



**ASX Appendix 4E
Preliminary Final Report**

30 June 2007



ASX Code: OEQ

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ORION EQUITIES LIMITED

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CORPORATE DIRECTORY

BOARD

Farooq Khan	Executive Chairman
William Johnson	Executive Director
Victor Ho	Executive Director
Yaqoob Khan	Non-Executive Director

COMPANY SECRETARY

Victor Ho

PRINCIPAL & REGISTERED OFFICE

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STOCK EXCHANGE

Australian Securities Exchange
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ASX CODE

OEQ

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APPENDIX 4E PRELIMINARY FINAL REPORT

This Preliminary Final Report is provided to the Australian Securities Exchange (**ASX**) under ASX Listing Rule 4.3A

Current Reporting Period:	Financial year ended 30 June 2007
Previous Corresponding Period:	Financial year ended 30 June 2006
Balance Date:	30 June 2007
Company:	Orion Equities Limited (Orion or OEQ)
Consolidated Entity:	Orion and controlled entities: <ol style="list-style-type: none"> (1) Silver Sands Developments Pty Ltd (ACN 094 097 122), a wholly owned subsidiary; (2) Central Exchange Mining Ltd (ACN 119 438 265), a wholly owned subsidiary; (3) Koorian Olives Pty Ltd (ACN 120 616 891) (formerly OEQO Pty Ltd) incorporated in Western Australia on 7 July 2006, a wholly owned subsidiary; (4) Orion Indo Operations Pty Ltd (ACN 124 702 245) incorporated in Western Australia on 30 March 2007, a wholly owned subsidiary; (5) PT Orion Indo Mining, incorporated in Indonesia on 4 April 2007, 100% beneficially owned by Orion Indo Operations Pty Ltd; and (6) Hume Mining NL (ACN 064 994 945), a wholly owned subsidiary sold to Alara Uranium Limited (Alara or AUQ) on 18 May 2007.

Accounting policies, estimation methods and measurement bases used in this Appendix 4E are the same as those used in the last 2006 Annual Report and the last December 2006 Half Year Report.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Consolidated Entity	2007	2006	%	Up/
	\$	\$	Change	Down
Total revenues	18,184,064	6,576,731	176%	Up
Total expenses	(1,663,789)	(718,791)	131%	Up
Profit before tax	16,520,275	5,857,940	182%	Up
Income tax expense	(5,296,760)	(1,369,682)	287%	Up
Profit from continuing operations	11,223,515	4,488,258	150%	Up
Profit / (Loss) from discontinued operations	(1,852,990)	2,049,410	190%	Down
Profit attributable to members of the Company	9,370,525	6,537,668	43%	Up
Basic and diluted earnings per share	0.53	0.37	43%	Up
Pre-tax NTA backing per share	2.237	1.557	44%	Up
Post-tax NTA backing per share	1.907	1.426	34%	Up

STATUS OF AUDIT

This Preliminary Final Report is based on:

X	Accounts that are in the process of being audited.
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DIVIDENDS

The Company will be paying a final dividend as follows:

Dividend Rate	Record Date	Expected Payment Date	Franking	Total Dividends Payable
2 cents per share	17 September 2007	21 September 2007	Fully franked	\$356,288

The Company also paid the following interim dividend during the financial year:

Dividend Rate	Record Date	Payment Date	Franking	Total Dividends Paid
1.5 cents per share	8 March 2007	15 March 2007	Fully franked	\$267,216

BRIEF EXPLANATION OF RESULTS

Total revenues of \$15,541,564 (2006: \$9,552,565) comprise:

- (1) \$11,593,494 net income from the Company's share trading portfolio including:
 - (a) \$8,583,740 unrealised gains on securities (2006: \$5,536,239 unrealised loss);
 - (b) \$2,840,719 realised gains on sale of securities (2006: \$1,868,639);
 - (c) \$169,034 dividend income (2006: \$141,161);
- (2) \$49,200 net income from the Company's options portfolio (2006: \$126,579);
- (3) \$1,562,500 net profit from the sale of a subsidiary (2006: Nil);
- (4) \$1,668,955 share of Associate entities' net profits (2006: \$1,146,453);
- (5) \$481,726 dividend income received from Associate entities (2006: \$343,080);
- (6) \$58,095 income from olive grove operations (2006: Nil); and
- (7) \$127,595 interest and other income (2006: \$76,921).

Total expenses of \$1,666,192 (2006: \$761,397) include:

- (1) \$613,171 personnel costs (including employee entitlements) (2006: \$269,693);
- (2) \$418,467 olive grove operations (2006: Nil);
- (3) \$66,515 brokerage costs (2006: \$88,184);
- (4) \$79,708 exploration and evaluation expenses (2006: \$62,065); and
- (5) \$20,678 legal and other professional fees (2006: \$105,060).

Please also refer to the attached financial statements and notes thereto.

ASSOCIATE ENTITIES

Orion Equities has accounted for the following share investments at Balance Date as investments in an Associate entity (on an equity accounting basis):

- (1) 28.22% interest in ASX listed Scarborough Equities Limited (ACN 061 287 045) (**SCB**) (30 June 2006: 27.86%); and
- (2) 28.38% interest in ASX listed Bentley International Limited (ACN 008 108 218) (**BEL**) (30 June 2006: 27.93%).

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The Company did not gain or lose an interest in joint venture entities during the current reporting period.

CONTROLLED ENTITIES

The Company ceased control of the following entity during the financial year:

- (1) Hume Mining NL, formerly a wholly owned subsidiary, was sold to Alara on 18 May 2007 in consideration for 6,250,000 Alara shares; Alara was admitted to the Official List of ASX and commenced trading on ASX on 24 May 2007.

The Company gained control of the following entities during the financial year:

- (1) Koorian Olives Pty Ltd (formerly OEQO Pty Ltd) incorporated on 7 July 2006 as a wholly owned subsidiary, the owner of the Koorian Olive Grove operations;
- (2) Orion Indo Operations Pty Ltd incorporated on 30 March 2007 as a wholly owned subsidiary, the parent company of PT Orion Indo Mining; and
- (3) PT Orion Indo Mining, incorporated on 4 April 2007 in Indonesia and 100% beneficially owned by Orion Indo Operations Pty Ltd, currently engaged in the exploration, evaluation and development of resource projects in Indonesia.

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

1. Top 20 Holdings in Securities Portfolio as at 30 June 2007

Equities	Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
1. Strike Resources Limited +	13.04	38.5%	SRK	Materials
2. Scarborough Equities Limited *	5.78	17.1%	SCB	Diversified Financials
3. Bentley International Limited *	4.40	13.0%	BEL	Diversified Financials
4. Alara Uranium Limited	2.25	6.6%	AUQ	Energy
5. Oilex NL	1.43	4.2%	OEX	Energy
6. Katana Capital Limited	1.12	3.3%	KAT	Diversified Financials
7. Metcash Limited	0.72	2.1%	MTS	Retailing
8. BHP Billiton Limited	0.53	1.6%	BHP	Materials
9. Zinifex Limited	0.28	0.8%	ZFX	Materials
10. RuralAus Investments Limited	0.27	0.8%	RUR	Materials
11. Emeco Holdings Limited	0.24	0.7%	EHL	Capital Goods
12. Telstra Corporations Limited	0.23	0.7%	TLSCA	Telecommunications
13. Woodside Petroleum Ltd.	0.19	0.6%	WPL	Energy
14. Chemrok Pty Ltd	0.16	0.5%	Unlisted	Materials
15. OM Holdings Limited	0.13	0.4%	OMH	Materials
16. Malagasy Minerals Limited	0.08	0.2%	Unlisted	Materials
17. Magma Metals Limited	0.07	0.2%	MMB	Materials
18. Newsat Limited	0.05	0.1%	NWT	Software & Services
19. Elixir Petroleum	0.05	0.1%	EXR	Energy
20. Jutt Holdings Limited	0.04	0.1%	JUT	Materials
TOTAL	31.01	91.7%		

APPENDIX 4E PRELIMINARY FINAL REPORT

* BEL and SCB have been accounted for as investments in Associate entities

+ The investment in Strike Resources Limited comprise the following securities:

	Fair Value \$'million	% of Net Assets	ASX Code	
(a) Listed shares	4.81	14.2%	SRK	
(b) Listed \$0.20 (30 June 2008) Options	1.82	5.4%	SRKO	
(c) Unlisted \$0.20 (9 Feb 2011) Options	3.42	10.1%	Unlisted	Fair value is based on a Black-Scholes options valuation model applying the following assumptions: (i) SRK's share price being \$2.02 (the last bid price as at 30 June 2007). This compares with a last bid price of \$1.70 as at 31 August 2007. (ii) A risk free rate of return of 6.41% (based on the Commonwealth 5 year bond yield rate as at 30 June 2007). (iii) An estimated future volatility of SRK's share price of 65%.
(d) Unlisted \$0.30 (9 Feb 2011) Options	2.99	8.8%		
Sub-total	13.04	38.5%		

2. Uranium Assets Spin-Off to Alara Uranium Limited

The Company's subsidiary, Hume Mining NL, retained a 25% interest in various uranium tenement interests sold to Strike Resources Limited (**Strike**) in February 2006.

It was announced on 16 February 2007 that Alara was acquiring Strike and Orion's uranium tenement interests and would be undertaking an Initial Public Offering (**IPO**) of up to \$10 million at 25 cents per share.

Alara lodged its IPO Prospectus on 3 April 2007, which successfully closed on 9 May 2007 with 40 million shares issued raising \$10 million. Alara was admitted to the Official List of the ASX and AUQ shares commenced trading on ASX on 24 May 2007.

On 18 May 2007, the Company completed the sale of Hume Mining NL to Alara and received 6,250,000 Alara shares as consideration. These shares are subject to escrow for 24 months from 24 May 2007.

The Consolidated Entity recorded a gain on disposal of Hume Mining NL of \$1.56 million.

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3. Koorian Olive Grove

On 21 February 2007, Koorian Olives Pty Ltd (formerly OEQO Pty Ltd) (a wholly owned subsidiary incorporated on 7 July 2007) (**Koorian**) settled on the acquisition of a 143 hectare property in Gingin, Western Australia (approximately 100 kilometres north of Perth) comprising the Koorian Olive Grove (which has approximately 64,500, 8 year old olive tree plantings), certain grove related equipment/infrastructure and a approximately one gigalitre per annum water licence and related bore assets, in consideration of payment of approximately \$2.6 million.

The Koorian Olive Grove was set up as a managed investment scheme approximately 8 years ago with over \$10 million having been invested into the scheme. The grove has to date had 3 harvests of oil and table olives, including the season just completed in May 2007.

A summary of olive grove operations during the 2007 financial year are as follows:

- (1) The 2007 harvesting season yielded ~1,416 tonnes of fruit from which ~205,000 litres of extra virgin olive oil (**EVOO**) were extracted;
- (2) Inventory of \$646,864 reflects the cost of harvesting and processing the fruit into EVOO as at Balance Date;
- (3) Koorian has subsequently reached agreement with a local supplier for the sale of ~200,000 litres of EVOO for ~\$1.02 million payable in 4 tranches between August and November 2007; this has been disclosed as an Event After Balance Sheet Date in note 13 to the financial statements;
- (4) Income received totalled \$58,095 comprising \$49,595 from the provision of harvesting services to a third party grove in the Gingin region and \$8,500 from the sale of table olive varieties; and
- (5) Expenses from Olive Grove operations (excluding depreciation) were \$418,467.

STATUS OF ANNUAL GENERAL MEETING

Details of the Company's Annual General Meeting (which is required to be held by no later than 30 November 2007) is still to be determined by the Board.

Date: 31 August 2007

For and on behalf of the Directors,



Victor Ho
Company Secretary

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Email: info@orionequities.com.au

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Revenue from continuing operations		18,056,469	6,499,810	17,998,375	6,519,650
Other income		127,595	76,921	125,868	76,921
Total revenue	1 a	<u>18,184,064</u>	<u>6,576,731</u>	<u>18,124,243</u>	<u>6,596,571</u>
Expenses	1 b				
Personnel		(613,171)	(269,693)	(554,790)	(269,693)
Communications		(23,623)	(20,125)	(20,276)	(20,125)
Occupancy		(51,692)	(21,780)	(13,864)	(20,813)
Corporate		(32,520)	(33,221)	(32,520)	(34,074)
Financing		(4,236)	(4,013)	(3,161)	(3,831)
Borrowing cost		-	(1,426)	-	(1,426)
Costs in relation to investments		(29,245)	(21,978)	(29,245)	(21,978)
Olive grove operations		(418,467)	-	-	-
Administration expenses					
- legal and other professional fees		(20,678)	(105,060)	(17,826)	(105,060)
- exploration and evaluation expenditure		(78,454)	(40,550)	(78,404)	(39,485)
- provision for doubtful debts		-	-	260,252	(46,229)
- other		(391,703)	(200,945)	(303,355)	(220,785)
Profit before income tax		<u>16,520,275</u>	<u>5,857,940</u>	<u>17,331,054</u>	<u>5,813,072</u>
Income tax expense		(5,296,760)	(1,369,682)	(5,446,760)	(1,280,587)
Profit from continuing operations		<u>11,223,515</u>	<u>4,488,258</u>	<u>11,884,294</u>	<u>4,532,485</u>
Profit / (Loss) from discontinued operations	2	<u>(1,852,990)</u>	<u>2,049,410</u>	<u>-</u>	<u>-</u>
Profit after income tax		<u>9,370,525</u>	<u>6,537,668</u>	<u>11,884,294</u>	<u>4,532,485</u>
Profit attributable to members of the Company		<u>9,370,525</u>	<u>6,537,668</u>	<u>11,884,294</u>	<u>4,532,485</u>
Dividends per share (cents) per share	3	4.50	3.00	4.50	3.00
Basic earnings per share (\$)	4	0.53	0.37	0.67	0.25
Diluted earnings per share (\$)	4	0.53	0.37	0.67	0.25

The accompanying notes form part of these financial statements

BALANCE SHEET

AS AT 30 JUNE 2007

	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	5	1,620,198	1,102,658	1,553,974	1,094,633
Trade and other receivables	6	134,378	556,489	7,211,191	4,382,622
Financial assets at fair value through profit and loss	7	20,935,654	12,636,778	20,935,654	9,642,611
Inventories		646,864	-	-	-
Other		-	1,083	-	1,083
TOTAL CURRENT ASSETS		23,337,094	14,297,008	29,700,819	15,120,949
NON CURRENT ASSETS					
Trade and other receivables	6	32,823	32,823	32,823	32,823
Inventory		3,821,038	3,821,038	-	-
Investments in controlled entities	8	-	-	300	-
Investments in Associate entities - equity accounted	9	11,639,535	9,726,370	11,639,535	9,726,370
Property, plant and equipment		2,370,395	34,367	27,697	34,367
Olive trees		300,000	-	-	-
Resource projects		-	-	-	-
Deferred tax asset		-	-	-	-
TOTAL NON CURRENT ASSETS		18,163,791	13,614,598	11,700,355	9,793,560
TOTAL ASSETS		41,500,885	27,911,606	41,401,174	24,914,509
CURRENT LIABILITIES					
Trade and other payables		1,654,983	167,776	1,003,437	166,431
Current tax liabilities		1,404,348	538,860	1,408,746	452,190
TOTAL CURRENT LIABILITIES		3,059,331	706,636	2,412,183	618,621
NON CURRENT LIABILITIES					
Deferred tax liability		4,468,974	1,799,674	4,535,974	923,924
TOTAL NON CURRENT LIABILITIES		4,468,974	1,799,674	4,535,974	923,924
TOTAL LIABILITIES		7,528,305	2,506,310	6,948,157	1,542,545
NET ASSETS		33,972,580	25,405,296	34,453,017	23,371,964
EQUITY					
Contributed equity		19,374,007	19,375,598	19,374,007	19,375,598
Retained earnings		14,598,573	6,029,698	15,079,010	3,996,366
TOTAL EQUITY		33,972,580	25,405,296	34,453,017	23,371,964

The accompanying notes form part of these financial statements

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

<u>Consolidated Entity</u>	Contributed Equity	Retained Earnings	Total Equity
At 1 July 2005	28,717,470	(9,906,466)	18,811,004
Profit for the year	-	6,537,668	6,537,668
Total recognised income and expense for the year	-	6,537,668	6,537,668
Dividends paid	-	(534,693)	(534,693)
Issue of shares	591,317	-	591,317
Reduction of share capital against accumulated losses	(9,933,188)	9,933,188	-
At 30 June 2006	19,375,599	6,029,697	25,405,296
At 1 July 2006	19,375,599	6,029,697	25,405,296
Profit for the year	-	9,370,525	9,370,525
Total recognised income and expense for the year	-	9,370,525	9,370,525
Dividends paid	-	(801,649)	(801,649)
Costs in relation to sale of unmarketable parcels	(1,592)	-	(1,592)
At 30 June 2007	19,374,007	14,598,573	33,972,580
<u>Company</u>			
At 1 July 2005	28,717,470	(9,934,615)	18,782,855
Profit for the year	-	4,532,485	4,532,485
Total recognised income and expense for the year	-	4,532,485	4,532,485
Dividends paid	-	(534,693)	(534,693)
Issue of shares	591,317	-	591,317
Reduction of share capital against accumulated losses	(9,933,188)	9,933,188	-
At 30 June 2006	19,375,599	3,996,365	23,371,964
At 1 July 2006	19,375,599	3,996,365	23,371,964
Profit for the year	-	11,884,294	11,884,294
Total recognised income and expense for the year	-	11,884,294	11,884,294
Dividends paid	-	(801,649)	(801,649)
Costs in relation to sale of unmarketable parcels	(1,592)	-	(1,592)
At 30 June 2007	19,374,007	15,079,010	34,453,017

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		57,487	22,060	54,040	22,060
Sale proceeds from trading portfolio		12,328,482	18,187,240	12,328,482	18,187,240
Payments for trading portfolio		(6,483,983)	(15,337,708)	(6,483,983)	(15,337,708)
Proceeds from options portfolio		49,200	137,579	49,200	137,579
Payments for options portfolio		-	(29,333)	-	(11,000)
Payments to suppliers and employees		(1,354,898)	(706,716)	(830,823)	(723,601)
Payments for exploration and evaluation		(79,708)	3,904	(78,404)	-
Interest received		73,554	54,861	71,827	54,861
Interest paid		-	(1,426)	-	(1,426)
Income tax paid		(970,058)	(259,250)	(878,153)	(259,250)
Dividends received		416,958	257,682	416,958	257,682
NET CASH INFLOW FROM OPERATING ACTIVITIES		4,037,034	2,328,893	4,649,144	2,326,437
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for:					
equity investments		(6,657)	(680,531)	(6,657)	(680,531)
property, plant and equipment		(2,709,474)	(10,749)	(1,485)	(10,749)
subsidiaries		-	-	(300)	-
intangibles		-	(41,362)	-	(41,362)
inventory - land		-	(24,486)	-	-
Loans to subsidiaries		-	-	(3,377,998)	(29,000)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(2,716,131)	(757,128)	(3,386,440)	(761,642)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments in relation to sale of unmarketable parcels		(1,592)	(2,531)	(1,592)	(2,531)
Payments for dividends		(801,771)	(535,668)	(801,771)	(535,668)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(803,363)	(538,199)	(803,363)	(538,199)
NET INCREASE IN CASH HELD		517,540	1,033,566	459,341	1,026,596
Cash at beginning of the financial year		1,102,658	69,092	1,094,633	68,037
CASH AT THE END OF THE FINANCIAL YEAR	5	1,620,198	1,102,658	1,553,974	1,094,633

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS**for the year ended 30 June 2007****1. PROFIT FOR THE YEAR**

Profit for the year includes the following items of revenue and expenses below. Included are the revenue and expenses of the discontinued operations of Hume Mining NL, a wholly owned subsidiary disposed on 18 May 2007 (refer to Note 2).

(a) Income	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
Trading portfolio		\$	\$	\$	\$
Proceeds from sale of securities		11,888,009	18,420,880	11,888,009	18,420,880
Cost of securities sold		(9,047,290)	(16,552,241)	(9,047,290)	(16,552,241)
Unrealised gains/(losses) on securities	2	8,583,740	5,536,239	11,226,241	2,893,738
Dividends received from securities		169,034	141,161	169,034	141,161
		<u>11,593,493</u>	<u>7,546,039</u>	<u>14,235,994</u>	<u>4,903,538</u>
Options portfolio					
Proceeds from sale of options		49,200	137,579	49,200	137,579
Cost of options sold		-	(11,000)	-	(11,000)
		<u>49,200</u>	<u>126,579</u>	<u>49,200</u>	<u>126,579</u>
Associate entities					
Share of Associate entities' net profits		1,668,955	1,146,453	1,668,955	1,146,453
Dividends received from Associate entities		481,726	343,080	481,726	343,080
		<u>2,150,681</u>	<u>1,489,533</u>	<u>2,150,681</u>	<u>1,489,533</u>
Tenements					
Proceeds from sale of resource projects		-	333,333	-	-
Cost of resource projects sold		-	(19,840)	-	-
		<u>-</u>	<u>313,493</u>	<u>-</u>	<u>-</u>
Sale of subsidiary					
Proceeds from sale of Hume Mining NL		1,562,500	-	1,562,500	-
Diminution writeback		-	-	225,000	-
Cost of subsidiary sold		-	-	(225,000)	-
		<u>1,562,500</u>	<u>-</u>	<u>1,562,500</u>	<u>-</u>
Olive grove					
Income from sale of olives		8,500	-	-	-
Harvesting services		49,595	-	-	-
		<u>58,095</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interest received - other		73,555	54,861	71,828	54,861
Other income		54,040	22,060	54,040	22,060
		<u>127,595</u>	<u>76,921</u>	<u>125,868</u>	<u>76,921</u>
Total revenue		<u>15,541,564</u>	<u>9,552,565</u>	<u>18,124,243</u>	<u>6,596,571</u>
(b) Expenses					
Olive grove operations		418,467	-	-	-
Occupancy expenses		51,692	21,780	13,864	20,813
Finance expenses	2	4,385	4,199	3,161	3,831
Borrowing cost		-	1,426	-	1,426
Corporate expenses	2	33,520	34,286	32,520	34,074
Administration expenses					
- Communications		23,623	20,125	20,276	20,125
- Personnel - remuneration and other		564,664	262,280	506,283	262,280
- employee entitlements		48,507	7,413	48,507	7,413
- Legal and other professional fees		20,678	105,060	17,826	105,060
- Costs in relation to investments		29,245	21,978	29,245	21,978
- Brokerage fees		66,515	88,184	66,515	88,184
- Write off fixed assets		-	493	-	493
- Exploration and evaluation expenses	2	79,708	62,065	78,404	39,485
- Depreciation expenses		73,446	7,116	8,155	7,116
- Doubtful debts provision		-	-	(260,252)	46,229
- Provision for realisation cost of share portfolio		119,868	-	119,868	-
- Other expenses	2	131,874	124,992	108,817	124,992
		<u>1,666,192</u>	<u>761,397</u>	<u>793,189</u>	<u>783,499</u>

NOTES TO THE FINANCIAL STATEMENTS**for the year ended 30 June 2007****2. DISCONTINUED OPERATIONS**

On 18 May 2007, the Company disposed of its uranium assets via the sale of its subsidiary, Hume Mining NL (Hume) to Alara Uranium Limited (Alara) in consideration for the issue of 6,250,000 shares in Alara. Alara completed its initial public offering of \$10 million at \$0.25 per share and commenced trading (ASX Code: AUQ) on ASX on 24 May 2007. Financial information relating to the discontinued operations of Hume from 1 July 2006 to the date of cessation is set out below.

Financial information relating to the discontinued operation of Hume, which has been incorporated into the Income Statement, is as follows:

	Consolidated Entity		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
Revenue	-	2,975,834	-	-
Expenses	(2,644,903)	(42,606)	-	-
Loss before income tax	(2,644,903)	2,933,228	-	-
Income tax expense	791,913	(883,818)	-	-
Loss after income tax	(1,852,990)	2,049,410	-	-

The carrying amounts of assets and liabilities of the operation at the date of cessation were:

Total assets	-	3,009,245	-	-
Total liabilities	(11)	(969,226)	-	-
Net asset	(11)	2,040,019	-	-

The net cash flows of the business, which have been incorporated into the Cash Flows Statement, are as follows:

Net cash outflow from operating activities	(25,634)	(94,664)	-	-
Net cash inflow from investing activities	27,896	91,415	-	-
Net increase/(decrease) in cash from businesses	2,262	(3,249)	-	-

3. DIVIDENDS**Declared and paid during the year****Date paid**Dividends on ordinary shares

1.5 cent per share fully franked	07-Apr-06	-	267,218	-	267,218
1.5 cent per share fully franked	13-Oct-05	-	267,218	-	267,218
3.0 cents per share fully franked	19-Oct-06	534,432	-	534,432	-
1.5 cent per share fully franked	15-Mar-07	267,217	-	267,217	-
		801,649	534,436	801,649	534,436

Dividends declared post balance dateDividends on ordinary shares

3.0 cents per share fully franked			534,432		534,432
2.0 cents per share fully franked		356,288	-	356,288	-

(record date will be 17 September 2007 with payment to be effected on or about 21 September 2007)

Franking credit balance**1,652,759 1,026,714**

Balance of franking account at year end adjusted for franking credits arising from:

Payment of provision for income tax			1,116,710	452,190
Franking debits arising from payment of proposed dividends			(152,695)	(229,042)
			2,616,774	1,249,862

4. EARNINGS PER SHARE**Consolidated Entity****Company**

	2007		2006	
	2007	2006	2007	2006
Basic earnings per share	0.526	0.367	0.667	0.254
Diluted earnings per share	0.526	0.367	0.667	0.254
Net profit for the year	9,370,525	6,537,668	11,884,294	4,532,485
Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share	17,814,389	17,814,389	17,814,389	17,814,389

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

5. CASH AND CASH EQUIVALENTS	Consolidated Entity		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
Cash at bank	625,691	1,102,658	559,467	1,094,633
Bank bills	994,507	-	994,507	-
	<u>1,620,198</u>	<u>1,102,658</u>	<u>1,553,974</u>	<u>1,094,633</u>

Disclosure of non-cash financing and investing activities

On 18 May 2007, the Company completed the sale of its uranium tenement interests in the Northern Territory and Western Australia to Alara Uranium Limited (Alara) (ASX Code: AUQ) through the sale of its wholly owned subsidiary Hume Mining NL in consideration for 6.25 million Alara shares. After successfully completing a \$10 million Initial Public Offering (IPO) (at \$0.25 per share) in May 2007, Alara was admitted to the Official List of the ASX and AUQ shares commenced trading on ASX on 24 May 2007.

6. TRADE AND OTHER RECEIVABLES	Consolidated Entity		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
Current				
Amount receivable from controlled entities	-	-	7,204,283	3,911,213
Less provision for non recovery	-	-	-	(84,928)
	-	-	<u>7,204,283</u>	<u>3,826,285</u>
Receivables on sale of investments	-	440,473	-	440,473
Amounts receivable from related parties	-	97,602	-	97,602
Other receivables	61,556	18,414	6,908	18,262
GST receivable	72,822	-	-	-
	<u>134,378</u>	<u>556,489</u>	<u>7,211,191</u>	<u>4,382,622</u>
Non Current				
Bonds and guarantees	32,823	32,823	32,823	32,823

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	Consolidated Entity		Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
Financial assets at fair value comprise:				
Listed investments at fair value	19,119,151	11,005,112	19,119,151	9,642,611
Unlisted options in listed corporations at cost	10,000	10,000	10,000	-
Add: net change in fair value	1,806,503	1,621,666	1,806,503	-
	<u>1,816,503</u>	<u>1,631,666</u>	<u>1,816,503</u>	<u>-</u>
Total financial assets at fair value	<u>20,935,654</u>	<u>12,636,778</u>	<u>20,935,654</u>	<u>9,642,611</u>

8. NON-CURRENT INVESTMENTS				
Shares in controlled entities at cost	-	-	400	225,100
Less: Provision for diminution	-	-	(100)	(225,100)
	-	-	<u>300</u>	<u>-</u>

<u>Investment in Controlled Entities:</u>	Ownership interest	
	2007	2006
Silver Sands Developments Pty Limited (ACN 094 097 122)	100%	100%
Incorporated in Australia on 10 August 2000		
This company is currently engaged in property development activities and holds non-current Inventory.		
Central Exchange Mining Ltd (ACN 119 438 265)	100%	100
Incorporated in Australia on 27 April 2006		
This company is currently engaged in resource related activities.		
Koorian Olives Pty Ltd (ACN 120 616 891)	100%	-
Incorporated in Australia on 7 July 2006		
This company is currently engaged in olive oil production.		
Orion Indo Operations Pty Ltd (ACN 124 702 245)	100%	-
Incorporated in Australia on 30 March 2007		
This company is currently engaged in resource related activities.		
PT Orion Indo Mining	100%	-
Incorporated in Indonesia on 4 April 2007		
This company is currently engaged in resource related activities.		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

8. NON-CURRENT INVESTMENTS

Investment in Controlled Entities (continued):	Ownership interest	
	2007	2006
Hume Mining NL (ACN 064 994 945)	-	100%
Incorporated in Australia on 29 March 1994; Sold to Alara Uranium Limited on 18 May 2006		
This company was engaged in resource related activities.		

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name of Associate	Principal Activity	Ownership Interest		Carrying Amount	
		2007	2006	2007	2006
				\$	\$
Bentley International Limited (BEL)	Investments	28.38%	27.93%	4,626,964	4,357,549
Scarborough Equities Limited (SCB)	Investments	28.22%	27.86%	7,012,570	5,368,821
				<u>11,639,534</u>	<u>9,726,370</u>

On 5 July 2006, the Company purchased 7,335 shares in SCB for \$6,656. On 31 August 2006, the Company received 299,098 shares in BEL for \$109,769 and 151,223 shares in SCB for \$134,440 when the Company participated in the respective BEL and SCB Dividend Reinvestment Plans.

	2007	2006
	\$	\$
Movement in Investments in Associates		
Shares in listed Associate entities brought forward	9,726,370	7,085,260
Share of profit before income tax expense	2,577,652	1,869,980
Share of income tax expense	(426,992)	(380,427)
Dividends received	(481,705)	(343,100)
Acquisition of shares	244,210	1,494,657
Carrying amount at the end of the financial year	<u>11,639,535</u>	<u>9,726,370</u>

	2007	2006
	\$	\$
Fair value of listed investments in associates		
Bentley International Limited	4,397,645	4,226,113
Scarborough Equities Limited	5,776,706	5,316,972
	<u>10,174,352</u>	<u>9,543,085</u>

	2007	2006
	\$	\$
Net tangible asset value of listed investments in associates		
Bentley International Limited	5,704,535	5,414,913
Scarborough Equities Limited	6,926,572	5,272,310
	<u>12,631,107</u>	<u>10,687,223</u>

	2007	2006
Share of Associates' profits		
Profit before income tax	2,577,652	1,869,980
Income tax expense	(426,992)	(380,427)
Profit after income tax	<u>2,150,660</u>	<u>1,489,553</u>

Summarised Financial Position of Associates

	Group share of:			
	Bentley International Limited		Scarborough Equities Limited	
	2007	2006	2007	2006
	\$	\$	\$	\$
Current assets	5,835,090	5,461,429	2,130,829	1,025,519
Non current assets	1,749	2,527	5,504,145	4,716,645
Total assets	<u>5,836,839</u>	<u>5,463,955</u>	<u>7,634,974</u>	<u>5,742,164</u>
Current liabilities	(131,830)	(50,030)	(42,064)	(22,170)
Non current liabilities	-	-	(668,938)	(446,688)
Total liabilities	<u>(131,830)</u>	<u>(50,030)</u>	<u>(711,002)</u>	<u>(468,858)</u>
Net assets	<u>5,705,009</u>	<u>5,413,926</u>	<u>6,923,972</u>	<u>5,273,306</u>
Revenues	995,411	791,176	2,745,757	1,920,920
Profit after income tax of associates	<u>382,154</u>	<u>538,998</u>	<u>1,768,506</u>	<u>950,555</u>

Scarborough Equities Limited and Bentley International Limited - Lease Commitments

Each of SCB and BEL have the same lease commitments disclosed in note 11(a).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

10. SEGMENT REPORTING

The Consolidated entity operates predominantly within Australia in the investments, olive grove operations and resources sectors. The Consolidated entity also has resource project interests in Indonesia and Pakistan.

BUSINESS SEGMENT	Segment revenue		Segment result	
	2007	2006	2007	2006
	\$	\$	\$	\$
Investments	12,178,459	8,037,758	11,962,831	7,927,596
Resources	1,562,500	313,493	1,482,792	251,428
Olive grove operations	58,095	-	(360,372)	-
Share of associates' profit	1,668,955	1,146,453	1,668,955	1,146,453
Unallocated	73,555	54,861	(878,834)	(534,309)
Total segment revenue	15,541,564	9,552,565		
Profit before income tax			13,875,372	8,791,168

	Segment Assets		Segment liabilities	
	2007	2006	2007	2006
	\$	\$	\$	\$
Investments	36,396,227	26,624,659	5,184,917	1,799,674
Resources	-	-	-	-
Olive grove operations	3,416,848	-	651,549	-
Unallocated	1,687,810	1,286,947	1,691,839	706,636
	41,500,885	27,911,606	7,528,305	2,506,310

Other	2007			2006	
	Investments	Resources	Olive grove operations	Investments	Resources
	\$	\$	\$	\$	\$
Acquisition of segment assets	5,935,246	-	2,707,989	11,624,134	-
Other non-cash expenses					
Unrealised gains/(losses) on securities	8,583,740	-	-	5,536,239	-

GEOGRAPHICAL SEGMENT	Segment revenue	Segment results	Segment Assets	Segment Liabilities	Acquisitions of segment assets
	2007	2007	2007	2007	2007
	\$	\$	\$	\$	\$
Australia	15,541,564	13,951,972	41,500,885	7,528,305	8,643,235
Indonesia	-	(4,727)	-	-	-
Pakistan	-	(71,874)	-	-	-
	15,541,564	13,875,372	41,500,885	7,528,305	8,643,235

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

11. COMMITMENTS

(a) Lease Commitments

Non-cancellable operating lease commitments:

Not longer than one year

Between 12 months and 5 years

Greater than 5 years

Consolidated Entity	
2007	2006
\$	\$
24,960	24,960
99,840	99,840
24,960	49,920
149,760	174,720

The lease is the Company's share of the office premises at Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia, and includes all outgoing (exclusive of GST). The lease is for a 7 year term expiring 30 June 2013 and contains a rent review increase each year alternating between 5% and the greater of market rate or CPI + 1%.

(b) Exploration Tenement Leases - Commitments for Expenditure

(i) In order to maintain current rights of tenure to its Australian exploration tenements, the consolidated entity is required to outlay lease rentals and meet minimum expenditure commitments. Based on tenements which have been granted as at the date of this report, the consolidated entity has a 12 month commitment of \$45,154.

(ii) The consolidated entity also has exploration and evaluation commitments in relation to mineral licences held or applied for (upon grant) in Pakistan. The consolidated entity previously held a reconnaissance licence (RL) over a 5,000 square kilometre area in the Chitral Region, North-West Frontier Province, Pakistan, prospective for gold and copper. There was a US\$250,000 expenditure commitment under the terms of such licence within the first 12 months; A\$71,874 was actually incurred on the RL during the financial year; however, an application for an exploration licence over 493 square kilometres in this RL area was filed in March 2007 prior to the expiry of this RL. The consolidated entity has also recently applied for another RL in the province of 3,000 square kilometres and a similar US\$250,000 expenditure commitment is expected to apply to this RL upon its grant.

Financial commitments for subsequent periods are contingent upon future exploration and evaluation results and cannot be estimated. These obligations are subject to renegotiation upon expiry of the tenement lease or when application for a mining lease is made and have not been provided for in the accounts.

12. CONTINGENT LIABILITIES AND ASSETS

(a) Cooperation Agreement - Berau Coal Project (East Kalimantan, Indonesia)

On 27 June 2007, Orion Indo Operations Pty Ltd (OIO) and its Indonesian subsidiary PT Orion Indo Mining (PTOIM) reached agreement with Strike Operations Pty Ltd (SOPL) and its Indonesian subsidiary PT Indo Batubara (PTIB) for PTIB to assign a 70% interest in the Berau Coal Project (described below) to PTOIM; PTOIM has agreed to assume the obligations (effective from 19 June 2007) under an original cooperation agreement with the vendor, PT Kaltim Jaya Bara (KJB); PTIB's 30% interest is free-carried until a decision to mine is made by PTOIM.

By the original cooperation agreement dated 12 April 2007 between SOPL, PTIB and KJB, PTIB had acquired the right to exclusively conduct general survey activities, explore for, exploit, mine and sell coal and methane gas and other minerals in the concession area of 5,000 hectares located approximately 40 kilometres south-west of Tanjungredeb (Berau) and approximately 350 kilometres north of Balikpapan (the capital city of Kalimantan).

(a) Cooperation Agreement - Berau Coal Project (East Kalimantan, Indonesia) (continued)

Under the terms of the original cooperation agreement, PTOIM has the following future payment and royalty obligations to KJB:

- (i) Three staged cash payments totalling US\$0.50 million over a 12 month period; and
- (ii) Royalties of between US\$1.00 to \$4.00 per dry metric tonne of coal mined and sold from the concession area, depending on the calorific value of the coal (ranging from 5,000 to 6,000 KCal and above) and the waste to ore ratio incurred in mining operations.

If PTIB elects not to contribute to expenditure after a decision to mine is made by PTOIM, its interest in the project shall be diluted on a pro-rata basis. If PTIB's interest is diluted to below 10%, PTIB's interest shall be transferred to PTOIM in consideration for a royalty to PTIB of 7.5% of net profits derived from coal resources produced and sold.

PTOIM (as assignee) is entitled to terminate the original cooperation agreement with KJB at any time and is only liable for the staged payments due and payable as at the date of termination.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

12. CONTINGENT LIABILITIES AND ASSETS (continued)

(b) Royalty Owed To Central Exchange Mining Ltd

By an agreement entered into between Hume Mining NL (Hume), Strike Resources Limited (Strike), Alara Operations Pty Ltd (then known as Strike Uranium Pty Ltd) and Central Exchange Mining Ltd (CXML) (a wholly owned subsidiary of Orion) dated 9 February 2007 for the assignment by Hume of a 2% royalty entitlement (owed to Hume by Strike under a tenement acquisition agreement between Hume and Strike dated 15 September 2005 (as amended)) to CXML. Under the above agreements, CXML is entitled to receive a royalty of 2% of gross revenues (exclusive of GST) arising from any commercial exploitation of any minerals from the tenements the subject of the abovementioned 15 September 2005 Agreement from Alara Uranium Limited (Alara) (the parent of Alara Operations Pty Ltd, the present owner of the tenements) .

(c) Native Title

The Consolidated Entity's tenements in Australia may be subject to native title applications in the future. At this stage it is not possible to quantify the impact (if any) that native title may have on the operations of the Consolidated Entity.

(d) Directors' Deeds

The Company has entered into deeds of indemnity with each of its Directors indemnifying them against liability incurred in discharging their duties as directors/officers of the Consolidated Entity. At the end of the financial year, no claims have been made under any such indemnities and accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

13. EVENTS AFTER BALANCE SHEET DATE

(a) The Company will pay a final dividend of 2 cents per share (100% franked) in respect of net profits derived for the year ended 30 June 2007. The record date will be 17 September 2007 with payment to be effected on or about 21 September 2007.

(b) On 24 August 2007, Koorian Olives Pty Ltd reached agreement with a local supplier for the sale of ~200,000 litres of extra virgin olive oil (EVOO) harvested from the Koorian Oliver Grove during the 2007 harvest season completed in May 2007 for ~\$1.02 million payable in 4 tranches between August and November 2007; this EVOO is recorded as Inventory to the value of \$646,864 as at balance date.

No other matter or circumstance has arisen since the end of the financial year that significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.