

**Orion Minerals Group Limited**

**Preliminary Unaudited Interim Financial Result 2011**

**Preliminary Unaudited Financial Results**

For the 6 months ended 31 December 2011

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**Unaudited Interim Statement of Comprehensive Income**

For the 6 months ended 31 December 2011

	<b>Group</b>	
	<b>31.12.2011</b>	31.12.2010
	<b>6 months</b>	6 months
	<b>US\$'000</b>	US\$'000
Revenue	-	-
Cost of goods sold	-	-
<b>Gross Profit</b>	<b>-</b>	<b>-</b>
Selling and distribution expenses	-	-
Administrative and other expenses	(196)	(201)
<b>Operating loss</b>	<b>(196)</b>	<b>(201)</b>
Finance income	42	34
Finance expense	-	-
Exchange gain	640	610
<b>Profit before taxation from continuing operations</b>	<b>486</b>	<b>443</b>
Income tax benefit / (expense)	-	-
<b>Profit after taxation from continuing operations</b>	<b>486</b>	<b>443</b>
Loss from discontinued operations, net of taxation	-	(241)
<b>Net profit after taxation for the year attributable to shareholders</b>	<b>486</b>	<b>202</b>
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the period</b>	<b>486</b>	<b>202</b>
<b>Earnings per share for profit attributable to shareholders:</b>		
Basic earnings per share (cents per share)	<b>0.117</b>	0.049
Diluted earnings per share (cents per share)	<b>0.105</b>	0.043
<b>Attributable to continuing operations:</b>		
Basic earnings per share from continuing operations (cents per share)	<b>0.117</b>	0.107
Diluted earnings per share from continuing operations (cents per share)	<b>0.105</b>	0.095
<b>Attributable to discontinued operations:</b>		
Basic earnings per share from discontinued operations (cents per share)	-	(0.058)
Diluted earnings per share from discontinued operations (cents per share)	-	(0.058)

**Unaudited Interim Statement of Changes in Equity**

For the 6 months ended 31 December 2011

	Share Capital	Share Option Reserve	Accumulated Losses	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>				
<b>Balance as at 1 July 2011</b>	<b>12,501</b>	-	<b>(4,859)</b>	<b>7,642</b>
Net profit attributable to shareholders	-	-	486	486
Total comprehensive income	-	-	486	486
Shares issued	-	-	-	-
Total transactions with owners	-	-	-	-
<b>Balance as at 31 December 2011</b>	<b>12,501</b>	-	<b>(4,373)</b>	<b>8,128</b>
<b>Balance as at 1 July 2010</b>	<b>12,501</b>	40	<b>(4,893)</b>	<b>7,648</b>
Net profit attributable to shareholders	-	-	202	202
Total comprehensive income	-	-	202	202
Share options lapsed	-	(40)	40	-
Total transactions with owners	-	(40)	40	-
<b>Balance as at 31 December 2010</b>	<b>12,501</b>	-	<b>(4,651)</b>	<b>7,850</b>

**Unaudited Statement of Financial Position**

As at 31 December 2011

	Group	
	31.12.2011	31.12.2010
	US\$'000	US\$'000
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	1	2
<b>Total Non Current Assets</b>	<u>1</u>	<u>2</u>
<b>Current assets</b>		
Cash and cash equivalents	8,024	7,755
Trade and other receivables	41	90
Taxation receivable	69	51
<b>Total Current Assets</b>	<u>8,134</u>	<u>7,896</u>
<b>TOTAL ASSETS</b>	<u><u>8,135</u></u>	<u><u>7,898</u></u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	7	9
Provisions	-	27
Finance lease payable	-	12
<b>Total Current Liabilities</b>	<u>7</u>	<u>48</u>
<b>TOTAL LIABILITIES</b>	<u>7</u>	<u>48</u>
<b>EQUITY</b>		
Share capital	12,501	12,501
Accumulated losses	(4,373)	(4,651)
<b>Total Equity</b>	<u>8,128</u>	<u>7,850</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>8,135</u></u>	<u><u>7,898</u></u>

## Unaudited Interim Statement of Cash Flows

For the 6 months ended 31 December 2011

	Group	
	31.12.2011 6 months US\$'000	31.12.2010 6 months US\$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Receipts from customers	-	-
Interest received	42	34
<b>Cash was provided to:</b>		
Payments to suppliers and employees	(248)	(453)
Interest paid	-	(8)
Income tax paid	(7)	(14)
<b>Net cash outflows from operating activities</b>	<b>(213)</b>	<b>(441)</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Proceeds from sale of property, plant & equipment	-	-
<b>Cash was provided to:</b>		
Purchase of property, plant & equipment	-	-
Purchase of other non current assets	-	-
<b>Net cash inflows from investing activities</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Proceeds of borrowings	-	-
<b>Cash was provided to:</b>		
Repayment of borrowings	-	(31)
<b>Net cash outflows from financing activities</b>	<b>-</b>	<b>(31)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(213)</b>	<b>(472)</b>
Cash and cash equivalents at beginning of period	7,593	7,625
Effect of exchange rate changes	644	602
<b>Cash and cash equivalents at end of period</b>	<b>8,024</b>	<b>7,755</b>

**Unaudited Interim Statements of Cash Flows (continued)**

For the 6 months ended 31 December 2011

<b>Reconciliation with Net Reported Profit</b>	<b>Group</b>	
	<b>31.12.2011</b> <b>6 months</b> <b>US\$'000</b>	<b>31.12.2010</b> <b>6 months</b> <b>US\$'000</b>
<b>Reported net profit</b>	<b>486</b>	<b>202</b>
<b>Items not involving cash flows:</b>		
Exchange (gain) / loss on net cash	(644)	(602)
Movement in deferred tax	-	11
<b>Impact of changes in working capital items:</b>		
(Increase) in prepayments and other receivables	(8)	(3)
(Increase) in taxation receivable	(7)	(14)
(Decrease) in trade payables	(19)	(10)
(Decrease) in other payables	(21)	(25)
<b>Net cash outflows from operating activities</b>	<b>(213)</b>	<b>(441)</b>

**Segment Information**

For the 6 months ended 31 December 2011

The Group previously operated in one business segment, being industrial mining in Chile which is now classified within discontinued operations. The Group is considering to undertake private equity investment in projects and companies with Chinese market potential.

Revenue is allocated based on the country where the sale is generated. New Zealand includes holding company costs and head office charges.

Total assets and liabilities are allocated based on where those assets and liabilities are located.

	Chile US\$'000	Holding Company New Zealand US\$'000	Total US\$'000
<b>For the six months ended 31 December 2011:</b>			
Total external sales revenue	-	-	-
Total EBITDA	-	444	444
Depreciation	-	-	-
Finance income	-	42	42
Finance expense	-	-	-
Income tax expense	-	-	-
Net profit for the period	-	486	486
Total allocated assets	-	8,134	8,134
Total liabilities	-	7	7

	Chile US\$'000	Holding Company New Zealand US\$'000	Total US\$'000
<b>For the six months ended 31 December 2010:</b>			
Total external sales revenue	-	-	-
Total EBITDA	(222)	409	187
Depreciation	-	-	-
Finance income	-	34	34
Finance expense	(8)	-	(8)
Income tax benefit	(11)	-	(11)
Net (loss) / profit for the period	(241)	443	202
Total allocated assets	41	7,857	7,898
Total liabilities	39	9	48