

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

FURTHER UPDATE ON THE PROPOSED LEGISLATIVE CHANGES IN TANZANIA

OreCorp Limited (**OreCorp** or the **Company**) provides a further update on the proposed legislative changes with respect to the legal and regulatory framework governing the natural resources sector in Tanzania (the **Proposed Legislation**).

The Proposed Legislation

The Proposed Legislation is in the form of three 'special bill supplements', all of which have been passed by the Tanzanian Parliament. The Company understands that the three bills are awaiting gazettal.

The Proposed Legislation is complex and should be considered in its entirety. Draft copies of the Proposed Legislation are available on the Company's website and on the website of the Tanzanian Parliament. A non-exhaustive summary of key aspects of the Proposed Legislation, based on the drafts that are currently available, as they relate to the Company's Tanzanian operations is set out in the following table.

Legislative Change	Potential impact on the Company
The Tanzanian Government (the Government) shall take not less than a 16% free carried interest in all mining operations under a mining licence or special mining licence.	The Company's pre-feasibility study on the Nyanzaga Project in March 2017 (the PFS) did not contemplate the Government holding a free carried interest. Subject to the structure and practical implementation of a Government free carried interest, this change may result in a pro rata reduction in OreCorp's potential attributable share of earnings from the Nyanzaga joint venture.
The Government shall be entitled to acquire, in total, up to 50% of the shares of a mining company, commensurate with total tax expenditures incurred by the Government in favour of the mining company.	The potential application of this provision and its impact on OreCorp is unclear. It may be the case that any additional interest that may be acquired by the Government would only be based on the value of tax incentives provided by the Government to the Company. The Company has not yet received the benefit of any tax incentives.
The royalty rate on the gross value of metallic minerals produced (including gold) is to be increased from 4% to 6%. This is in addition to the 1% clearing fee on the value of all minerals exported from Tanzania from 1 July 2017 under the terms of the new Finance Act which has been approved by the Tanzanian Parliament.	The PFS was completed using a 4.3% royalty (which includes the 0.3% community levy), not 6.3%. Furthermore, the 1% clearing fee was not factored into the PFS. The combination of the two changes essentially results in a royalty of 7.3%, which will result in an increase in the all-in costs that have been disclosed by the Company in respect of its PFS.



ORECORP
LIMITED

ASX RELEASE:
10 July 2017

ASX CODE:
ORR

BOARD:
Craig Williams
Non-Executive Chairman
Matthew Yates
CEO & Managing Director

Alastair Morrison
Non-Executive Director

Michael Klessens
Non-Executive Director

Robert Rigo
Non-Executive Director

Luke Watson
CFO & Company Secretary

ISSUED CAPITAL:
Shares: 216.4 million
Unlisted Options: 9.8 million

ABOUT ORECORP:
OreCorp Limited is a Western Australian based mineral company focused on the Nyanzaga Gold Project in Tanzania & the Akjoujt South Nickel – Copper Project in Mauritania.

Legislative Change	Potential impact on the Company
Any earnings from certain mineral developments must be retained in banks and financial institutions established in Tanzania, unless profits are repatriated in accordance with the laws of Tanzania.	The proposed amendment may limit the Company's unlimited freedom to move foreign currency and may have a negative impact on the financing of the Nyanzaga Project.
Proceedings or disputes that relate to the extraction, exploitation, acquisition or use of natural wealth and resources must be adjudicated in Tanzania in accordance with the laws of Tanzania.	The proposed change seemingly purports to remove the ability of the Company to settle disputes by international arbitration. This may have a negative impact on the financing of the Nyanzaga Project.
Mineral right holders must participate in the growth of the Tanzanian economy by investing a portion of the returns from mining, and must meet certain requirements in respect of local content, corporate social responsibility and the giving of an integrity pledge.	OreCorp has always sought to maximise the use of locally-sourced goods and services where possible, and is committed to providing education, employment, and training opportunities for Tanzanian nationals. The Company is proud of its active corporate social responsibility program and intends to continue to work closely with all Tanzanian stakeholders for the overall benefit of Tanzania.
No raw resources or mineral concentrates shall be exported from Tanzania, including for beneficiation.	The Company is of the view that the proposed amendment will not affect it given that gold dore, rather than concentrate, is proposed to be produced at the Nyanzaga Project.
The Government may renegotiate existing arrangements or agreements relating to the extraction, exploitation and use of natural resources.	The Company has not entered into a Mineral Development Agreement with the Government. As discussed in the Company's announcement on 30 June 2017, the Company had planned to lodge a Special Mining Licence application ahead of the expiry of its prospecting licence (PL4830/2007) in November 2017. It was also the Company's intention to negotiate a Mineral Development Agreement and other relevant agreements in conjunction with the Special Mining Licence. The Company understands that His Excellency Dr John P. Magufuli has directed the Ministry of Energy and Minerals to postpone the issue and renewal of mining licences while the new Mining Commission is being established and the Proposed Legislation is implemented. The Company is seeking further clarification on the practical requirements regarding the timing and form of the Company's proposed licence application for PL4830/2007.
The Proposed Legislation amends the VAT Act 2015 so that no input tax credit can be claimed for the exportation of raw minerals, with effect from 20 July 2017.	The Company will continue to assess whether this may apply to the exportation of gold dore.
Stabilisation arrangements must be time bound and must make provision for renegotiation from time to time. Such arrangements must also quantify the value of any tax expenditures of the Government in favour of the Company, and include an option for the Government to convert those quantified values into equity holdings. Stabilisation arrangements which involve the freezing of laws or contracting away from the sovereignty of Tanzania are prohibited.	These provisions may increase the level of uncertainty during the project payback period and may have a negative impact on the financing of the Nyanzaga Project.
The Government shall have a lien over materials extracted from mining operations or mineral processing, including mineral concentrates.	Depending on the nature and terms of the lien, the proposed amendment suggests that the ownership of natural resources both in situ and after extraction may vest in the State. This may have a negative impact on the financing of the Nyanzaga Project and on the Company's obligations under any future forward sale agreements.

The Regulations, which will assist the implementation of the Proposed Legislation, are not yet available. The Company will review the Regulations once they are available.

The Company has established a strong independent in-country presence as operator of the Nyanzaga Joint Venture and has been able to materially enhance the value of the Nyanzaga Project for all stakeholders. The Company is eight months ahead of schedule in the proposed Nyanzaga Joint Venture timeline, which allows sufficient time to assess the full impact of the changes and implications for the Nyanzaga Project. The Company will continue to work with all Tanzanian stakeholders and regulatory bodies to deliver the best outcome for Tanzania and the Company.

The Company will provide further updates as appropriate.

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CEO & Managing Director

About OreCorp Limited

OreCorp Limited is a Western Australian based mineral company with gold and base metal projects in Tanzania and Mauritania. OreCorp is listed on the Australian Securities Exchange (**ASX**) under the code '**ORR**'. The Company is well funded with no debt. OreCorp's key projects are the Nyanzaga Gold Project in northwest Tanzania and the Akjoujt South Nickel-Copper Project in Mauritania.

On 13 March 2017, the Company announced that it had completed the third stage of its earn-in and JVA with Acacia Mining plc to earn up to a 51% interest in the Nyanzaga Project in the Lake Victoria Goldfields of Tanzania. The Project currently hosts a JORC 2012 MRE of 3.3Mozs at 3.48g/t gold.

Forward Looking Statements

This release contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to pre-feasibility and definitive feasibility studies, the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this news release are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Prospectus dated January 2013.

This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.