797,289
Carried forward capital tax losses	823,879	823,879	703,957	703,957
Carried forward foreign tax losses	1,493,904	1,300,731	1,276,180	1,107,885
Provisions	503,495	721,926	7,034	6,531
Blackhole expenditure	112,113	70,925	112,113	70,925
	6,621,206	6,389,809	5,099,544	4,686,587

This benefit for tax losses will only be obtained if:

- (i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, or
- (ii) the losses are transferred to an eligible entity in the consolidated entity, and
- (iii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation, and
- (iv) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>4. TRADE AND OTHER RECEIVABLES</b>				
<b>CURRENT</b>				
Other debtors	131,302	255,459	24,199	82,235
<b>Other debtors</b>				
These amounts generally arise from transactions outside the usual operating activities of the consolidate entity. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.				
<b>NON-CURRENT</b>				
Other debtors	281,103	282,675	-	-
Less provision for doubtful debts	(281,103)	(282,675)	-	-
Loans to controlled entities	-	-	10,531,257	9,314,392
Less provision for doubtful debts	-	-	(10,531,257)	(9,314,392)
	-	-	-	-

Other non current debtors includes \$247,880 (2006 - \$247,880) receivable from a related party B Vijaykumar Chhattisgarh Exploration Private Limited which has been fully provided for.

Further information relating to receivables from related parties is set out in Note 15.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>5. OTHER FINANCIAL ASSETS</b>				
<b>CURRENT</b>				
Investments listed on a prescribed stock exchange	1,333	1,333	1,333	1,333
<b>NON-CURRENT</b>				
Investments in controlled entities (Note 17)				
at cost	-	-	2,344,381	2,344,381
Less provision for diminution	-	-	(2,344,381)	(2,344,381)
Investments in other entities, at cost	1,834,510	1,834,510	-	-
Less provision for diminution	(1,834,510)	(1,834,510)	-	-
	-	-	-	-

**Shares in controlled entities**

The carrying value of the investments in controlled entities is dependent upon the successful development and exploitation of the controlled entities' tenements, or alternatively the sale of those tenements for at least carrying value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**Investments in other entities**

Investments in other entities include the following:

- 9.9% shareholding in CEPO Systems Pty Limited, a company involved in the development of e-commerce business to business software. This investment has been fully provided for.
- 10% interest in B Vijaykumar Technical Services Pvt Limited, a company involved in diamond exploration in India, with an option to purchase a further 10% interest. As Oropa Indian Resources Pty Ltd, Oropa Limited's wholly owned subsidiary, no longer has significant influence over B Vijaykumar Technical Services Pvt Limited, the investment was transferred to other investments from investment in associates in a prior year. This investment has been fully provided for.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>				
<b>NON-CURRENT</b>				
Leasehold improvements, at cost	6,003	6,003	6,003	6,003
Less: accumulated amortisation	(831)	(680)	(831)	(680)
	5,172	5,323	5,172	5,323
Plant and equipment, at cost	77,527	69,098	27,851	16,065
Less: accumulated depreciation	(43,350)	(38,610)	(11,327)	(10,695)
	34,177	30,488	16,524	5,370
Motor vehicles, at cost	10,148	11,647	-	-
Less: accumulated depreciation	(3,553)	(1,749)	-	-
	6,595	9,898	-	-
Office equipment, at cost	139,004	151,847	88,584	94,313
Less: accumulated depreciation	(92,068)	(109,607)	(54,845)	(67,570)
	46,936	42,240	33,739	26,743
<b>Total property, plant and equipment</b>	<b>92,880</b>	<b>87,949</b>	<b>55,435</b>	<b>37,436</b>

**Reconciliations**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

<b>Consolidated</b>	Leasehold Improvements \$	Plant & Equipment \$	Motor Vehicles \$	Office Equipment \$	Total \$
Carrying amount at 1 July 2006	5,323	30,488	9,898	42,240	87,949
Effect of foreign currency translation	-	(2,955)	(1,274)	(2,961)	(7,190)
Additions	-	15,536	-	20,102	35,638
Disposals and write-offs	-	-	-	(2,410)	(2,410)
Depreciation expense	(151)	(8,891)	(2,029)	(10,036)	(21,107)
Carrying amount at 30 June 2007	5,172	34,178	6,595	46,935	92,880

<b>Parent</b>	Leasehold Improvements \$	Plant & Equipment \$	Office Equipment \$	Total \$
Carrying amount at 1 July 2006	5,323	5,370	26,743	37,436
Additions	-	12,150	14,075	26,225
Disposals and write-offs	-	-	(2,410)	(2,410)
Depreciation expense	(151)	(996)	(4,669)	(5,816)
Carrying amount at 30 June 2007	5,172	16,524	33,739	55,435

	Consolidated		Parent Entity	
	2007 \$	2006 \$	2007 \$	2006 \$
<b>7. OTHER ASSETS</b>				
<b>NON-CURRENT</b>				
<b>Mining exploration and evaluation expenditure</b>				
Expenditure incurred during the year	2,407,217	1,940,334	569,875	394,087
Expenditure written off during the year	(2,407,217)	(1,940,334)	(569,875)	(394,087)
Costs carried forward	-	-	-	-
Deposits	63,725	38,777	-	-
	63,725	38,777	-	-

For those areas of interest which are still in the exploration phase, the ultimate recoupment of the stated costs is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Some of the company's exploration properties are subject to claim(s) under native title. As a result, exploration properties or areas within the tenements may be subject to exploration and/or mining restrictions.

**Deposit**

The deposits include a building rental deposit of USD 4,109 (2006: USD 3,689) and a mineral exploration deposit of USD 50,000 (2006: USD 25,000).

Mineral exploration deposit is to guarantee a minimum level of financial support for mineral exploration by the Company. The cash component is deposited at a government bank appointed by the Ministry of Energy and Mineral Resources. This deposit is refundable on the basis that the Company meets certain performance conditions set out in the Contract of Work.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
	_____	_____	_____	_____
<b>8. TRADE AND OTHER PAYABLES</b>				
<b>CURRENT</b>				
Trade creditors	175,803	160,409	84,322	47,336
Other creditors	16,321	1,322	15,000	-
	_____	_____	_____	_____
	192,124	161,731	99,322	47,336
	=====	=====	=====	=====
<b>NON-CURRENT</b>				
Other creditors	37,760	43,336	-	-
	_____	_____	_____	_____
	37,760	43,336	-	-
	=====	=====	=====	=====
<b>Other creditors</b>				
This is an amount payable to PT Aberfoyle Indonesia.				
<b>9. PROVISIONS</b>				
<b>CURRENT</b>				
Employee Entitlements	331,697	303,393	8,444	21,768
	=====	=====	=====	=====
<b>Employee numbers</b>		<b>Number</b>		<b>Number</b>
Average number of employees during the financial year	57	51	6	6

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

	Parent Entity	
	2007	2006
	\$	\$
<b>10. CONTRIBUTED EQUITY</b>		
Issued Capital		
Fully paid – Ordinary shares		
145,349,328 (2006 – 93,816,886)	33,411,976	31,525,228

Movements in ordinary share capital of the company during the past 2 years were as follows:

		Number of shares	\$
01-07-2005	Opening Balance	561,301,683	26,686,002
30-09-2005	Share issue	84,300,000	1,011,600
10-11-2005	Share issue	36,666,666	440,000
15-11-2005	Consolidation of Capital (1:10)	(614,041,652)	-
10-02-2006	Share issue	11,484,918	1,607,891
24-04-2006	Share issue	2,467,271	345,421
30-04-2006	Share issue	1,111,000	155,540
05-05-2006	Share issue	10,527,000	1,473,780
30-06-2006	Share issue costs	-	(195,006)
		93,816,886	31,525,228
10-01-2007	Share issue	4,063	933
17-05-2007	Share issue	51,528,379	2,061,385
30-06-2007	Share issue costs	-	(175,570)
		145,349,328	33,411,976

**Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**11. RESERVES AND ACCUMULATED LOSSES**

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>(a) Option Premium Reserve</b>				
Balance at the beginning of the financial year	486,171	486,171	486,171	486,171
Options issued during the year	145,848	-	145,848	-
	632,019	486,171	632,019	486,171

The Option Premium Reserve is used to record the net premiums received for issued options. The balance standing to the credit of the reserve will be transferred to share capital as options are exercised or to accumulated losses as options expired unexercised. The option premium reserve may be subject to capital gains tax if the options are not exercised.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**11. RESERVES AND ACCUMULATED LOSSES (CONTINUED)**

**Options**

At 30 June 2007, the company had the following listed options:

- 13,280,376 options to subscribe for fully paid ordinary shares exercisable at 50 cents at any time on or before the expiry date of 31 December 2007.
- 500,000 unlisted options to subscribe for fully paid ordinary shares exercisable at 12 cents at any time on or before the expiry date of 20 October 2008.
- 2,700,000 unlisted employee options to subscribe for fully paid ordinary shares exercisable at 13 cents at any time on or before the expiry date of 31 December 2009.
- 12,791,441 options to subscribe for fully paid ordinary shares exercisable at 20 cents at any time on or before the expiry date of 31 January 2010.

All options, except for unlisted options, are quoted on the Australian Securities Exchange Limited.

The following options were issued during the year:

- 500,000 unlisted options to subscribe for fully paid ordinary shares exercisable at 12 cents at any time on or before the expiry date of 20 October 2008.
- 2,700,000 unlisted employee options to subscribe for fully paid ordinary shares exercisable at 13 cents at any time on or before the expiry date of 31 December 2009.
- 12,791,441 options to subscribe for fully paid ordinary shares exercisable at 20 cents at any time on or before the expiry date of 31 January 2010.

The following options lapsed during the year:

- 12,791,441 options had not been exercised before the expiry date of 31 December 2006. The options were exercisable at 20 cents.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>(b) Foreign Currency Reserves</b>				
Balance at the beginning of the financial year	(7,168)	150,028	-	-
Movement for the year	859,259	(157,196)	-	-
	852,091	(7,168)	-	-
<b>(c) Accumulated Losses</b>				
Balance at the beginning of the financial year	(29,725,559)	(27,243,897)	(29,797,714)	(27,053,678)
Net losses attributable to members of Oropa Limited	(4,114,065)	(2,481,662)	(3,256,702)	(2,744,036)
	(33,839,624)	(29,725,559)	(33,054,416)	(29,797,714)
	(33,839,624)	(29,725,559)	(33,054,416)	(29,797,714)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**12. DIRECTORS & EXECUTIVES DISCLOSURES**

The key management personnel of the company are as follows:

**Directors**

The following persons were directors of Oropa Limited during the financial year:

*Chairman – non-executive*

Brian J Hurley

*Executive directors*

Philip C Christie

*Non-executive directors*

Roderick G Murchison

Bruce NV Tomich

There are no specified executives (other than directors) with authority for strategic decision and management.

**Remuneration of directors**

Non-executive directors receive fees in cash. The fees are fixed and approved by shareholders.

Where non-executive directors provide services in their area of expertise they receive payment at normal commercial rates. The remuneration of the directors is not linked directly to the performance of the company.

**Details of remuneration**

Details of the remuneration of each director of Oropa Limited, including their personally related entities are set out below:

2007	Short Term		Post Employment		Equity	
Name	Cash Salary & Fees	Other	Superannuation	Retirement Benefits	Shares	Total
PCJ Christie	212,422	3,594	-	-	-	216,016
BJ Hurley	40,500	3,594	450	-	-	44,544
RG Murchison	45,878	3,594	-	-	-	49,472
BNV Tomich	27,620	3,593	-	-	-	31,213
<b>Total</b>	<b>326,420</b>	<b>14,375</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>341,245</b>

2006	Short Term		Post Employment		Equity	
Name	Cash Salary & Fees	Other	Superannuation	Retirement Benefits	Shares	Total
PCJ Christie	209,780	-	-	-	-	209,780
BJ Hurley	52,600	-	450	-	-	53,050
RG Murchison	43,285	-	-	-	-	43,285
BNV Tomich	17,780	-	-	-	-	17,780
<b>Total</b>	<b>323,445</b>	<b>-</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>323,895</b>

There are no other key management personnel.

*Directors and Officers Insurance*

During the year \$14,375 was paid for Directors and officeholders insurance which covers all directors and officeholders.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**12. DIRECTOR & EXECUTIVES DISCLOSURES (CONTINUED)**

**Service Agreements**

Currently there are no service agreements in place with any of the directors.

**Shareholdings**

The number of shares in the company held by each director of Oropa Limited, including their personally-related entities, are set out below:

Name	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
PCJ Christie	410,608	-	164,244	574,852
BJ Hurley	529,351	-	211,741	741,092
RG Murchison	709,852	-	40,000	749,852
BNV Tomich	-	-	139,000	139,000

**Options**

The number of options over ordinary shares in the company held during the financial year by each director of Oropa Limited, including their personally-related entities, are set out below.

Name	Balance at start of the year	Granted during the year as remuneration	Other changes during the year	Balance at end of the year	Vested and exercisable at the end of the year
PCJ Christie	124,442	-	-	124,442	124,442
BJ Hurley	26,800	-	-	26,800	26,800
RG Murchison	201,408	-	16,000	217,408	217,408
BNV Tomich	-	-	-	-	-

The options are to subscribe for fully paid ordinary shares exercisable at:

- 50 cents at any time on or before the expiry date of 31 December 2007
- 20 cents at any time on or before the expiry date of 31 January 2010

These options are quoted on the Australian Securities Exchange Limited.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>13. REMUNERATION OF AUDITORS</b>				
Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:				
Stantons International	25,874	22,623	25,874	22,623
Other	1,426	2,237	-	-
	<u>27,300</u>	<u>24,860</u>	<u>25,874</u>	<u>22,623</u>
Remuneration for other services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**14. CONTINGENT LIABILITIES**

The parent and consolidated entity did not have any contingent liabilities as at 30 June 2007 or 30 June 2006.

**15. RELATED PARTIES**

**Directors and specified executives**

Disclosures relating to directors and specified executives are set out in note 12.

**Wholly owned Group**

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

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

Transactions between Oropa Limited and related parties in the wholly-owned group during the year ended 30 June 2007 consisted of loans on an interest free basis with no fixed term and no specific repayment arrangements. Oropa Limited made an additional provision for doubtful debts of \$1,216,865 in its accounts for the year ended 30 June 2007 (2006 - \$1,834,656) in relation to the loans made to its subsidiaries. No other amounts were included in the determination of operating loss before tax of the parent entity that resulted from transactions with related parties in the wholly-owned group.

**Other related parties**

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

	Parent Entity	
	2007	2006
	\$	\$
Non-current receivables (note 4)	10,531,257	9,314,392
Provision for doubtful debts (note 4)	(10,531,257)	(9,314,392)
	-	-

An amount of \$247,880 (2006 - \$247,880) is still outstanding from an advance to B Vijaykumar Chhattisgarh Exploration Private Limited, being a subsidiary of a company that the consolidated entity has an investment in. This amount was used to fund diamond exploration activities in India. The loan is interest free. The loan has been fully provided for in the accounts.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**16. EXPENDITURE COMMITMENTS**

**Exploration Commitments**

In order to maintain current rights of tenure to exploration tenements, the company and consolidated entity were previously required to outlay lease rentals and to meet the minimum expenditure requirements of the Mines Departments.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Not later than one year	455,452	1,070,184	455,452	-
Later than one year, but not later than 2 years	1,398,172	-	1,398,172	-
	<u>1,853,624</u>	<u>1,070,184</u>	<u>1,853,624</u>	<u>-</u>

**PT Sorikmas Mining Commitments**

Under the Contract of Work (CoW), the Company was required to spend certain minimum expenditures in respect of the contract area for the General Survey Period and Exploration Period as follows:

	<u>US\$ / km<sup>2</sup></u>
General survey period	100
Exploration period	1,100

As at 30 June 2007, PT Sorikmas Mining has fulfilled its expenditure commitments in respect of the General Survey Period and Exploration Period.

**Expenditure Commitments in Malawi**

The Malawi Government has granted two EPLs to Oropa covering an area of 2,365km<sup>2</sup>. There is a minimum expenditure commitment for the two EPLs over a three year period as follows:

	Mzimba Northwest Project	Chitunde Project
Year 1	US\$303,500	US\$83,000
Year 2	US\$403,500	US\$98,000
Year 3	US\$507,000	US\$178,000

**Operating Leases**

Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Not later than one year	46,575	45,000	46,575	45,000
Later than one year, but not later than 5 years	93,150	-	93,150	-
	<u>139,725</u>	<u>45,000</u>	<u>139,725</u>	<u>45,000</u>

The company exercised an option to extend the lease from 1 July 2007 for a period of three years.

**Capital Commitments**

There were no outstanding capital commitments not provided for in the financial statements of the company as at 30 June 2007 or 30 June 2006.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**17. INVESTMENTS IN CONTROLLED ENTITIES**

Controlled Entities:	Class of Shares	Cost of Parent Entity's Investment		Equity Holding	
		2007	2006	2007	2006
		\$	\$		
Inland Goldmines Pty Limited (Incorporated in Australia)	Ordinary	583,942	583,942	100%	100%
Excelsior Resources Pty Limited (Incorporated in Australia)	Ordinary	1,062,900	1,062,900	100%	100%
Oropa Technologies Pty Limited (Incorporated in Australia)	Ordinary	1	1	100%	100%
Oropa Indian Resources Pty Limited (Incorporated in Australia)	Ordinary	1	1	100%	100%
Oropa Exploration Pty Limited (Incorporated in Australia)	Ordinary	1	1	100%	100%
Aberfoyle Pungkut Investments Pte Ltd <sup>(a)</sup> (Incorporated in Singapore)	Ordinary	697,537	697,537	100%	100%
PT Sorikmas Mining <sup>(b)</sup> (Incorporated in Indonesia)	Ordinary	-	-	75%	75%
		2,344,382	2,344,382		

- (a) When Oropa Limited issued 9,259,259 shares as consideration for exercising the option to acquire 100% of the shares in Aberfoyle Pungkut Indonesia Pte Ltd, it was assigned the vendors receivables from Aberfoyle Pungkut Investments Pte Ltd and PT Sorikmas Mining. This reduced the cost of the investment in Aberfoyle Pungkut Investments Pte Ltd.
- (b) Aberfoyle Pungkut Investments Pte Ltd holds a 75% interest in PT Sorikmas Mining, with an Indonesian Government mining company PT Aneka Tambang holding the remaining 25%. The outside equity interest in PT Sorikmas Mining equates to 25% of the issued capital of USD \$300,000, being AUD \$98,451 as at 30 June 2007.

**18. NOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of Cash and Cash Equivalents**

For the purposes of the Statement of Cash Flows cash includes cash and cash equivalents on hand and at call deposits with banks, and investments in money market instruments net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Cash at bank	1,427,254	2,502,065	1,016,378	2,161,785
Restricted Cash at Bank (not available for use)	24,242	12,643	24,242	12,643
	1,451,496	2,514,708	1,040,620	2,174,428

Cash at bank at 30 June 2007 includes a Bank Guarantee of AUS \$20,000 and an Import Letter of Credit of US \$24,267.

Restricted Cash at Bank is cheques returned from the proceeds of the sale of unmarketable proceeds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
<hr/>				
<b>18. NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)</b>				
<b>(b) Reconciliation of operating loss after income tax to net cash flow from operating activities</b>				
Operating (loss) after income tax	(4,114,065)	(2,481,662)	(3,256,701)	(2,744,036)
<u>Non Cash Items</u>				
Depreciation	5,828	6,352	5,816	6,336
Provision for doubtful debts	-	212	1,216,865	1,834,656
Provision for diminution in investments	-	30,283	-	333
Exploration costs written off	2,407,217	1,940,334	569,875	394,087
Loss on sale of assets	2,734	1,383	2,734	1,383
Share based payments	81,891	6,492	81,891	-
Net exchange differences	914,317	(173,596)	714,779	(119,868)
<u>Change in operating assets and liabilities, net of effects from purchase of controlled entity</u>				
(Increase) / decrease in receivables	57,160	(78,487)	57,711	(19,154)
Increase / (decrease) in payables	35,463	(127,367)	36,983	(124,047)
Increase / (decrease) in provisions	1,678	75,627	1,678	11,214
<hr/>				
Net cash (outflow) from operating activities	(607,777)	(800,429)	(568,369)	(759,096)
<hr/> <hr/>				

	Consolidated	
	2007	2006
	cents	cents
<hr/>		
<b>19. EARNINGS PER SHARE</b>		
(a) Basic and diluted earnings per share	(0.04)	(0.04)
(b) Weighted average number of shares outstanding during the year used in the calculation of basic earnings per share	100,030,430	60,000,304

As disclosed in Note 11 the company has on issue 13,280,376 listed options to subscribe for fully paid ordinary shares exercisable at 50 cents at any time on or before the expiry date 31 December 2007, and the company had issued a further 12,791,441 listed options to subscribe for fully paid ordinary shares exercisable at 20 cents at any time on or before the expiry date 31 January 2010. As the exercise price of these options at balance date was greater than the market price of the shares, it is considered the options are unlikely to be exercised and consequently have not been considered dilutive.

None of the options have been included in the determination of basic earnings per share. Details relating to options are set out in Note 11.

**Reconciliation of earnings used in calculating basic earnings per share**

	Consolidated	
	2007	2006
	\$	\$
<hr/>		
Net Loss	(4,114,065)	(2,481,662)
<hr/> <hr/>		

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**20. JOINT VENTURES**

The consolidated entity has interests in the following unincorporated exploration joint ventures:

<b>Joint Venture</b>	<b>Principal Activities</b>	<b>Interest 2007</b>	<b>Interest 2006</b>
<i>Company:</i>			
<i>Oropa Limited</i>			
Golden Valley	Mineral Exploration	5%	5%
Mt Keith	Mineral Exploration	2% Royalty	2% Royalty
 <i>Controlled Entities:</i>			
<i>Excelsior Resources Pty Limited</i>			
Mulgabbie	Mineral Exploration	95%	95%
 <i>Aberfoyle Pungkut Investments Pte Ltd</i>			
Pungkut	Mineral Exploration	75%	75%
		(Earning)	(Earning)

At balance date there was no exploration and evaluation expenditure in respect of areas of interest subject to joint ventures included in other non-current assets of the consolidated entity and company. For details of capital expenditure commitments relating to joint ventures, refer to note 16.

**21. FINANCIAL INSTRUMENTS**

**Credit Risk Exposure**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a loss to the consolidated entity.

The credit risk exposure on financial assets of the company which have been recognised on the Balance Sheet is generally the carrying amount, net of any provisions for doubtful debts. In the case of cash deposits, credit risk is minimised by depositing with recognised financial intermediaries such as banks subject to Australian Prudential Regulation Authority supervision.

**Interest Rate Risk Exposures**

The company's exposure to interest rate risk is limited to the floating market rate for cash and cash deposits and fixed rate for hire purchase obligations. All other financial assets and liabilities are non interest bearing and the consolidated entity intends to hold fixed rate assets and liabilities to maturity. The weighted average interest rate during the year for cash and cash deposits was 3.56% (2006: 2.64%)

**Foreign Currency Risk**

The group is exposed to fluctuations in foreign currencies arising from costs incurred at overseas mineral exploration tenements. Overseas expenses are paid at the spot rate applicable on the date the invoice is received. The group does not hedge to reduce the foreign exchange risk as the directors believe the risk is not significant.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**21. FINANCIAL INSTRUMENTS (CONTINUED)**

	Floating Interest Rate \$		Non-interest Bearing \$		Total \$	
	2007	2006	2007	2006	2007	2006
<b>Financial Assets</b>						
Cash and cash equivalents	1,451,496	2,514,708	-	-	1,451,496	2,514,708
Trade and other receivables	-	-	131,302	255,459	131,302	255,459
Other financial assets	-	-	1,333	1,333	1,333	1,333
Deposits	-	-	63,725	38,777	63,725	38,777
<b>Total Financial Assets</b>	<b>1,451,496</b>	<b>2,514,708</b>	<b>196,360</b>	<b>295,569</b>	<b>1,647,856</b>	<b>2,810,277</b>
<b>Financial Liabilities</b>						
Trade and other payables	-	-	192,124	205,067	192,124	205,067
Restricted cash	24,242	12,643	-	-	24,242	12,643
<b>Total Financial Liabilities</b>	<b>24,242</b>	<b>12,643</b>	<b>192,124</b>	<b>205,067</b>	<b>216,366</b>	<b>217,710</b>

**Net Fair Value of Financial Assets and Liabilities**

The net fair value of financial assets and financial liabilities of the company approximates their carrying value.

**22. EVENTS OCCURRING AFTER REPORTING DATE**

On 24 July 2007 the Minister of Energy, Mines and Natural Resources of the Republic of Malawi granted Oropa Exploration Pty Ltd, a wholly owned subsidiary, two Exclusive Prospecting Licences for uranium covering the "Mzimba Northwest" and "Chitunde" Projects for a total of 2,365 square kilometres.

The Mzimba Northwest Project area consists of 2,169 square kilometres in the north-central part of Malawi and covers untested radiometric anomalies which are interpreted to offer hydrothermal uranium exploration targets over elevated basement complex and the possibility of discovering concealed Karroo-hosted sediments prospective for roll-front style uranium mineralisation within low-lying areas of residual cover.

The Chitunde Project area consists of 196 square kilometres situated in the west-central portion of Malawi and covers a prominent circular airborne radiometric anomaly measuring some 4 kilometres in diameter coincident with a syenite intrusive complex and is considered to have potential for hydrothermal uranium mineralisation.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**23. SEGMENT INFORMATION**

**Primary Reporting – geographical segments**

The geographical segments of the consolidated entity are as follows:

<b>2007</b>	Australia	South East Asia	India	Unallocated	Consolidated
	\$	\$	\$	\$	\$
Other revenue	-	-	-	70,526	70,526
Segment results	(459,676)	(1,801,439)	(83,143)	(1,769,807)	(4,114,065)
Loss from ordinary activities before income tax					(4,114,065)
Income tax expense					-
Net loss					(4,114,065)
Segment assets	1,123,562	617,174	-	-	1,740,736
Segment liabilities	133,329	452,494	-	-	585,823
Investments	1,333	-	-	-	1,333
Acquisition of property, plant and equipment	26,225	9,413	-	-	35,638
Mineral exploration expenditure written off	398,984	1,747,944	82,930	177,359	2,407,217
Depreciation expense	5,816	-	-	-	5,816

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**23. SEGMENT INFORMATION (CONTINUED)**

**2006**

	Australia	South East Asia	India	Unallocated	Consolidated
	\$	\$	\$	\$	\$
Other revenue	1,453	-	36	212,919	214,408
Segment results	(397,089)	(1,474,149)	(104,469)	(505,955)	(2,481,662)
Loss from ordinary activities before income tax					(2,481,662)
Income tax expense					-
Net loss					(2,481,662)
Segment assets	2,135,914	261,092	-	501,220	2,898,226
Segment liabilities	83,073	438,030	-	-	521,103
Investments	1,333	-	-	-	1,333
Acquisition of property, plant and equipment	5,554	50,009	-	-	55,563
Mineral exploration expenditure written off	403,658	1,462,763	73,913	-	1,940,334
Depreciation expense	6,352	-	-	-	6,352

**Notes to and forming part of the segment information**

**(a) Accounting policies**

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in note 1 and the segment reporting accounting standard AASB 114 *Segment Reporting*.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, property, plant and equipment and goodwill and other intangible assets, net of related provisions. Whilst most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage. Segment liabilities consist primarily of trade and other creditors and employee benefits. Segment assets and liabilities do not include income taxes.

**Secondary Reporting – Business Segments**

The consolidated entity operates predominantly in the mineral exploration industry. There are therefore no business segments requiring disclosure.

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## DIRECTORS' DECLARATION

The directors declare that:

1. The financial statements and notes set out on pages 33 to 59:
  - (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 company's and consolidated entity's financial position as at 30 June 2007 and of their performance, as represented by the results of their operations and their cashflows, for the financial year ended on that date.
  
2. The Chief Executive Officer and Company Secretary have each declared that:
  - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
  - (b) the financial statements and notes for the financial year comply with Accounting Standards; and
  - (c) the financial statements and notes for the financial year give a true and fair view.
  
3. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, however attention is drawn to the matters disclosed in Note 1.

This declaration is made in accordance with the resolution of the Board of Directors.



PHILIP C CHRISTIE  
Director  
Perth

24 September 2007

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF OROPA LIMITED

#### Report on the Financial Report

We have audited the accompanying financial report of Oropa Limited, which comprises the balance sheet as at 30 June 2007, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report of the Group, comprising the financial statements and notes, complies with International Financial Reporting Standards, but that the financial report of the Company does not comply.

The directors of the Company are also responsible for the remuneration disclosures contained in the Directors' report.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the remuneration disclosures contained in the Directors' report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and the remuneration disclosures contained in the Directors' report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report and the remuneration disclosures contained in

the Directors' report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the Directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

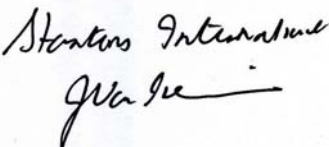
#### *Independence*

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

#### *Auditor's Opinion*

1. In our opinion:
  - (a) the financial report of Oropa Limited is in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
    - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
  - (b) the financial report of the Group also complies with International Financial Reporting Standards as disclosed in note 1 .

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

A handwritten signature in black ink, appearing to read 'J P Van Dieren', is written over a light blue rectangular background.

**J P Van Dieren  
Director**

West Perth, Western Australia  
24 September 2007

## ADDITIONAL SHAREHOLDER INFORMATION

The following additional information dated 17 September 2007 is provided in compliance with the requirements of the Australian Securities Exchange Limited.

### 1 DISTRIBUTION OF LISTED ORDINARY SHARES AND OPTIONS

- (a) Analysis of numbers of shareholders by size of holding.

Distribution	No. of shareholders	No. of Optionholders (50 cents)	No. of Optionholders (20 cents)
1-1000	449	145	15
1,001-5,000	981	109	11
5,001-10,000	343	60	5
10,001-100,000	533	88	15
100,001 and above	133	25	18
<b>Total</b>	<b>2,439</b>	<b>427</b>	<b>64</b>

- (b) There were 1,673 shareholders holding less than a marketable parcel.  
(c) The percentage of the total of the twenty largest holders of ordinary shares was 64.39%

### 2 TWENTY LARGEST SHAREHOLDERS AND OPTION HOLDERS

Names	No. of shares	%
ANZ Nominees Ltd	32,088,838	22.08
Karel Abram Pty ltd	18,500,000	12.73
Gemtwin Pty Ltd	8,000,000	5.50
Nefco Nominees Pty Ltd	5,115,840	3.52
National Nominees Ltd	3,756,138	2.58
Macquarie Bank Ltd	3,722,222	2.56
Ron Lees & Associates Pty Ltd	3,475,970	2.39
Insight Capital Management P/L	3,000,000	2.06
Barry Sydney Patterson	2,372,337	1.63
Ganesh International Ltd	2,265,620	1.56
HSBC Custody Nominees	2,153,260	1.48
Jindabyne Pty Ltd	1,464,274	1.01
Berne No 132 Nominees	1,174,128	0.81
Margaret Ann Lees	1,121,040	0.77
Merimont Nominees	1,050,000	0.72
WorldPower Pty Ltd	1,000,000	0.69
Equity Trustee Ltd	950,000	0.65
Waferbell Ltd	930,507	0.64
Strategic Consulting Group P/L	750,000	0.52
Roderick Gordon Murchison	709,852	0.49
<b>Total</b>	<b>93,600,026</b>	<b>64.39</b>

## ADDITIONAL SHAREHOLDER INFORMATION

The names of the twenty largest listed option holders (50cents) are listed below:

Names	No. of shares	%
Forza Family Pty Ltd	2,809,497	21.16
Shane Anthony Heywood	803,833	6.05
Berne No 132 Nominees	628,311	4.73
Diemar & Associates Nominees	521,000	3.92
Sandra Anne Coombs	450,000	3.39
Kizoz Pty Ltd	400,000	3.01
ANZ Nominees	339,716	2.56
Greg McKay	300,000	2.26
Ganesh International Ltd	269,950	2.03
Peter Fabian Hellings	250,000	1.88
Georg Lazukic	250,000	1.88
Mr & Mrs M & L Jolob	226,000	1.70
Stephen John Anderson	207,150	1.56
Tina Margaret Gubbings	200,000	1.51
Maria Leontina Fernandes	177,500	1.34
Axprey Pty Ltd	173,000	1.30
Garry & Robyn Cussell	155,499	1.17
Kenneth Eason Higgs	150,000	1.13
National Nominees Ltd	140,000	1.05
Grant Clive Morrow	137,700	1.04
<b>Total</b>	<b>8,589,156</b>	<b>64.67</b>

The names of the twenty largest listed option holders (20cents) are listed below:

Names	No. of shares	%
Goffacan Pty Ltd	3,472,992	27.15
Value Wise Investments Pty Ltd	1,670,427	13.06
Ganesh Internation Ltd	1,350,000	10.55
Merimont Nominees	1,000,000	7.82
Headmac Pty Ltd	1,000,000	7.82
D & N Tsouttsoules	800,000	6.25
Philip John Mander	460,443	3.60
Gemelli Holdings Pty Ltd	453,000	3.54
Waferbell Ltd	446,500	3.49
Georg Luzukic	420,000	3.28
Frank Joseph Nigro	400,000	3.13
Berne No 132 Nominees	221,000	1.73
Scaneast International Ltd	165,000	1.29
Jacobus Konyon	150,000	1.17
Lewis Staples	142,500	1.11
Roderick Gordon Murchison	101,408	0.79
Annabel Dominguez	100,000	0.78
Jindabyne Pty Ltd	54,241	0.42
E P G Investments Pty Ltd	50,000	0.39
Lachlan K A Thomson	50,000	0.39
<b>Total</b>	<b>12,507,511</b>	<b>97.76</b>



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### 3 SUBSTANTIAL SHAREHOLDERS

An extract from the company's register of substantial shareholders is set out below:

Name	Ordinary Shares Held Number	Percentage
ANZ Nominees Ltd	32,088,838	22.08
Karel Abrams Pty Ltd	18,500,000	12.73

### 4 VOTING RIGHTS

The company's share capital is of one class with the following voting rights:

(a) Ordinary Shares

On a show of hands every shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

The company's options have no voting rights.

### 5 RESTRICTED SECURITIES

There are no ordinary shares on issue that have been classified by the Australian Securities Exchange Limited, Perth as restricted securities.

### 6 STOCK EXCHANGE LISTING

Oropa Limited shares are listed on the Australian Securities Exchange Limited. The home exchange is the Australian Securities Exchange (Perth) Limited.

**SUMMARY OF TENEMENTS HELD BY COMPANY  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Project Name</b>	<b>Tenement</b>	<b>Approval Date</b>	<b>Expiry Date</b>	<b>Area (ha)</b>	<b>Equity %</b>
<b>INDIA</b>					
<b>Block D-7</b>		22.01.00		4600km <sup>2</sup>	9 <sup>(2)</sup>
<b>INDONESIA</b>					
<b>Pungkut</b>	96PK0042	31.05.96		66,300	75
<b>WESTERN AUSTRALIA</b>					
<b>Golden Valley</b>	E77/1010	30.01.02	29.01.07	18*	5 <sup>(3)</sup>
	E77/1012	14.08.01	13.08.06	1*	5 <sup>(3)</sup>
	P77/3295	09.10.00	09.10.04 <sup>(7)</sup>	197.0000	5 <sup>(3)</sup>
	P77/3301	23.02.01	22.02.05 <sup>(8)</sup>	192.0000	5 <sup>(3)</sup>
	P77/3302	09.08.00	08.08.04 <sup>(4)</sup>	190.0000	5 <sup>(3)</sup>
	P77/3303	09.08.00	08.08.04 <sup>(5)</sup>	39.0000	5 <sup>(3)</sup>
	PLA77/3304	U/A			5 <sup>(3)</sup>
	P77/3307	08.02.01	07.02.05 <sup>(9)</sup>	120.0000	5 <sup>(3)</sup>
	P77/3313	15.02.00	14.02.04 <sup>(6)</sup>	9.7000	5 <sup>(3)</sup>
	M77/123	09.12.86	08.12.07	150.4500	5 <sup>(3)</sup>
	M77/228	06.04.88	05.04.09	137.2500	5 <sup>(3)</sup>
	MLA77/1064	U/A			5 <sup>(3)</sup>
	MLA77/1089	U/A			5 <sup>(3)</sup>
	MLA77/1090	U/A			5 <sup>(3)</sup>
	MLA77/1094	U/A			5 <sup>(3)</sup>
	MLA77/1101	U/A			5 <sup>(3)</sup>
	MLA77/1103	U/A			5 <sup>(3)</sup>
	MLA77/1121	U/A			5 <sup>(3)</sup>
	MLA77/1122	U/A			5 <sup>(3)</sup>
	MLA77/1123	U/A			5 <sup>(3)</sup>
MLA77/1213	U/A			5 <sup>(3)</sup>	
MLA77/1214	U/A			5 <sup>(3)</sup>	
MLA77/1215	U/A			5 <sup>(3)</sup>	

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**Mt. Keith**

M53/490	11.06.04	10.06.25	582.00	0 <sup>(10)</sup>
M53/491	11.06.04	10.06.25	621.00	0 <sup>(10)</sup>

**EXCELSIOR RESOURCES LTD**

<b>Mulgabbie</b>	P28/768	07.02.92	06.02.96 <sup>(1)</sup>	185.00	95
	P28/769	07.02.92	06.02.96 <sup>(1)</sup>	136.50	95
	MLA28/140	U/A			95
	MLA28/364	U/A			95

**NOTES**

- (1) Prospecting Licences to remain valid until Mining Lease 28/140 is granted
- (2) Option to increase interest to 18%
- (3) Free carried interests
- (4) Prospecting Licence to remain valid until Mining Lease 77/1090 is granted
- (5) Prospecting Licence to remain valid until Mining Lease 77/1089 is granted
- (6) Prospecting Licence to remain valid until Mining Lease 77/1064 is granted
- (7) Prospecting Licence to remain valid until Mining Lease 77/1094 is granted
- (8) Prospecting Licence to remain valid until Mining Lease 77/1103 is granted
- (9) Prospecting Licence to remain valid until Mining Lease 77/1101 is granted
- (10) 2% nett smelter royalty
- \* Graticular Blocks
- U/A Under Application