FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

ABN 74 144 012 395

CORPORATE DIRECTORY

Directors
Mr Craig Williams - Non-Executive Chairman
Mr Matthew Yates – CEO & Managing Director
Mr Alastair Morrison – Non-Executive Director
Mr George Bennett – Non-Executive Director
Mr Mike Klessens – Non-Executive Director

CFO & Company Secretary
Mr Luke Watson

Registered and Principal Office
Level 1, 230 Rokeby Road
Subiaco WA 6008
Australia
Tel +61 8 9381 9997
Fax +61 8 9381 9996

Share Register
Registered and Principal Office (as above)

Solicitors
GTP Legal
Level 1, 28 Ord Street
West Perth WA 6005

Auditor
Deloitte Touche Tohmatsu
Level 14, 240 St George's Terrace
Perth WA 6000

Bankers
Westpac Limited
Level 13, 109 St George's Terrace
Perth WA 6000

Website
www.orecorp.com.au

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DIRECTORS' REPORT

The Directors of OreCorp Limited present their report on the Consolidated Entity consisting of OreCorp Limited ("the Company" or "OreCorp") and the entities it controlled at the end of, or during the year ended 30 June 2012 ("Consolidated Entity" or "Group").

DIRECTORS

The names of directors in office at any time during the financial year or since the end of the financial year are:

Mr Craig Williams	Non-Executive Chairman (appointed 15 December 2011)
Mr Matthew Yates	Chief Executive Officer& Managing Director
Mr Alastair Morrison	Non-Executive Director
Mr George Bennett	Non-Executive Director
Mr Mike Klessens	Non-Executive Director (appointed 15 March 2012)

Unless otherwise disclosed, Directors held their office from 1 July 2011 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Mr Craig Williams

Non-Executive Chairman
Qualifications – B.Sc. (Hons)

Mr Williams is a geologist with over 35 years experience in mineral exploration and mine development.

He was the President and CEO of Equinox Minerals Limited, a dual listed TSX - ASX resources company which he co-founded in 1993 with the late Dr Bruce Nisbet. Mr Williams was instrumental in the financing and development of the major Lumwana Copper mine in Zambia which resulted in Equinox being one of the world's top 20 copper producers. Following the ramp up of Lumwana, Equinox embarked on an acquisition program that resulted in the takeover of the Citadel Resource Group for $1.2 billion, targeting development of the Jabal Sayid Mine in Saudi Arabia. Equinox was taken over in mid-2011 by Barrick Gold Corporation for $7 billion, bringing to an end a challenging and exciting 18 year history at Equinox.

Mr Williams was appointed as director and Chairman of the Company on 15 December 2011. During the three year period to the end of the financial period, Mr Williams held directorships in Equinox Minerals Limited (1993 – July 2011) and Liontown Resources Limited (November 2006 - current).

Mr Matthew Yates
Chief Executive Officer &Managing Director
Qualifications – B.Sc. (Hons.), MAIG

Mr Yates is a geologist with over 20 years industry experience, covering most facets of exploration from generative work to project development. Most recently, he was the Joint Managing Director of Mantra Resources Limited and was instrumental in the acquisition of a number of uranium projects, including Mkuju River (Tanzania), Kariba (Zambia) and Mavuzi (Mozambique). He has worked in Australia and southern, east and west Africa, Central Asia and the Gulf Region. He managed the exploration teams at Nimary and Buhemba gold projects in Western Australia and Tanzania respectively. Mr Yates has an applied technical background and has held senior positions for over fifteen years, including resident Exploration Manager in Tanzania for Tanganyika Gold Limited.

Mr Yates was appointed a Director of the Company on 2 June 2010. During the three year period to the end of the financial period, Mr Yates held directorships in Mantra Resources Limited (March 2008 – May 2010).

Mr Alastair Morrison
Non-Executive Director
Qualifications – MSc (Hons), Grad Dip App Fin & Inv, MAIG, GAICD

Mr Morrison is a geologist with more than 20 years experience in mineral exploration and investment.

After graduating from university he worked for more than six years in Australia as an exploration geologist, initially around Western Australia, then for North Flinders Mines in the Northern Territory during the initial development of the +5 million ounce Callie gold deposit.

From 1996-2003 he worked in Tanzania for East African Gold Mines Limited at the North Mara Gold Project in Tanzania. He was responsible for the management of exploration, overseeing the delineation of more than 5 million ounces of resources, including the discovery of the high-grade Gokona gold deposit. In later years, he had additional responsibilities for all in-country development activities, through feasibility and permitting until the commencement of construction. East African Gold Mines was acquired by Placer Dome Inc. in mid-2003 for US$252 million.

Since 2004, he has worked as an investment analyst for a private, resource-oriented investment fund evaluating and investing in mining projects around the world.

Mr Morrison was appointed a Director of the Company on 2 June 2010. During the three year period to the end of the financial year, Mr Morrison was not a director of any other public companies.

Mr George Bennett
Non-Executive Director
Qualifications – Member of the Johannesburg Stock Exchange ('JSE')

Mr Bennett resides in South Africa and has extensive industry experience and contacts throughout Africa. He has approximately 20 years' experience in the investment banking industry, initially as a partner of Fergusson Bros, then Simpson McKie before its acquisition by HSBC Securities in 1998. He was previously Head of Mining Research Sales and Executive Director of HSBC (South Africa). Mr Bennett was also a Member of the JSE for 18 years.

After leaving investment banking, Mr Bennett was CEO of Shanta Gold Limited (a Tanzanian focussed exploration company) from 2004 to 2006, during which time he listed the Company on London's AIM Stock Exchange.

In February 2006, Mr Bennett became a founder and CEO of MDM Engineering, a South African based minerals process engineering and project management company. MDM was established in 2006 with US$2 million and then listed on London's AIM Stock Exchange in 2008 with a peak market capitalisation of US$140 million. Mr Bennett remains an Executive Director of MDM.

Mr Bennett was appointed a Director of the Company on 2 June 2010. During the three year period to the end of the financial year, Mr Bennett has held a directorship in MDM Engineering Limited (February 2006 - current).

Mr Mike Klessens
Non-Executive Director
Qualifications – B.Bus., CPA, MAICD

Mr Klessens is a CPA with over 22 years practical financial and management experience, particularly within the resources industry. This experience has involved all areas of corporate and treasury management, project financing, capital raisings, mergers and acquisitions, dual listings, feasibility studies and establishment of systems and procedures for new mining operations.

For the past 10 years, Mr Klessens was Vice President - Finance and Chief Financial Officer of Equinox Minerals Limited, a dual listed TSX - ASX resources company which developed the major Lumwana Copper mine in Zambia which resulted in Equinox being one of the world's top 20 copper producers. Following the ramp up of Lumwana, Equinox embarked on an acquisition program that resulted in the takeover of the Citadel Resource Group for $1.2 billion, targeting development of the Jabal Sayid Mine in Saudi Arabia. Equinox was taken over in mid-2011 by Barrick Gold Corporation for $7 billion.

Prior to Equinox Mr Klessens held senior positions in mid-tier Australian resource companies primarily focused on gold.

Mr Klessens joined the Board of OreCorp as Director on 15 March 2012. During the three year period to the end of the financial year, Mr Klessens was not a director of any other public companies.

Mr Luke Watson
CFO & Company Secretary
Qualifications – B.Bus., CA, ACIS, Grad Dip App Fin

Mr Watson is a Chartered Accountant and Chartered Secretary. He has significant corporate experience, including mergers & acquisitions, capital raisings, IPOs and dual listings on the TSX.

Most recently, Mr Watson was the CFO & Company Secretary of Mantra Resources Limited ('Mantra') from its $6 million IPO in October 2006 until its acquisition by ARMZ (JSC Atomredmetzoloto) for approximately $1 billion in mid-2011.

Since 2005, Mr Watson has held senior corporate and finance positions with a number of African-focused resources companies, including Mantra and OmegaCorp Limited.

Mr Watson was appointed as CFO on 10 October 2011 and as Company Secretary on 1 November 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity consisted of mineral exploration for precious and base metals on its licences in Mauritania and Ethiopia, and the identification and evaluation of mineral resource opportunities predominantly in Africa.

EMPLOYEES

	2012	2011
The number of full time equivalent people employed by the Consolidated Entity at reporting date	12	1

Notes
(1) The majority of the Group's employees are Mauritanian and Ethiopian nationals.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2012 (2011: nil).

EARNINGS PER SHARE

	2012	2011
Basic loss per share (cents per share)	(5.00)	(2.85)
Diluted loss per share (cents per share)	(5.00)	(2.85)

CORPORATE STRUCTURE

OreCorp Limited is a company limited by shares that is incorporated and domiciled in Australia. The Company has prepared a consolidated financial report including the entities it incorporated and controlled during the financial year.

CONSOLIDATED RESULTS

	2012 $	2011 $
Loss of the Consolidated Entity before income tax expense	(3,308,884)	(1,344,626)
Income tax expense	-	-
Net loss attributable to members of OreCorp Limited	(3,308,884)	(1,344,626)

REVIEW OF OPERATIONS AND ACTIVITIES

The operating loss of the Consolidated Entity for the year ended 30 June 2012 was $3,308,884 (2011: $1,344,626). This loss is largely attributable to:

(i) The Consolidated Entity's accounting policy of expensing exploration and evaluation expenditure incurred by the Consolidated Entity subsequent to the acquisition of the rights to explore and up to the successful completion of definitive feasibility studies. During the year, exploration expenditure totalled $1,942,571 (2011: $989,946);

(ii) The Consolidated Entity expenses the value (determined using the Binomial option pricing model) of share options granted to Directors, employees, consultants and other advisors. The value is measured at grant date and recognised over the period during which the option holders become unconditionally entitled to the options. During the period, non-cash share-based payment expenses totalled $714,500 (2011: nil) and have been classified as corporate expenditure; and

(iii) Business development activities which aim to identify and evaluate new mineral resource opportunities, with a focus on African projects. During the year, business development activities totalled $32,639 (2011: $295,988).

It is noted that the abovementioned numbers, and the financial report, are presented in Australian dollars.

During the year, OreCorp continued to assess advanced projects and corporate opportunities throughout Africa, with various field activities completed in both Mauritania and Ethiopia.

Figure 1: Project Location Map

Mauritania

In Mauritania, 11 geochemical anomalies were generated on the Akjoujt South Project that required infill sampling. A substantial amount of additional historical data has been identified over a large portion of the OuaOua Project. Work has commenced on the Boa Naga rare earth element ('REE') prospect areas, with a third area of interest identified. Historical drill core has been located and sampled for base and precious metals on the Guelb Zellaga prospect of the Boa Naga Project. Further details are provided below.

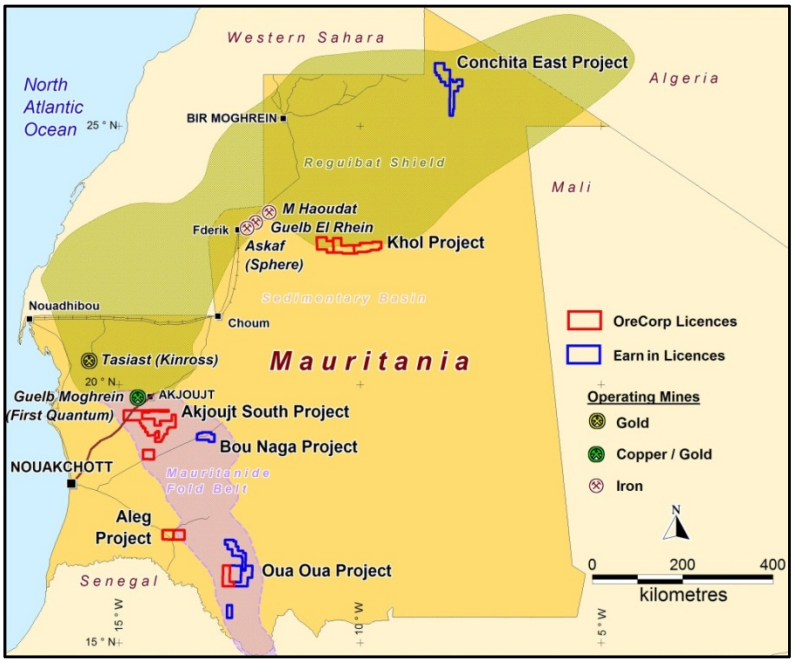


Figure 2:Location Map of OreCorp's Mauritanian Project Areas

- 11 new areas of geochemical anomalism have been identified at the Akjoujt South Project ('ASP'). Infill sampling has now been completed on these anomalies and results are pending.

- A large, regional geochemical sampling program has been completed on the OuaOua Project – a package of five granted exploration licences in the southern Mauritanide Belt. The licences are prospective for precious and base metals. A substantial amount of additional historical exploration data has been acquired during the quarter and is currently being integrated with the regional sampling completed to date. Results from this work are pending.

- Field work commenced on the Bou Naga Project ('BNP') – a granted exploration licence in the northern Mauritanide Belt containing known REE and base metal mineralisation. Results from a recent REE sampling program have revealed mineralised widths >0.1% total rare earth element's ('TREE's') of up to 10m wide and up to >4% TREE's. These values include yttrium. However, the veins and associated mineralisation appear narrow and further evaluation is continuing. Sampling has commenced at a third prospect, the sabkha or clay pan between Bou Naga and Guelb Zellaga. The BNP has the potential to yield both precious and base metal mineralisation. Historical drill core, highly anomalous in zinc mineralisation has been located and sampled and assayed for gold with results pending.

- Remote sensing work has commenced on the Conchita East Project – a package of two exploration licences located in the Reguibat Shield of northern Mauritania and immediately adjacent to Drake Resources' Hendrix Shear Project.

- The Company has withdrawn the licence applications for the Ain Bentilli Project and has commenced the relinquishment process for the Bir Moghrein Project licences.

Ethiopia

Exploration in Ethiopia has focused on the Yubdo-Ursa Project, which surrounds Nyota Minerals' Tulu Kapi Project. Infill and extension geochemical sampling has been completed over three of the four key prospects identified to date and results are pending.

Further geochemical sampling was also completed at the Werri River Project with results pending.

Figure 3:Location Map of Ethiopian Project Areas

Ultimately, the Company intends to drill test the best anomalies in either or both countries in the coming 12 – 18 months. Projects no longer deemed prospective will be replaced with other opportunities as the Company refines its geological models and targeting. The Company aims to retain 2 – 3 key Project areas and focus on these.

Corporate and Business Development

OreCorp has continued to assess a number of advanced projects throughout Africa. The Company has also continued dialogue with several parties in regard to corporate opportunities and including the IPO of the Company. These discussions are ongoing.

In December 2011, the Company announced the appointment of Craig Williams as Chairman. Mr Williams was the former President and CEO of Equinox Minerals that was acquired by Barrick Gold last year for $7 billion.

In March 2012, the Company appointed Mike Klessens as a non-executive director. Mr Klessens was the former CFO and Corporate Secretary of Equinox. He brings significant financial and management experience to the Board. Mr Klessens has been appointed chair of the Company's Audit and Remuneration Committees.

At 30 June 2012, the Company was well placed with approximately A$7.4 million in cash and no debt.

Business Strategies and Prospects

The Consolidated Entity currently has the following business strategies and prospects over the medium to long term:

(i) Seek to maximise the value of the Consolidated Entity's portfolio of exploration assets in Africa;

(ii) Continue to identify and evaluate new mineral resource and other corporate opportunities, which can enhance shareholder value; and

(iii) Consider alternatives to list the Company on an appropriate stock exchange.

Risk Management

The Board is responsible for the oversight of the Consolidated Entity's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed below, there were no significant changes in the state of affairs of the Consolidated Entity during the year.

- The Company signed Heads of Agreements ('HoA') over the following three additional project areas in Mauritania:

  - Oua Oua Project - an agreement to acquire interests (earning up to 90%) in a package of four granted exploration licences adjacent to OreCorp's wholly owned Oua Oua licence in the southern Mauritanide Belt. The licences are prospective for precious and base metals. A large amount of historical exploration data has been identified to date and has revealed gold anomalism over 20km in strike length and significant drill intersected copper VMS mineralisation. Evaluation of this data is continuing.

  - Bou Naga Project - an agreement to acquire an interest (earning up to 51%) in a granted exploration licence in the northern Mauritanide Belt containing known REE and base metal mineralisation.

  - Conchita East Project - an agreement to acquire interests (earning up to 90%) in a package of two exploration licences located in the Reguibat Shield of northern Mauritania and immediately adjacent to Drake Resources' Hendrix Shear Project.

- In August 2011, the Company was awarded three new Exploration Licences by the Ministry of Mines in Ethiopia covering approximately 757km^2. The licences were acquired as part of the Company's strategy to expand its existing project base and provide further exposure to precious and base metal opportunities Africa.

Details of the new licences issued and the Company's current projects in Mozambique are summarised below:

Project Area	Licence Number	Area	OreCorp Interest	Main Target
Yubdo	EL243/2011	156km^2	100%	Precious &base metals
Ursa	EL244/2011	243km^2	100%	Precious &base metals
Werri River	EL254/2011	356km^2	100%	Precious &base metals

- During the year the Company granted 4.1 million $0.30 options, exercisable at $0.30 each on or before 31 December 2015, to directors, employees and consultants of the Company as part of remuneration/incentive arrangements.

SIGNIFICANT POST BALANCE DATE EVENTS

There were no significant events occurring after balance date requiring disclosure.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity's operations are subject to various environmental laws and regulations in each of the African countries in which it holds exploration licences. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either internally, or by external compliance audits or inspections by relevant government authorities.

There have been no significant known breaches by the Consolidated Entity during the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

It is the Board's current intention that the Consolidated Entity will continue to focus on the development of its wholly owned and joint venture exploration tenements in Mauritania and Ethiopia. Specifically, in the coming year the Company intends to:

- Continue to identify and evaluate other resource opportunities, including potential acquisitions, joint ventures, or investments in the resources sector, which may enhance shareholder value; and

- Define drill targets and commence drilling to delineate potential mineralisation, with a view to allowing Mineral Resource Estimates to be completed.

The successful completion of these activities will assist the Company to achieve its strategic objective of becoming a developer of a mineral resource project in the medium term.

All of these activities are inherently risky and the Board is unable to provide certainty that any or all of these activities will be able to be achieved. In the opinion of the Directors, any further disclosure of information regarding likely developments in the operations of the Consolidated Entity and the expected results of these operations in subsequent financial years may prejudice the interests of the Company and accordingly, further information has not been disclosed.

INFORMATION ON DIRECTORS' INTERESTS IN SECURITIES OF ORECORP

	Interest in Securities at the Date of this Report	
	Shares[1]	$0.30 Options[2]
Craig Williams[3] [4]	400,000	2,000,000
Matthew Yates	10,000,002	-
Alastair Morrison	5,000,000	-
George Bennett	5,000,000	-
Mike Klessens[4]	-	1,000,000

	Interest in Securities Issued/Granted During the Year	
	Shares[1]	$0.30 Options [2]
Craig Williams[4]	-	2,000,000
Matthew Yates	-	-
Alastair Morrison	-	-
George Bennett	-	-
Mike Klessens[4]	-	1,000,000

Notes

(1) "Shares" means fully paid ordinary shares in the capital of the Company.

(2) "$0.30 Options" means options with an exercise price of $0.30 each, expiring on 31 December 2015.

(3) Mr Williams took part in the October 2010 capital raising for sophisticated investors and acquired his shares for $0.25 each.

(4) The following incentive options were granted to Directors of the Company or Group during the year as part of the Company's remuneration strategy to attract and incentivise Key Management Personnel:

- Craig Williams:
  - 2,000,000 $0.30 options exercisable on or before 31 December 2015.
- Mike Klessens:
  - 1,000,000 $0.30 options exercisable on or before 31 December 2015.

No ordinary shares or options have been issued or granted during or since the end of the financial year.

SHARE OPTIONS

At the date of this report, the following options have been issued over unissued shares:

- 4,100,000 options at an exercise price of $0.30 each that expire on 31 December 2015.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's directors held during the year ended 30 June 2012, and the number of meetings attended by each director.

Current Directors	Board Meetings Number Eligible to Attend	Board Meetings Number Attended
Craig Williams	1	1
Matthew Yates	3	3
Alastair Morrison	3	3
George Bennett	3	3
Mike Klessens	-	-

Notes

(1) In addition to the Board Meetings held during the year, there were a number of matters resolved by way of Circular Resolution that are not reflected in the table above.

REMUNERATION REPORT (Unaudited)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel ('KMP') of the Group.

Details of Key Management Personnel

Details of the KMP including the top five remunerated executives of the Group during or since the end of the financial year are set out below:

Directors

Mr Craig Williams (appointed 15 December 2011)
Mr Matthew Yates
Mr Alastair Morrison
Mr George Bennett
Mr Mike Klessens (appointed 15 March 2012)

Other Key Management Personnel

Mr Luke Watson – CFO &Company Secretary (appointed 10 October 2011)
Mr Anthony Hunt – Company Secretary (resigned 1 November 2011)
Mr Nicholas Holman – Exploration Manager (appointed 1 November 2011)

Unless otherwise disclosed, the KMP held their position from 1 July 2011 until the date of this report.

Other than the CEO, CFO and Exploration Manager, there were no executives of the Company or Group during the year.

Remuneration Policy

The Group's remuneration policy for its KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

- the Company is a small unlisted public company, which is currently focussing on the early stage exploration of its projects in Mauritania and Ethiopia. The Board considers that the experience of its KMP in the resources industry will greatly assist the Company in progressing its exploration properties over the next 12 – 24 months;

- risks associated with developing resource companies whilst exploring and developing projects, particularly at the 'grass roots' stage; and

- other than profit which may be generated from asset sales, the Company does not expect to be undertaking profitable operations until after the commencement of commercial production on any of its projects.

Executive Remuneration

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Executives who are residents of Australia for taxation purposes receive a statutory superannuation contribution, which is currently 9% (capped to a maximum of $25,000 per annum) and do not receive any other retirement benefits.

Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Performance Based Remuneration – Short Term Incentive Plan ('STIP')

The Group intends to introduce an STIP in the short to medium term, whereby its executives will be entitled to an annual cash bonus upon achieving various key performance indicators ('KPI's'), as set by the Board. As at the date of this Report, an STIP had not been ratified and introduced by the Board.

Performance Based Remuneration – Long Term Incentive Plan ('LTIP')

The Group intends to introduce an LTIP in the short to medium term, in order to attract and retain the services of its directors and executives and to provide an incentive linked to the performance of the Company. As at the date of this Report, an LTIP had not been ratified and introduced by the Board.

In the absence of a formal LTIP, the Board has chosen to issue incentive options to some directors and executives as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the directors and executives and to provide an incentive linked to the performance of the Company. The Board considers that each person's experience in the resources industry will greatly assist the Company in progressing its projects to the next stage of development and the identification of new projects. As such, the Board believes that the number of incentive options granted to its directors and executives is justified.

The Board has a policy of granting options to directors and executives with exercise prices at and/or above market share price (at the time of agreement). As such, incentive options granted to directors and executives will generally only be of benefit if they perform to the level whereby the value of the Company increases sufficiently to warrant exercising the incentive options granted.

Other than the criteria noted above, there are no additional performance criteria on the incentive options granted to directors and executives, as given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the directors and executives is closely related to the performance and value of the Company.

Non-Executive Director Remuneration

The Board's policy is for fees to Non-Executive Directors to be no greater than market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, Incentive Options have been and will continue to be used in future to attract and retain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice may be sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors, currently $250,000, is subject to approval by shareholders at a General Meeting. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares and/or options in the Company and Non-Executive Directors may in limited circumstances receive Incentive Options in order to secure their initial or ongoing services.

Fees for the Chairman are presently $50,000 per annum (2011: $25,000) and fees for Non-Executive Directors' are presently set at $25,000 - $40,000 per annum (2011: $25,000). These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees and services that would ordinarily not be expected of a non-executive director. These additional consulting fees are set at $1,000 per day, capped to a maximum of 75 days per year for each Non-Executive Director. The Board expects that these additional services will be reduced as the Company builds its executive management team.

Impact of Shareholder Wealth on Key Management Personnel Remuneration

The Board does not directly base remuneration levels on the Company's share price or movement in the share price over the financial year. However, as noted above, KMP may receive Incentive Options which generally will only be of value should the value of the Company's shares increase sufficiently to warrant exercising the Incentive Options granted.

The Board anticipates that, during the Company's exploration and development phases of its business, it will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly the Company does not currently have a policy with respect to the payment of dividends, and as a result the remuneration policy does not take into account the level of dividends or other distributions to shareholders (e.g. return of capital).

Impact of Earnings on Key Management Personnel Remuneration

The Company is currently undertaking exploration and project evaluation activities and does not expect to be undertaking profitable operations until after the successful commercialisation, production and sale of commodities from one or more of its projects. Accordingly, the Board does not consider current or prior year earnings when assessing remuneration of KMP.

Group Performance

The table below sets out summary information about the Consolidated Entity's earnings and movements in shareholder wealth:

	Year Ended 30 June 2012 $	Period Ended 30 June 2011 $
Interest Revenue	479,496	495,215
Loss before tax	(3,308,884)	(1,344,626)
Loss after tax	(3,308,884)	(1,344,626)
Dividends	-	-
Basic loss per share	(0.05)	(0.03)
Diluted loss per share	(0.05)	(0.03)

Notes:

(1) The Company remained unlisted at 30 June 2012, so share price information has not been provided above.

Key Management Personnel Remuneration

Details of the nature and amount of each element of the remuneration of each Director and officer of the Company or Group for the financial year are as follows:

	Short-Term Benefits					
2012	Salary & Fees $	STIP $	Post Employment Benefits $	Share Based[1] Payments (Binomial Accounting Valuation) $	Total $	% of Total Remuneration that consists of Option Valuations %
Directors						
Craig Williams (appointed 15 Dec 2011)	22,936	-	2,064	350,000	375,000	93.0%
Matthew Yates	250,000	-	25,000	-	275,000	-
Alastair Morrison	48,163	-	563	-	48,726	-
George Bennett	42,500	-	-	-	42,500	-
Mike Klessens (appointed 15 Mar 2012)	9,174	-	826	172,000	182,000	94.51%
Officers & Management						
Luke Watson (appointed 10 Oct 2011)	162,701	-	18,078	175,000	355,779	49.2%
Anthony Hunt (resigned 1 Nov 2011)	-	-	-	17,500	17,500	100.0%
Nick Holman (appointed 1 Nov 2011)	151,059	-	-	-	151,059	-

Notes

(1) The value of options granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian accounting standards.

(2) Details of incentive options granted as remuneration to each Key Management Personnel of the Company or Group during the financial year are outlined in further detail below.

(3) Share based payment amounts include the accounting valuation of all options granted during the year. The value of each Key Management Personnel's share based payment amounts have been calculated as follows:

	Share Based Payments During the Year	
2012	Accounting Expense For Options Granted During the Year $	Total Share-Based Payments Expense for the Year $
Directors		
Craig Williams	350,000	350,000
Mike Klessens	172,000	172,000
Officers &Management		
Luke Watson	175,000	175,000
Anthony Hunt	17,500	17,500

2011	Short-Term Benefits Salary & Fees $	Post Employment Benefits $	Total $
Directors			
Alastair Morrison	41,750	-	41,750
Matthew Yates	239,574	25,000	264,574
George Bennett	25,000	-	25,000
Officers			
Anthony Hunt	12,000	-	12,000

Notes

(1) Other than the CEO, there were no executives of the Company or Group during the year ended 30 June 2011.

Options Granted to Key Management Personnel

Details of options recorded as remuneration to each Key Management Personnel of the Company or Group during the financial year are as follows:

2012	Issuing Entity	Grant Date	Expiry Date	Exercise Price $	Grant Date Fair Value $	No. Granted	No. Vested at 30 June 2012	% of Grant Vested %	% of Total Remuneration that consists of Option Valuations %
Directors									
Craig Williams	OreCorp Ltd	15-12-11	31-12-15	$0.30	$0.175	2,000,000	2,000,000	100%	93.0%
Mike Klessens	OreCorp Ltd	15-03-12	31-12-15	$0.30	$0.172	1,000,000	1,000,000	100%	94.51%
Officers & Management									
Luke Watson	OreCorp Ltd	15-12-11	31-12-15	$0.30	$0.175	1,000,000	1,000,000	100%	49.2%
Anthony Hunt	OreCorp Ltd	15-12-11	31-12-15	$0.30	$0.175	100,000	100,000	100%	100%

Notes

(1) Details on the valuation of the options granted during the year ended 30 June 2012, including models and assumptions used are provided in Note 16.

(2) Each option converts into one ordinary share of OreCorp Limited on exercise.

(3) No amounts are paid or payable by the recipient on receipt of the options. There are no further service or performance criteria that need to be met in relation to options granted.

Details of the value of options granted, exercised or lapsed for each Key Management Personnel of the Company or Group during the financial year are as follows:

	Value of Options Granted During the Year [1] $	Value of Options Exercised During the Year $	Value of Options Lapsed During the Year [2] $
2012			
Directors			
Craig Williams	350,000	-	-
Mike Klessens	172,000	-	-
Officers &Management			
Luke Watson	175,000	-	-
Anthony Hunt	17,500	-	-

Notes

(1) The value of options granted during the year is recognised in compensation over the vesting period of the grant, in accordance with Australian Accounting Standards.

(2) No options were forfeited or cancelled during the year ended 30 June 2012.

(3) There were no options issued to Key Management Personnel during the year ended 30 June 2011.

Employment Contracts with Key Management Personnel

Mr Matthew Yates, Chief Executive Officer, has a contract of employment with OreCorp Limited. The contract specifies the duties and obligations to be fulfilled by the CEO. The contract has no fixed term and may be terminated by either party giving 3 months notice. No amount is payable in the event of termination for neglect or incompetence in regard to the performance of duties other than accrued entitlements. In the event of termination by either party in certain circumstances, Mr Yates is entitled to 12 months salary. Since August 2010, Mr Yates' cash remuneration has included a fixed remuneration component of $250,000 per annum, plus superannuation of $25,000. Mr Yates will also be eligible to participate in the Company's "Long Term Incentive Plan" and "Short Term Incentive Plan", as and when implemented by the Board.

Mr Luke Watson, Chief Financial Officer& Company Secretary has a contract of employment with OreCorp Limited. The contract specifies the duties and obligations to be fulfilled by the CFO. The contract has no fixed term and may be terminated by either party giving 3 months notice. No amount is payable in the event of termination for neglect or incompetence in regard to the performance of duties other than accrued entitlements. In the event of termination by either party in certain circumstances, Mr Watson is entitled to 12 months salary. Since October 2011, Mr Watson's cash remuneration has included a fixed remuneration component of $225,000 per annum, plus superannuation of $25,000. Mr Watson will also be eligible to participate in the Company's "Long Term Incentive Plan" and "Short Term Incentive Plan", as and when implemented by the Board.

Mr Nick Holman, Exploration Manager, has a contract of employment with OreCorp Mauritania. The contract specifies the duties and obligations to be fulfilled by the Manager. The contract has no fixed term and may be terminated by either party giving 3 months notice. No amount is payable in the event of termination for neglect or incompetence in regard to the performance of duties other than accrued entitlements. In the event of termination by either party in certain circumstances, Mr Holman is entitled to 3 months salary. Mr Holman's salary for the year ended 30 June 2012 was a fixed remuneration component of US$180,000 per annum. Effective 1 July 2012, Mr Holman's cash remuneration is a fixed remuneration component of US$200,000 per annum in Mauritania. Mr Holman will also be eligible to participate in the Company's "Long Term Incentive Plan" and "Short Term Incentive Plan", as and when implemented by the Board.

End of Remuneration Report.

INSURANCE OF OFFICERS AND AUDITORS

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company or Group for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

NON-AUDIT SERVICES

During the year, the Company's auditor prepared a draft Investigating Accountant's Report ('IAR') for inclusion in the Company's draft Prospectus for the proposed IPO which subsequently did not proceed. The auditor was paid $7,500 for preparing the draft IAR. Other than the services provided in relation to the draft IAR, there were no non-audit services provided by the auditor (or by another person or firm on the auditor's behalf) during the financial year.

Details of amounts paid or payable to the auditor for non-audit services provided during the period by the auditor are outlined in note 18 to the financial statements.

The directors are satisfied that the provision of non-audit services by the auditor during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Furthermore, the directors are of the opinion that the services as disclosed in note 18 to the financial statements do not compromise the external auditor's independence.

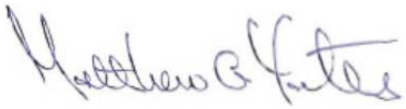
AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is on page 71 of the Financial Report.

DIRECTORS' REPORT
(Continued)

This report is made in accordance with a resolution of the directors made pursuant to section 298(2) of the Corporations Act 2001.

For and on behalf of the Directors



MATTHEW YATES
Chief Executive Officer

12 October 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

		Consolidated	
	Notes	Year Ended 2012 A$	Period Ended 2011 A$
Revenue	2	**479,496**	**495,215**
Other income	2	8,490	-
Corporate and administration costs	3	(1,821,660)	(553,907)
Exploration and evaluation costs		(1,942,571)	(989,946)
Business development costs		(32,639)	(295,988)
Loss before income tax expense		**(3,308,884)**	**(1,344,626)**
Income tax expense	4	-	-
Loss after income tax expense		**(3,308,884)**	**(1,344,626)**
Other comprehensive income			
Exchange differences arising on translation of foreign operations		(16,856)	5,257
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income/(loss) for the period		(16,856)	5,257
Total comprehensive loss for the period		**(3,325,740)**	**(1,339,369)**
Total comprehensive loss attributable to members of the parent		**(3,325,740)**	**(1,339,369)**
Earnings per share			
Weighted average number of shares		66,192,002	47,114,421
Basic loss per share (cents per share)	20	(5.0)	(2.85)
Diluted loss per share (cents per share)	20	(5.0)	(2.85)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

		Consolidated	
	Notes	2012 A$	2011 A$
ASSETS			
Current Assets			
Cash and cash equivalents	21(b)	7,391,971	10,130,321
Trade and other receivables	5	124,484	119,316
Other current assets	6	19,346	-
Total Current Assets		**7,535,801**	**10,249,637**
Non-current Assets			
Property, plant and equipment	7	275,071	25,052
Intangible assets	8	3,400	4,528
Total Non-current Assets		**278,471**	**29,580**
TOTAL ASSETS		**7,814,272**	**10,279,217**
LIABILITIES			
Current Liabilities			
Trade and other payables	9	274,088	128,529
Provisions	10	736	-
Total Current Liabilities		**274,824**	**128,529**
TOTAL LIABILITIES		**274,824**	**128,529**
NET ASSETS		**7,539,448**	**10,150,688**
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	11	11,490,057	11,490,057
Reserves	12	702,901	5,257
Accumulated losses	13	(4,653,510)	(1,344,626)
TOTAL EQUITY		**7,539,448**	**10,150,688**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

		Consolidated	
	Note	Year Ended 2012 A$	Period Ended 2011 A$
Cash flows from operating activities			
Interest received		518,984	391,168
Payments to suppliers and employees		(2,954,090)	(1,722,526)
Net cash outflow from operating activities	21(a)	**(2,435,106)**	**(1,331,358)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(307,776)	(26,561)
Purchase of intangible assets		-	(7,074)
Net cash outflow from investing activities		**(307,776)**	**(33,635)**
Cash flows from financing activities			
Proceeds from issue of shares		-	11,523,002
Transaction costs from issue of shares		-	(32,945)
Net cash inflow from financing activities		**-**	**11,490,057**
Net increase/(decrease) in cash and cash equivalents held		**(2,742,882)**	**10,125,064**
Foreign exchange movement on cash and cash equivalents		4,532	5,257
Cash and cash equivalents at the beginning of the financial period		**10,130,321**	**-**
Cash and cash equivalents at the end of the financial period	21(b)	**7,391,971**	**10,130,321**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

For the Year Ended 30 June 2012	Issued Capital A$	Share Based Payments Reserve $A	Foreign Currency Translation Reserve A$	Accumulated Losses A$	Total Equity A$
Balance at 1 July 2011	**11,490,057**	**-**	**5,257**	**(1,344,626)**	**10,150,688**
Total comprehensive income for the period:					
Net loss for the period	-	-	-	(3,308,884)	(3,308,884)
Other comprehensive income:					
Exchange differences arising on translation of foreign operations	-	-	(16,856)	-	(16,856)
Income tax relating to components of other comprehensive income	-	-	-	-	-
Total other comprehensive income	-	-	(16,856)	-	(16,856)
Total comprehensive income for the period	-	-	(16,856)	(3,308,884)	(3,325,740)
Transactions with owners, recorded directly in equity					
Share based payments	-	714,500	-	-	714,500
Total transactions with owners	-	714,500	-	-	714,500
Balance at 30 June 2012	**11,490,057**	**714,500**	**(11,599)**	**(4,653,510)**	**7,539,448**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

For the Period Ended 30 June 2011	Issued Capital A$	Share Based Payments Reserve $A	Foreign Currency Translation Reserve A$	Accumulated Losses A$	Total Equity A$
Balance at 2 June 2010	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period:					
Net loss for the period	-	-	-	(1,344,626)	(1,344,626)
Other comprehensive income:					
Exchange differences arising on translation of foreign operations	-	-	5,257	-	5,257
Income tax relating to components of other comprehensive income	-	-	-	-	-
Total other comprehensive income	-	-	5,257	-	5,257
Total comprehensive income for the period	-	-	5,257	(1,344,626)	(1,339,369)
Transactions with owners, recorded directly in equity					
Issue of shares	11,523,002	-	-	-	11,523,002
Share issue costs	(32,945)	-	-	-	(32,945)
Total transactions with owners	11,490,057	-	-	-	11,490,057
Balance at 30 June 2011	**11,490,057**	**-**	**5,257**	**(1,344,626)**	**10,150,688**

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the financial report of the Company, OreCorp Limited and its consolidated entities ("Consolidated Entity" or "Group") for the year ended 30 June 2012 are stated to assist in a general understanding of the financial report.

OreCorp Limited is an unlisted public company limited by shares incorporated in Australia whose shares are not publicly traded on any securities exchanges.

The financial report of the Company for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the Directors on 12 October 2012.

(a) Basis of Preparation

The Company was incorporated on 2 June 2010 and as such the comparatives are for the period from 2 June 2010 to 30 June 2011.

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") and interpretations adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

In the application of AASBs management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of AASBs that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The financial report has also been prepared on a historical cost basis, except for other financial assets at fair value through profit or loss and available-for-sale investments, which have been measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial report, which includes the financial statements and the notes of the Group, also complies with International Financial Reporting Standards (IFRS).

(c) 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 AASB that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below.

AASB 124 *Related Party Disclosures* (2009), **AASB 2009-12** *Amendments to Australian Accounting Standards*	AASB 124 (revised December 2009) has been revised on the following two aspects: a) AASB 124 (revised December 2009) has changed the definition of a related party and b) AASB 124 (revised December 2009) introduces a partial exemption from the disclosure requirements for government-related entities. Associates of the ultimate holding company of the Company are treated as related parties of the Group under the revised Standard whilst such entities were not treated as related parties of the Group under the previous Standard.
AASB 2010-5 *Amendments to Australian Accounting Standards*	The application of AASB 2010-5 has not had any material effect on amounts reported in the financial statements.
AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets*	The application of AASB 2010-6 has not had any material effect on amounts reported in the financial statements.
Amendments to **AASB 7** *Financial Instruments: Disclosure*	The amendments (part of **AASB 2010-4** *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*) clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding negotiated loans.

Amendments to **AASB 101** *Presentation of Financial Statements*	The amendments arising under AASB 2010-4 clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
AASB 1054 *Australian Additional Disclosures* and **AASB 2011-1** *Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project*	AASB 1054 sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards. This Standard contains disclosures requirements that are in addition to IFRS in areas such as compliance with Australian Accounting Standards, the nature of financial statements (general purpose or special purpose), audit fees, imputation (franking) credits and the reconciliation of net operating cash flow to profit (loss). AASB 2011-1 makes amendments to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRS and harmonization between Australian and New Zealand Standards. This Standard deletes various Australian-specific guidance and disclosures from other Standards (Australian-specific disclosures retained are now contained in AASB 1054), and aligns the wording used to that in IFRSs.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2012. These are outlined in the table below:

Standard / Interpretation	Effective for Annual Reporting Periods Beginning on or After	Expected to be Initially Applied in the Financial Year Ending
AASB 9 *Financial Instruments*, **AASB 2009-11** *Amendments to Australian Accounting Standards arising from AASB 9* and **AASB 2010-7** *Amendments to Australian Accounting Standards arising from AASB 9*. AASB 9 introduces new requirements for classifying and measuring financial assets.	1 January 2013	30 June 2014
AASB 2010-8 *Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets*	1 January 2012	30 June 2013
AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel*	1 July 2013	30 June 2014

Standard / Interpretation	Effective for Annual Reporting Periods Beginning on or After	Expected to be Initially Applied in the Financial Year Ending
Disclosure Requirements		
AASB 10 *Consolidated Financial Statements*	1 January 2013	30 June 2014
AASB 11 *Joint Arrangements*	1 January 2013	30 June 2014
AASB 12 *Disclosure of Interests in Other Entities*	1 January 2013	30 June 2014
AASB 127 *Separate Financial Statements* (2011), **AASB 128***Investments in Associates and Joint Ventures* (2011)	1 January 2013	30 June 2014
AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*	1 January 2013	30 June 2014
AASB 13 *Fair Value Measurement* and **AASB 2011-8***Amendments to Australian Accounting Standards arising from AASB 13*.	1 January 2013	30 June 2014
AASB 119 *Employee Benefits* (2011) and **AASB 2011-10***Amendments to Australian Accounting Standards arising from AASB 119* (2011)	1 January 2013	30 June 2014
AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*	1 July 2012	30 June 2013
Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine* and **AASB 2011-12** *Amendments to Australian Accounting Standards arising from Interpretation 20*	1 January 2013	30 June 2014
AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*	1 January 2013	30 June 2014
AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*	1 January 2013	30 June 2014
AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle*	1 January 2013	30 June 2014

The directors note that the impact of the initial application of the standards and interpretations is not yet known or is not reasonably estimable. These standards and interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning on or after the effective date of each pronouncement.

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of OreCorp Limited ("Company" or "Parent Entity") as at year end and the results of all subsidiaries for the year then ended. OreCorp Limited and its subsidiaries together are referred to as the Group or the Consolidated Entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and potential effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries/assets by the Group (refer to Note 1(h)).

Intercompany transactions and balances, and unrealised gains on transactions between Group companies, are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. Exploration and evaluation expenditure incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred up to the successful completion of definitive feasibility studies. Expenditure in relation to the preparation of definitive feasibility studies is expensed as incurred.

Expenditure is capitalised if the Company has rights to tenure and the Company expects to recoup the expenditures through successful development or sale.

Capitalised exploration costs are reviewed each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(f) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(g) Income Tax

The income tax expense or income for the period is the tax payable or recoverable on the current period's taxable income or tax loss based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

OreCorp Limited and its 100% owned Australian resident subsidiaries have elected to form a tax consolidated group with effect from 1 July 2010 and are therefore taxed as a single entity from that date.

(h) Acquisition of Assets

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with AASB 2 Share-based Payment; and

- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

(i) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(j) Cash and Cash Equivalents

"Cash and cash equivalents" includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

(k) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less an allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition. An estimate of doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less impairment.

The effective interest method is a method of calculating the amortised cost of a receivable and of allocating interest income over the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the receivable, or, where appropriate, a shorter period.

(l) Investments and Other Financial Assets

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments and other financial assets were acquired. Management determines the classification of its investments and other financial assets at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the Statement of Financial Position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(m) Fair Value Estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments.

(n) Property, Plant and Equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Plant and equipment are depreciated or amortised on a reducing balance or straight line basis at rates based upon their expected useful lives as follows:

	Life
Plant and equipment	2 – 15 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(h)).

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

(o) Payables

Liabilities for trade creditors and other amounts are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity. The amounts are unsecured and are usually paid within 30 days.

Payables to related parties are carried at amortised cost.

(p) Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within twelve months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. Employee benefits payable later than one year are measured at the present value of the estimated future cash flows to be made for those benefits. Contributions to defined contribution super plans are expensed when the employees have rendered the services entitling them to the contributions.

(q) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(r) Dividends

Provision is made for the amount of any dividend declared on or before the end of the year but not distributed at balance date.

(s) Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(t) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(u) Share Based Payments

Share based payments are provided to directors, employees, consultants and other advisors and to acquire assets such as mineral exploration licences.

The fair value of options granted (determined using the Binomial option pricing model) is recognised as an expense or asset, as appropriate with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which option holders become unconditionally entitled to the options.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest.

(v) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the available-for-sale investments revaluation reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders equity. Where a foreign operation is sold or borrowings repaid, a proportionate share of such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(w) Goodwill

(i) Initial Recognition

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of acquisition. Goodwill is subsequently measured at its cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units, or groups of cash-generating units, expected to benefit from the synergies of the business combination. Cash-generating units or groups of cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

(ii) Impairment

If the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or groups of cash-generating units), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or groups of cash-generating units) and then to the other assets of the cash-generating unit (or groups of cash-generating units). An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period. On disposal of an operation within a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

(x) Segment Information

The Consolidated Entity has adopted AASB 8 Operating Segments with effect from its incorporation on 2 June 2010. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity operates in one operating segment and one geographical segment, being mineral exploration in Africa. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

	Consolidated	
	Year Ended 2012 $	Period Ended 2011 $
2. REVENUE AND OTHER INCOME FROM CONTINUING OPERATIONS		
Revenue		
Interest revenue	479,496	495,215
Total Revenue	**479,496**	**495,215**
Other income		
Foreign exchange gain	8,490	-
Total other income	**8,490**	**-**
3. EXPENSES AND LOSSES FROM CONTINUING OPERATIONS		
Loss from ordinary activities before income tax expense includes the following specific expenses:		
(a) Expenses		
Foreign exchange loss	-	(1,182)
	-	**(1,182)**
(b) Depreciation and amortisation		
Depreciation of plant and equipment	**(60,111)**	**(1,509)**
Amortisation of intangible assets	**(1,128)**	**(1,108)**
(c) Employee Benefit Expense		
Salaries and wages	(610,245)	(239,574)
Annual leave provision movement	(736)	-
Superannuation contribution	(46,531)	(25,000)
Share based payment expense	(714,500)	-
	(1,372,012)	**(264,574)**

	Consolidated	
	Year Ended 2012 $	Period Ended 2011 $
4. INCOME TAX		
(a) Recognised in the Income Statement		
Current income tax		
Current income tax expense/(benefit)	(510,627)	(299,795)
Deferred income tax		
Deferred tax assets not recognised	510,627	299,795
Income tax expense reported in the income statement	**-**	**-**
(b) Reconciliation Between Tax Expense and Accounting Loss Before Income Tax		
Accounting loss before income tax	**(3,308,884)**	**(1,344,626)**
At the domestic income tax rate of 30% (2011: n/a)	(992,665)	(403,388)
Expenditure not allowable for income tax purposes	455,799	134,808
Non assessable income	-	(31,215)
Deferred tax assets not recognised	510,627	299,795
Effect of lower income tax rate in other jurisdictions	39,202	-
Effect of higher income tax rate in other jurisdictions	(12,963)	-
Income tax expense reported in the income statement	**-**	**-**
(c) Deferred Income Tax		
Deferred income tax at 30 June relates to the following:		
Deferred Tax Liabilities		
Accrued interest income	19,368	31,215
Deferred tax assets used to offset deferred tax liabilities	(19,368)	(31,215)
	-	**-**
Deferred Tax Assets		
Accruals and provisions	41,611	-
Business related costs	276	-
Tax losses available to offset against future taxable income	665,056	299,795
Deferred tax assets used to offset deferred tax liabilities	(19,368)	(31,215)
Deferred tax assets not recognised	(687,574)	(268,580)
	-	**-**

The benefit of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

(d) Tax Consolidation

OreCorp Limited and its 100% owned Australian resident subsidiaries have elected to form a tax consolidated group.

	Consolidated	
	2012 $	2011 $
5. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES		
GST and VAT receivable	59,923	15,268
Accrued interest receivable	64,561	104,048
	124,484	**119,316**

6. CURRENT ASSETS – OTHER CURRENT ASSETS		
Prepayments	19,346	-
	19,346	**-**

7. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
Cost	337,009	26,561
Accumulated depreciation	(61,938)	(1,509)
Net carrying amount	**275,071**	**25,052**

	Consolidated	
	2012 $	2011 $
Reconciliation		
Carrying amount at beginning of period	25,052	-
Additions	307,776	26,561
Depreciation charge for the year	(60,111)	(1,509)
Foreign exchange movement on plant and equipment	2,354	-
Carrying amount at end of year, net of accumulated depreciation and impairment	**275,071**	**25,052**

8. NON-CURRENT ASSETS – INTANGIBLE ASSETS

Website development at cost	4,100	4,100
Preliminary expenses	1,536	1,536
Accumulated amortisation	(2,236)	(1,108)
Net carrying amount	**3,400**	**4,528**

9. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

Accrued expenses	84,847	12,500
Trade creditors	56,776	92,908
Withholding taxes payable	132,465	23,121
	274,088	**128,529**

10. CURRENT LIABILITIES - PROVISIONS

Annual leave provision	736	-
	736	**-**

	Consolidated	
	2012 $	2011 $
11. ISSUED CAPITAL		
(a) Issued and Paid up Capital		
66,192,002 (2011: 66,192,002) fully paid ordinary shares	**11,490,057**	11,490,057

(b) Movements in Ordinary Share Capital:

Date	Details	Number of Shares	Issue Price A$	$
2 June 2010	**Opening Balance**	**-**		**-**
2 June 2010	Issue of Shares	2	1.00	2
July 2010 – June 2011	Issue of Shares	29,000,000	0.10	2,900,000
July 2010 – June 2011	Issue of Shares	13,500,000	0.20	2,700,000
July 2010 – June 2011	Issue of Shares	23,692,000	0.25	5,923,000
July 2010 – June 2011	Share issue expenses	-	-	(32,945)
30 June 2011	**Closing Balance**	**66,192,002**		**11,490,057**
1 July 2011	**Opening Balance**	**66,192,002**		**11,490,057**
30 June 2012	**Closing Balance**	**66,192,002**		**11,490,057**

(c) Rights Attaching to Shares

The rights attaching to fully paid ordinary shares ("Shares") arise from a combination of the Company's Constitution, statute and general law.

Copies of the Company's Constitution are available for inspection during business hours at the Company's registered office. The clauses of the Constitution contain the internal rules of the Company and define matters such as the rights, duties and powers of its shareholders and directors, including provisions to the following effect (when read in conjunction with the Corporations Act 2001):

(i) Shares

The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the directors, subject to the Corporations Act 2001, and any rights attached to any special class of shares.

(ii) Meetings of Members

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is 2 natural persons, each of whom is or represents different Shareholders who are eligible to vote.

The Company holds annual general meetings in accordance with the Corporations Act 2001.

(iii) Voting

Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

(iv) Changes to the Constitution

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

	Consolidated	
	2012 $	2011 $
12. RESERVES		
(a) Reserves		
Share Based Payments Reserve:		
4,100,000 (30 June 2011: Nil) $0.30 Options	714,500	-
Foreign Currency Translation Reserve:		
Currency translation differences	(11,599)	5,257
Total Reserves	**702,901**	**5,257**

Share Based Payments Reserve
The share based payments reserve is used to record the grant date fair value of share-based payments and other option grants made by the Company.

Foreign Currency Translation Reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(b) Movements in Share Based Payments Reserve were as follows:

Date	Details	Note	Number of $0.30 Options	$
1 July 2011	Balance at the beginning of period		-	-
15 Dec 2011	Grant of options	16	3,100,000	542,500
15 Mar 2012	Grant of options	16	1,000,000	172,000
30 June 2012	**Balance at end of year**		**4,100,000**	**714,500**

	Consolidated	
	2012 $	2011 $
(c) Movements in Foreign Currency Translation Reserve were as Follows:		
Balance at the beginning of period	5,257	-
Currency translation differences	(16,856)	5,257
Balance at end of year	**(11,599)**	**5,257**

(d) Terms and conditions of the Options

The $0.30 Options ("Options") are granted based upon the following terms and conditions:

- Each Option entitles the holder to subscribe for one Share upon exercise of each Option.
- The Options have exercise prices and expiry dates as follows:
  - $0.30 Options exercisable at $0.30 each, expiring 31 December 2015.
- The Options are exercisable at any time prior to the Expiry Date, subject to the vesting conditions being satisfied (if applicable).
- Shares issued on exercise of the Options rank equally with the then shares of the Company.
- Application will be made by the Company for official quotation (if applicable) of the Shares issued upon the exercise of the Options.
- If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the Listing Rules (if applicable) which apply to the reconstruction at the time of the reconstruction.
- No application for quotation (if applicable) of the Options will be made by the Company.
- Subject to the proposed transferee being a party which is within the class of parties in section 708 of the Corporations Act to which disclosure is not required, the Options are transferable.

	Consolidated	
	2012 $	2011 $
13. ACCUMULATED LOSSES		
Balance at the beginning of period	(1,344,626)	-
Net loss	(3,308,884)	(1,344,626)
Balance at end of year	**(4,653,510)**	**(1,344,626)**

(a) Franking Account

In respect to the payment of dividends (if any) by OreCorp in subsequent financial years, no franking credits are currently available, or are likely to become available in the next 12 months.

14. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Details of Key Management Personnel

The KMP of the Group during or since the end of the financial year were as follows:

Directors
Mr Craig Williams (appointed 15 December 2011)
Mr Alastair Morrison
Mr Matthew Yates
Mr George Bennett
Mr Mike Klessens (appointed 15 March 2012)

Other Key Management Personnel
Mr Luke Watson, CFO & Company Secretary (appointed 10 October 2011)
Mr Nick Holman, Exploration Manager (appointed 1 November 2011)
Mr Anthony Hunt, Company Secretary (resigned 1 November 2011)

Unless otherwise disclosed, the KMP held their position from 1 July 2011 until the date of this report. There were no other key management personnel during the reporting period.

(b) Key Management Personnel Compensation

The following table provides a summary of all key management personnel of the Company and the Group and the nature and total of compensation for the financial year ended 30 June 2012. Key management personnel disclosures previously required by AASB 124 Related Party Disclosures paragraphs Aus 25.2 to Aus 25.6 and Aus 25.7.1 and Aus 25.7.2 are included in the Remuneration Report section of the Directors' Report (refer pages 14 – 21).

		Short-Term Benefits		Post Employment Benefits	Share Based Payments	Total
		Salary & Fees $	Cash Bonus $	Superannuation $	Options $	$
TOTAL YEAR ENDED	**2012**	**686,533**	**-**	**46,531**	**714,500**	**1,447,564**
TOTAL PERIOD ENDED	**2011**	**318,324**	**-**	**25,000**	**-**	**343,324**

15. RELATED PARTY DISCLOSURES

(a) Shareholdings of Key Management Personnel

Key Management Person 2012	Opening Balance at 1 July 2011	Purchases	Held at 30 June 2012
Directors			
Mr Craig Williams[(1)(2)] (appointed 15 Dec 2011)	400,000	-	400,000
Mr Matthew Yates	10,000,002	-	10,000,002
Mr Alastair Morrison	5,000,000	-	5,000,000
Mr George Bennett	5,000,000	-	5,000,000
Mr Mike Klessens[(2)] (appointed 15 Mar 2012)	-	-	-
Management			
Mr Luke Watson[(2)] (appointed 10 Oct 2011)	-	-	-
Mr Nick Holman[(2)] (appointed 1 Nov 2011)	1,500,000	-	1,500,000
Mr Anthony Hunt[(3)] (resigned 1 Nov 2011)	-	-	-

Notes

(1) Mr Williams took part in the October 2010 capital raising for sophisticated investors and acquired his shares for $0.25 each.

(2) The opening balance is as at date of appointment.

(3) The closing balance is as at date of resignation.

Key Management Person 2011	Opening Balance at 2 June 2010	Purchases	Held at 30 June 2011
Directors			
Mr Alastair Morrison[1]	-	5,000,000	5,000,000
Mr Matthew Yates[1]	-	10,000,002	10,000,002
Mr George Bennett[1]	-	5,000,000	5,000,000
Officers			
Mr Anthony Hunt	-	-	-

Notes

(1) The founders of the Company (Messrs Morrison, Yates and Bennett) acquired the abovementioned shares for $0.10 each during the September 2010 quarter.

Other than the Directors and executives noted above, there were no Key Management Personnel of the Company during the year.

(b) Option Holdings of Key Management Personnel

The aggregate numbers of options and rights over ordinary shares of the Company held directly, indirectly or beneficially by KMP of the Company or Group or their related entities at balance date is as follows:

Key Management Person 2012	Opening Balance at 1 July 2011 #	Granted as Compensation # (3) & (4)	Exercised #	Other Changes #	Held at 30 June 2012 #	Vested and exercisable at 30 June 2012 #
Directors						
Craig Williams[1] (appointed 15 Dec 2011)	-	2,000,000	-	-	2,000,000	2,000,000
Matthew Yates	-	-	-	-	-	-
Alastair Morrison	-	-	-	-	-	-
George Bennett	-	-	-	-	-	-
Mike Klessens[1] (appointed 15 Mar 2012)	-	1,000,000	-	-	1,000,000	1,000,000
Officers & Management						
Luke Watson[1] (appointed 10 Oct 2011)	-	1,000,000	-	-	1,000,000	1,000,000
Nick Holman[1] (appointed 1 Nov 2011)	-	-	-	-	-	-
Anthony Hunt[2] (resigned 1 Nov 2011)	-	100,000	-	-	100,000	100,000

Notes

(1) The opening balance is as at date of appointment.

(2) The closing balance is as at date of resignation.

(3) The following incentive options were granted to Directors and executives of the Company or Group during the year ended 30 June 2012 as part of the Company's remuneration strategies to attract and incentivise KMP:

- Craig Williams:
  - 2,000,000 $0.30 options exercisable on or before 31 December 2015.
- Mike Klessens:
  - 1,000,000 $0.30 options exercisable on or before 31 December 2015.
- Luke Watson:
  - 1,000,000 $0.30 options exercisable on or before 31 December 2015.

(4) For details on the valuation of the options, including models and assumptions used, please refer to Note 16 to the financial statements.

(5) The value of options granted during the year is recognised in compensation over the vesting period of the grant, in accordance with Australian accounting standards.

(6) No options were forfeited or cancelled during the year ended 30 June 2012.
(7) There were no options granted to Key Management Personnel during the year ended 30 June 2011.

(c) Transactions with Related Parties in the Group

The Group consists of OreCorp Limited (the parent entity in the wholly owned group) and its controlled entities (see Note 17).

The following loan transactions were entered into during the year within the wholly owned group:

- OreCorp Limited advanced approximately $968,924 to Mauritania by way of intercompany loan (2011: $492,854). The total balance at 30 June 2012 has been provided for;
- OreCorp Limited advanced $213,892 to Ethiopia by way of intercompany loan (2011: $237,315). The total balance at 30 June 2012 has been provided for; and
- OreCorp Limited advanced $77,175 to Mozambique by way of intercompany loan (2011: Nil). The total balance at 30 June 2012 has been provided for.

These transactions were undertaken on commercial terms and conditions, except that:

(i) There is no fixed repayment of the loans; and

(ii) No interest is payable on the loans prior to the completion of a bankable feasibility study by the same subsidiary.

The loans to Mauritania, Ethiopia and Mozambique have been fully provided for during the year ended 30 June 2012.

Remuneration and equity holdings of Key Management Personnel are disclosed in Notes 14 and 15(a) and (b).

(d) Other Transactions with Related Parties

There were no other transactions with related parties during the year ended 30 June 2012.

16. SHARE BASED PAYMENTS

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options issued as share-based payments during the year:

	2012 Number	2012 WAEP	2011 Number	2011 WAEP
Outstanding at beginning of year	-	-	-	-
Options granted during the year	4,100,000	$0.30	-	-
Options exercised during the year	-	-	-	-
Outstanding at end of year	**4,100,000**	**$0.30**	**-**	**-**
Exercisable at end of year	**4,100,000**	**$0.30**	**-**	**-**

The outstanding balance of options issued as share based payments on issue as at 30 June 2012 is represented by:

- 4,100,000 Options over ordinary shares with an exercise price of $0.30 each that expire on 31 December 2015.

The remaining contractual lives for the options outstanding as at 30 June 2012 is 3.5 years.

The range of exercise prices for options outstanding at the end of the year was $0.30.

The weighted average fair value of options granted during the year was $0.174.

The terms and conditions of the options and rights are disclosed in Note 12(d).

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Binomial option valuation model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the valuation model used for share options granted by the Company during the year ended 30 June 2012:

Valuation Model Input	Tranche 1 $0.30 Options	Tranche 2 $0.30 Options
Exercise price	$0.30	$0.30
Share price on date of grant	$0.25	$0.25
Share price at 30 June 2012	$0.25	$0.25
Dividend yield	Nil	Nil
Volatility	105%	105%
Risk-free interest rate	3.24%	3.81%
Grant date	15/12/11	15/03/12
Expiry date	31/12/15	31/12/15
Expected life of option (years)	4.05	3.80
Fair value at grant date	$0.175	$0.172
Number of options granted	3,100,000	1,000,000
Vesting date	15/12/11	15/03/12
Vesting period (years)	Nil	Nil
Expensed at 30 June 2012	Yes	Yes

There were no share options issued as share based payments in prior years and none exercised during the year. It is further noted that none of the share options issued as share based payments were forfeited or expired during the year.

The dividend yield reflects the assumption that the current dividend payout will remain unchanged. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The total share based payment expense recorded by the Group during the year was $714,500 (2011: Nil). All share based payments were accounted for as equity-settled share-based payment transactions.

17. CONTROLLED ENTITIES

All controlled entities are included in the consolidated financial statements. The parent entity does not guarantee to pay the deficiency of its controlled entities in the event of a winding up of any controlled entity. The financial year-end of the controlled entities is the same as that of the parent entity, except for the Mauritanian and Mozambique entities which are required by local law to use a 31 December year-end (note – special purpose IFRS Accounts are maintained for the purposes of the consolidated financial statements).

Name of Controlled Entity	Place of Incorporation	% of Shares Held 2012	% of Shares Held 2011
OreCorp International Limited	Australia	100%	100%
OreCorp Mauritania SARL	Mauritania	100%	100%
OreCorp East Africa Pty Ltd	Australia	100%	100%
OreCorp Minerals PLC	Ethiopia	100%	100%
OreCorp Africa Pty Ltd	Australia	100%	100%
OreCorp Moçambique Limitada	Mozambique	100%	100%
OreCorp REE Pty Ltd (1)	Australia	100%	-

Notes

(1) OreCorp REE Pty Ltd was incorporated during the year and is currently dormant.

	Consolidated	
	Year Ended 2012 $	Period Ended 2011 $
18. REMUNERATION OF AUDITORS		
Amounts received or due and receivable by Deloitte Touche Tohmatsu for:		
- an audit or review of the financial reports of the Company	25,000	12,500
- other services in relation to the Company	7,500	-
Total Auditors' Remuneration	**32,500**	**12,500**

19. SEGMENT INFORMATION

The Consolidated Entity has adopted AASB 8 Operating Segments with effect from its incorporation on June 2 2010. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity operates in one operating segment and one geographical segment, being mineral exploration in Africa. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

	Consolidated	
	Year Ended 2012 $	Period Ended 2011 $
20. EARNINGS PER SHARE		
Basic loss per share (cents)	(5.0)	(2.85)
Diluted loss per share (cents)	(5.0)	(2.85)

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

Net loss used in calculating basic and diluted earnings per share	**(3,308,884)**	**(1,344,626)**

	Number of Shares 2012	Number of Shares 2011
Weighted average number of ordinary shares used in calculating basic earnings per share	66,192,002	47,114,421
Effect of dilutive securities*	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**66,192,002**	**47,114,421**

***Non-dilutive securities**
As at balance date, 4,100,000 unlisted options (which represent 4,100,000 potential ordinary shares) were not considered dilutive, for the purposes of calculating the loss per share for the year ended 30 June 2012, as they would decrease the loss per share.

Conversions, calls, subscriptions or issues after 30 June 2012

Since 30 June 2012, the Company has not issued any securities.

	Consolidated	
	2012 $	2011 $

21. STATEMENT OF CASH FLOWS

(a) Reconciliation of Loss from Continuing Operations after Income Tax to Net Cash Outflow from Operating Activities

Loss from continuing operations after income tax	(3,308,884)	(1,344,626)
Adjustment for non-cash income and expense items		
Depreciation	60,111	1,509
Amortisation	1,128	-
Provision for annual leave	736	-
Share based payments	714,500	-
Write-off of capitalised expenditure	-	563
Foreign exchange (gain)/loss	(23,742)	1,983
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	(5,168)	(119,316)
Decrease/(increase) in other current assets	(19,346)	-
Increase/(decrease) in trade and other payables	145,559	128,529
Net cash outflow from operating activities	**(2,435,106)**	**(1,331,358)**

(b) Reconciliation of Cash and Cash Equivalents

Cash at bank and on hand	568,152	396,273
Bank short term deposits	6,823,819	9,734,048
	7,391,971	**10,130,321**

(c) Credit Standby Arrangements with Banks

At balance date, the Company had no used or unused financing facilities.

(d) Non-cash Financing and Investment Activities

(i) 30 June 2012

During the year ended 30 June 2012, the Company did not complete any investment transactions that involved the issue of shares as consideration.

(ii) 30 June 2011

During the period ended 30 June 2011, the Company did not complete any investment transactions that involved the issue of shares as consideration.

	Consolidated	
	2012 $	2011 $
22. PARENT ENTITY DISCLOSURES		
(a) Parent Entity – Financial Position		
Assets		
Current assets	7,210,033	9,987,385
Non-current assets	39,019	14,204
Total assets	7,249,052	10,001,589
Liabilities		
Current liabilities	218,049	128,529
Total liabilities	218,049	128,529
Net assets	**7,031,003**	**9,873,060**
Equity		
Issued capital	11,490,057	11,490,057
Reserves	714,500	-
Retained earnings	(5,173,554)	(1,616,997)
Total equity	**7,031,003**	**9,873,060**

	Consolidated	
	2012 $	2011 $
(b) Parent Entity – Financial Performance		
Profit/(loss) for the period	(3,556,557)	(1,616,997)
Other comprehensive income/(loss)	-	-
Loss attributable to members of the parent	**(3,556,557)**	**(1,616,997)**

(c) Guarantees Entered into by the Parent Entity in Relation to the Debts of its Subsidiaries

As at 30 June 2012, the Parent had not entered into any guarantees in relation to the debts of its subsidiaries.

(d) Contingent Liabilities of the Parent Entity

As at 30 June 2012, the Parent did not have any contingent liabilities.

(e) Commitments for the Acquisition of Property, Plant and Equipment by the Parent Entity

As at 30 June 2012, the Parent did not have any commitments for the acquisition of property, plant and equipment.

23. FINANCIAL INSTRUMENTS

(a) Overview

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated	
	2012 $	2011 $
Financial Assets		
Cash and cash equivalents	7,391,971	10,130,321
Other current receivables	124,484	119,316
Total financial assets	**7,516,455**	**10,249,637**
Financial Liabilities		
Trade and other payables	274,088	128,529
Total financial liabilities	**274,088**	**128,529**

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. As at 30 June 2012, the Group has sufficient liquid assets to meet its financial obligations.

(c) Liquidity and Interest Risk Tables

	Weighted Average Effective Interest Rate %	≤ 6 months $	Total $
2012			
Group			
Financial Assets			
Non-interest bearing	-	442,078	442,078
Variable interest rate instruments	3.5	250,558	250,558
Fixed interest rate instruments	4.95	6,823,819	6,823,819
		7,516,455	**7,516,455**
Financial Liabilities			
Non-interest bearing	-	274,088	274,088
		274,088	**274,088**
2011			
Group			
Financial Assets			
Non-interest bearing	-	405,747	405,747
Variable interest rate instruments	4.75	109,842	109,842
Fixed interest rate instruments	6.01	9,734,048	9,734,048
		10,249,637	**10,249,637**
Financial Liabilities			
Non-interest bearing	-	128,529	128,529
		128,529	**128,529**

(d) Interest Rate Risk Exposure

The Group's exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate.

These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing.

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Cash flow sensitivity analysis for variable rate instruments

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term interest rates. An increase of 10% in the interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or Loss		Equity	
	10% Increase $	10% Decrease $	10% Increase $	10% Decrease $
2012				
Group				
Cash and cash equivalents	36,595	(36,595)	36,595	(36,595)
2011				
Group				
Cash and cash equivalents	522	(522)	522	(522)

It is noted that the analysis shown above is not representative of the risks faced by the Company throughout the period because interest rates and cash balances have changed significantly during 2012 and 2011.

(e) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash, cash equivalents and financial assets and financial liabilities approximates their carrying value.

(f) Credit Risk Exposure

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables and in the Company includes loans to controlled entities.

The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

	Consolidated	
	2012 $	2011 $
Financial Assets		
Cash and cash equivalents	7,391,971	10,130,321
Trade and other receivables and other financial assets	124,484	119,316
Total financial assets	**7,516,455**	**10,249,637**

The Group does not have any significant customers and accordingly does not have any significant exposure to bad or doubtful debts.

Trade and other receivables includes GST/VAT refunds receivable. Where possible the Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. None of the Group's receivables at 30 June 2012 are past due. No impairment losses have been recognised.

The Company's accounts include receivables from controlled entities for which full provisions for non-recovery have been made. Provision is made against loans to controlled entities where the underlying exploration assets have been fully provided for or written off.

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The parent entity's cash and cash equivalents are held with the Westpac Bank which is an Australian bank with a AA credit rating (Standard & Poor's).

(g) Foreign Currency Risk

The Group also has transactional currency exposures. Such exposure arises from transactions denominated in currencies other than the functional currency of the entity.

The Group currently does not engage in any hedging or derivative transactions to manage foreign currency risk.

The Group's exposure to foreign currency risk throughout the current and prior year primarily arose from certain controlled entities of the Company with functional currencies other than AUD having foreign currency exposure in relation to intercompany loans which are denominated in Australian dollars. In the Group accounts, the exchange movements on these loans are taken to the foreign currency translation reserve. As noted above, these loans are fully provided for and accordingly, the carrying value of these loans at balance date is nil (2011: nil).

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	Assets 2012 $	Assets 2011 $
US dollars	247,021	38,596
Other (Mauritanian and Ethiopian currencies)	47,245	243,109
	294,266	**281,705**

(h) Commodity risk

The Group is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Group's control. As the Group is currently engaged in exploration and business development activities, no sales of commodity products are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage price risk.

(i) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares. The Group is currently examining new business opportunities, where acquisition/working capital requirements of a new project may involve additional funding in some format.

The Group is not definitively committed to any specific exploration spend on its exploration licences in Africa and will continue to assess ongoing exploration results on the licences, prior to making any decisions on future exploration programs and expenditures.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

24. INTEREST IN JOINT VENTURES (JOINTLY CONTROLLED ASSETS)

Joint Venture	Activity	Interest at 30 June 2012	Interest at 30 June 2011
Mauritania			
Oau Oau JV[1]	Precious & base metals exploration	-	-
Boa Naga JV[2]	Rare earth elementexploration	-	-
Conchita East JV[3]	Precious & base metals exploration	-	-

Notes

(1) The Company has signed an agreement to acquire interests (earning up to 90%) in a package of four granted exploration licences adjacent to OreCorp's wholly owned Oua Oua licence in the southern Mauritanide Belt. As at 30 June 2012, the Company's interest in the JV was nil.

(2) The Company has signed an agreement to acquire an interest (earning up to 51%) in a granted exploration licence in the northern Mauritanide Belt containing known rare earth element mineralisation. As at 30 June 2012, the Company's interest in the JV was nil.

(3) The Company has signed an agreement to acquire interests (earning up to 90%) in a package of two exploration licences located in the Reguibat Shield of northern Mauritania. As at 30 June 2012, the Company's interest in the JV was nil.

25. COMMITMENTS FOR EXPENDITURE

	Consolidated	
	2012 $	2011 $
Commitments		
Not longer than 1 year	316,305	11,455
Longer than 1 year and not longer than 5 years	-	-
	316,305	**11,455**

Notes

(1) The majority of the commitments at 30 June 2012 relate to expenditure commitments on the Company's licences, including earn-in amounts for the JV's disclosed in Note 24.

26. CONTINGENT LIABILITIES

As at 30 June 2012 and 30 June 2011, the Company did not have any contingent liabilities.

27. SUBSEQUENT EVENTS

There were no significant changes in the state of affairs of the Consolidated Entity subsequent to the year ended 30 June 2012.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of OreCorp Limited, I state that:

(1) In the opinion of the Directors:

(a) the financial statements and notes thereto of the Consolidated Entity are in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2012 and of their performance for the year ended on that date; and

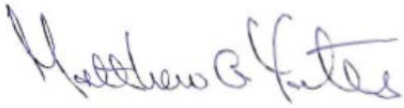
(ii) complying with accounting standards and the Corporations Act 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay their debts as and when they become due and payable.

(2) The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements.

(3) The Directors have been given a declaration required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2012.

On behalf of the Board



MATTHEW YATES
Chief Executive Officer

12 October 2012

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +618 9365 7001
www.deloitte.com.au

Independent Auditor's Report to the Members of OreCorp Limited

We have audited the accompanying financial report of OreCorp Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 as set out on pages 23 to 68.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

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. Those 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. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, 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 company'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.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of OreCorp Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Deloitte.

Opinion

In our opinion:

(a) the financial report of OreCorp Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

DELOITTE TOUCHE TOHMATSU

A T Richards
Partner
Chartered Accountants
Perth, 12 October 2012

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 9365 7001
www.deloitte.com.au

The Directors
OreCorp Limited
Level 1, 230 Rokeby Road
SUBIACO WA 6008

12 October 2012

Dear Board Members

OreCorp 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 OreCorp Limited.

As lead audit partner for the audit of the financial statements of OreCorp Limited for the financial year ended 30 June 2012, 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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A T Richards
Partner
Chartered Accountants

OreCorp
LIMITED