



**ORECORP**  
LIMITED

# Annual Report 2013

ABN 24 147 917 299



## CORPORATE DIRECTORY

### Directors

Mr Craig Williams – Non-Executive Chairman  
Mr Matthew Yates – CEO & Managing Director  
Mr Alastair Morrison – Non-Executive Director  
Mr Michael Klessens – Non-Executive Director

### CFO & Company Secretary

Mr Luke Watson

### Registered and Principal Office

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Subiaco WA 6008

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Subiaco WA 6904

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### Share Register

Computershare Investor Services Pty Ltd  
Level 2, 45 St Georges Terrace  
Perth WA 6000  
Telephone: 1300 850 505  
International: +61 8 9323 2000

### Stock Exchange Listing

Australian Securities Exchange ('ASX')  
2 The Esplanade  
Perth WA 6000

ASX Code:  
ORR – Ordinary Shares  
ORRO – Listed Options

### Solicitors

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

### Auditors

Deloitte Touche Tohmatsu  
Level 14, 240 St Georges Terrace  
Perth WA 6000

### Bankers

Westpac Limited  
Level 13, 109 St Georges Terrace  
Perth WA 6000



**OreCorp's Chairman and Ethiopian Exploration Manager at the Yubdo - Ursa Project, Ethiopia**

### Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Matthew Yates, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Yates is a full-time employee and beneficial shareholder of OreCorp Limited. Mr Yates has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Yates consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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*Field Crew, Yubdo - Ursa Project, Ethiopia*

## COMPANY PROFILE

***OreCorp Limited ('OreCorp' or 'the Company') is an emerging African focused resource company. The Company is established in Ethiopia and Mauritania and has been exploring for gold and base metals. OreCorp is well funded with approximately \$10.5 million in cash and no debt as of 30 June 2013.***

OreCorp currently has three projects in Ethiopia and two in Mauritania. The Company is presently focusing its exploration activities at its wholly owned Yubdo - Ursa Project in Ethiopia where recent drilling and surface sampling has returned encouraging results.

In addition, OreCorp is continually evaluating other advanced projects and corporate opportunities throughout Africa.

The Company has a highly credentialed Board and management team with an outstanding track record in Africa. The Board has the technical expertise to deliver quality mineral deposits and the capacity to finance both the exploration and development of such projects. The Board has significant experience with listed companies in Australia and Canada, as well as creating value through corporate merger and acquisition opportunities.



*OreCorp's Project Locations, North Africa*



*Ethiopian Landscapes*

## LETTER FROM THE CEO

The past year has been a challenging one for the minerals and exploration industry. Despite this, OreCorp has achieved significant progress on its key projects and also reviewed numerous other project and corporate opportunities. The Company entered into an agreement to acquire 100% of the issued capital of OreCorp Resources Pty Ltd ('Merger') and raised \$5 million in the first quarter of 2013. This provided the Company with working capital to advance its projects and complete the year with a strong balance sheet.

In Ethiopia, significant progress has been made on the Company's 100% owned Yubdo - Ursa Project ('Yubdo - Ursa' or 'Project') in the west of the country. Broad areas of gold, nickel, chromium and platinum anomalism have been identified and drill testing of one of these anomalous areas was completed in the second quarter of 2013 at Yubdo West. Encouraging results were obtained from the drilling. Elsewhere within the Yubdo - Ursa Project, in-fill sampling of gold-in-soil geochemical anomalies at Tulu Kapi South has identified highly promising targets for further work.

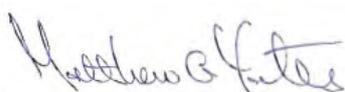
In Mauritania, numerous geochemical anomalies have been identified at the Akjoujt South Project. Of particular interest is Anomaly 5, where broad areas of nickel-copper anomalism have been generated in geochemical sampling and trenching.

The Company's achievements are a testament to the excellent work, enthusiasm and dedication of its employees and consultants. OreCorp has established operations in Addis Ababa, Ethiopia and Nouakchott, Mauritania and employs local administrative and field staff in each country.

OreCorp will continue to work for the interests of its shareholders by pursuing its core objective of delivering growth through the exploration, delineation, acquisition and ultimately, the development of mineral resources.

On behalf of the Board, I would like to thank our shareholders, employees and consultants for their support over the past year.

Matthew Yates



CEO & Managing Director



*Drilling at the Yubdo West Prospect in Ethiopia*

## PROJECT OVERVIEW

Excellent progress has been made over the past year as the Company continues to establish itself as an emerging resource company.

OreCorp currently has three project areas in Ethiopia, east Africa and two project areas in Mauritania, west Africa. Exploration progress has been achieved during a challenging period for mineral resource companies and the Directors are pleased to present the Company's annual report to shareholders.

## ETHIOPIAN PROJECTS

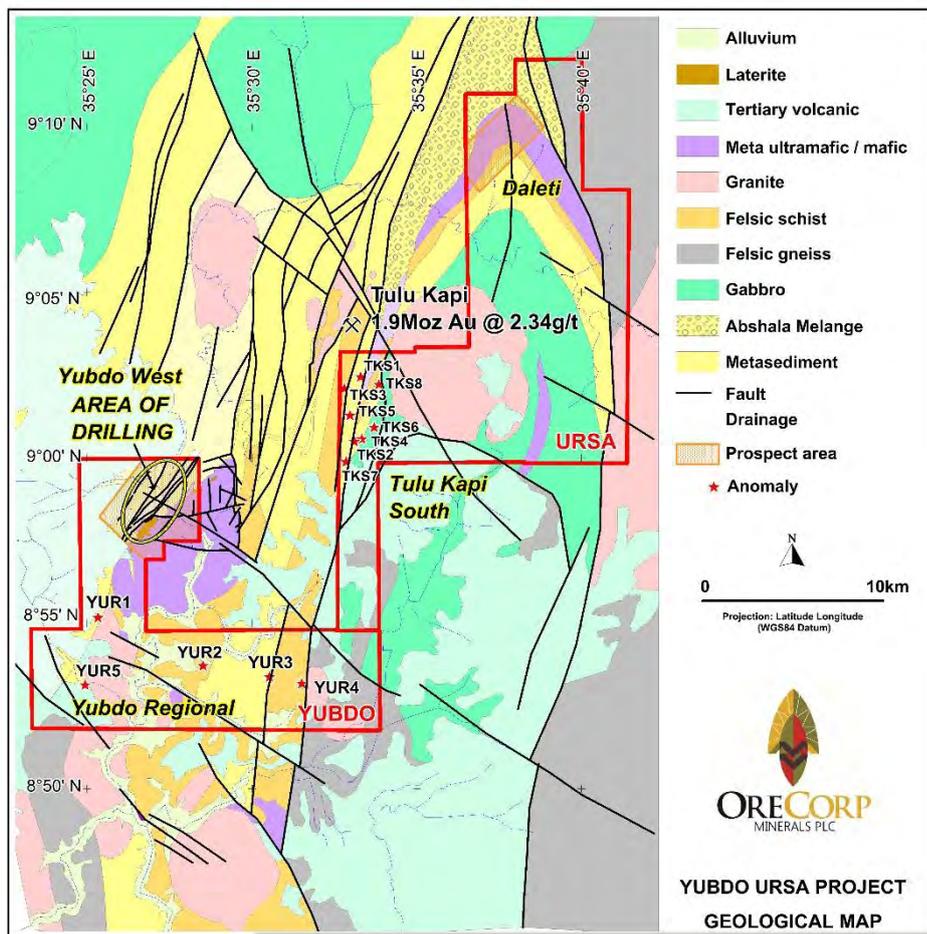
### Yubdo - Ursa Project (Au-Ni-Cu-Cr-PGE) [OreCorp 100% in licences 243 & 244]

The Project covers approximately 400km<sup>2</sup> of Ethiopia's Western Greenstone Belt, adjacent to Nyota Mineral's Tulu Kapi Project, which hosts a resource of 1.9 million ounces @ 2.34 g/t gold<sup>1</sup>.

Previous work by OreCorp has identified gold, nickel, chromium and platinum anomalous at Yubdo - Ursa. Work completed during the year included trenching, infill soil sampling, RC drilling and a helicopter-borne magnetic and radiometric survey of the entire Project area.



<sup>1</sup> Refer Nyota Minerals' ASX release dated 9 October 2012



**Yubdo - Ursa Geology with Area of Drilling and Prospects**

**Yubdo West Prospect (Gold)**

Yubdo West is one of several zones of geochemical anomalism within the Project area. A drill program comprising 51 RC holes for 4,620m on nine traverses was completed during the year. The topography of the Yubdo West Prospect restricted

access to some areas and resulted in some variable line spacing of the drilling program. As a consequence, not all areas of anomalism within the Prospect were drill tested.



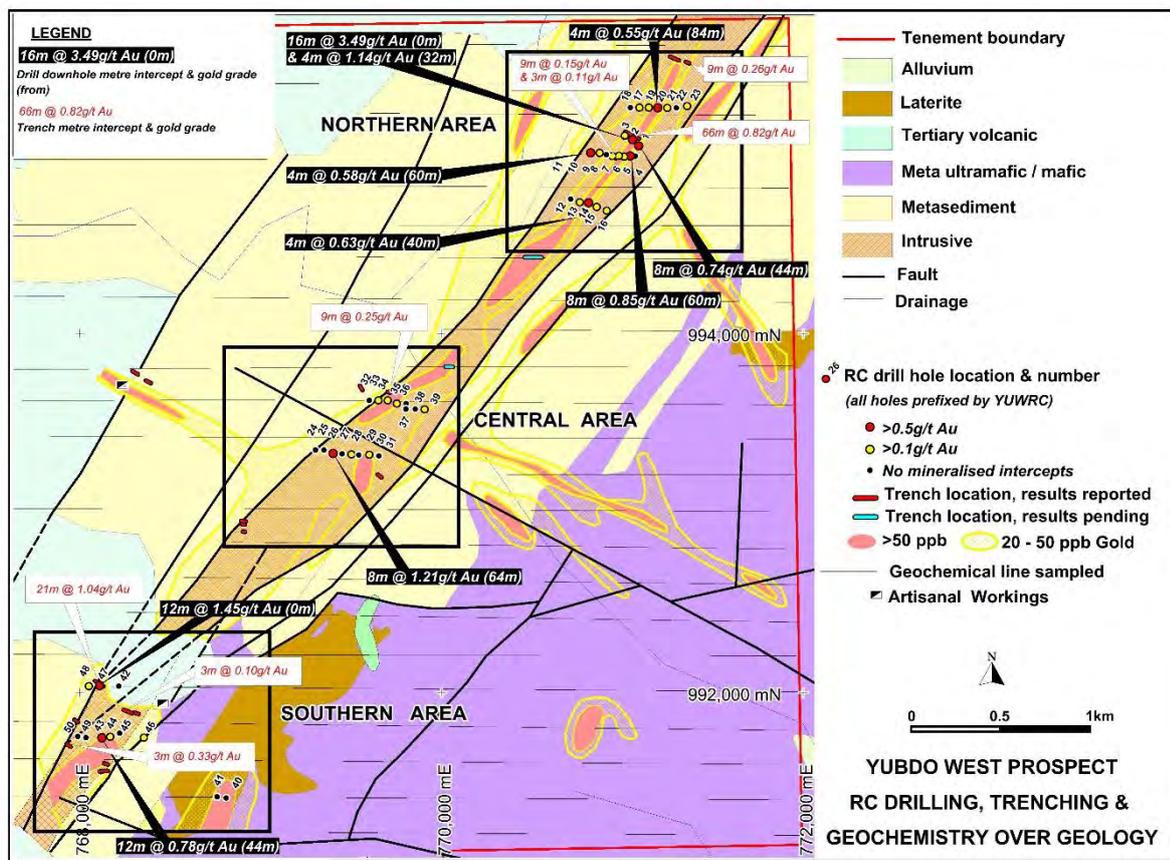
**2013 Drilling Program at Yubdo - Ursa**

## PROJECT OVERVIEW (Continued)

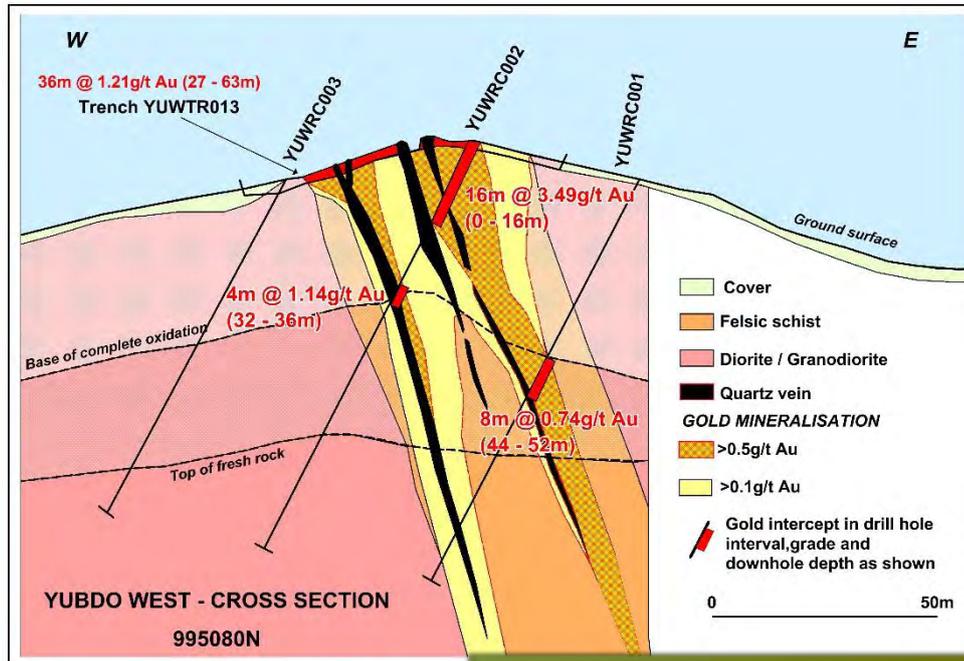
Assay results from predominantly four metre composite samples are presented in the figure below and the cross section opposite with highlights summarised as follows:

- The best intercept of 16m @ 3.49 g/t gold from surface in YUWRC02 demonstrates encouraging potential, considering the wide drill line spacing and that some of the stronger parts of the geochemical anomaly were unable to be tested due to access constraints.
- YUWRC02 was drilled under trench YUWTR13 which returned an intercept of 66m @ 0.82 g/t gold (54 gram metres) versus 56 gram metres in hole YUWRC02, indicating a good correlation between trench and down hole intercepts. Similar correlation was observed between hole YUWRC47 and trench YUWTR03 in the southern area.

- The correlation between geochemistry, trenching and drill results indicates that trenching is an effective and cost efficient manner in which to test geochemical anomalism in the area as a prelude to further drilling. As a result, a follow-up trenching program is currently being planned.
- Mineralisation (>0.1 g/t gold) was encountered in 30 of the 51 holes and eight of nine traverses drilled in this program.
- Gold mineralisation has been encountered in oxidised and fresh rock.
- Drainage cover may fragment zones of anomalism leading to geochemically lower tenor or blind zones that are still prospective within the main trend.



Yubdo West Prospect RC Drilling, Trenching and Geochemistry over Geology

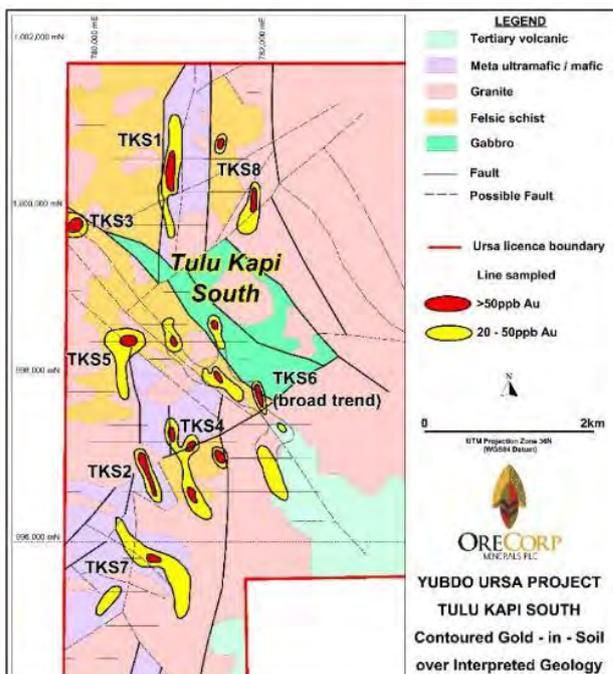


Yubdo West Prospect Cross Section 995080N

**Tulu Kapi South Prospect**

Infill soil sampling at Tulu Kapi South (5km south of Tulu Kapi) has revealed a total of eight gold-in-soil anomalies (TKS1-8). These are up to 1.6km long and

0.5km wide, with associated gold values up to 8,002 ppb gold (8 g/t).



Tulu Kapi South Prospect – Contoured Gold-in-Soil over



2013 Drilling Program at Yubdo - Ursa

**PROJECT OVERVIEW  
(Continued)**

**Yubdo Regional Prospects (YUR 1-5)**

Five anomalous gold-in-soil zones (YUR1-5) have been identified from regional soil sampling. Infill sampling has been completed at YUR2, YUR3, and YUR4 and has delineated further gold-in-soil anomalism. These regional anomalies are up to 6km long with values up to 1.15 g/t gold.

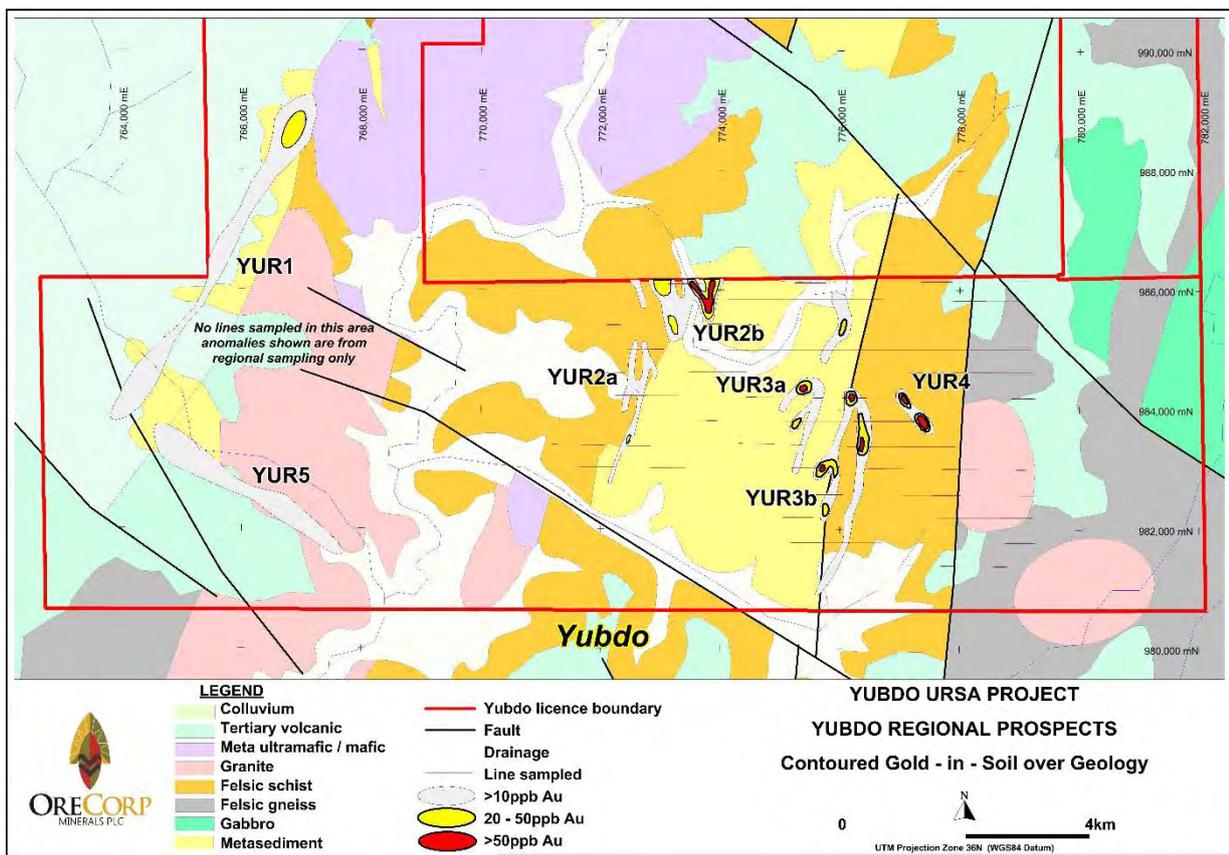
**Yubdo – Ursa Aeromagnetic and Radiometric Survey**

A helicopter-borne magnetic and radiometric survey of the Yubdo - Ursa Project was completed comprising 4,353 line kilometres. This data has been processed and imaged with interpretation and integration ongoing.

**Future Work at Yubdo - Ursa**

- Yubdo West Prospect: Integration of drilling, mapping, trench and geochemical data with the airborne survey data, with a view to further defining gold mineralisation corridors within the Prospect area.
- Tulu Kapi South: Further geochemical sampling, mapping and trenching.
- Regional: Completion of the airborne survey interpretation and integration with the regional data sets, leading to target refinement and generation.

It is anticipated that trenching will be used extensively in future field based programs to identify and extend areas of gold mineralisation as a prelude to further drilling.



**Yubdo Regional Prospects – Contoured Gold-in-Soil over Geology**

**Werri River (Au-Base Metals) [OreCorp 100% in licence 254/2011]**

The Werri River licence in northern Ethiopia covers 357km<sup>2</sup> of interpreted extensions of the Saudi-Eritrean gold-rich volcanogenic massive sulphide ('VMS') belts, which include Nevsun Resources' (TSX:NSU) Bisha deposit and Sunridge Gold's (TSX-V: SGC) Emba Derho deposit. The Werri River licence is located in the Tigray Region, 70km east of Tigray Resources' (TSX-V: TIG) Harvest Project where recent drilling has continued to return significant results. Immediately east of the Werri River licence is Centamin PLC's (TSX: CEE or LSE: CEY) advanced Una Deriam project.

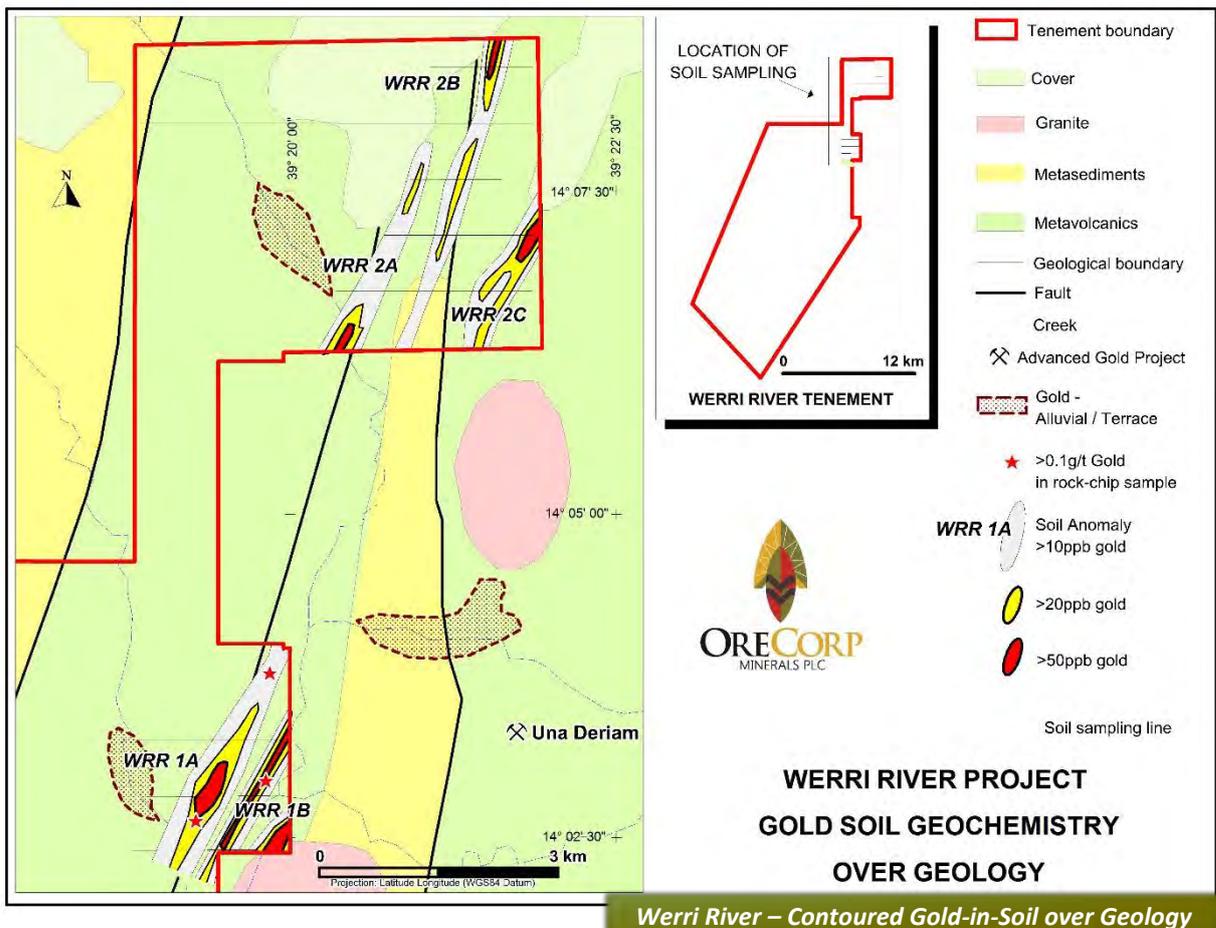
Over 20km of intermittent alluvial and terrace placer gold occurrences and artisanal mining occur within the licence area. A wide spaced (800 x 100m) soil sampling program was completed in the north eastern portion of the licence, generating two distinct areas of gold-in-soil anomalism. These areas

of anomalism are up to 4.5km in length and 1km in width, with a peak value of 1,276 ppb (1.28 g/t) gold. Further work at Werri River will include additional geochemistry, trenching and mapping with a view to identifying potential drill targets.

OreCorp has two pending applications in the Tigray region and is intent on building a land position in the area.

**Other Activities in Ethiopia**

The Baddessa licence application (217km<sup>2</sup>) is located in the Adola granite-greenstone terrain, approximately 50km to the northeast of Midroc Gold's Lega Dembi gold mine. The Adola Belt is recognised as Ethiopia's premier gold belt. Preliminary reconnaissance undertaken by OreCorp in the licence area indicates favourable host lithologies and structural trends and reported significant artisanal workings. The Company will commence field work once the licence is granted.



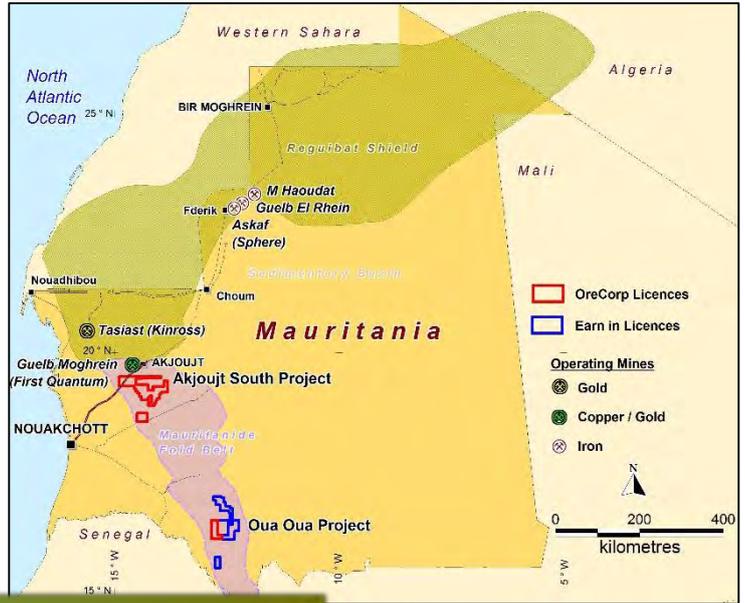
**PROJECT OVERVIEW  
(Continued)**

**MAURITANIAN PROJECTS**

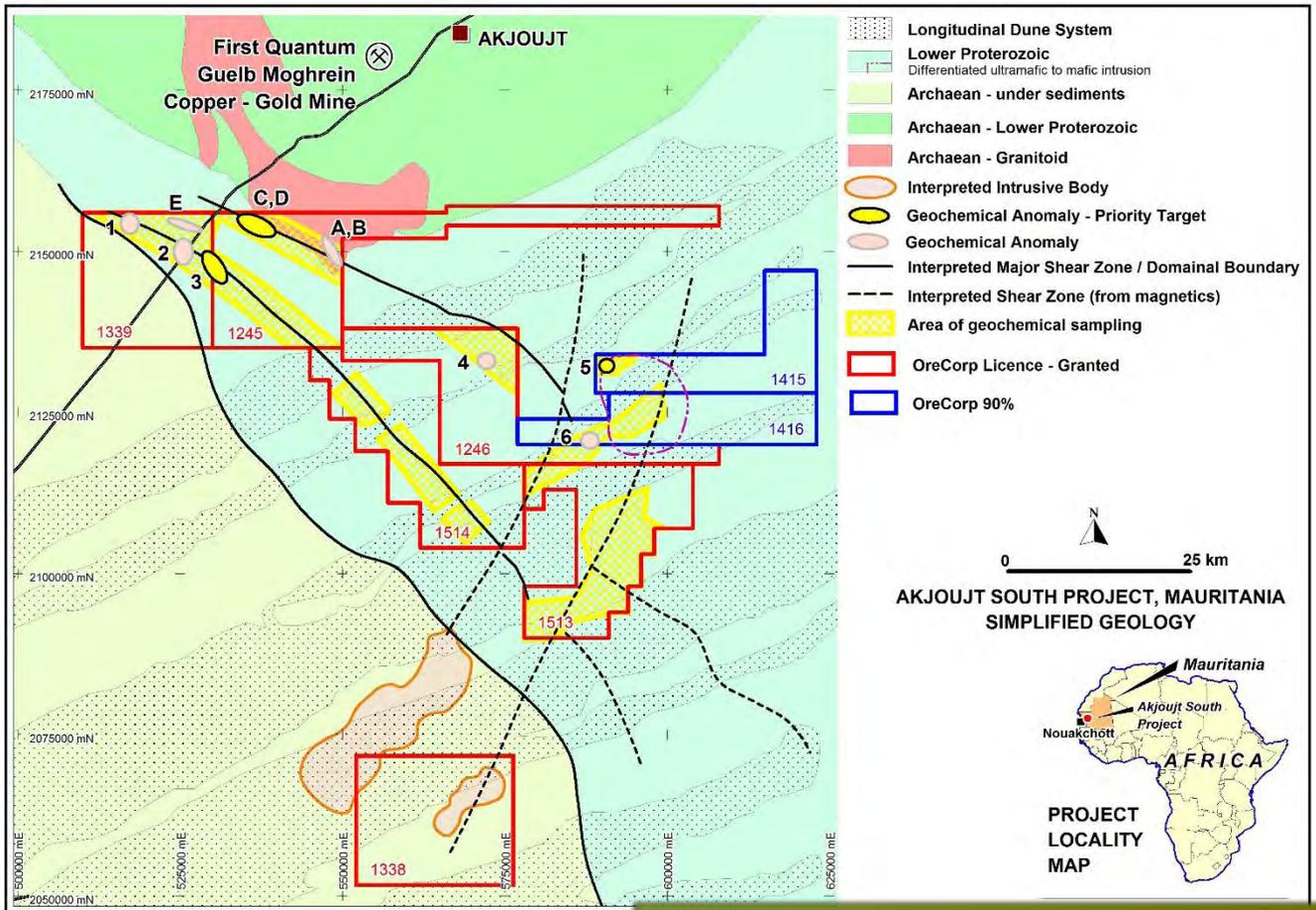
**Akjoujt South Project (Au-Cu) [OreCorp 100% in Licences 1245B2, 1246B2, 1338B2, 1339B2, 1513B2, 1514B2 and 90% in 1415B2 & 1416B2]**

The Akjoujt South Project comprises eight granted licences covering 3,476km<sup>2</sup> of the Proterozoic Mauritanide Belt in central western Mauritania.

Initial work by the Company highlighted 11 anomalies with further work upgrading four of these targets (Anomalies C, D, 3, & 5). Trenching and pitting has been completed on Anomalies C, D and 3, with results pending.



**Mauritanian Project Locations**



**AKJOUJT SOUTH PROJECT, MAURITANIA  
SIMPLIFIED GEOLOGY**

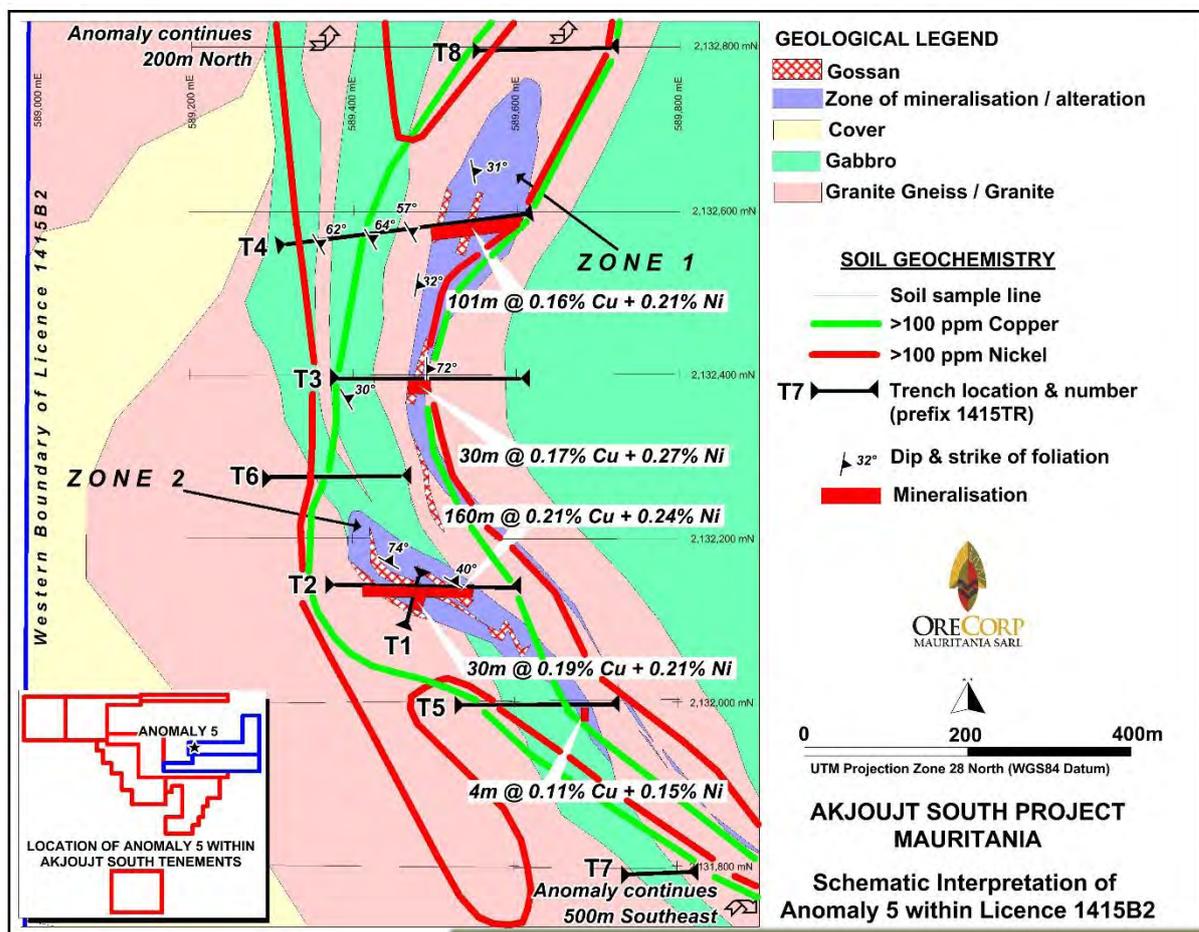


**Geochemical Anomalies over Geology, Akjoujt South Project**

At Anomaly 5, results from the combined soils, pitting and additional trenching (T5-8) have confirmed copper-nickel anomalism over more than 1.7km by 0.3km. Two distinct anomalous nickel-copper zones have been identified. Zone 1 is >300m long and between 30 to 80m wide at surface. It is orientated approximately north-south and is hosted in granite gneiss adjacent to a gabbro. Zone 2 is >250m in strike length and between 5 to 60m wide at surface and is orientated northwest.

Three kilometres to the east of Anomaly 5, geological mapping has been completed over an isolated regional sample of 710ppm nickel and 368ppm copper. A gossanous unit similar to Zones 1 and 2 was identified. A trench (T9) was dug through this unit and assay results are pending.

Future work on the Akjoujt South Project will include follow up work on Anomaly 5 and continued refinement of anomalies 3, C and D.



## PROJECT OVERVIEW (Continued)

### **Oua Oua Project (Au-Base Metals) [OreCorp 100% in 1233B2 and Earning up to 90% in 335B2, 813B2, 814B2 & 815B2]**

OreCorp has entered into a Heads of Agreement ('HoA') with Peaks Metals & Mining Technology ('Peaks') on a package of four granted exploration licences (335B2, 813B2, 814B2 & 815B2) at the Oua Oua Project in the southern Mauritanide Belt. Under the terms of the agreement, the Company may earn up to a 90% interest by meeting staged exploration expenditure and vendor payments. OreCorp has until March 2014 to complete initial work prior to making any vendor payments to Peaks.

The HoA licences, together with OreCorp's wholly owned licence (1233B2), cover 3,600km<sup>2</sup>. Several areas of geochemical anomalism have been identified and future work will focus on these anomalies.

### **Other Activities in Mauritania and West Africa**

The Company has and will continue to evaluate additional projects and opportunities within Mauritania and west Africa in general.

The Company has further exploration licence applications in Mauritania, including the Aleg and Khol Projects. It is emphasised that these applications are pending, and whilst the Company will use its best endeavours to further progress them, there is no guarantee that the applications will be granted in the future.



*Outcrop at the Akjoujt South Project*

## SUSTAINABLE DEVELOPMENT

At OreCorp we believe the success of our business is underpinned by a strong commitment to all aspects of sustainable development, with an integrated approach to economic, social and environmental management and effective corporate governance.

OreCorp regards caring for the environment as an integral part of its business and is committed to operating in a responsible manner which minimises the impact on the environment.

The Company believes that sound occupational health and safety management practices are in the

best interests of its employees, its business, its shareholders, and the communities in which it operates.

OreCorp seeks to develop and maintain positive, enduring relationships with its community and government partners by striving for mutual understanding of each other's needs and aspirations. The Company currently predominantly employs nationals in both Mauritania and Ethiopia and aims to source the majority of its supplies from local businesses.



*Ethiopian Ministry of Mines site visit to the Yubdo - Ursa Project*

# CORPORATE GOVERNANCE STATEMENT



## CORPORATE GOVERNANCE STATEMENT

The Board of Directors ('Board') of OreCorp Limited ('Company' or 'Group') is responsible for its corporate governance, that is, the system by which the Group is managed.

### 1. BOARD OF DIRECTORS

#### 1.1 Role of the Board and Management

The Board represents shareholders' interests in continuing a successful business, which seeks to optimise medium to long-term financial gains for shareholders. By not focusing on short-term gains for shareholders, the Board believes that this will ultimately result in the interests of all stakeholders being appropriately addressed when making business decisions.

The Board is responsible for ensuring that the Group is managed in such a way to best achieve this desired result. Given the current size and operations of the business, the Board currently undertakes an active, not passive role.

The Board is responsible for evaluating and setting the strategic directions for the Group, establishing goals for management and monitoring the achievement of these goals. The Chief Executive Officer ('CEO') is responsible to the Board for the day-to-day management of the Group.

The Board has sole responsibility for the following:

- determining the vision and objectives of the Company;
- formulating short-term and long-term strategies to enable the Company to achieve its objectives, and ensuring adequate resources are available to meet strategic objectives;
- identifying occupational health, safety and environmental issues and formulating and implementing policies to address and manage them, and to monitor the compliance and effectiveness of these policies;
- identifying other material business risks pertaining to the Company's operations, and to develop and implement strategies to manage these risks, and internal control systems to monitor compliance with and the effectiveness of these strategies;
- appointing and approving the terms and conditions of the appointment of the Managing Director ('MD') and Chief Financial Officer ('CFO'), and other executives and officers;
- determining the remuneration of the Company's MD, CFO and other executives and officers of the Company, including share and benefit plans;
- establishing and determining the powers and functions of the committees of the Board ('Committees'), including the Audit Committee;
- reviewing and providing feedback on the performance of the MD and reviewing the performance of all other officers reporting directly to the MD;
- reviewing the performance of the Board, individual directors and Committees;
- endorsing the terms and conditions of employment of senior executives;
- approving and fostering an appropriate culture for the Company that is directly aligned to its values, strategies and objectives;
- identifying all areas where written Board policies are required, determining the policies, and overseeing the implementation and monitoring of compliance, including policies in relation to codes of conduct, related party transactions, and trading in the Company's securities;

## CORPORATE GOVERNANCE STATEMENT (Continued)

- approving the annual budget of the Company and variations thereto;
- approving major operating and capital budgets of the Company, and material variations to these budgets;
- authorising expenditure approval limits for the MD and authorising expenditure in excess of these discretionary limits;
- approving all mergers, acquisitions and disposals of projects and businesses;
- considering the reports from Committees and the recommendations made;
- reviewing annually the progress and performance of the Company towards meeting its objectives;
- reviewing periodically the process, outcomes and effectiveness of the Company's decisions and strategies, and ensuring that valuable lessons are identified and absorbed into the process and framework for making future decisions;
- authorising the issue of securities and instruments of the Company;
- approving processes, procedures and internal control systems to ensure that the Company's financial results are reported on a timely and accurate basis;
- approving Annual Financial Reports (and interim financial reports as may be required), Annual Reports, notices of general meetings, and profit and dividend announcements;
- determining, implementing and monitoring procedures to ensure that the Australian Securities Exchange are promptly and adequately informed of all matters considered to be material, in accordance with the continuous disclosure obligations;
- overseeing the Company's approach to corporate governance issues;
- monitoring developments in the Company's industry and general operating environment; and
- encouraging effective communication between the Company and its shareholders, employees and the general public.

The Board's role and the Group's corporate governance practices are being continually reviewed and improved as required.

### 1.2 Composition of the Board and New Appointments

The Company currently has the following Board members:

Mr Craig Williams	Non-Executive Chairman
Mr Matthew Yates	CEO & MD
Mr Alastair Morrison	Non-Executive Director
Mr Mike Klessens	Non-Executive Director

Details of the directors, including their qualifications, experience and date of appointment, are set out in the Directors' Report.

The Board has assessed the independence status of the directors and has determined that there are three independent directors, being Messrs Williams, Morrison and Klessens.

The Board has followed the ASX Corporate Governance Principles and Recommendations when assessing the independence of the directors and has adopted the following definition of "independent":

“An Independent Director is a Director who is not a member of management, is a non-executive Director and who:

- is not a substantial shareholder (i.e. greater than 5%) of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is not, and has not within the last three years been, employed in an executive capacity by the Company or another group member, or been a director of the Company after ceasing to hold any such employment;
- is not, and has not within the last three years been, a principal of a professional adviser to the Company or another group member or an employee significantly associated with the service provided;
- is not a significant consultant, supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Company or another group member other than as a director of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director’s ability to act in the best interests of the Company.”

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount which is greater than 5% of either the net assets of the Company or an individual director's net worth is considered material for these purposes.

The Company's Constitution provides that the number of directors shall not be less than three and not more than ten. There is no requirement for any share holding qualification.

The Board currently considers that the Company’s affairs are currently not of such complexity to justify the appointment and further expense of additional independent Non-Executive Directors. The Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues.

If the Group's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of directors required for the Board to properly perform its responsibilities and functions will be appointed.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Group's scope of activities, intellectual ability to contribute to the Board's duties and physical ability to undertake the Board's duties and responsibilities.

Directors are initially appointed by the full Board subject to election by shareholders at the next annual general meeting. Under the Company's Constitution the tenure of directors (other than the CEO, and only one CEO where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his last appointment. Subject to the requirements of the Corporations Act 2001, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A CEO may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, the Board may revoke any appointment.

Directors are appointed pursuant to formal agreements. The expectations for time to be committed and involvement in Committees and other activities of the Company are set out in writing.

## **CORPORATE GOVERNANCE STATEMENT (Continued)**

### **1.3 Committees of the Board**

The following committees of the Board have been formed:

- Audit Committee (formed February 2013); and
- Remuneration and Nomination Committee (formed April 2013).

The members of these committees are Messrs Klessens (Chairman), Morrison and Williams. Details of their attendance at meetings throughout the financial year are included in the Directors' Report.

Other than the formation of these committees, the Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of additional separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

The Board has also established a framework for the management of the Group including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

The full Board currently holds meetings at such times as may be necessary to address any general or specific matters as required. Non-executive directors collectively meet as frequently as required, but not less than 2 times per year, increasing to not less than 4 times per year from 1 July 2013.

As the Group's activities increase in size, scope and nature, the formation of additional separate or special committees will be reviewed by the Board and implemented if appropriate.

### **1.4 Conflicts of Interest**

In accordance with the Corporations Act and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. Where the Board believes that a significant conflict exists, the Director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

### **1.5 Independent Professional Advice**

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. If appropriate, any advice so received will be made available to all Board members.

### **1.6 Performance Review**

The Board has a process for reviewing its performance and that of its individual directors, committees and senior management. The Board meets annually to review the outcome of this process.

The annual procedure for Board performance evaluation is to:

- review its performance against the terms of the Board Charter;
- review the performance of Committees against the terms of their charters;
- review the contribution of each director; and
- review the changes that may be required to the charter of the Board or its Committees, taking into account the developments in the Company and its business over the preceding year, and in corporate governance practices.

The Board will determine the scope and detailed procedures involved in this performance evaluation.

The Remuneration Report discloses the process for evaluating the performance of senior executives, including the CEO & MD.

## **2. ETHICAL STANDARDS**

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance practice and ethical conduct by all Directors and employees of the Group.

### **2.1 Code of Conduct for Directors**

The Board has adopted a Code of Conduct for Directors to promote ethical and responsible decision-making by the Directors. The code is based on a code of conduct for Directors prepared by the Australian Institute of Company Directors.

The principles of the code are:

- A director must act honestly, in good faith and in the best interests of the Company as a whole.
- A director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- A director must use the powers of office for a proper purpose, in the best interests of the Company as a whole.
- A director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interest of all stakeholders of the Company.
- A director must not make improper use of information acquired as a director.
- A director must not take improper advantage of the position of director.
- A director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company.
- A director has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken as a Board.
- Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law.
- A director should not engage in conduct likely to bring discredit upon the Company.
- A director has an obligation at all times, to comply with the spirit, as well as the letter of the law and with the principles of the Code.

The principles are supported by guidelines as set out by the Australian Institute of Company Directors for their interpretation. Directors are also obliged to comply with the Company's Code of Ethics and Conduct, as outlined below.

### **2.2 Code of Ethics and Conduct**

The Group has implemented a Code of Ethics and Conduct, which provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Group.

## **CORPORATE GOVERNANCE STATEMENT**

### **(Continued)**

All employees and directors are expected to:

- respect the law and act in accordance with it;
- respect confidentiality and not misuse Group information, assets or facilities;
- value and maintain professionalism;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Group's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

An employee that breaches the Code of Ethics and Conduct may face disciplinary action. If an employee suspects that a breach of the Code of Ethics and Conduct has occurred or will occur, he or she must report that breach to management. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

### **2.3 Interests of Other Stakeholders**

The Group's objective is to leverage into resource projects to provide a solid base in the future from which the Group can build its resources business and create wealth for shareholders. The Group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for the Group to achieve.

To assist in meeting its objective, the Group conducts its business within the Code of Ethics and Conduct, as outlined in 2.2 above.

### **2.4 Workplace Diversity**

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people.

The Company's policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

The Company's strategies are to:

- recruit and manage on the basis of an individual's competence, qualification and performance;
- create a culture that embraces diversity and that rewards people to act in accordance with this policy;
- appreciate and respect the unique aspects that individual brings to the workplace;
- foster an inclusive and supportive culture to enable people to develop to their full potential;
- identify factors to be taken into account in the employee selection process to ensure we have the right person for the right job;

- take action to prevent and stop discrimination, bullying and harassment; and
- recognise that employees at all levels of the Company may have domestic responsibilities.

The Board is accountable for ensuring this policy is effectively implemented. Each employee has a responsibility to ensure that these objectives are achieved.

At the date of this report, the Company has one female senior manager, no female directors, 8 male employees and 4 female employees.

### 3. CONTINUOUS DISCLOSURE AND COMMUNICATION

#### 3.1 Continuous Disclosure Policies and Procedures

The Company must disclose Material Information to the market in accordance with applicable laws and stock exchange listing rules. Material Information is information that a reasonable person would expect to have a material or significant effect on the price or value of a company's securities or any development relating to the business and affairs of the Company that would reasonably be expected to have a significant influence on the decision of a person who commonly invests in securities in deciding whether or not to subscribe for, buy or sell those securities.

The Company is committed to complying with its continuous disclosure obligations to facilitate a fair and well informed market and to ensure all its stakeholders and the investment community have timely and equal access to information provided by the Company.

The Company has adopted a Continuous Disclosure Committee Charter which sets out the policies, practices and procedures to ensure that communications to the investment community, the media and the general public by the Company are timely, accurate, complete, broadly disseminated and otherwise responsive to all applicable legal and regulatory requirements and verify the accuracy of such communications.

The Board of Directors has appointed its CFO to act as the Disclosure Officer. In the event that the CFO is absent or on leave the CEO will act in this capacity.

The Disclosure Officer shall:

- manage all communications with the relevant stock exchanges;
- oversee and co-ordinate disclosure of information to the financial markets including analysts, stockbrokers, shareholders, the media and the public; and
- oversee and co-ordinate the collection of information required in periodic reports filed with securities regulators.

The Disclosure Officer is responsible for the proper maintenance of records supporting the Company's public disclosure.

#### 3.2 Communication with Shareholders

The Company's communication strategy requires communication with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Group. The strategy provides for the use of systems that ensure a regular and timely release of information about the Group is provided to shareholders.

## **CORPORATE GOVERNANCE STATEMENT (Continued)**

Mechanisms employed include:

- Annual Financial Report;
- Half Year Financial Report;
- Announcements lodged with ASX;
- ASX Quarterly Reports; and
- Company investor presentations.

The Group also posts all reports, ASX and media releases and copies of significant business presentations on the Company's website.

### **4. RISK MANAGEMENT AND INTERNAL CONTROL**

#### **4.1 Approach to Risk Management and Internal Control**

The identification and effective management of risk, including calculated risk-taking, is viewed as an essential part of the Group's approach to creating long-term shareholder value.

Strategic and operational risks are reviewed at least annually as part of the annual strategic planning, business planning, forecasting and budgeting process.

The Group has developed a series of operational risks which the Group believes to be inherent in the industry in which the Group operates having regard to the Group's circumstances (including financial resources, prospects and size). These include:

- fluctuations in commodity prices and exchange rates;
- accuracy of mineral reserve and resource estimates;
- reliance on licenses, permits and approvals from governmental authorities;
- ability to obtain additional financing; and
- changed operating, market or regulatory environments.

These risk areas are provided here to assist investors to understand better the nature of the risks faced by our Group and the industry in which the Group operates. They are not necessarily an exhaustive list.

In 2013 the Board reviewed the overall risk profile for the Group and received reports from management on the effectiveness of the Group's management of its material business risks.

#### **4.2 Risk Management Roles and Responsibilities**

Management is responsible for designing, implementing and reporting on the adequacy of the Group's risk management and internal control system. Management reports to the Board annually, or more frequently as required, on the Group's key risks and the extent to which it believes these risks are being managed.

The Board is responsible for reviewing and approving the Group's risk management and internal control system and satisfying itself annually, or more frequently if required, that management has developed and implemented a sound system of risk management and internal control.

### 4.3 Integrity of Financial Reporting

The Board also receives a written assurance from the MD (or equivalent MD) and the CFO (or equivalent CFO) that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

The Board notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

### 5. REMUNERATION COMMITTEE

The Company established a remuneration and nomination committee on 19 April 2013, comprised as set out in section 1.3 above. The role of the Committee is to review and make recommendations to the Board in respect of the following remuneration matters:

- executive remuneration policy;
- remuneration (including performance measures and targets) of the CEO, any other executive director, the CFO and all senior executives reporting directly to the CEO;
- executive incentive/bonus and equity-based incentive plans;
- remuneration of non-executive directors;
- any superannuation arrangements or retirement benefits;
- the recruitment, retention, performance measurement and termination policies (including termination payments) and procedures for non-executive directors, the CEO, any other executive director, the CFO and all senior executives reporting directly to the CEO;
- the disclosure of remuneration in the Company's public filings;
- the processes and criteria for evaluating the performance of the CEO and reviewing the CEO's assessment of all senior executives reporting directly to CEO; and
- the processes and criteria for the evaluation of the Board as a whole, committees of the Board and individual directors.

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 may be used in the 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. Fees for Non-Executive Directors are not linked to the performance of the Group.

Executive remuneration consists of fixed remuneration, being base salaries, as well as employer contributions to superannuation funds and other non-cash benefits, plus performance based remuneration. Further details of the performance based remuneration of the Company's executives are included in the (audited) Remuneration Report.

## CORPORATE GOVERNANCE STATEMENT (Continued)

### 6. COMPLIANCE WITH AND DEPARTURES FROM ASX CORPORATE GOVERNANCE RECOMMENDATIONS

During the 2013 financial year, the Company complied with the ASX Principles and Recommendations other than in relation to the matters specified below.

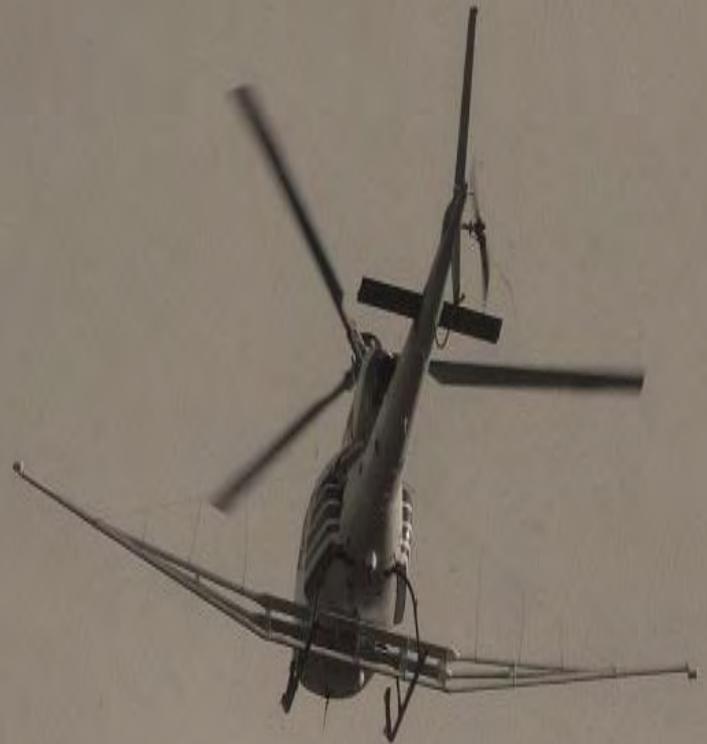
Recommendation Ref	Notification of Departure	Explanation for Departure
2.4	There was no separate Nomination Committee	<p>During the financial year ended 30 June 2013, the Board as a whole undertook the process of reviewing the skill base and experience of existing Directors to enable identification of attributes required in new Directors.</p> <p>It is noted that a separate Remuneration &amp; Nomination Committee was formed in April 2013 as part of the Board's ongoing reviews of the Company's corporate governance framework.</p>
3.2 & 3.3	A policy concerning gender diversity has not been established	<p>The Company had 12 employees at 30 June 2013, of which there were 4 female employees. The Company currently has one female senior manager and no female executives or directors. The Board's policy is to employ the best candidate for a specific position, regardless of gender, and considers that the Company is not currently of a size to justify a policy regarding diversity and objectives regarding gender diversity.</p>
8.1	There was no separate Remuneration Committee	<p>During the financial year ended 30 June 2013, the Board as a whole was responsible for the remuneration arrangements for Directors and executives of the Company.</p> <p>It is noted that a separate Remuneration &amp; Nomination Committee was formed in April 2013 as part of the Board's ongoing reviews of the Company's corporate governance framework.</p>

As the Company's activities increase in size, scope and/or nature, the Company's corporate governance principles will be reviewed by the Board and amended as appropriate.

The Company's Corporate Governance Statement is available on the Company's website ([www.orecorp.com.au](http://www.orecorp.com.au)).

# FINANCIAL REPORT FOR THE YEAR

ENDED 30 JUNE 2013



## 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 2013 ('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 27 February 2013)
Mr Matthew Yates	Chief Executive Officer & Managing Director (appointed 27 February 2013)
Mr Alastair Morrison	Non-Executive Director (appointed 27 February 2013)
Mr Michael Klessens	Non-Executive Director (appointed 27 February 2013)
Mr Tony Grist	Non-Executive Director (resigned 31 July 2013)
Mr George Bennett	Non-Executive Director (appointed 25 March 2013, resigned 31 July 2013)
Mr Stephen Anastos	Non-Executive Director (resigned 28 February 2013)
Mr Jeremy Bond	Non-Executive Director (resigned 28 February 2013)

Unless otherwise disclosed, Directors held their office from 1 July 2012 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 ('Equinox'), 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 27 February 2013. During the three year period to the end of the financial year, 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 the 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 15 years, including resident Exploration Manager in Tanzania for Tanganyika Gold Limited.

Mr Yates was appointed a Director of the Company on 27 February 2013. During the three year period to the end of the financial year, Mr Yates was not a director of any other public companies.

**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 to 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 27 February 2013. During the three year period to the end of the financial year, Mr Morrison was not a director of any other public companies.

**Mr Michael 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 ('Equinox'), 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

## DIRECTORS' REPORT (Continued)

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 a Director on 27 February 2013. 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, SA 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 and Company Secretary on 28 February 2013.

## PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity consisted of mineral exploration, and from 27 February 2013, with the acquisition of OreCorp Resources Pty Ltd, this included precious and base metals on its licences in Ethiopia and Mauritania, and the identification and evaluation of mineral resource opportunities predominantly in Africa.

## EMPLOYEES

	2013	2012
The number of full time equivalent people employed by the Consolidated Entity at reporting date	12	12

### Note

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

## DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2013 (2012: nil).

## EARNINGS PER SHARE

	2013	2012
Basic loss per share (cents per share)	(8.26)	(5.00)
Diluted loss per share (cents per share)	(8.26)	(5.00)

### Note

- (1) The basic and diluted loss per share for 2012 has been adjusted to reflect the impact of the group restructure.

## 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

	2013 \$	2012 \$
Loss of the Consolidated Entity before income tax expense	(6,781,640)	(3,308,884)
Income tax expense	-	-
Net loss attributable to members of OreCorp Limited	(6,781,640)	(3,308,884)

## REVIEW OF OPERATIONS AND ACTIVITIES

The operating loss of the Consolidated Entity for the year ended 30 June 2013 was \$6,781,640 (2012: \$3,308,884). 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 \$3,995,873 (2012: \$1,942,571);
- (ii) In December 2012, the Company entered into a binding agreement to acquire 100% of the issued capital of OreCorp Resources Pty Ltd. In accordance with the relevant accounting standard, the deemed excess of consideration paid over the fair value of OreCorp's net assets at the date of acquisition totalled \$1,760,477 (2012: \$nil) and was expensed as a cost associated with the group restructure. Included in this value was non-cash share based payment expenses totalling \$414,100. Further detail on the transaction can be found under Corporate & Business Development on page 35 and in note 17(a); and
- (iii) Corporate and business development activities which aim to identify and evaluate new mineral resource opportunities, with a focus on African projects. During the year, corporate and business development activities totalled \$172,417 (2012: \$32,639).

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

## DIRECTORS' REPORT (Continued)

During the year, OreCorp continued to assess advanced projects and corporate opportunities throughout Africa, with a reconnaissance drilling program completed at the Yubdo - Ursa Project ('Yubdo - Ursa' or 'Project') in Ethiopia and various field activities completed in both Ethiopia and Mauritania (**Figure 1**).



**Figure 1: Project Location Map**

### Ethiopia

Exploration in Ethiopia during the year in review has focused on the Yubdo - Ursa Project, which surrounds Nyota Minerals' Tulu Kapi Project which hosts a resource of 1.9 million ounces @ 2.34 g/t gold (refer Nyota Minerals' ASX release dated 9 October 2012). The Project covers approximately 400km<sup>2</sup> of Ethiopia's Western Greenstone Belt (**Figure 2**).



**Figure 2: Location Map of Ethiopian Project Areas**

Work completed during the year at the Yubdo West Prospect included interpretation and integration of trench assays and completion of a RC drilling program. The infill soil sampling program over the regional prospects YUR2, 3, 4 and Tulu Kapi South was completed as well as a helicopter-borne magnetic and radiometric survey of the Project area. Key results from the work completed at Yubdo - Ursa during the year include:

- A reconnaissance drill program on a portion of the 6km corridor of gold-in-soil anomalism at the Yubdo West Prospect ('Prospect'). Best drill intercepts include:
  - 16m @ 3.49g/t gold from surface in hole YUWRC02;
  - 12m @ 1.45g/t gold from surface in hole YUWRC47; and
  - 8m @ 1.21g/t gold from 64m in hole YUWRC26.
- The drilling demonstrated:
  - The Prospect has the potential to host significant near surface gold mineralisation;
  - The gold mineralisation encountered has demonstrated the potential for both width and grade;
  - Mineralisation (>0.1 g/t gold) in 30 of 51 holes and eight of nine traverses drilled in this program;
  - Gold mineralisation occurs in both oxidised and fresh rock; and
  - Geochemistry is an effective method of surface prospecting at Yubdo - Ursa as there is a good correlation between soil geochemistry, trenching and down hole gold mineralisation.
- Infill soil sampling at the Tulu Kapi South Prospect (located 5km to the south of Nyota Minerals' Tulu Kapi Project) has defined four additional gold-in-soil anomalies (TKS5-8). The anomalies are up to 1.6km in length, with assay values up to 8g/t gold.

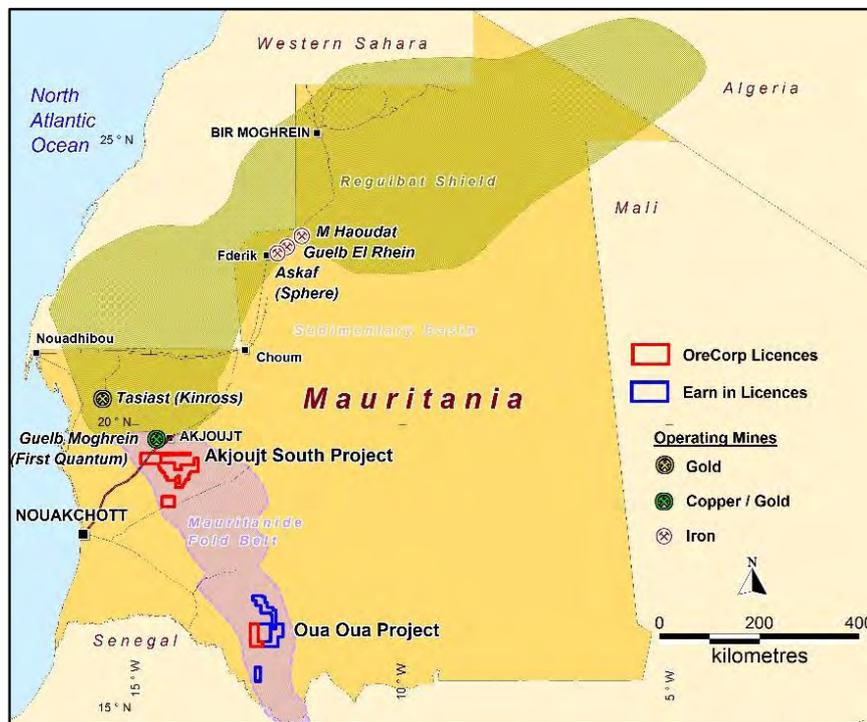
**DIRECTORS' REPORT**  
**(Continued)**

- Infill sampling further interpretation in the southern areas of the Yubdo - Ursa Project has refined the regional gold-in-soil anomalies YUR2-4. The anomalies are up to 6km in length, with assay values up to 1.25g/t gold and outlined YUR5.
- An aeromagnetic and radiometric survey was flown over the entire Yubdo - Ursa Project and is currently being interpreted, with a view to assisting in target assessment and identification.

At the Werri River Project, soil sampling has identified five geochemical anomalies, up to 4.5km in length, 1km in width and with assays up to 1.28 g/t gold.

The Group has continued to evaluate additional projects within Ethiopia and the Arabian – Nubian Shield and this process is ongoing.

**Mauritania**



**Figure 3: Location Map of OreCorp's Mauritanian Project Areas**

In Mauritania, 11 geochemical anomalies were generated on the Akjoujt South Project (**Figure 3**) that required infill sampling, with further work upgrading four (Anomalies C, D, 3 & 5) of these targets. At Anomaly 5, results from the combined soils, pitting and additional trenching (T5-8) have confirmed copper-nickel anomalism over more than 1.7km by 0.3km. Two distinct anomalous nickel-copper zones have been identified. Zone 1 is >300m long and between 30 to 80m wide at surface. It is orientated approximately north-south and is hosted in granite gneiss adjacent to a gabbro. Zone 2 is >250m in strike length and between 5 to 60m wide at surface and is orientated northwest. During the June quarter, two trenches for 980m were completed at Anomaly C and D and 240 pits were dug, sampled and logged. Results are pending.

In addition, during the year a substantial amount of additional historical data has been identified over a large portion of the Oua Oua Project. Trenching at the Kadiar Prospect generated peak values and widths of 17m @ 0.6% copper and 6m of 0.66g/t gold. The five trenches over 632m at Kadiar South generated a peak value of 6m @ 0.9g/t gold. At Kadiar West the best trenching result was 6m @ 0.24 g/t gold. The results for the Oua Oua Project are being assessed and reviewed.

## Corporate and Business Development

During December 2012, the Company entered into a binding agreement to acquire 100% of the issued capital of OreCorp Resources Pty Ltd ('Merger'). The acquisition of OreCorp Resources was deemed a significant change in the nature and scale of the Company's activities by ASX and, as a result, the Company's securities were suspended from trading on ASX and the Company was required to re-comply with Chapters 1 & 2 of the ASX Listing Rules. The Company issued a prospectus that provided full disclosure of material matters which enabled the Company to comply with Chapters 1 & 2 of the ASX Listing Rules.

On 11 February 2013, the Company completed a 3 for 4 consolidation of its share capital.

In addition, the Company completed a \$5 million capital raising (before costs) to institutional and sophisticated investors in late February 2013 ('Capital Raising'). Following completion of the capital raising, the merged entity had approximately \$12m cash and no debt to pursue exploration of its key projects in Africa.

In accordance with the terms of the Merger agreement, the majority of the current directors of OreCorp Resources at that time were appointed to the Board of the merged entity on 27 February 2013.

Immediately following completion of the Merger in late February 2013, the Company changed its name from Silver Stone Resources Limited to OreCorp Limited.

During March 2013, the Company satisfied its requirements under Chapters 1 & 2 of the ASX Listing Rules and was reinstated by ASX and re-commenced trading on 14 March 2013 under its new name and ASX code.

Since being re-admitted to ASX, OreCorp has continued to assess a number of advanced projects and corporate opportunities throughout Africa and other jurisdictions. The Company has entered into dialogue with several parties in regard to various corporate opportunities. These discussions are ongoing.

At 30 June 2013, the Group was well placed with approximately \$10.5m 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; and
- (ii) Continue to identify and evaluate new mineral resource and other corporate opportunities, which can enhance shareholder value.

The Consolidated Entity has used the cash and assets that were in a form readily convertible to cash that it had at the time of admission to the ASX in a way consistent with its business objectives.

## 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.

## **DIRECTORS' REPORT (Continued)**

### **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.

- On 27 February 2013, the Company completed the acquisition of 100% of OreCorp Resources Pty Ltd ('OreCorp Resources'). In addition, the Company also completed a \$5 million capital raising (before costs) to institutional and sophisticated investors in late February 2013 ('Capital Raising').

Following completion of the Capital Raising, the merged entity had approximately \$12m cash to pursue exploration of its key projects in Africa and advancing corporate opportunities.

### **SIGNIFICANT POST BALANCE DATE EVENTS**

Other than as disclosed below, there were no significant events occurring after balance date requiring disclosure:

- On 2 August 2013, the Company granted 1.1 million unlisted options at an exercise price of \$0.2667 each and expiring on 30 June 2015, to consultants of the Company as part of its remuneration/incentive arrangements.

### **ENVIRONMENTAL REGULATION AND PERFORMANCE**

The Group's operations are subject to various environmental laws and regulations in each of the African countries in which it holds exploration licences. The Group aims for full compliance with these laws and regulations and regards them 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:

- focus on the exploration of its wholly owned and joint venture tenements in Ethiopia and Mauritania;
- define further drill targets and potentially undertake additional drilling to delineate potential mineralisation; and
- continue to identify and evaluate other resource opportunities, including potential acquisitions, joint ventures or investments in the resources sector which may enhance shareholder value.

The successful completion of these activities will assist the Group 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 Group and accordingly, further information has not been disclosed.

**INFORMATION ON DIRECTORS' INTERESTS IN SECURITIES OF ORECORP<sup>(1)</sup>**

Interest in Securities at the Date of this Report				
Current directors	Shares <sup>(2)</sup>	Listed Options <sup>(3)</sup>	\$0.2667 Options <sup>(4)</sup>	\$0.40 Options <sup>(5)</sup>
Craig Williams <sup>(6)</sup>	1,149,989	-	2,000,000	-
Matthew Yates	10,124,750	-	-	-
Alastair Morrison	5,124,874	-	-	-
Michael Klessens <sup>(6)</sup>	1,250,000	-	1,000,000	-

Interest in Securities Issued/Granted During the Year					
	Shares <sup>(2)</sup> Issued to vendors of OreCorp Resources Pty Ltd	Shares <sup>(2)</sup> Acquired pursuant to prospectus	Listed Options <sup>(3)</sup>	\$0.2667 Options <sup>(4)</sup> Issued to vendors of OreCorp Resources Pty Ltd	\$0.40 Options <sup>(5)</sup>
Craig Williams <sup>(6)</sup>	399,989	750,000	-	2,000,000	-
Matthew Yates	9,999,750	125,000	-	-	-
Alastair Morrison	4,999,874	125,000	-	-	-
Michael Klessens <sup>(6)</sup>	-	1,250,000	-	1,000,000	-
Tony Grist <sup>(7)</sup>	-	-	-	-	-
George Bennett <sup>(7)</sup>	4,999,874	125,000	-	-	-

**Notes**

- (1) All securities in the tables above are shown on a post 3 for 4 consolidation basis.
- (2) 'Shares' means fully paid ordinary shares in the capital of the Company.
- (3) 'Listed Options' means listed options with an exercise price of \$0.2667 each (\$0.20 pre 3 for 4 consolidation), expiring on 7 May 2015.
- (4) '\$0.2667 Options' means unlisted options with an exercise price of \$0.2667 each, expiring on 30 June 2015.
- (5) '\$0.40 Options' (\$0.30 pre 3 for 4 consolidation) means unlisted options with an exercise price of \$0.40 each, expiring on 22 March 2016.
- (6) The following options were granted to Directors of the Company or Group during the year as part of the consideration for the acquisition of OreCorp Resources Pty Ltd:
  - Craig Williams:
    - 2,000,000 \$0.2667 unlisted options exercisable on or before 30 June 2015.
  - Michael Klessens:
    - 1,000,000 \$0.2667 unlisted options exercisable on or before 30 June 2015.
- (7) Messrs Bennett and Grist resigned on 31 July 2013.

No ordinary shares have been issued since the end of the financial year. On 2 August 2013, the Company granted 1.1 million unlisted options at an exercise price of \$0.2667 each and expiring on 30 June 2015, to consultants of the Company as part of its remuneration/incentive arrangements.

## DIRECTORS' REPORT (Continued)

### SHARE OPTIONS

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

- 5,930,692 listed options at an exercise price of \$0.2667 (\$0.20 pre 3 for 4 consolidation) each that expire on 7 May 2015;
- 5,199,999 unlisted options at an exercise price of \$0.2667 each that expire on 30 June 2015; and
- 1,875,000 unlisted options at an exercise price of \$0.40 (\$0.30 pre 3 for 4 consolidation) each that expire on 22 March 2016.

### MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2013, and the number of meetings attended by each Director.

Directors	Board Meetings <sup>(1)</sup>		Audit Committee Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Craig Williams <sup>(2)</sup>	4	4	2	2
Matthew Yates <sup>(2)</sup>	4	4	-	-
Tony Grist <sup>(3)</sup>	2	2	-	-
Alastair Morrison <sup>(2)</sup>	4	4	2	2
Michael Klessens <sup>(2)</sup>	4	4	2	2
George Bennett <sup>(2)(3)</sup>	3	1	-	-

#### 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.
- (2) Messrs Williams, Yates, Morrison and Klessens joined the Board on 27 February 2013, after completion of the acquisition of OreCorp Resources Pty Ltd. Mr Bennett joined the Company as a director on 25 March 2013.
- (3) Messrs Bennett and Grist resigned on 31 July 2013.
- (4) The following committees of the Board have been formed:
  - Audit Committee (formed February 2013); and
  - Remuneration and Nomination Committee (formed April 2013).
 The members of these committees are Messrs Klessens (Chairman), Morrison and Williams. The first meeting of the Remuneration and Nomination Committee was held on 3 July 2013.

## REMUNERATION REPORT (AUDITED)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel ('KMP') of the Group. The term KMP refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) 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 Non-Executive Chairman (appointed 27 February 2013)  
Mr Matthew Yates Chief Executive Officer & Managing Director (appointed 27 February 2013)  
Mr Alastair Morrison Non-Executive Director (appointed 27 February 2013)  
Mr Michael Klessens Non-Executive Director (appointed 27 February 2013)  
Mr Tony Grist Non-Executive Director (resigned 31 July 2013)  
Mr George Bennett Non-Executive Director (appointed 25 March 2013, resigned 31 July 2013)

#### Other Key Management Personnel

Mr Luke Watson – CFO & Company Secretary (appointed 28 February 2013)

Unless otherwise disclosed, the KMP held their position from 1 July 2012 until the date of this report.

Other than the CEO and CFO, 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 Group is currently focussing on the early stage exploration of its projects in Ethiopia and Mauritania. The Board considers that the experience of its KMP in the resources industry will greatly assist the Group 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 Group 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. KMP who are residents of Australia for taxation purposes receive a statutory superannuation contribution (capped to a maximum of \$25,000 per annum) and do not receive any other retirement benefits.

## DIRECTORS' REPORT (Continued)

Fixed remuneration is reviewed annually by the Board. The process consists of a review of Consolidated Entity 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')*

Subject to the global equity markets improving (and in particular commodities prices and the resources sector), the Group intends to introduce an STIP in the short to medium term, whereby its KMP 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 and due to the poor macro-economic conditions, it is unlikely that an STIP will be implemented within the coming 6 – 12 months.

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

As set out in the prospectus dated 30 January 2013, the Consolidated Entity has adopted an option plan for employees and contractors ('Option Plan'). As at 30 June 2013, no options have been issued pursuant to the Option Plan. The Group intends to issue options pursuant to the LTIP in order to attract and retain the services of its KMP and to provide an incentive linked to the performance of the Consolidated Entity. The Option Plan will be administered by the Directors.

In the absence of a formal LTIP in prior years, 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 Consolidated Entity. The Board considers that each person's experience in the resources industry will greatly assist the Consolidated Entity 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 KMP in prior years was justified. No incentive options were issued to KMP during the year ended 30 June 2013.

The Board has a policy of granting options to directors and KMP with exercise prices at or above market share price (at the time of agreement). As such, incentive options granted to directors and KMP will generally only be of benefit if they perform to the level whereby the value of the Consolidated Entity increases sufficiently to warrant exercising the incentive options granted. It is noted that all incentive options issued in prior years are currently well 'out of the money'.

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

### *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 \$225,000, has been approved 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 (2012: \$50,000) and fees for Non-Executive Directors' are presently set at \$40,000 per annum (2012: \$35,000). 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.

*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 Group'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 Group 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 2013 \$	Year Ended 30 June 2012 <sup>1</sup> \$	Period Ended 30 June 2011 <sup>1</sup> \$
Interest Revenue	286,949	479,496	495,215
Loss before tax	(6,781,640)	(3,308,884)	(1,344,626)
Loss after tax	(6,781,640)	(3,308,884)	(1,344,626)
Dividends	-	-	-
Share Price <sup>(2)</sup>	0.09	-	-
Basic loss per share (cents per share)	(8.26)	(5.00)	(2.03)
Diluted loss per share (cents per share)	(8.26)	(5.00)	(2.03)

**Note**

- (1) As the financial statements represent a continuation of the financial statements of OreCorp Resources Pty Ltd, the comparative information provided above is for OreCorp Resources Pty Ltd, with the basic and diluted loss per share having been adjusted to reflect the impact of the group restructure. OreCorp Resources Pty Ltd was unlisted at 30 June 2011 and 30 June 2012, so comparative share price information has not been provided above.
- (2) The Company was unlisted at 30 June 2011 and 30 June 2012, so share price information has not been provided for those years.

## DIRECTORS' REPORT (Continued)

### 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:

2013	Short-Term Benefits			Share Based <sup>(1)</sup>	Total	% of Total Remuneration that consists of Option Valuations
	Salary & Fees	STIP	Post Employment Benefits	Payments (Binomial Accounting Valuation)		
	\$	\$	\$	\$	\$	%
<b>Directors</b>						
Craig Williams <sup>(3)(4)</sup>	45,500	-	4,500	-	50,000	-
Matthew Yates <sup>(4)</sup>	250,000	-	25,000	-	275,000	-
Alastair Morrison <sup>(4)</sup>	36,400	-	3,600	-	40,000	-
Michael Klessens <sup>(3)(4)</sup>	36,400	-	3,600	-	40,000	-
Tony Grist <sup>(5)</sup>	12,232	-	1,101	-	13,333	-
George Bennett <sup>(4)(5)</sup>	36,666	-	-	-	36,666	-
<b>Officers &amp; Management</b>						
Luke Watson <sup>(3)(4)</sup>	225,000	-	25,000	-	250,000	-

### 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) No incentive options were granted as remuneration to Key Management Personnel of the Company or Group during the financial year.
- (3) Messrs Williams, Klessens and Watson received options as part of the consideration for sale of OreCorp Resources Pty Ltd. The value of these share based payment amounts has not been included in remuneration.
- (4) Messrs Williams, Yates, Morrison, Klessens and Watson joined the Company as directors/employees in late February 2013, after completion of the acquisition of OreCorp Resources Pty Ltd. Mr Bennett joined the Company as a director on 25 March 2013.
- (5) Messrs Bennett and Grist resigned on 31 July 2013.

Short-Term Benefits						
2012	Salary & Fees \$	STIP \$	Post Employment Benefits \$	Share Based <sup>(1)</sup> Payments (Binomial Accounting Valuation) \$	Total \$	% of Total Remuneration that consists of Option Valuations %
<b>Directors</b>						
Craig Williams <sup>(3)</sup>	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	-
Mike Klessens <sup>(4)</sup>	9,174	-	826	172,000	182,000	94.5%
George Bennett	42,500	-	-	-	42,500	-
<b>Officers &amp; Management</b>						
Luke Watson <sup>(5)</sup>	162,701	-	18,078	175,000	355,779	49.2%
Anthony Hunt <sup>(6)</sup>	-	-	-	17,500	17,500	100.0%
Nick Holman <sup>(6)</sup>	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) Mr Williams joined OreCorp Resources Pty Ltd as a director on 15 December 2011.
- (4) Mr Klessens joined OreCorp Resources Pty Ltd as a director on 15 March 2012.
- (5) Mr Watson joined OreCorp Resources Pty Ltd on 10 October 2011.
- (6) Mr Hunt resigned from OreCorp Resources Pty Ltd on 1 November 2011. Mr Holman joined OreCorp Resources Pty Ltd on 1 November 2011.
- (7) 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:

2012	Share Based Payments During the Year	
	Accounting Expense for Options Granted during the Year \$	Total Share Based Payments Expense for the Year \$
<b>Directors</b>		
Craig Williams	350,000	350,000
Mike Klessens	172,000	172,000
<b>Officers &amp; Management</b>		
Luke Watson	175,000	175,000
Anthony Hunt	17,500	17,500

## DIRECTORS' REPORT (Continued)

### Options Granted to Key Management Personnel

No options were granted as remuneration to Key Management Personnel of the Company or Group during the financial year. Details of options recorded as remuneration to each Key Management Personnel of the Company or Group during the financial year ended 30 June 2012 are as follows:

2012	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 %
<b>Directors</b>								
Craig Williams	15-12-11	31-12-15	\$0.30	\$0.175	2,000,000	2,000,000	100%	93.0%
Mike Klessens	15-03-12	31-12-15	\$0.30	\$0.172	1,000,000	1,000,000	100%	94.51%
<b>Officers &amp; Management</b>								
Luke Watson	15-12-11	31-12-15	\$0.30	\$0.175	1,000,000	1,000,000	100%	49.2%
Anthony Hunt	15-12-11	31-12-15	\$0.30	\$0.175	100,000	100,000	100%	100%

#### Notes

- (1) The issuing entity for the 2012 options was OreCorp Resources Pty Ltd.
- (2) 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.
- (3) Each option would have converted into one ordinary share of OreCorp Resources Pty Ltd on exercise.
- (4) 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 ended 30 June 2012 are as follows:

2012	Value of Options Granted During the Year <sup>(1)</sup> \$	Value of Options Exercised During the Year \$	Value of Options Lapsed During the Year <sup>(2)</sup> \$
<b>Directors</b>			
Craig Williams	350,000	-	-
Mike Klessens	172,000	-	-
<b>Officers &amp; Management</b>			
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.

### **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 three 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'.

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 three 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'.

*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**

The Group may decide to use its auditor to provide non-audit services where the auditor's expertise and experience with the Group is important.

## DIRECTORS' REPORT (Continued)

During the year, the following fees were paid or payable for services provided by the auditor of the Group:

Services provided by the Company's auditor	Year Ended 30 June 2013 \$	Year Ended 30 June 2012 <sup>1</sup> \$
<b>RSM Bird Cameron Partners<sup>(1)</sup>:</b>		
- Audit and review of financial report	6,500	17,500
- Other non-audit services: tax compliance	4,428	3,000
<b>Total remuneration for auditors</b>	<b>10,928</b>	<b>20,500</b>
<b>Deloitte<sup>(2)</sup>:</b>		
- Audit and review of financial report	20,000	-
- Other non-audit services: Investigating Accountant's Report for prospectus	14,560	-
<b>Total remuneration for auditors</b>	<b>34,560</b>	-

### Notes

- (1) Following the consent of the Australian Securities & Investments Commission, RSM Bird Cameron resigned as the Company's auditor on 2 July 2013.
- (2) Following the consent of the Australian Securities & Investments Commission, Deloitte were appointed as the Company's auditor on 2 July 2013.

Other than the services disclosed above, 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.

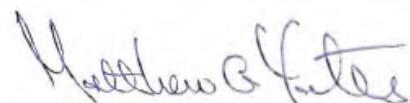
The Directors are satisfied that the provision of non-audit services by the auditor during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Furthermore, the Directors are of the opinion that the services as disclosed in note 18 to the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

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is on page 95 of the Financial Report.

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  
24 September 2013

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Notes	Consolidated	
		Year Ended 2013 A\$	Year Ended 2012 A\$
<b>Revenue</b>	2	<b>286,949</b>	<b>479,496</b>
Other income	2	156,402	8,490
Corporate and administration costs	3	(1,296,224)	(1,821,660)
Exploration and evaluation costs		(3,995,873)	(1,942,571)
Business development costs		(172,417)	(32,639)
Group restructure costs	3(a)	(1,760,477)	-
<b>Loss before tax</b>		<b>(6,781,640)</b>	<b>(3,308,884)</b>
Income tax expense	4	-	-
<b>Loss for the year</b>		<b>(6,781,640)</b>	<b>(3,308,884)</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences arising on translation of foreign operations		65,556	(16,856)
Other comprehensive income/(loss) for the year		65,556	(16,856)
<b>Total comprehensive loss for the year, net of income tax</b>		<b>(6,716,084)</b>	<b>(3,325,740)</b>
<b>Total comprehensive loss attributable to members of the parent</b>		<b>(6,716,084)</b>	<b>(3,325,740)</b>
<b>Earnings per share</b>			
Weighted average number of shares		82,103,654	66,190,317
Basic loss per share (cents per share)	20	(8.26)	(5.00)
Diluted loss per share (cents per share)	20	(8.26)	(5.00)

**Note**

- (1) The weighted average number of shares and resulting basic and diluted loss per share for 2012 has been adjusted to reflect the impact of the group restructure.

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Notes	Consolidated	
		2013 A\$	2012 A\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	21(b)	10,462,758	7,391,971
Trade and other receivables	5	176,267	124,484
Other current assets	6	73,946	19,346
<b>Total Current Assets</b>		<b>10,712,971</b>	<b>7,535,801</b>
<b>Non-current Assets</b>			
Property, plant and equipment	7	286,890	275,071
Intangible assets	8	118,600	3,400
<b>Total Non-current Assets</b>		<b>405,490</b>	<b>278,471</b>
<b>TOTAL ASSETS</b>		<b>11,118,461</b>	<b>7,814,272</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	716,798	274,088
Provisions	10	33,716	736
<b>Total Current Liabilities</b>		<b>750,514</b>	<b>274,824</b>
<b>TOTAL LIABILITIES</b>		<b>750,514</b>	<b>274,824</b>
<b>NET ASSETS</b>		<b>10,367,947</b>	<b>7,539,448</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Issued capital	11	20,620,540	11,490,057
Reserves	12	468,057	702,901
Accumulated losses	13	(10,720,650)	(4,653,510)
<b>TOTAL EQUITY</b>		<b>10,367,947</b>	<b>7,539,448</b>

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 2013

	Note	Consolidated	
		Year Ended 2013 A\$	Year Ended 2012 A\$
<b>Cash flows from operating activities</b>			
Interest received		324,223	518,984
Refunds of GST		10,498	-
Payments to suppliers for group restructure	17(a)	(408,491)	-
Payments to suppliers and employees		(4,390,485)	(2,954,090)
<b>Net cash outflow from operating activities</b>	21(a)	<b>(4,464,255)</b>	<b>(2,435,106)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(55,748)	(307,776)
<b>Net cash outflow from investing activities</b>		<b>(55,748)</b>	<b>(307,776)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	11(b)	5,000,000	-
Transaction costs from issue of shares	11(b)	(314,017)	-
Cash arising on group restructure	17(a)	2,820,993	-
<b>Net cash inflow from financing activities</b>		<b>7,506,976</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>2,986,973</b>	<b>(2,742,882)</b>
Foreign exchange movement on cash and cash equivalents		83,814	4,532
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>7,391,971</b>	<b>10,130,321</b>
<b>Cash and cash equivalents at the end of the financial year</b>	21(b)	<b>10,462,758</b>	<b>7,391,971</b>

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 2013

For the Year Ended 30 June 2013	Issued Capital A\$	Share Based Payments Reserve A\$	Foreign Currency Translation Reserve A\$	Accumulated Losses A\$	Total Equity A\$
<b>Balance at 1 July 2012</b>	<b>11,490,057</b>	<b>714,500</b>	<b>(11,599)</b>	<b>(4,653,510)</b>	<b>7,539,448</b>
<b>Total comprehensive income for the year:</b>					
Net loss for the year	-	-	-	(6,781,640)	(6,781,640)
<b>Other comprehensive income:</b>					
Exchange differences arising on translation of foreign operations	-	-	65,556	-	65,556
Income tax relating to components of other comprehensive income	-	-	-	-	-
Total other comprehensive income	-	-	65,556	-	65,556
Total comprehensive income for the year	-	-	65,556	(6,781,640)	(6,716,084)
<b>Transactions with owners, recorded directly in equity</b>					
Issue of OreCorp shares on acquisition of OreCorp Resources – refer to note 17(a)	4,444,500	-	-	-	4,444,500
Capital raising	5,000,000	-	-	-	5,000,000
Less cost of capital raising	(314,017)	-	-	-	(314,017)
Cancellation of options	-	(714,500)	-	714,500	-
Grant of options – refer to note 17(a)	-	414,100	-	-	414,100
Total transactions with owners	9,130,483	(300,400)	-	714,500	9,544,583
<b>Balance at 30 June 2013</b>	<b>20,620,540</b>	<b>414,100</b>	<b>53,957</b>	<b>(10,720,650)</b>	<b>10,367,947</b>

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 2013

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\$
<b>Balance at 1 July 2011</b>	<b>11,490,057</b>	-	<b>5,257</b>	<b>(1,344,626)</b>	<b>10,150,688</b>
<b>Total comprehensive income for the year:</b>					
Net loss for the year	-	-	-	(3,308,884)	(3,308,884)
<b>Other comprehensive income:</b>					
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 year	-	-	(16,856)	(3,308,884)	(3,325,740)
<b>Transactions with owners, recorded directly in equity</b>					
Share based payments	-	714,500	-	-	714,500
Total transactions with owners	-	714,500	-	-	714,500
<b>Balance at 30 June 2012</b>	<b>11,490,057</b>	<b>714,500</b>	<b>(11,599)</b>	<b>(4,653,510)</b>	<b>7,539,448</b>

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 2013

### 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 2013 are stated to assist in a general understanding of the financial report. For the purposes of preparing the consolidated financial statements, the Company is a for profit entity.

OreCorp Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial report of the Company for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the Directors on 24 September 2013.

#### (a) Basis of Preparation

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

In OreCorp Limited is listed on the Australian Securities Exchange.

On 27 February 2013, OreCorp Limited (formerly Silver Stone Resources Limited), the legal parent and legal acquirer, completed the acquisition of OreCorp Resources Pty Ltd ('OreCorp Resources'). The acquisition did not meet the definition of a business combination in accordance with AASB 3 *Business Combinations*. Instead the acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 *Business Combinations* given the substance of the transaction is that OreCorp Resources has effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if OreCorp Resources had acquired Silver Stone, not vice versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by OreCorp Resources to have exactly the same percentage holding in the new structure at the date of the transaction.

The impact of the group restructure on each of the primary statements is as follows:

#### Consolidated Statement of Profit or Loss and Other Comprehensive Income

- The 2012/13 consolidated statements comprise 12 months of OreCorp Resources and four months of Silver Stone.
- The 2011/12 consolidated statements comprise 12 months of OreCorp Resources.

#### Balance Sheet

- The consolidated balance sheet as at 30 June 2013 represents both OreCorp Resources and Silver Stone.
- The consolidated balance sheet as at 30 June 2012 represents OreCorp Resources.

### Statement of Changes in Equity

- The 2012/13 consolidated statement of changes in equity comprises OreCorp Resources' equity balance at 1 July 2012, its loss for the year and transactions with equity holders for 12 months. It also comprises Silver Stone's transactions with equity holders in the past four months and the equity balances of OreCorp Resources and Silver Stone as at 30 June 2013.
- The 2011/12 consolidated statement of changes in equity comprises 12 months of OreCorp Resources.

In the application of AASs 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 AASs 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').

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

### (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.

Amendments to AASB 101  
'Presentation of Financial  
Statements'

The amendment (part of AASB 2011-9 'Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income' introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section:

- (a) items that will not be reclassified subsequently to profit or loss; and
- (b) items that may be reclassified subsequently to profit or loss when specific conditions are met.

Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

The amendments (part of AASB 2012-5 'Further Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle') requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position), when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The related notes to the third statement of financial position are not required to be disclosed.

## Standards and Interpretations affecting the reported results or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

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 2013. 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
<b>AASB 9</b> <i>Financial Instruments</i> , <b>AASB 2009-11</b> <i>Amendments to Australian Accounting Standards arising from AASB 9</i> and <b>AASB 2010-7</b> <i>Amendments to Australian Accounting Standards arising from AASB 9</i> . AASB 9 introduces new requirements for classifying and measuring financial assets.	1 January 2015	30 June 2016
<b>AASB 2011-4</b> <i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</i>	1 July 2013	30 June 2014
<b>AASB 10</b> <i>Consolidated Financial Statements</i>	1 January 2013	30 June 2014
<b>AASB 11</b> <i>Joint Arrangements</i>	1 January 2013	30 June 2014
<b>AASB 12</b> <i>Disclosure of Interests in Other Entities</i>	1 January 2013	30 June 2014
<b>AASB 127</b> <i>Separate Financial Statements</i> (2011), <b>AASB 128</b> <i>Investments in Associates and Joint Ventures</i> (2011)	1 January 2013	30 June 2014
<b>AASB 2011-7</b> <i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards</i>	1 January 2013	30 June 2014
<b>AASB 13</b> <i>Fair Value Measurement</i> and <b>AASB 2011-8</b> <i>Amendments to Australian Accounting Standards arising from AASB 13</i> .	1 January 2013	30 June 2014
<b>AASB 119</b> <i>Employee Benefits</i> (2011) and <b>AASB 2011-10</b> <i>Amendments to Australian Accounting Standards arising from AASB 119</i> (2011)	1 January 2013	30 June 2014
<b>Interpretation 20</b> <i>Stripping Costs in the Production Phase of a Surface Mine</i> and <b>AASB 2011-12</b> <i>Amendments to Australian Accounting Standards arising from Interpretation 20</i>	1 January 2013	30 June 2014
<b>AASB 2011-4</b> <i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</i>	1 July 2013	30 June 2014
<b>AASB 2012-2</b> <i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013	30 June 2014
<b>AASB 2012-3</b> <i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014	30 June 2015

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

Standard / Interpretation	Effective for Annual Reporting Periods Beginning on or After	Expected to be Initially Applied in the Financial Year Ending
<b>AASB 2012-5</b> <i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle</i>	1 January 2013	30 June 2014
<b>AASB 2012-10</b> <i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</i>	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.

The Group has been formed following the transaction with OreCorp (formerly Silver Stone Resources Limited) and the OreCorp Resources Pty Ltd group ('OreCorp Resources'). On 27 February 2013, OreCorp Limited (formerly Silver Stone Resources Limited), the legal parent and legal acquirer, completed the acquisition of OreCorp Resources Pty Ltd ('OreCorp Resources'). The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations given the substance of the transaction is that OreCorp Resources has effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if OreCorp Resources had acquired Silver Stone, not vice versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by OreCorp Resources to have exactly the same percentage holding in the new structure at the date of the transaction.

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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

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 the tax year commencing 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 Non-current 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

### (l) 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.

### (m) 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 statement of profit or loss 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 statement of profit or loss.

### (n) 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.

**(o) 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.

**(p) 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.

**(q) 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.

**(r) 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.

**(s) 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

### (t) 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.

### (u) 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 Consolidated Entity'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 statement of profit or loss, 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 statement of profit or loss 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 statement of profit or loss 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.

**(v) 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.

**(w) Segment Information**

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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

	Consolidated	
	Year Ended 2013 \$	Year Ended 2012 \$
<b>2. REVENUE AND OTHER INCOME FROM CONTINUING OPERATIONS</b>		
<b>Revenue</b>		
Interest revenue	286,949	479,496
<b>Total Revenue</b>	<b>286,949</b>	<b>479,496</b>
<b>Other income</b>		
Other income	35,428	-
Foreign exchange gain	120,974	8,490
<b>Total other income</b>	<b>156,402</b>	<b>8,490</b>

	Consolidated	
	Year Ended 2013 \$	Year Ended 2012 \$
<b>3. EXPENSES AND LOSSES FROM CONTINUING OPERATIONS</b>		
Loss from ordinary activities before income tax expense includes the following specific expenses:		
<b>(a) Expenses</b>		
Group restructure costs (note 17(a))	<b>(1,760,477)</b>	-
<b>(b) Depreciation and amortisation</b>		
Depreciation of plant and equipment	<b>(60,924)</b>	<b>(60,111)</b>
Amortisation of intangible assets	<b>(1,127)</b>	<b>(1,128)</b>
<b>(c) Employee Benefit Expense</b>		
Salaries and wages	(1,199,301)	(610,245)
Annual leave provision movement	(32,980)	(736)
Superannuation contribution	(76,664)	(46,531)
Share based payment expense	-	(714,500)
	<b>(1,308,945)</b>	<b>(1,372,012)</b>

	Consolidated	
	Year Ended 2013 \$	Year Ended 2012 \$
<b>4. INCOME TAX</b>		
<b>(a) Recognised in profit or loss</b>		
<i>Current income tax</i>		
Current income tax benefit	(1,577,757)	(510,627)
<i>Deferred income tax</i>		
Deferred tax assets not recognised	1,577,757	510,627
<b>Income tax expense reported in the statement of profit or loss</b>	-	-
<b>(b) Reconciliation between Tax Expense and Accounting Loss before Income Tax</b>		
Accounting loss before income tax	<b>(6,781,640)</b>	<b>(3,308,884)</b>
At the domestic income tax rate of 30% (2012: 30%)	(2,034,492)	(992,665)
Expenditure not allowable for income tax purposes	458,872	455,799
Deferred tax assets not recognised	1,577,757	510,627
Effect of lower income tax rate in other jurisdictions	63,640	39,202
Effect of higher income tax rate in other jurisdictions	(65,777)	(12,963)
<b>Income tax expense reported in the statement of profit or loss</b>	-	-
<b>(c) Deferred Income Tax</b>		
Deferred income tax at 30 June relates to the following:		
<i>Deferred Tax Liabilities</i>		
Exploration and evaluation assets	34,898	-
Accrued interest income	8,186	19,368
Unrealised Foreign exchange movement	68,665	-
Deferred tax assets used to offset deferred tax liabilities	(111,749)	(19,368)
	-	-
<i>Deferred Tax Assets</i>		
Accruals and provisions	191,409	41,611
Business related costs	151,074	276
Tax losses available to offset against future taxable income	2,169,743	665,056
Deferred tax assets used to offset deferred tax liabilities	(111,749)	(19,368)
Unrealised Foreign exchange movement	2,612	-
Deferred tax assets not recognised	(2,403,089)	(687,574)
	-	-

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

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 Consolidated Entity in realising the benefit.

### (d) Tax losses

At the reporting date the Group has unrecognised tax losses of \$2,169,743 (2012: \$665,056) that are available for offset against future taxable profits. No deferred tax asset has been recognised in respect of the tax losses due to the uncertainty of future profit streams.

### (e) Tax Consolidation

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

	Consolidated	
	2013	2012
	\$	\$
<b>5. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES</b>		
GST and VAT receivable	148,980	59,923
Accrued interest receivable	27,287	64,561
	<b>176,267</b>	<b>124,484</b>

	Consolidated	
	2013	2012
	\$	\$
<b>6. CURRENT ASSETS – OTHER CURRENT ASSETS</b>		
Prepayments	73,946	19,346
	<b>73,946</b>	<b>19,346</b>

	Consolidated	
	2013	2012
	\$	\$
<b>7. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT</b>		
<i>Plant and equipment</i>		
Cost	419,980	337,009
Accumulated depreciation	(133,090)	(61,938)
<b>Net carrying amount</b>	<b>286,890</b>	<b>275,071</b>

	Consolidated	
	2013 \$	2012 \$
<i>Reconciliation</i>		
Carrying amount at beginning of year	275,071	25,052
Additions	55,748	307,776
Depreciation charge for the year	(60,924)	(60,111)
Foreign exchange movement on plant and equipment	16,995	2,354
<b>Carrying amount at end of year, net of accumulated depreciation and impairment</b>	<b>286,890</b>	<b>275,071</b>

	Consolidated	
	2013 \$	2012 \$
<b>8. NON-CURRENT ASSETS – INTANGIBLE ASSETS</b>		
<i>Exploration &amp; Evaluation Assets</i>		
Cheriton's East Project, Australia	116,327	-
<b>Net carrying amount of exploration and evaluation assets</b>	<b>116,327</b>	<b>-</b>
<i>Other Intangible Assets</i>		
Website development, at cost	4,100	4,100
Preliminary expenses, at cost	1,536	1,536
Accumulated amortisation	(3,363)	(2,236)
<b>Net carrying amount</b>	<b>118,600</b>	<b>3,400</b>
<i>Reconciliation - Exploration &amp; Evaluation Assets</i>		
Carrying amount at beginning of year	-	-
Fair value of exploration and evaluation assets in OreCorp Ltd at acquisition (note 17(a))	287,705	-
Less provision for impairment <sup>(1)</sup>	(171,378)	-
<b>Carrying amount of Cheriton's East Project at end of year, net of impairment</b>	<b>116,327</b>	<b>-</b>

**Note**

- (1) During the year ended 30 June 2013, there was an impairment loss of \$171,378 charged against the Consolidated Entity's exploration and evaluation assets due to the relinquishment of a substantial portion of the Cheriton's East exploration permit in March 2013.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

	Consolidated	
	2013	2012
	\$	\$
<i>Reconciliation – Other Intangible Assets</i>		
Carrying amount at beginning of year	3,400	4,528
Amortisation charge for the year	(1,127)	(1,128)
<b>Carrying amount of Other Intangible Assets</b>	<b>2,273</b>	<b>3,400</b>

	Consolidated	
	2013	2012
	\$	\$
<b>9. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES</b>		
Accrued expenses	568,004	84,847
Trade creditors	139,627	56,776
Withholding taxes payable	9,167	132,465
	<b>716,798</b>	<b>274,088</b>

### Note

- (1) Payables are non-interest bearing and generally settled on 30 day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

	Consolidated	
	2013	2012
	\$	\$
<b>10. CURRENT LIABILITIES - PROVISIONS</b>		
Annual leave provision	33,716	736
	<b>33,716</b>	<b>736</b>

	Consolidated	
	2013	2012
	\$	\$
<b>11. ISSUED CAPITAL</b>		
<b>(a) Issued and Paid up Capital</b>		
113,412,820 (2012: 66,192,002) fully paid ordinary shares	<b>20,620,540</b>	11,490,057

**(b) Movements in Ordinary Share Capital:**

Date	Details	Number of Shares	Issue Price A\$	\$
<b>1 July 2011</b>	<b>Opening Balance</b>	<b>66,192,002</b>		<b>11,490,057</b>
<b>30 June 2012</b>	<b>Closing Balance</b>	<b>66,192,002</b>		<b>11,490,057</b>
<b>1 July 2012</b>	<b>Opening Balance</b>	<b>66,192,002</b>		<b>11,490,057</b>
27 February 2013	<i>Acquisition of OreCorp Resources:</i>			
	- Elimination of existing OreCorp Resources shares	(66,192,002)		-
	- Existing OreCorp shares on acquisition	22,222,503		-
	- Issue of OreCorp shares on acquisition of OreCorp Resources (refer note 17(a))	66,190,317		4,444,500
27 February 2013	Issued under Prospectus	25,000,000	\$0.20	5,000,000
	Less cost of capital raising	-		(314,017)
<b>30 June 2013</b>	<b>Closing Balance</b>	<b>113,412,820</b>		<b>20,620,540</b>

**Note**

(1) Securities are shown on a post 3 for 4 consolidation basis.

**(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 two 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

### (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	
	2013 \$	2012 \$
<b>12. RESERVES</b>		
<b>(a) Reserves</b>		
<b>Share Based Payments Reserve<sup>(1)</sup>:</b>		
5,930,692 (30 June 2012: Nil) Listed Options	-	-
4,099,999 (30 June 2012: Nil) \$0.2667 Unlisted Options <sup>(2)</sup>	414,100	-
Nil (30 June 2012: 4,100,000) \$0.30 Unlisted Options <sup>(2)</sup>	-	714,500
1,875,000 (30 June 2012: Nil) \$0.40 Unlisted Options	-	-
	414,100	714,500
<b>Foreign Currency Translation Reserve:</b>		
Currency translation differences	53,957	(11,599)
<b>Total Reserves</b>	<b>468,057</b>	<b>702,901</b>

#### Notes

- (1) 2013 balances of securities in the table above are shown on a post 3 for 4 consolidation basis.
- (2) Following the merger of OreCorp Ltd and OreCorp Resources, the 4.1 million \$0.30 Unlisted Options in the Share Based Payments Reserve of OreCorp Resources at 30 June 2012 were cancelled and 4.1 million \$0.2667 Unlisted Options in OreCorp Limited were granted.

#### *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

Date	Details	Number of	Number of	Number of	Number of	\$
		\$0.2667 Listed Options	\$0.2667 Unlisted Options	\$0.30 Unlisted Options	\$0.40 Unlisted Options	
1 Jul 12	Balance at beginning of year	-	-	4,100,000	-	714,500
27 Feb 13	Cancellation of options	-	-	(4,100,000)	-	(714,500)
27 Feb 13	Acquisition of OreCorp – options as at acquisition date	5,930,692 <sup>(1)</sup>	-	-	1,875,000 <sup>(2)</sup>	-
27 Feb 13	Grant of options (refer note 17(a))	-	4,099,999 <sup>(3)</sup>	-	-	414,100
<b>30 Jun 13</b>	<b>Balance at end of year</b>	<b>5,930,692</b>	<b>4,099,999</b>	<b>-</b>	<b>1,875,000</b>	<b>414,100</b>

#### Notes

- (1) 'Listed Options' means listed options with an exercise price of \$0.2667 each (\$0.20 pre 3 for 4 consolidation), expiring on 7 May 2015.
- (2) '\$0.40 Options' (\$0.30 pre 3 for 4 consolidation) means options with an exercise price of \$0.40 each, expiring on 22 March 2016.
- (3) These options were granted during the year as part of the consideration for the acquisition of OreCorp Resources Pty Ltd.

#### (c) Movements in Foreign Currency Translation Reserve

	Consolidated	
	2013 \$	2012 \$
Balance at beginning of year	(11,599)	5,257
Currency translation differences	65,556	(16,856)
<b>Balance at end of year</b>	<b>53,957</b>	<b>(11,599)</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

### (d) Terms and conditions of the Options

The 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 Unlisted Options exercisable at \$0.30 each, expiring 31 December 2015 (now cancelled);
  - \$0.2667 Unlisted Options exercisable at \$0.2667 each, expiring 30 June 2015;
  - \$0.40 Unlisted Options exercisable at \$0.40 each, expiring 22 March 2016; and
  - Listed Options exercisable at \$0.2667 each, expiring 7 May 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 Option holders 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 Unlisted 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	
	2013	2012
	\$	\$
<b>13. ACCUMULATED LOSSES</b>		
Balance at beginning of year	<b>(4,653,510)</b>	(1,344,626)
Transfer option premium reserve to accumulated losses	<b>714,500</b>	-
Net loss	<b>(6,781,640)</b>	(3,308,884)
<b>Balance at end of year</b>	<b>(10,720,650)</b>	<b>(4,653,510)</b>

### (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 term Key Management Personnel ('KMP') refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group. The KMP of OreCorp Limited during or since the end of the financial year were as follows:

#### Directors

Mr Craig Williams	Non-Executive Chairman (appointed 27 February 2013)
Mr Matthew Yates	Chief Executive Officer & Managing Director (appointed 27 February 2013)
Mr Alastair Morrison	Non-Executive Director (appointed 27 February 2013)
Mr Michael Klessens	Non-Executive Director (appointed 27 February 2013)
Mr Tony Grist	Non-Executive Director (resigned 31 July 2013)
Mr George Bennett	Non-Executive Director (appointed 25 March 2013, resigned 31 July 2013)

#### Other Key Management Personnel

Mr Luke Watson	CFO & Company Secretary (appointed 28 February 2013)
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Unless otherwise disclosed, the KMP held their position from 1 July 2012 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 for all key management personnel of the Company and the Group of the nature and total of compensation for the financial year ended 30 June 2013.

		Short-Term Benefits		Post Employment Benefits	Share Based Payments	Total
		Salary & Fees \$	Cash Bonus \$	Superannuation \$	Options \$	
<b>TOTAL YEAR ENDED</b>	<b>2013</b>	<b>642,198</b>	-	<b>62,801</b>	-	<b>704,999</b>
TOTAL YEAR ENDED	2012	686,533	-	46,531	714,500	1,447,564

#### Notes

- (1) The disclosures for the year ended 2013 relate to the KMPs of OreCorp Ltd
- (2) The disclosures for the year ended 2012 relate to the KMPs of OreCorp Resources Pty Ltd

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

### 15. RELATED PARTY DISCLOSURES

#### (a) Shareholdings of Key Management Personnel

Key Management Person 2013	Opening Balance at 1 July 2012	Equity consolidation <sup>(1)</sup>	Shares Tendered by vendors of OreCorp Resources Pty Ltd	Shares Issued to vendors of OreCorp Resources Pty Ltd	Shares Issued pursuant to Prospectus	Held at 30 June 2013
<b>Directors</b>						
Craig Williams	400,000	-	(400,000)	399,989	750,000	1,149,989
Matthew Yates	10,000,000	-	(10,000,000)	9,999,750	125,000	10,124,750
Alastair Morrison	5,000,000	-	(5,000,000)	4,999,874	125,000	5,124,874
Michael Klessens	-	-	-	-	1,250,000	1,250,000
Tony Grist <sup>(2)</sup>	2,500,000	(625,000)	-	-	-	1,875,000
George Bennett	5,000,000	-	(5,000,000)	4,999,874	125,000	5,124,874
<b>Officers &amp; Management</b>						
Luke Watson	-	-	-	-	500,000	500,000

#### Notes

- (1) A 3 for 4 consolidation of Silver Stone Resources' equity was completed on 11 February 2013.
- (2) Mr Grist's opening shareholding balance represents his shareholding in Silver Stone Resources as at 28 February 2013.

Key Management Person 2012	Opening Balance at 1 July 2011	Other Changes	Held at 30 June 2012
<b>Directors</b>			
Craig Williams <sup>(2)(3)(5)</sup>	400,000	-	400,000
Matthew Yates	10,000,002	-	10,000,002
Alastair Morrison	5,000,000	-	5,000,000
Mike Klessens <sup>(3)(6)</sup>	-	-	-
George Bennett	5,000,000	-	5,000,000
<b>Officers &amp; Management</b>			
Luke Watson <sup>(3)(7)</sup>	-	-	-
Nick Holman <sup>(3)(8)</sup>	1,500,000	-	1,500,000
Anthony Hunt <sup>(4)(8)</sup>	-	-	-

## Notes

- (1) A 3 for 4 consolidation of Silver Stone Resources' equity was completed on 11 February 2013. The numbers in the table above do not reflect this consolidation.
- (2) Mr Williams took part in the October 2010 capital raising for sophisticated investors and acquired his shares for \$0.25 each.
- (3) The opening balance is as at date of appointment.
- (4) The closing balance is as at date of resignation.
- (5) Mr Williams joined OreCorp Resources Pty Ltd as a director on 15 December 2011.
- (6) Mr Klessens joined OreCorp Resources Pty Ltd as a director on 15 March 2012.
- (7) Mr Watson joined OreCorp Resources Pty Ltd on 10 October 2011.
- (8) Mr Hunt resigned from OreCorp Resources Pty Ltd on 1 November 2011. Mr Holman joined OreCorp Resources Pty Ltd on 1 November 2011.

Other than the Directors and executives noted above, there were no Key Management Personnel of the Group 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 2013	Opening Balance at 1 July 2012 #	Options Tendered by vendors of OreCorp Resources Pty Ltd	Options Issued to vendors of OreCorp Resources Pty Ltd <sup>(4)</sup>	Equity Consolidation <sup>(2)</sup> #	Held at 30 June 2013 #	Vested and Exercisable at 30 June 2013 #
<b>Directors</b>						
Craig Williams	2,000,000	(2,000,000)	2,000,000	-	2,000,000	2,000,000
Matthew Yates	-	-	-	-	-	-
Alastair Morrison	-	-	-	-	-	-
Michael Klessens	1,000,000	(1,000,000)	1,000,000	-	1,000,000	1,000,000
Tony Grist <sup>(1)(3)(5)</sup>	1,945,168	-	-	(486,292)	1,458,876	1,458,876
George Bennett <sup>(3)</sup>	-	-	-	-	-	-
<b>Officers &amp; Management</b>						
Luke Watson	1,000,000	(1,000,000)	999,999	-	999,999	999,999

## Notes

- (1) Mr Grist's opening option holding balance represents his option holding in Silver Stone Resources as at 28 February 2013.
- (2) A 3 for 4 consolidation of Silver Stone Resources' equity was completed on 11 February 2013.
- (3) Messrs Bennett and Grist resigned on 31 July 2013.
- (4) Unlisted options exercisable at \$0.2667 each and expiring on 30 June 2015.
- (5) Mr Tony Grist held 750,000 unlisted options exercisable at \$0.40 each and expiring on 22 March 2016 and 708,876 listed options exercisable at \$0.2667 each and expiring on 7 May 2015 at reporting date.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

Key Management Person 2012	Opening Balance at 1 July 2011 #	Granted as Compensation <sup>(4)(5)</sup> #	Exercised #	Other Changes #	Held at 30 June 2012 #	Vested and Exercisable at 30 June 2012 #
<b>Directors</b>						
Craig Williams <sup>(2)(4)</sup>	-	2,000,000	-	-	2,000,000	2,000,000
Matthew Yates	-	-	-	-	-	-
Alastair Morrison	-	-	-	-	-	-
Mike Klessens <sup>(2)(4)</sup>	-	1,000,000	-	-	1,000,000	1,000,000
George Bennett	-	-	-	-	-	-
<b>Officers &amp; Management</b>						
Luke Watson <sup>(2)(4)</sup>	-	1,000,000	-	-	1,000,000	1,000,000
Nick Holman <sup>(2)</sup>	-	-	-	-	-	-
Anthony Hunt <sup>(3)</sup>	-	100,000	-	-	100,000	100,000

### Notes

- (1) A 3 for 4 consolidation of Silver Stone Resources' equity was completed on 11 February 2013. The numbers in the table above do not reflect this consolidation.
- (2) The opening balance is as at date of appointment.
- (3) The closing balance is as at date of resignation.
- (4) 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.
- (5) For details on the valuation of the options, including models and assumptions used, please refer to note 16 to the financial statements.
- (6) 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.
- (7) No options were forfeited or cancelled during the year ended 30 June 2012.

### (c) Transactions with Related Parties in the Group

The Group consists of OreCorp Ltd (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 Ltd advanced approximately \$573,155 to Ethiopia by way of intercompany loan (2012: \$nil). In addition, OreCorp Resources Pty Ltd advanced approximately \$342,126 to Ethiopia by way of intercompany loan (2012: \$213,892). The total balance of both loans at 30 June 2013 has been provided for;
- OreCorp Ltd advanced approximately \$202,385 to Mauritania by way of intercompany loan (2012: \$nil). In addition, OreCorp Resources Pty Ltd advanced approximately \$919,206 to Mauritania by way of intercompany loan (2012: \$968,924). The total balance of both loans at 30 June 2013 has been provided for;
- OreCorp Resources Pty Ltd advanced approximately \$4,618,998 to OreCorp Ltd by way of intercompany loan (2012: \$nil); and
- OreCorp Resources Pty Ltd advanced \$nil to Mozambique by way of intercompany loan (2012: \$77,175). The total balance at 30 June 2013 has been provided for.

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

- There is no fixed repayment of the loans; and
- 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 2013 but eliminate in full on consolidation.

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 2013.

## 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:

	2013 Number	2013 WAEP	2012 Number	2012 WAEP
Outstanding at beginning of year	4,100,000	\$0.3000	-	-
Options cancelled during the year	(4,100,000)	\$0.3000	-	-
Options of OreCorp previously granted as share based payments as at date of acquisition <sup>(1)</sup>	1,875,000	\$0.4000	-	-
Options granted during the year	4,099,999	\$0.2667	4,100,000	\$0.30
Options exercised during the year	-	-	-	-
<b>Outstanding at end of year</b>	<b>5,974,999</b>	<b>\$0.3085</b>	<b>4,100,000</b>	<b>\$0.30</b>
<b>Exercisable at end of year</b>	<b>5,974,999</b>	<b>\$0.3085</b>	<b>4,100,000</b>	<b>\$0.30</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

### Note

- (1) A 3 for 4 consolidation of Silver Stone Resources' equity was completed on 11 February 2013. This balance reflects this consolidation.

The outstanding balance of options issued as share based payments on issue as at 30 June 2013 is represented by:

- 1,875,000 Options over ordinary shares with an exercise price of \$0.40 (\$0.30 pre 3 for 4 consolidation) each that expire on 22 March 2016; and
- 4,099,999 Options over ordinary shares with an exercise price of \$0.2667 each that expire on 30 June 2015.

The weighted average remaining contractual life of the options outstanding as at 30 June 2013 is 2.23 years.

The range of exercise prices for options outstanding at the end of the year was \$0.2667 to \$0.40.

The weighted average fair value of options granted during the year was \$0.101.

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 2013:

Valuation Model Input 2013	\$0.2667 Options
Exercise price	\$0.2667
Share price on date of grant	\$0.20
Share price at 30 June 2013	\$0.09
Dividend yield	Nil
Volatility	100%
Risk-free interest rate	2.63%
Grant date	27/02/13
Expiry date	30/06/15
Expected life of option (years)	2.34
Fair value at grant date	\$0.101
Number of options granted	4,099,999
Vesting date	27/02/13
Vesting period (years)	Nil
Expensed at 30 June 2013	Yes

### Note

- (1) These options were granted during the year as part of the cost of the group restructure and replaces the 4.1 million \$0.30 Unlisted Options that were issued by OreCorp Resources Pty Ltd in the prior year.

Valuation Model Input 2012	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

#### Note

- (1) These options were granted to KMP of OreCorp Resources Pty Ltd during the prior year and following the merger with OreCorp Limited, the options were subsequently cancelled.

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 grant of options in 2013 comprised part of the consideration for the acquisition of OreCorp Resources as discussed in note 17(a). The excess of the consideration over the fair value of the assets acquired has been expensed.

The total share based payment expense recorded by the Group during the prior year was \$714,500. 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).

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

Name of Controlled Entity	Place of Incorporation	% of Shares Held 2013	% of Shares Held 2012
OreCorp International Pty Ltd	Australia	100%	100%
OreCorp Resources Pty Ltd	Australia	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	Australia	100%	100%
Silverstone Minerals Pty Ltd	Australia	100%	-

### (a) Acquisition of Controlled Entity

On 27 February 2013, OreCorp Limited (formerly Silver Stone Resources Limited), the legal parent and legal acquirer, completed the acquisition of OreCorp Resources Pty Ltd ('OreCorp Resources'). The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations given the substance of the transaction is that OreCorp Resources has effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if OreCorp Resources had acquired Silver Stone, not vice versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by OreCorp Resources to have exactly the same percentage holding in the new structure at the date of the transaction.

As the activities of OreCorp would not constitute a business based on the requirements of AASB 3, the transaction has been accounted for as a share based payment under AASB 2. The excess of the deemed consideration over the fair value of OreCorp, as calculated in accordance with the reverse acquisition accounting principles and with AASB 2, is considered to be a payment for a group restructure and has been expensed.

OreCorp is the legal acquirer of OreCorp Resources in this transaction and the consideration for the acquisition was the issue by OreCorp of:

- (i) 66,190,317 fully paid ordinary shares in OreCorp. In accordance with reverse asset acquisition accounting principles the consideration is deemed to have been incurred by OreCorp Resources in the form of equity instruments issued to OreCorp shareholders. The acquisition date fair value of this consideration has been determined with reference to the fair value of the issued shares of OreCorp immediately prior to the acquisition and has been determined to be \$4,444,500; and
- (ii) 4,099,999 unlisted options to acquire fully paid ordinary shares in OreCorp each exercisable at \$0.2667 on or before 30 June 2015, valued at \$0.101 using the Binomial Valuation Method and totalling \$414,100. This amount has been included as part of the consideration for the transaction in accordance with the relevant accounting standard.

As OreCorp is deemed to be the acquiree for accounting purposes, the carrying values of its assets and liabilities are required to be recorded at fair value for the purposes of the acquisition. No adjustments were required to the historical values to effect this change.



The fair values of consideration and of the net assets of OreCorp at the date of acquisition are set out below:

<b>Consideration</b>	<b>\$</b>
66,190,317 shares issued	
Valued based on deemed shares issued of 22,223,705 valued at \$0.20 each	4,444,500
4,099,999 unlisted options valued at \$0.101 each	414,100
<b>Total value of consideration</b>	<b>4,858,600</b>
<b>Fair value of net assets of OreCorp at acquisition</b>	
Cash	2,820,993
GST receivables	30,468
Prepayments	3,980
Exploration and evaluation expenditure	287,705
Trade and other payables	(45,023)
<b>Fair value of net assets</b>	<b>3,098,123</b>
Excess of consideration provided over the fair value of OreCorp net assets at the date of acquisition expensed, being a group restructure expense	<b>1,760,477</b>

Costs of \$408,491 incurred by OreCorp in relation to the merger, including professional fees of \$300,000 and legal fees of \$87,000, have been expensed.

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>18. REMUNERATION OF AUDITORS</b>		
Amounts received or due and receivable by RSM Bird Cameron Partners <sup>(1)</sup> for:		
- an audit or review of the financial reports of the Group	6,500	-
- other services in relation to the Group	4,428	-
<b>Total Auditors' Remuneration: RSM Bird Cameron Partners</b>	<b>10,928</b>	<b>-</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

	Consolidated	
	2013 \$	2012 \$
Amounts received or due and receivable by Deloitte <sup>(2)</sup> for:		
- an audit or review of the financial reports of the Group	20,000	25,000
- other services in relation to the Group	14,560	7,500
<b>Total Auditors' Remuneration: Deloitte</b>	<b>34,560</b>	<b>32,500</b>

### Notes

- (1) Following the consent of the Australian Securities & Investments Commission, RSM Bird Cameron resigned as the Group's auditor on 2 July 2013.
- (2) Following the consent of the Australian Securities & Investments Commission, Deloitte were appointed as the Group's auditor on 2 July 2013.

### 19. SEGMENT INFORMATION

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 2013 cents	Year Ended 2012 cents
<b>20. EARNINGS PER SHARE</b>		
Basic loss per share (cents per share)	(8.26)	(5.00) <sup>(1)</sup>
Diluted loss per share (cents per share)	(8.26)	(5.00) <sup>(1)</sup>

	Consolidated	
	Year Ended 2013 \$	Year Ended 2012 \$
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
<b>Net loss used in calculating basic and diluted earnings per share</b>	<b>(6,781,640)</b>	<b>(3,308,884)</b>

	Number of Shares 2013	Number of Shares 2012
Weighted average number of ordinary shares used in calculating basic earnings per share, adjusted to reflect the group restructure	82,103,654	66,190,317 <sup>(1)</sup>
Effect of dilutive securities <sup>(2)</sup>	-	-
<b>Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share</b>	<b>82,103,654</b>	<b>66,190,317</b>

#### Note

- (1) The weighted average number of shares and resulting basic and diluted loss per share for 2012 has been adjusted to reflect the impact of the group restructure.
- (2) Non-dilutive securities: As at balance date, 5,930,692 (2012: nil) listed options and 5,974,999 unlisted options (2012: 4,100,000) (which represent 11,905,624 potential ordinary shares (2012: 4,100,000)) were not considered dilutive, for the purposes of calculating the loss per share for the year ended 30 June 2013, as they would decrease the loss per share.

#### Conversions, calls, subscriptions or issues after 30 June 2013

On 2 August 2013, the Company granted 1.1 million unlisted options at an exercise price of \$0.2667 each and expiring on 30 June 2015, to consultants of the Company as part of its remuneration/incentive arrangements.

	Consolidated	
	2013	2012
	\$	\$
<b>21. STATEMENT OF CASH FLOWS</b>		
<b>(a) Reconciliation of Loss from Continuing Operations after Income Tax to Net Cash Outflow from Operating Activities</b>		
Loss from continuing operations after income tax	(6,781,640)	(3,308,884)
<b>Adjustment for non-cash income and expense items</b>		
Depreciation	60,924	60,111
Amortisation	1,127	1,128
Provision for annual leave	32,980	736
Share based payments	-	714,500
Write-off of capitalised expenditure	171,378	-
Foreign exchange (gain)/loss	(35,252)	(23,742)
Non-cash payment for group restructure	1,351,986	-
Associated costs of merger	408,491	-

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

	Consolidated	
	2013 \$	2012 \$
<b>Changes in assets and liabilities, net of acquisition of controlled entity</b>		
Decrease/(increase) in trade and other receivables	(22,204)	(5,168)
Decrease/(increase) in other current assets	(50,620)	(19,346)
Increase/(decrease) in trade and other payables	398,575	145,559
<b>Net cash outflow from operating activities</b>	<b>(4,464,255)</b>	<b>(2,435,106)</b>
<b>(b) Reconciliation of Cash and Cash Equivalents</b>		
Cash at bank and on hand	3,791,266	568,152
Bank short-term deposits	6,671,492	6,823,819
	<b>10,462,758</b>	<b>7,391,971</b>

### (c) Credit Standby Arrangements with Banks

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

### (d) Non-cash Financing and Investment Activities

#### (i) 30 June 2013

Refer to note 17(a) for details of a controlled entity acquisition financed by the issue of shares and options.

#### (ii) 30 June 2012

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

	2013 \$	2012 \$
<b>22. PARENT ENTITY DISCLOSURES</b>		
<b>(a) Parent Entity – Financial Position</b>		
<b>ASSETS</b>		
Current Assets	10,299,020	3,109,673
Non-current Assets	152,002	232,653
<b>TOTAL ASSETS</b>	<b>10,451,022</b>	<b>3,342,326</b>

	2013 \$	2012 \$
<b>LIABILITIES</b>		
Current Liabilities	198,287	36,060
Non-current Liabilities	4,618,998	-
<b>TOTAL LIABILITIES</b>	<b>4,817,285</b>	<b>36,060</b>
<b>NET ASSETS</b>	<b>5,633,737</b>	<b>3,306,266</b>
<b>EQUITY</b>		
Issued capital	9,130,483	3,532,747
Reserves	414,100	98,219
Accumulated losses	(3,910,846)	(324,700)
<b>TOTAL EQUITY</b>	<b>5,633,737</b>	<b>3,306,266</b>

#### Notes

- (1) The 2013 balances are that of OreCorp Ltd  
(2) The 2012 balances are that of Silver Stone Resources Ltd

	2013 \$	2012 \$
<b>(b) Parent Entity – Financial Performance</b>		
Loss for the year	(3,586,146)	(271,993)
Other comprehensive income/(loss)	-	-
<b>Loss attributable to members of the parent</b>	<b>(3,586,146)</b>	<b>(271,993)</b>

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

As at 30 June 2013, 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 2013, 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 2013, the Parent did not have any commitments for the acquisition of property, plant and equipment.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

### 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	
	2013 \$	2012 \$
<b>Financial Assets</b>		
Cash and cash equivalents	10,462,758	7,391,971
Other current receivables	176,267	124,484
<b>Total financial assets</b>	<b>10,639,025</b>	<b>7,516,455</b>
<b>Financial Liabilities</b>		
Trade and other payables	716,798	274,088
<b>Total financial liabilities</b>	<b>716,798</b>	<b>274,088</b>

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 2013, 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 \$
<b>2013</b>			
<b>Group</b>			
<b>Financial Assets</b>			
Non-interest bearing	-	1,380,820	1,380,820
Variable interest rate instruments	3.1	2,631,005	2,631,005
Fixed interest rate instruments	4.3	6,627,200	6,627,200
		<b>10,639,025</b>	<b>10,639,025</b>
<b>Financial Liabilities</b>			
Non-interest bearing	-	716,798	716,798
		<b>716,798</b>	<b>716,798</b>
<b>2012</b>			
<b>Group</b>			
<b>Financial Assets</b>			
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
		<b>7,516,455</b>	<b>7,516,455</b>
<b>Financial Liabilities</b>			
Non-interest bearing	-	274,088	274,088
		<b>274,088</b>	<b>274,088</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

### (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 \$
<b>2013</b>				
<b>Group</b>				
Cash and cash equivalents	36,735	(36,735)	36,735	(36,735)
<b>2012</b>				
<b>Group</b>				
Cash and cash equivalents	36,595	(36,595)	36,595	(36,595)

It is noted that the analysis shown above is not representative of the risks faced by the Group throughout the period because interest rates and cash balances have changed significantly during 2013 and 2012.

### (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	
	2013 \$	2012 \$
<b>Financial Assets</b>		
Cash and cash equivalents	10,462,758	7,391,971
Trade and other receivables and other financial assets	176,267	124,484
<b>Total financial assets</b>	<b>10,639,025</b>	<b>7,516,455</b>

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 and accrued interest. 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 2013 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 and Commonwealth Bank, which are Australian banks 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 (2012: \$nil).

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(Continued)

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 2013 \$	Assets 2012 \$
US dollars	1,086,393	247,021
Other (Mauritanian and Ethiopian currencies)	29,837	47,245
	<b>1,116,230</b>	<b>294,266</b>

### (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 2013	Interest at 30 June 2012
<b>Mauritania</b>			
Oau Oau JV <sup>(1)</sup>	Precious & base metals exploration	-	-

### Note

- (1) The Group 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 2013, the Group's interest in the JV was nil.

## 25. COMMITMENTS FOR EXPENDITURE

	Consolidated	
	2013 \$	2012 \$
<b>Commitments</b>		
Not longer than 1 year	142,022	316,305
Longer than 1 year and not longer than 5 years	27,273	-
	<b>169,295</b>	<b>316,305</b>

### Note

(1) The majority of the commitments at 30 June 2013 relate to rent on office buildings.

## 26. CONTINGENT LIABILITIES

As at 30 June 2013 and 30 June 2012, the Group did not have any contingent liabilities.

## 27. SUBSEQUENT EVENTS

Other than as disclosed below, there were no significant events occurring after balance date requiring disclosure:

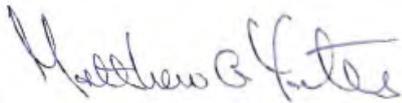
- On 2 August 2013, the Company granted 1.1 million unlisted options at an exercise price of \$0.2667 each and expiring on 30 June 2015, to consultants of the Company as part of its remuneration/incentive arrangements.

## **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 2013 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 Consolidated Entity 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 2013.

On behalf of the Board



**MATTHEW YATES**  
Chief Executive Officer

24 September 2013

# Independent Auditor's Report to the Members of OreCorp Limited

## Report on the Financial Report

We have audited the accompanying financial report of OreCorp Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other 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 47 to 92.

### *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.

## *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 2013 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.

## **Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 39 to 45 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

## *Opinion*

In our opinion the Remuneration Report of OreCorp Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.



DELOITTE TOUCHE TOHMATSU



**AT Richards**

Partner

Chartered Accountants

Perth, 24 September 2013

The Directors  
OreCorp Limited  
Level 1, 38 Rowland Street  
SUBIACO WA 6008

24 September 2013

Dear Board Members

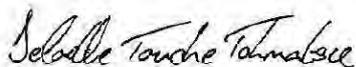
### **OreCorp Limited**

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 2013, 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**



**A T Richards**  
Partner  
Chartered Accountants

# ASX ADDITIONAL INFORMATION



## ASX ADDITIONAL INFORMATION

The securityholder information set out below was applicable as at 30 September 2013.

### 1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES

The names of the twenty largest holders of listed securities are listed below:

Ordinary Shares		
Name	No of Ordinary Shares Held	Percentage of Issued Shares
Anglo Pacific Group Limited	6,749,831	5.95%
RMB Resources Ltd <The Telluride Investment A/C>	6,081,655	5.36%
Beacon Exploration Pty Ltd	5,124,876	4.52%
Pipestone Capital Inc	5,124,874	4.52%
Meto Pty Ltd <The Yates Family A/C>	4,999,874	4.41%
Alastair Donald Morrison <Tongariro Investment A/C>	4,999,874	4.41%
Erncon Holdings Limited	3,999,899	3.53%
Africa Opportunities Ltd	1,999,950	1.76%
Mr Dean Gerard Clark <Dean Clark Family A/C>	1,999,949	1.76%
Oaktone Nominees Pty Ltd <The Grist Investment A/C>	1,875,000	1.65%
Tongaat Pty Ltd <Blue Seas A/C>	1,725,000	1.52%
Ravenhill Investments Pty Ltd <House Of Equity A/C>	1,650,001	1.45%
Karen Jennifer Pittard <Whitehaven Mansions A/C>	1,599,959	1.41%
JP Morgan Nominees Australia	1,550,000	1.37%
Citicorp Nominees Pty Ltd	1,539,991	1.36%
HSBC Custody Nominees (Australia) Limited-GSI EDA	1,500,000	1.32%
Mr Nicholas Holman	1,499,962	1.32%
Jetumi Pty Ltd <Snesselk Family A/C>	1,250,000	1.10%
Walloon Securities Pty Ltd	1,250,000	1.10%
Cairnglen Investments Pty Ltd	1,199,969	1.06%
<b>Total Top 20</b>	<b>57,720,664</b>	<b>50.89%</b>
Others	55,692,156	49.11%
<b>Total Ordinary Shares on Issue</b>	<b>113,412,820</b>	<b>100.00%</b>

## ASX ADDITIONAL INFORMATION

(Continued)

<b>\$0.267 Listed Options</b>		
<b>Name</b>	<b>No of \$0.267 Listed Options Held</b>	<b>Percentage of \$0.267 Listed Options</b>
Oaktone Nominees Pty Ltd <The Grist Investment A/C>	708,876	11.95%
Wimalex Pty Ltd <Trio S/F A/C>	540,600	9.12%
Tongaat Pty Ltd <Blue Seas A/C>	521,376	8.79%
Ravenhill Investments Pty Ltd <House Of Equity A/C>	487,501	8.22%
Komodo Capital Pty Ltd	317,191	5.35%
Fernland Holdings Pty Ltd <Celato A/C>	315,126	5.31%
Karakoram No2 Pty Ltd <Super Fund A/C>	193,125	3.26%
Kobia Holdings Pty Ltd	187,500	3.16%
Quicksilver Asset Pty Ltd	168,750	2.85%
Ms Tania Hall	165,126	2.78%
Mr MJ Bahen & Mrs MP Bahen <MJ Bahen Super Fund A/C>	112,500	1.90%
Mr Tarecq Elias Aldaoud	109,376	1.84%
Mr GA Craik & Mrs SR Craik <Garsue S/F A/C>	103,125	1.74%
ADL (WA) Pty Ltd	93,750	1.58%
Mrs Janet Hazell	93,750	1.58%
Mr Jay Desmond Coakley	72,924	1.23%
Mr Derek Laferla & Ms Suzan Pervan	70,313	1.19%
Hillstowe Holdings Pty Ltd <Vogel Super Fund A/C>	54,375	0.92%
Mrs Michelle Doro Denny <Pirates Cove A/C>	46,875	0.79%
Mr DI Rakich & Mrs FA Rakich <Rakich Retirement Fund A/C>	37,500	0.63%
<b>Total Top 20</b>	<b>4,399,659</b>	<b>74.18%</b>
Others	1,531,033	25.82%
<b>Total \$0.267 Listed Options on Issue</b>	<b>5,930,692</b>	<b>100.00%</b>

## 2. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of shareholders by size of holding:

<b>Distribution</b>	<b>Ordinary Shares</b>		<b>\$0.267 Listed Options</b>	
	<b>Number of Shareholders</b>	<b>Number of Shares</b>	<b>Number of Optionholders</b>	<b>Number of Options</b>
1 - 1,000	1	250	-	-
1,001 - 5,000	3	12,188	161	474,663
5,001 - 10,000	82	622,325	39	348,283
10,001 - 100,000	339	13,095,368	49	1,421,324
More than 100,000	144	99,682,689	12	3,686,422
<b>Totals</b>	<b>569</b>	<b>113,412,820</b>	<b>261</b>	<b>5,930,692</b>

There were eight holders of less than a marketable parcel of ordinary shares and 240 holders of less than a marketable parcel of listed options.



### 3. VOTING RIGHTS

See note 11 of the Notes to the Financial Statements.

### 4. SUBSTANTIAL SHAREHOLDERS

As at 30 September 2013, Substantial Shareholder notices have been received from the following shareholders:

Substantial Shareholder	Number of Shares
Beacon Exploration Pty Ltd and METO Pty Ltd atf The Yates Family Trust	10,124,750
Anglo Pacific Group plc	6,749,831
RMB Resources Ltd atf the Telluride Investment Trust	6,081,655

### 5. ON-MARKET BUY BACK

There is currently no on-market buyback program for any of OreCorp Limited's listed securities.

### 6. UNQUOTED SECURITIES

The names of the security holders holding more than 20% of an unlisted class of security are listed below:

Unlisted Options	30 June 2015 Unlisted Options @ \$0.267	22 March 2016 Unlisted Options @ \$0.40
Oresome Pty Ltd <The Williams Family A/C>	2,000,000	-
Oaktone Nominees Pty Ltd <The Grist Investment A/C>	-	750,000
Ravenhill Investments Pty Ltd <House of Equity A/C>	-	750,000
Fernland Holdings Pty Ltd <The Celato A/C>	-	375,000
Other (each individually less than 20%)	3,199,999	-
<b>Total</b>	<b>5,199,999</b>	<b>1,875,000</b>

## ASX ADDITIONAL INFORMATION

(Continued)

### 7. APPLICATION OF FUNDS SINCE REINSTATEMENT TO THE ASX

Since being reinstated to ASX pursuant to ASX Listing Rule 11.1.3 (14 March 2013), the Company has used the cash (and assets in a form readily convertible to cash) raised from the Merger and capital raising in a manner that is consistent with its business objectives.

### 8. EXPLORATION INTERESTS

As at 30 September 2013, the Company has an interest in the following licences:

Project	Licence Name	Percentage Interest	Status
<b>Ethiopia</b>			
Yubdo - Ursa Project	ELA 243/2011	100%	Granted
	ELA 244/2011	100%	Granted
Werri River Project	ELA 254/2011	100%	Granted
Baddessa	ELA 433/2011	0%	Application
<b>Mauritania</b>			
Akjoujt South Project	1245B2	100%	Granted
	1246B2	100%	Granted
	1338B2	100%	Granted
	1339B2	100%	Granted
	1415B2	90%	Granted
	1416B2	90%	Granted
	1513B2	100%	Granted
	1514B2	100%	Granted
Oua Oua Project	1233B2	100%	Granted
	335B2 <sup>1</sup>	0%	Granted
	813B2 <sup>1</sup>	0%	Granted
	814B2 <sup>1</sup>	0%	Granted
	815B2 <sup>1</sup>	0%	Granted
<b>Australia</b>			
Cheriton's East Project	E77/1223	100%	Granted

#### Notes:

1. OreCorp Earning up to 90%.

## DISCLAIMER/FORWARD LOOKING STATEMENTS

*The purpose of this report is to provide general information about OreCorp Limited. It is not recommended that any person makes any investment decision in relation to the Company based solely on this report. This report does not necessarily contain all information which may be material to the making of a decision in relation to the Company. Any investor should make its own independent assessment and determination as to the Company's prospects prior to making any investment decision, and should not rely on the information in this report for that purpose.*

*This report contains certain statements which may constitute 'forward-looking statements'. Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements. No representation or warranty, express or implied, is made by the Company that the matters stated in this report will be achieved or prove to be correct.*

*The Company does not purport to give financial or investment advice. No account has been taken of the objectives, financial situation or needs of any recipient of this document. Recipients of this document should carefully consider whether the securities issued by the Company are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position.*

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**Drilling, Yubdo West Prospect, Yubdo - Ursa Project**



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