

ORION MINERALS GROUP LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2011

I N D E X

Page	1	Directory
	2	Directors' Report
	3	Unaudited Statement of Comprehensive Income
	4	Unaudited Consolidated Statement of Changes in Equity
	5	Unaudited Consolidated Statement of Financial Position
	6	Unaudited Consolidated Statement of Cash Flow
	7 - 13	Unaudited Notes to and forming part of the Financial Statements

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Registered Office	c/- Roger Gower and Associates Level 3, VTR House 24 Manukau Road Epsom 1023 Auckland New Zealand
Postal Address	c/- Roger Gower and Associates Level 3, VTR House 24 Manukau Road Epsom 1023 Auckland New Zealand
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Share Registrar	Link Market Services Limited Level 16, Brookfield House 19 Victoria Street West Auckland 1010 P O Box 91976 Auckland 1142 New Zealand
Telephone	0-9-3755999
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Auditors	PricewaterhouseCoopers 188 Quay Street Auckland New Zealand
Bankers	ASB Bank Limited PO Box 35 Auckland

Financial Result

The Group's unaudited result shows a net profit of US\$486,000 for the interim six month period ended 31 December 2011.

This result is comprised of realised foreign exchange gains of US\$308,700 and net unrealised foreign exchange gain of US\$331,500, offsetting operating expenses, through management of the Company's cash assets.

The Company has unwound completely any previous interests in operations in Chile, South America. Orion Group Holdings Limitada was liquidated on 7 September 2011.

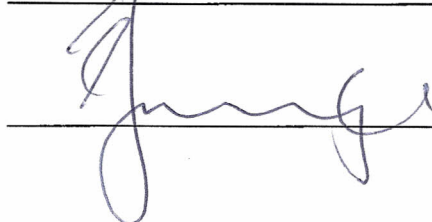
The strategy adopted has been to preserve the Company's capital resources while investigating suitable new areas for investment, including the review of potential investments that have a China market focus and could be based in New Zealand, Australia or China. As at the time of this report nothing meeting the company's requirements has been identified.

Signed for, and on behalf of the Board. Dated:

20 April 2012
April 2012



Director



Director

	NOTE	Six months ended 31 Dec 2011 unaudited US \$000	Six months ended 31 Dec 2010 unaudited US \$000	Year ended 30 June 2011 audited US \$000
Revenue		-	-	-
Cost of goods sold		-	-	-
Gross profit		\$ -	\$ -	\$ -
Selling and distribution expenses		-	-	-
Marketing expenses		-	-	-
Administrative and other expenses		(196)	(201)	(450)
Operating loss		(196)	(201)	(450)
Finance income		42	34	54
Exchange gain		640	610	602
Finance expense		-	-	-
Net profit before taxation from continuing operations		\$ 486	\$ 443	\$ 206
Income tax (expense) / credit		-	-	-
Net profit after taxation from continuing operations		\$ 486	\$ 443	\$ 206
Loss from discontinued operations, net of taxation	3	-	(241)	(212)
Net profit / (loss) after taxation for the period attributable to shareholders		\$ 486	\$ 202	\$ (6)
Other comprehensive income for the period		-	-	-
Total comprehensive income / (loss) for the period		\$ 486	\$ 202	\$ (6)
Earnings per share for profit / (loss) attributable to shareholders:				
- Basic earnings per share (cents)		0.117	0.049	(0.001)
- Diluted earnings per share (cents)		0.105	0.043	(0.001)
Attributable to continuing operations:				
- Basic earnings per share (cents)		0.117	0.107	0.050
- Diluted earnings per share (cents)		0.105	0.095	0.044
Attributable to discontinued operations:				
- Basic earnings per share (cents)		-	(0.058)	(0.051)
- Diluted earnings per share (cents)		-	(0.058)	(0.051)

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

	Share Capital US \$000	Share Option Reserve US \$000	Accumulated Losses US \$000	Total Equity US \$000
Balance as at 1 July 2011	12,501	-	(4,859)	7,642
Net profit attributable to shareholders	-	-	486	486
Total comprehensive income	-	-	486	486
Shares issued	-	-	-	-
Total transactions with owners	-	-	-	-
Balance as at 31 December 2011	\$ 12,501	\$ -	\$ (4,373)	\$ 8,128
Balance as at 1 July 2010	12,501	40	(4,893)	7,648
Net profit attributable to shareholders	-	-	202	202
Total comprehensive income	-	-	202	202
Share options lapsed	-	(40)	40	-
Total transactions with owners	-	(40)	40	-
Balance as at 31 December 2010	\$ 12,501	\$ -	\$ (4,651)	\$ 7,850
Balance as at 1 July 2010	12,501	40	(4,893)	7,648
Net loss attributable to shareholders	-	-	(6)	(6)
Total comprehensive loss	-	-	(6)	(6)
Share options lapsed	-	(40)	40	-
Total transactions with owners	-	(40)	40	-
Balance as at 30 June 2011	\$ 12,501	\$ -	\$ (4,859)	\$ 7,642

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

ORION MINERALS GROUP LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION


AS AT 31 DECEMBER 2011

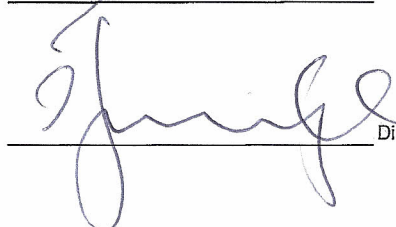
Page 5

	NOTE	31 Dec 2011 unaudited US \$000	31 Dec 2010 unaudited US \$000	30 June 2011 audited US \$000
EQUITY				
Share Capital	4	12,501	12,501	12,501
Accumulated losses		(4,373)	(4,651)	(4,859)
Total Equity		8,128	7,850	7,642
LIABILITIES				
Current liabilities				
Trade and other payables		7	9	47
Provisions		-	27	-
Finance lease payable		-	12	-
Total current liabilities		7	48	47
TOTAL LIABILITIES		7	48	47
TOTAL EQUITY AND LIABILITIES		\$ 8,135	\$ 7,898	\$ 7,689
ASSETS				
Non-current assets				
Property, plant and equipment		1	2	1
Deferred tax		-	-	-
Total non-current assets		1	2	1
Current assets				
Cash and cash equivalents		8,024	7,755	7,593
Trade and other receivables		41	90	33
Taxation receivable		69	51	62
Total current assets		8,134	7,896	7,688
TOTAL ASSETS		\$ 8,135	\$ 7,898	\$ 7,689

For and on behalf of the Board

Dated:  April 2012


Director


Director

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

	NOTE	Six months ended 31 Dec 2011 unaudited US \$000	Six months ended 31 Dec 2010 unaudited US \$000	Year ended 30 June 2011 audited US \$000
OPERATING ACTIVITIES				
Cash was provided from:				
Receipts from customers		-	-	-
Interest received		42	34	54
Cash was applied to:				
Payments to suppliers and employees		(248)	(453)	(699)
Interest paid		-	(8)	(11)
Income tax paid		(7)	(14)	(25)
Net cash outflows from operating activities	6	(213)	(441)	(681)
INVESTING ACTIVITIES				
Cash was provided from:				
Proceeds from sale of property, plant & equipment		-	-	106
Cash was applied to:				
Purchase of property, plant and equipment		-	-	-
Purchase of other non current assets		-	-	-
Net cash inflows from investing activities		-	-	106
FINANCING ACTIVITIES				
Cash was provided from:				
Proceeds of borrowings		-	-	-
Cash was applied to:				
Repayment of borrowings		-	(31)	(43)
Net cash (outflows) from financing activities		-	(31)	(43)
Net (decrease) in cash and cash equivalents		(213)	(472)	(618)
Cash and cash equivalents at the beginning of the period		7,593	7,625	7,625
Effect of exchange rate changes		644	602	586
Cash and cash equivalents at end of period		\$ 8,024	\$ 7,755	\$ 7,593
COMPOSITION OF CASH				
Cash and cash equivalents		8,024	7,755	7,593
		\$ 8,024	\$ 7,755	\$ 7,593

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

1. General Information

The group is engaged in a strategy to undertake private equity investment in projects and companies with Chinese market potential.

Orion Minerals Group Limited, the legal parent of the Group, is a limited liability company incorporated and domiciled in New Zealand.

Summary of Significant Accounting Policies

These general purpose financial statements for the interim six month reporting period ended 31 December 2011 have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP), International Accounting Standard 34 and NZ IAS 34 Interim Financial Reporting.

(a) Basis of Preparation

The principal accounting policies adopted in the preparation of these financial statements have been applied on a basis consistent with those used in the audited financial statements for the year ended 30 June 2011 and the unaudited financial statements for the six months ended 31 December 2010.

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011.

The reporting currency used in the preparation of these consolidated financial statements is United States dollars, rounded where necessary to the nearest thousand dollars.

Entities reporting

The financial statements are the Consolidated Financial Statements of the Group comprising Orion Minerals Group Limited (the 'Company' or 'Parent') and its subsidiaries together referred to in these financial statements as the 'Group'.

The Parent and its subsidiary are designated as profit-oriented entities for financial reporting purposes. No separate Parent results are disclosed in the interim financial statements.

Statutory base

Orion Minerals Group Limited is a company registered under the Companies Act 1993 and is an issuer in terms of the Securities Act 1978. The Company is also listed on the New Zealand Alternative Market (NZAX).

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

Historical cost convention

These interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

Critical accounting estimates and critical judgements

The preparation of these financial statements in conformity with generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosures of contingent assets and liabilities as of the date of the financial statements, and the profit and loss amounts during the year. The actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The valuation of intercompany receivables are reviewed annually for impairment.

Changes in accounting policies

There have been no significant changes in accounting policies during the current period. Accounting policies have been applied on a basis consistent with prior half year and annual financial statements.

Changes to comparative figures

Certain comparatives have been restated in order to conform to current year presentation. The nature of these changes is to separate the results of Orion Group Holdings Limitada to discontinued operations. There is no impact on net profit.

2. SEGMENT INFORMATION

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.

	Holding Company			Holding Company		
	Chile	New Zealand	TOTAL	Chile	New Zealand	TOTAL
	US \$000	US \$000	US \$000	US \$000	US \$000	US \$000
	Six months ended 31 December 2011			Six months ended 31 December 2010		
	(unaudited)			(unaudited)		
Total external sales revenue	-	-	-	-	-	-
Total EBITDA	-	444	444	(222)	409	187
Depreciation	-	-	-	-	-	-
Finance income	-	42	42	-	34	34
Finance expense	-	-	-	(8)	-	(8)
Income tax (expense) / credit	-	-	-	(11)	-	(11)
Net profit / (loss) for the period	-	486	486	(241)	443	202
Total allocated assets	-	8,134	8,134	41	7,857	7,898
Total liabilities	-	7	7	39	9	48

	Holding Company		
	Chile	New Zealand	TOTAL
	US \$000	US \$000	US \$000
	Year ended 30 June 2011		
	(audited)		
Total external sales revenue	-	-	-
Total EBITDA	(190)	153	(37)
Depreciation	-	(1)	(1)
Finance income	-	54	54
Finance expense	(11)	-	(11)
Income tax expense	(11)	-	(11)
Net loss for the year	(212)	206	(6)
Total allocated assets	-	7,689	7,689
Total liabilities	-	47	47

3. DISCONTINUED OPERATIONS**Cessation of operations of Orion Group Holdings Limitada**

In February 2011, the Board announced its decision to discontinue its business strategy of investigating opportunities to invest in iron ore (and other mineral) projects in Chile. As a result the Board instructed its executive in Chile to wind down its operations in Chile and to liquidate all of its assets located in Chile. The liquidation of Orion Group Holdings Limitada was completed on 7 September 2011.

The statement of comprehensive income, including comparatives, has been reclassified to show Orion Group Holdings Limitada as a discontinued operation, separately from Orion Minerals Group's continuing operation. The results for Orion Group Holdings Limitada also represent discontinued operations for segmental purposes (refer note 2).

The results are as follows:

	Six months ended 31 Dec 2011 unaudited US \$000	Six months ended 31 Dec 2010 unaudited US \$000	Year ended 30 June 2011 audited US \$000
Revenue	-	-	-
Cost of goods sold	-	-	-
Gross profit	-	-	-
Wages and salaries	-	(95)	(107)
Administrative and other expenses	-	(117)	(175)
Operating loss	-	(212)	(282)
Exchange gains / (losses)	-	(10)	(14)
Finance expense	-	(8)	(11)
Gain on disposal of property, plant & equipment	-	-	106
Net loss before taxation	-	(230)	(201)
Income tax expense	-	(11)	(11)
Net loss after taxation from discontinued operations	-	(241)	(212)
Attributable to:			
Equity holders of Orion Minerals Group	-	(241)	(212)
Loss from discontinued operations	-	(241)	(212)
Basic earnings per share from discontinued operations (cents)	-	(0.058)	(0.051)
Diluted earnings per share from discontinued operations (cents)	-	(0.058)	(0.051)

The cash flows of Orion Group Holdings Limitada are as follows:

	Six months ended 31 Dec 2011 unaudited US \$000	Six months ended 31 Dec 2010 unaudited US \$000	Year ended 30 June 2011 audited US \$000
Net cash outflows from operating activities	-	(259)	(353)
Net cash inflows from investing activities	-	-	106
Net cash outflows from financing activities	-	(31)	(43)
Net cash outflows	-	(290)	(290)

Cash flows from financing exclude cash provided by the Parent to Orion Group Holdings Limitada. No cash was provided by Orion Minerals Group Limited to Orion Group Holdings Limitada during the six month period to 31 December 2011. (Six months to 31 December 2010: US\$299,000; 12 months to 30 June 2011: US\$268,000).

4. SHARE CAPITAL

	Six months ended 31 Dec 2011 unaudited Number	Six months ended 31 Dec 2010 unaudited Number	Year ended 30 June 2011 audited Number	Six months ended 31 Dec 2011 unaudited US \$000	Six months ended 31 Dec 2010 unaudited US \$000	Year ended 30 June 2011 audited US \$000
Issued and Paid up Capital - Group						
<i>Ordinary shares</i>						
Balance at beginning of period	414,550,000	414,550,000	414,550,000	12,501	12,501	12,501
Shares issued	-	-	-	-	-	-
Shares cancelled	-	-	-	-	-	-
Balance at end of period	414,550,000	414,550,000	414,550,000	12,501	12,501	12,501

	Six months ended 31 Dec 2011 unaudited Number	Six months ended 31 Dec 2010 unaudited Number	Year ended 30 June 2011 audited Number	Six months ended 31 Dec 2011 unaudited US \$000	Six months ended 31 Dec 2010 unaudited US \$000	Year ended 30 June 2011 audited US \$000
Issued and Paid up Capital - Parent						
<i>Ordinary shares</i>						
Balance at beginning of period	414,550,000	414,550,000	414,550,000	32,355	32,355	32,355
Shares issued	-	-	-	-	-	-
Shares cancelled	-	-	-	-	-	-
Balance at end of period	414,550,000	414,550,000	414,550,000	32,355	32,355	32,355

Parent share issue details and rights

Ordinary shares

As at 31 December 2011 there were 414,550,000 shares issued. All ordinary shares on issue are fully paid. All ordinary shares rank equally with one vote attached to each share.

Parent shares issued

There have been no shares issued during the six month period ended 31 December 2011 (31 December 2010: nil; 30 June 2011: nil).

Share Options**Placement options**

On 10 December 2008, the Company granted 50,000,000 Placement Options.

These options have the following terms:

- One Placement Option entitles the holder to purchase one fully paid ordinary share.
- The exercise price is USD 12.5 cents (subject to adjustment under the NZAX Listing Rules).
- Placement Options can only be exercised within an exercise period commencing on 10 December 2008 and ending on 10 December 2011 ("exercise period").
- The Consideration Options will lapse if they are not exercised by the end of the exercise period.
- The Consideration Options are freely transferable.
- Payment must be made in full on the date the options are exercised.

These options were not exercised on or before 10 December 2011, and therefore lapsed.

Executive options

In addition on 11 December 2008, 6,500,000 Executive Options were issued to two of the Directors of the Company (and their nominees).

These options have the following terms:

- One Executive Option entitles the holder to purchase one fully paid ordinary share.
- The exercise price is USD 12.5 cents (subject to adjustment under the NZAX Listing Rules).
- Executive Options can only be exercised within an exercise period commencing from the date of issue on 11 December 2008 and ending on 11 December 2011 ("exercise period").
- The Executive Options will lapse if they are not exercised by the end of the exercise period.
- The Executive Options are freely transferable.
- Payment must be made in full on the date the options are exercised.

These options were not exercised on or before 11 December 2011, and therefore lapsed.

4. SHARE CAPITAL (continued)**Equity settled share options**

On 25 October 2007, the Company granted 4,500,000 share options to directors of RLV No. 3 Limited (now called Orion Minerals Group Limited). These options had the following terms:

- One option entitled the holder to purchase one fully paid ordinary share.
- The exercise price is NZD 1.0 cent (subject to adjustment under the NZAX Listing Rules).
- Options can only be exercised within an exercise period commencing from the date of issue on 25 October 2007 and ending on 31 October 2010 ("exercise period").
- The options will lapse if they are not exercised by the end of the exercise period.
- The options are freely transferable.
- Payment must be made in full on the date the options are exercised.

These options were not exercised on or before 31 October 2010, and therefore lapsed.

	Six months ended 31 Dec 2011		Six months ended 31 Dec 2010		Year ended 30 June 2011	
	Average exercise price	Options	Average exercise price	Options	Average exercise price	Options
	US per share	000	US per share	000	US per share	000
Balance at beginning of period	0.125	56,500	0.125	56,950	0.125	56,950
Options lapsed	0.125	(56,500)		(450)		(450)
Balance at end of period	-	-	0.125	56,500	0.125	56,500

5 RELATED PARTY TRANSACTIONS**(a) Parent entities**

The ultimate parent entity within the group is Orion Minerals Group Limited.

(b) Subsidiary entities

Orion Minerals Group Ltd have no subsidiaries as at 31 December 2011. Orion Group Holdings Limitada was liquidated on 7 September 2011.

No management fees were charged by Orion Minerals Group Limited to Orion Group Holdings Limitada during the six month period to 31 December 2011, (Six months to 31 December 2010: US\$15,000; 12 months to 30 June 2011: US\$15,000).

(c) Directors

The names of persons who were directors of the company at any time during the current and previous financial periods are as follows: Rodrigo Dupouy (appointed 11 December 2008; resigned 15 September 2010), Roger Gower, Sean Joyce, Ping Li, Zhmin Shi, and Jianfeng Shen (appointed 14 September 2010).

(d) Key management and personnel compensation

Key management personnel compensation is set out below and includes compensation for discontinued operations. The key management personnel are all the directors of the Company and the executives reporting directly to the CEO with the greatest authority for the strategic direction and management of the Company.

	Six months ended 31 Dec 2011 unaudited US \$000	Six months ended 31 Dec 2010 unaudited US \$000	Year ended 30 June 2011 audited US \$000
Payments made to key personnel are as follows and includes:			
Salaries and other short term employee benefits	-	51	51
Directors' remuneration			
R Dupouy, Director (resigned 15 September 2010)	-	9	9
R Gower, Director - Roger Gower & Associates	44	34	75
S Joyce, Director	30	27	56
P Li, Director	30	27	56
J Shen, Director (appointed 14 September 2010)	15	27	23
Z Shi, Director	31	11	56
	150	135	275

5. RELATED PARTY TRANSACTIONS (continued)**(d) Key management and personnel compensation (continued)****Other services**

S Joyce - Corporate Counsel - Legal fees

Six months ended 31 Dec 2011 unaudited US \$000	Six months ended 31 Dec 2010 unaudited US \$000	Year ended 30 June 2011 audited US \$000
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-	-	11
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(f) Outstanding balances with key management personnel and subsidiaries:

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Trade payables

- Roger Gower & Associates

31 Dec 2011 unaudited US \$000	31 Dec 2010 unaudited US \$000	30 June 2011 audited US \$000
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2	-	1
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2	-	1
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Owing to Parent Company

- Orion Group Holdings Limitada

-	2,899	2,868
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-	2,899	2,868
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The loan from the parent company to the subsidiary was to fund working capital requirements of the subsidiary. The loan was interest free and for no fixed term. The loan owing to the Parent Company by Orion Group Holdings Limitada was been fully impaired as at 30 June 2011.

6. CONSOLIDATED STATEMENT OF CASH FLOWS - RECONCILIATION WITH NET REPORTED PROFIT

	Six months ended 31 Dec 2011 unaudited US \$000	Six months ended 31 Dec 2010 unaudited US \$000	Year ended 30 June 2011 audited US \$000
Reported net profit / (loss)	486	202	(6)
Items not involving cash flows:			
Depreciation expense	-	-	1
Foreign exchange (gain) / loss on net cash	(644)	(602)	(586)
Gain on sale of property, plant & equipment	-	-	(106)
Movement in deferred tax	-	11	11
	(644)	(591)	(680)
Impact of changes in working capital items:			
(Increase) / decrease in prepayments and other receivables	(8)	(3)	54
(Increase) in taxation receivable	(7)	(14)	(25)
(Decrease) / increase in trade payables	(19)	(10)	7
(Decrease) in other payables	(21)	(25)	(31)
	(55)	(52)	5
Net cash outflows from operating activities	\$ (213)	\$ (441)	\$ (681)

7. CONTINGENT LIABILITIES

Contingent liabilities are contracts, guarantees and other agreements arising in the ordinary course of business on which no loss is anticipated. There are no contingent liabilities in existence as at 31 December 2011 (31 December 2010: nil; 30 June 2011: nil).

8. CAPITAL EXPENDITURE COMMITMENTS

There are no capital expenditure commitments as at 31 December 2011 (31 December 2010: nil; 30 June 2011: nil).

9. EVENTS SUBSEQUENT TO INTERIM BALANCE DATE

There have been no events subsequent to interim balance date that require disclosure in these interim financial statements.