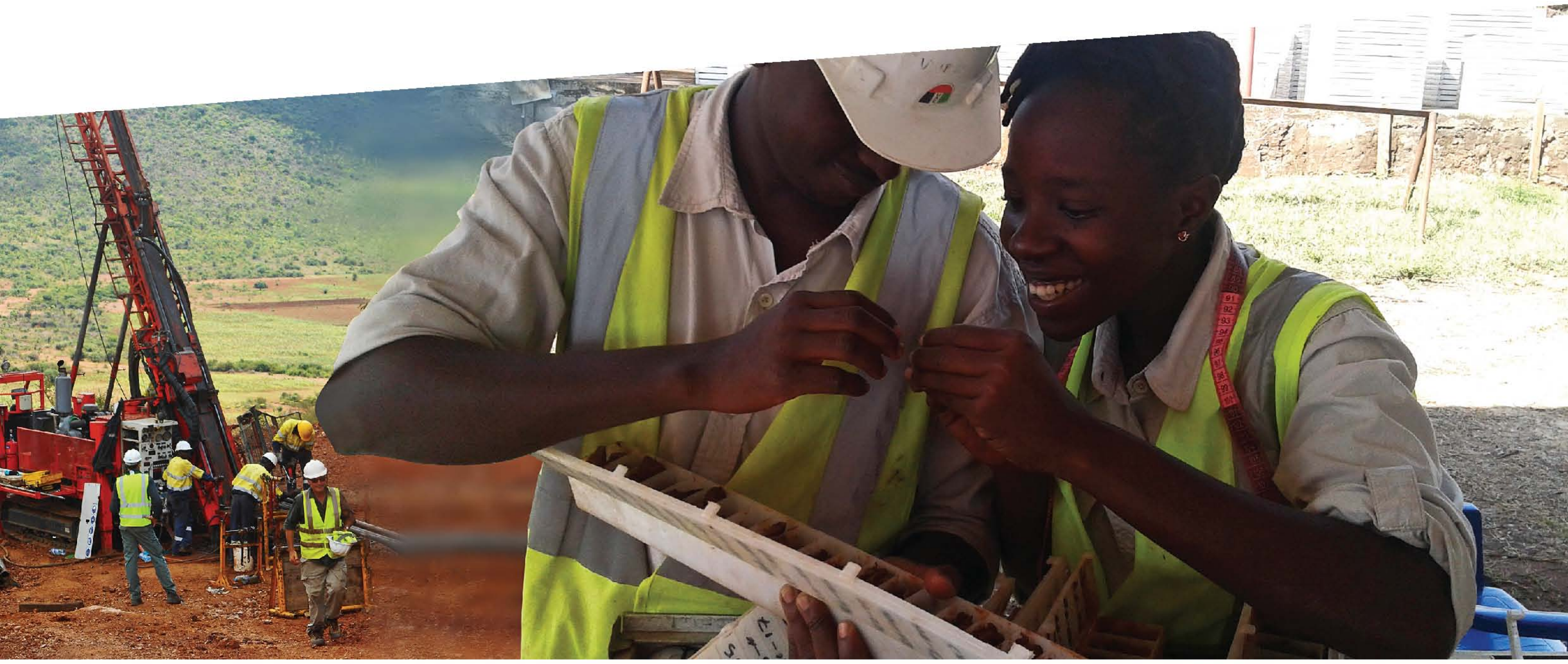
OreCorp Limited



Annual Report 2017

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
Mr Robert Rigo – Non-Executive Director

CFO & Company Secretary
Mr Luke Watson

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OreCorp Tanzania Staff - Nyanzaga Camp Office

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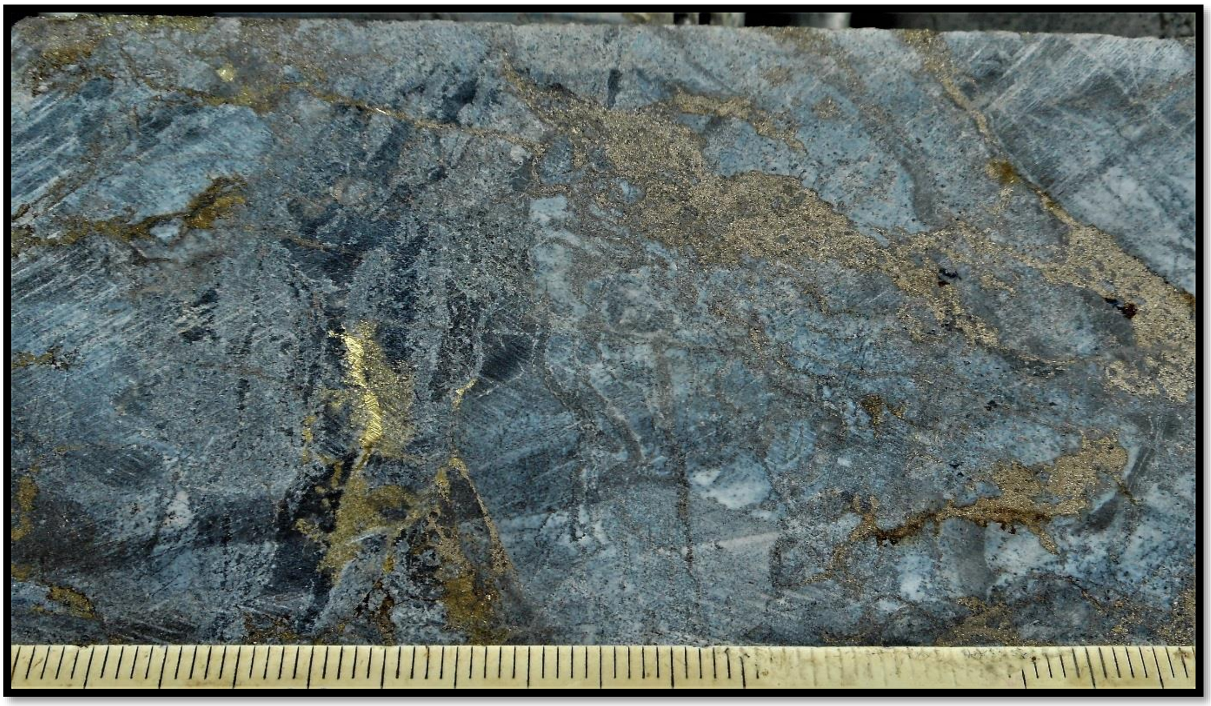


Gold Mineralisation in Diamond Core from Nyanzaga

LETTER FROM THE CEO

Dear Shareholders,

I would like to welcome you to the seventh annual report of the Company and summarise the rewarding progress in the past year and outline our plans and objectives for the coming year.

Considerable progress has been made at the Nyanzaga Gold Project (**Nyanzaga** or **Project**) in northwest Tanzania. The Scoping Study outlined an open-pit (**OP**) and underground (**UG**) operation of considerable scale. The Company completed a Pre-Feasibility Study (**PFS**) in March, which under-pinned and optimised the findings of the Scoping Study in scale, operating and capital costs. The PFS defined a four million tonne per annum (**tpa**) Project delivering up to 249,000 ounces of gold pa, averaging 213,000 ounces pa over a twelve-year mine life with an upfront capital cost of US$287.5M and All-in-Sustaining-Costs (**AISC**) of US$838 per ounce.

The Company has also completed extensive soil sampling and its first regional drill program, both with excellent results. The drilling at Bululu, approximately six kilometres southwest of the Nyanzaga Deposit, identified shallow high-grade mineralisation and supports the Company strategy of targeting shallow high-grade mineralisation proximal to Nyanzaga. It is anticipated that this regional work will provide excellent organic growth opportunities for the Project into the future.

Proposed Tanzanian legislation in the form of three 'special bill supplements' referred to in the Company's announcements of 30 June, 3 July and 10 July 2017 (**Proposed Legislation**) have now been enacted (**Final Legislation**). The Regulations, which will assist the implementation of the Final Legislation, are not yet available. Once the Regulations have been released, OreCorp will further assess the full impact of the Final Legislation and Regulations. This includes the introduction of a minimum 16% government free-carried interest, an increase in the royalty rate from 4% to 6%, as well as various other significant new measures.

The Company has established in Tanzania 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 significantly ahead of schedule in the proposed Nyanzaga Joint Venture timeline, which allows sufficient time to assess the full impact of the changes and implications of the new legislation for the Nyanzaga Project. The Definitive Feasibility Study (**DFS**) is well advanced, however it will not be completed by December 2017 as was originally envisaged. The Company will continue to work with all Tanzanian stakeholders and regulatory bodies to deliver the best outcome for Tanzania and the Company.

On the other side of the African continent, significant advancement has been made at our Akjoujt South Project (**ASP**) in Mauritania on the Anomaly 5 Prospect. Significant drill intercepted nickel-copper mineralisation has been identified over a strike length of more than one kilometre with widths of primary sulphide mineralisation downhole exceeding 60 metres. This is an exciting new discovery which we are confident will evolve into another significant project of value for OreCorp.

The Company also completed a $20.6M capital raising (before costs) placing the Company in a strong financial position to start the new financial year. Whilst we manage the challenges of the new legislation in Tanzania, a suite of new business opportunities is under review and an exciting exploration program is about to commence in Mauritania. We look forward to the year ahead with enthusiasm and optimism and to your continued support as we seek to deliver growth and opportunity for your Company.

Thank you.

Matthew B Yates

Matthew Yates
CEO and Managing Director

COMPANY PROFILE

OreCorp Limited is a dynamic, emerging development company listed on the Australian Securities Exchange (**ASX**) under the code ORR. The Company is well funded with $21.8 million in treasury and has no debt. OreCorp's key projects are the Nyanzaga Gold Project (**Nyanzaga** or the **Project**) in northwest Tanzania and the Akjoujt South Nickel - Copper Project in Mauritania.

The Company has a joint venture agreement with Acacia Mining plc to earn up to a 51% interest in Nyanzaga in the Lake Victoria Goldfields of Tanzania (**LVG**). The Project hosts a JORC 2012 compliant Mineral Resource Estimate (**MRE**) of 23.7Mt @ 4.03g/t gold for 3.07Mozs using a 1.5g/t lower cut-off, in the Nyanzaga Deposit. A Pre-Feasibility Study (**PFS**) was completed in March 2017 and a Definitive Feasibility Study (**DFS**) has commenced.

Over the next twelve months OreCorp plans to continue the DFS at Nyanzaga. The Company will also be rapidly advancing and evaluating a suite of new business opportunities as well as the highly prospective targets at the Akjoujt South Project in Mauritania.

ORECORP'S VISION

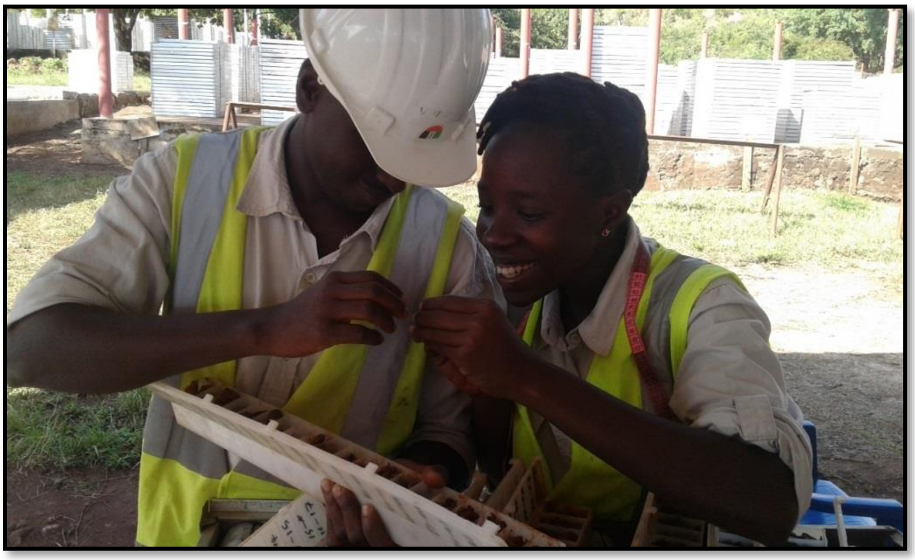
OreCorp's ultimate vision is to be a gold and base metal producer delivering superior value to its stakeholders.

This objective is pursued through strategies which draw on the technical, financial and corporate strengths of the Board and management to provide multiple opportunities for growth.

THE ORECORP MISSION

OreCorp will achieve this vision through a purposeful focus on the following themes in its business:

- Utilising all of its resources efficiently and responsibly;
- Conducting its business in an environmentally and socially responsible manner;
- Safeguarding the health and safety of all stakeholders;
- Continuously improving its systems and processes;
- Developing its people and recognising superior performance; and
- Fostering mutually beneficial relationships with its stakeholders.



Tanzanian Geologists Reviewing RC Chips at Nyanzaga

PROJECT OVERVIEW

NYANZAGA GOLD PROJECT

Introduction

The Nyanzaga Project is the subject of an earn-in and joint venture agreement (**JVA**) with Acacia Mining plc (**Acacia**) and under terms of the JVA, OreCorp may earn up to a 51% interest. OreCorp is the operator of the Project and is currently completing a DFS on the Deposit.

Nyanzaga is situated in the Archean Sukumaland Greenstone Belt, part of the LVG of the Tanzanian Craton. The greenstone belts of the LVG host a suite of large gold mines (***Figure 1***). The Geita Gold Mine lies approximately 60km to the west of the Project along the strike of the greenstone belt and the Bulyanhulu Gold Mine is located 36km to the southwest of the Project. The Nyanzaga Project comprises 27 contiguous Prospecting Licences and two applications covering a combined area of 291km^2 (***Figure 2***). In addition to the Nyanzaga Deposit, there are a number of other exploration prospects within the JV tenements.

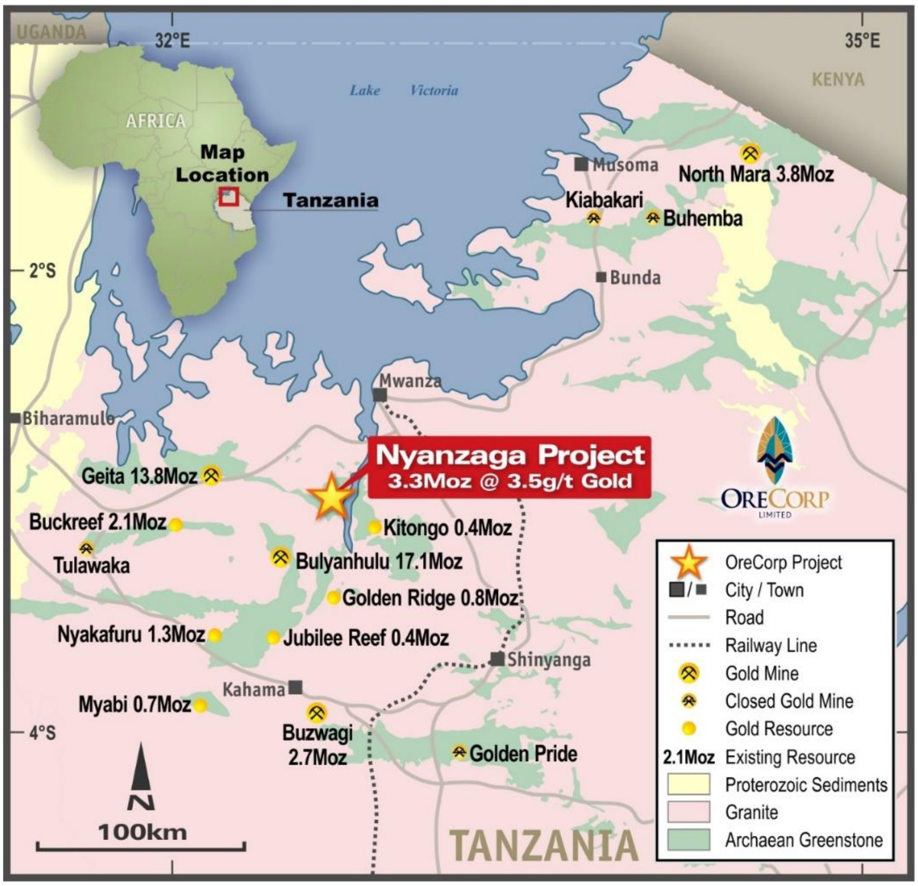


Figure 1 : Lake Victoria Goldfields, Tanzania – Existing Resources

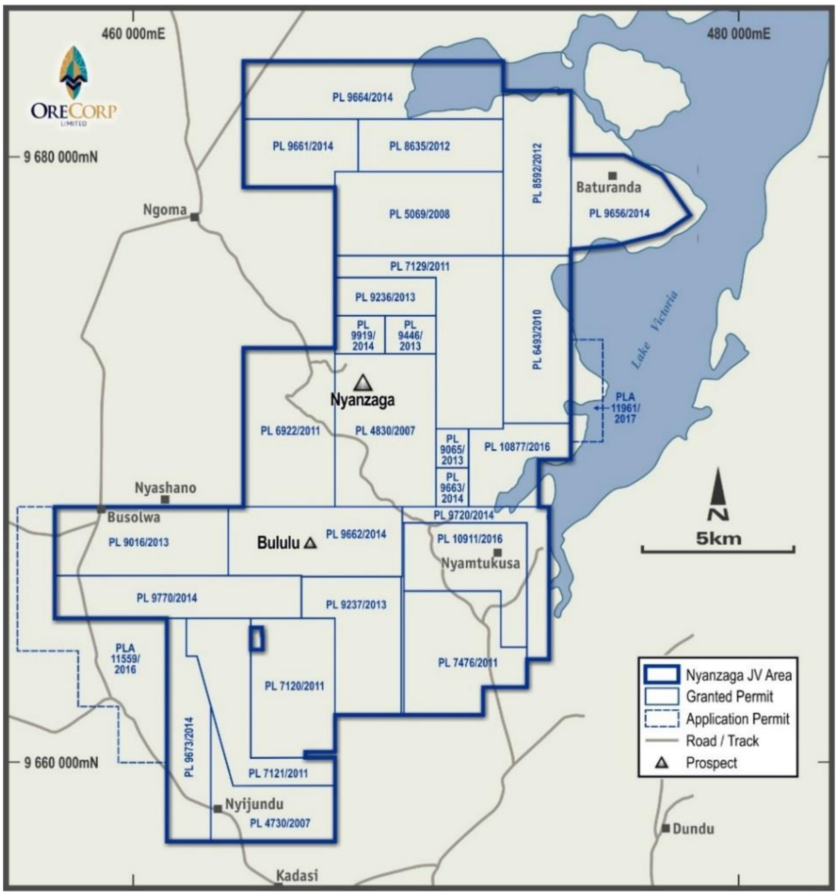


Figure 2: Nyanzaga Joint Venture Licences

Pre-Feasibility Study (PFS)

Overview

The PFS, led by Lycopodium Minerals Pty Ltd (ASX: LYL; **Lycopodium**) of Perth, Western Australia, examined all facets of geology, mining, processing and supporting infrastructure at a US$1,250/oz gold price, to a nominal accuracy of ±25%.

The Study evaluated the technical and economic viability of various Open Pit (**OP**) and Underground (**UG**) development scenarios. Processing options were considered in the context of the various mining scenarios to optimise throughput capacity, utilisation and mineralised feed flexibility to enhance metallurgical outcomes.

The trade off and detailed optimisation studies delivered an optimal development scenario of a 4Mtpa concurrent OP and UG operation.

The concurrent mining schedule significantly reduced the low grade stockpiling scenario considered in the Scoping Study and increases the OP contained ounces and LOM average gold mineralised material grade processed from 1.9 g/t in the Scoping Study to 2.0 g/t (+5%).

The Project is expected to deliver an average gold production of 213koz per annum over a 12 year Life of Mine (**LOM**), peaking at 249koz in Year 3 and totalling approximately 2.56Moz of gold produced over the LOM. This delivers an additional 188koz over the Scoping Study (85koz of which is attributable to increased metallurgical recovery and the remainder is additional gold from the revised pit design). The All-in Sustaining Cost (**AISC**) and All-in Cost (**AIC**) are estimated to be US$838/oz and US$858/oz respectively over the LOM.

PROJECT OVERVIEW (Continued)

PFS Highlights

- LOM average gold production increased to 213koz per annum (+17% over the Scoping Study) over 12 years
- The PFS was completed eight months ahead of the JV schedule and demonstrates the rapid progress being made by OreCorp in assessing the significant potential of Nyanzaga
- The PFS has determined that a concurrent OP and UG mine schedule represents the optimum mining sequence
- The OP will deliver the base load of mineralised material over the LOM and is expected to deliver approximately 1.75Moz of contained gold over its 12 year mine life, an increase of 25% or 350koz gold from the Scoping Study pit
- UG mining will commence in Year 1, from a box cut external to the OP, and is expected to produce approximately 1.16Moz (including UG development material) of contained gold. The UG will be developed to a depth of 800m below surface, with the deposit remaining open at depth
- Detailed metallurgical test work in the PFS has confirmed gold recovery of 88% through a conventional 4Mtpa Carbon in Leach (**CIL**) processing plant, an increase of 3% over the Scoping Study
- Competitive cost position with a forecast AISC of US$838/oz and All-in-Cost (**AIC**) of US$858/oz (Scoping Study AIC of US$874/oz) over the LOM
- Pre-production capital cost of US$287M includes OP pre-strip, plant (including first fill inventory), all associated project infrastructure expected and a US$33M contingency
- The PFS capital intensity of US$1,346/oz of annual production is competitive and consistent with the Scoping Study
- The PFS is based on a high proportion of Measured and Indicated resource material, accounting for 83% of the MRE. It is anticipated that a maiden Ore Reserve for Nyanzaga will be prepared as part of the DFS
- The PFS has been based on a US$1,250/oz gold price

It is noted that the PFS does not reflect the new legislative changes as these were only introduced in July 2017.

Mining

Under the proposed concurrent OP and UG mine schedule the Nyanzaga OP will provide the base load of mineralised material over the 12 year LOM (***Figure 3***).

OP mine operations will continue for the duration of the LOM, solely from the single Nyanzaga pit. The grade of mineralised material from the OP will average 1.5g/t gold compared to the Scoping Study 1.8g/t gold (excluding low grade stockpile material). The lower direct feed grade is offset by the benefit of removing the stockpiling of low grade mineralised material and subsequent costs associated with the double handling of that material. The OP strip ratio has increased from the Scoping Study 2.5:1 (which included the low grade stockpile material) to 3.7:1 in the PFS as a result of the increased pit depth. A total of 36Mt of mineralised material is expected to be mined and 135Mt of unmineralised material. Total material mined is expected to be 171Mt over LOM. This compares with a total of 124Mt of material mined from the Scoping Study pit.

UG mine development is now expected to commence during Year 1 of OP operations. The first UG material is expected to be processed in Year 2 and reach full production rates of 1Mpta in Year 3. As envisaged in the Scoping Study the UG mine is expected to utilise a sub level open stoping method with paste fill.

UG mineralised material is expected to average a grade of 3.7g/t gold (consistent with the Scoping Study). A total of 9Mt of mineralised material and 2Mt of unmineralised material is expected to be mined. The acceleration of the UG development in the mining schedule will require a box cut to be developed adjacent to the OP, rather than a portal in the OP as contemplated in the Scoping Study. The focus of UG development work in the initial years will be to establish the decline and lateral development to provide multiple working faces for UG mine development.

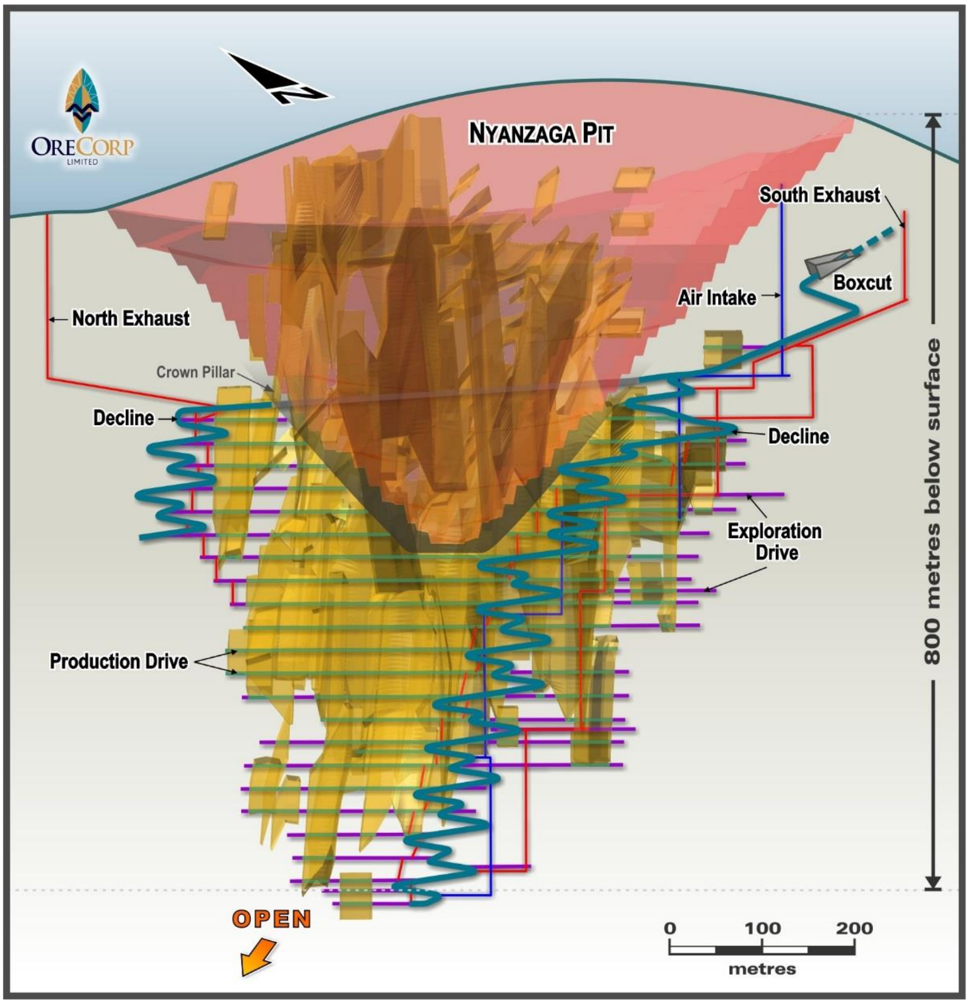


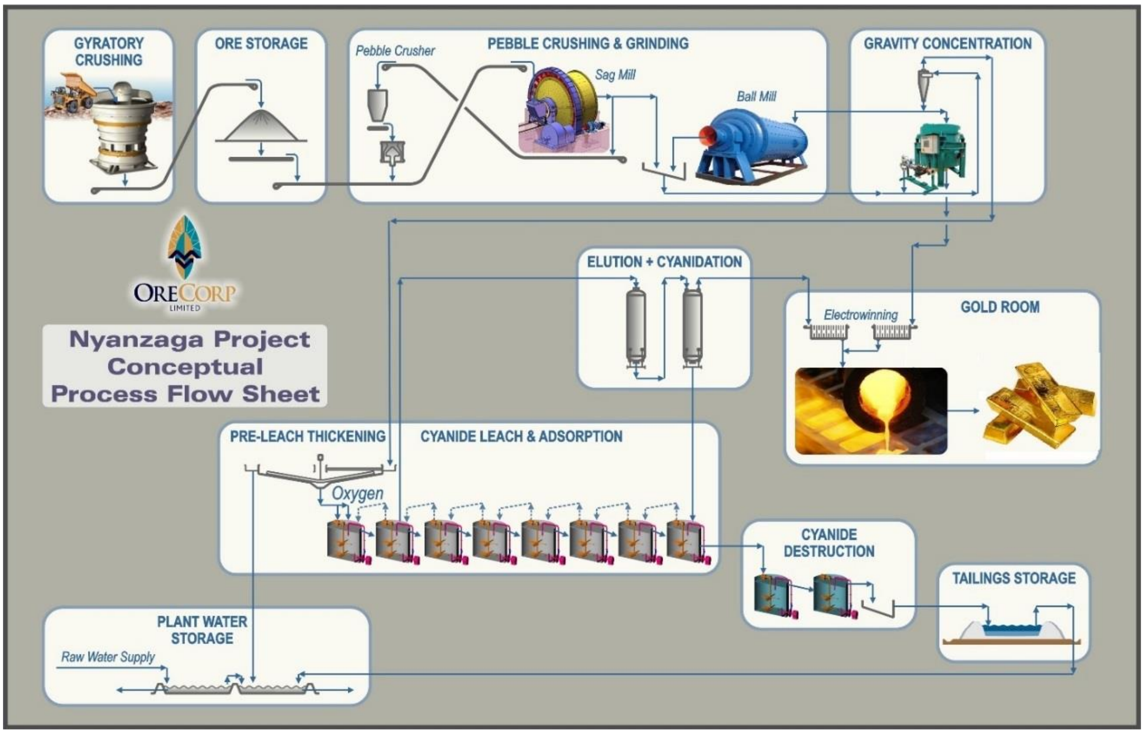
Figure 3: Nyanzaga Proposed UG Mining Infrastructure (Looking Northeast)

Processing

The process facility is based on a conventional flow sheet design with a gyratory primary crusher, followed by semi-autogenous mill/ball mill configuration and pebble crusher (**SABC**), followed by gravity recovery and CIL processes (***Figure 4***).

The flowsheet utilises proven technology that has been used globally in gold mines for many years. Detailed metallurgical testwork and comminution studies have increased expected recoveries to 88% (85% in Scoping Study) by reducing the grind size to P_{80}75µm from P_{80}106µm in the Scoping Study.

PROJECT OVERVIEW (Continued)



Note: No concentrate, only gold doré

Figure 4: Conceptual Process Flow Sheet for Nyanzaga

Capital and Operating Costs

Pre-production capital costs are estimated at US$287M, which includes a US$33M contingency (***Table 1 and Figure 5***). The change in capital from the Scoping Study (US$248) is largely due to the change in mine schedule resulting in an increased pre-strip which is now 7.1Mt, increasing the cost of the pre-strip from US$14M to US$36M. The process plant capital cost has increased by approximately US$11M resulting from the reduced grind size (P_{80}75µm versus P_{80}106µm) and the inclusion of additional processing equipment to improve plant availability and operability. The higher initial capital cost compared to the Scoping Study estimate is offset by the increased average annual LOM production and overall LOM ounces, whilst retaining consistent capital intensity.

Consistent with the Scoping Study the capital estimate is based on a contractor mining scenario and therefore excludes capital for a mining fleet.

UG development capital will be brought forward in the schedule and box cut development will commence during Year 1 of production. The UG capital is expected to be funded out of the operating cash flow from the OP.

The LOM UG capital (pre-production and sustaining) is expected to be US$171M, slightly below the US$180M estimate in the Scoping Study.

Pre-Production Capital Costs (+/- 25%)	US$M
Mine Pre-strip & Pre-production	35.7
Process Plant	75.9
Reagents & Plant Services	16.4
Site Infrastructure (Incl. Mine Admin)	56.7
Contractor & Construction Services	13.9
Management Costs	17.6
Owners Project Costs	34.3
General Working Capital	4.1
TOTAL	***254.6***
Contingency	32.7
PROJECT TOTAL	**287.2**

Note: Apparent differences may exist due to rounding

Table 1: Summary of Nyanzaga Capital Costs (±25% nominal accuracy)

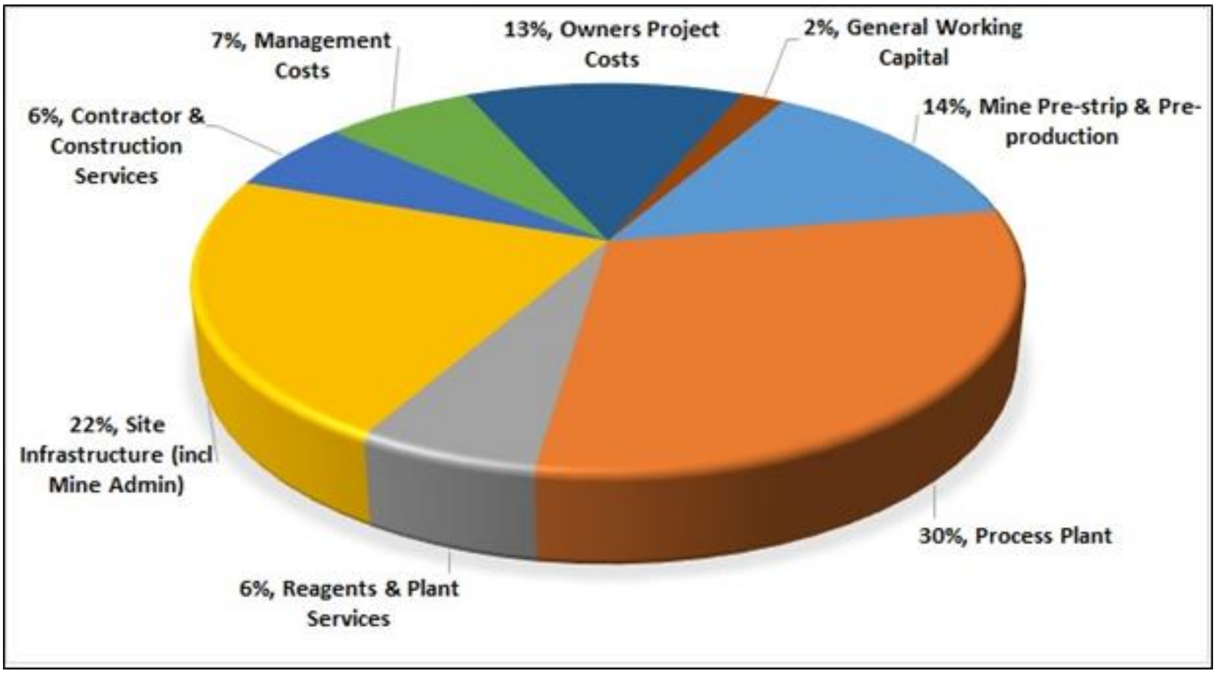


Figure 5: Summary of Nyanzaga Capital Costs

Costs for major consumable items such as processing reagents and power were estimated on detailed bottom up modelling, and incorporate detailed consumption rates and current regional delivered pricing.

The PFS estimates a LOM average AISC of US$838/oz and an AIC of US$858/oz (***Table 2***).

The cost estimates are based on bottom up modelling of key inputs including consumption rates and regional unit costs for key consumables and power. Where contract services are assumed (mining operations), quotes were provided by independent contractors, which have the relevant experience to provide an estimate of the cost for the service.

PROJECT OVERVIEW (Continued)

Description Cost (LOM)	US$/oz Produced
OP Mining (contract miner)	235.5
UG Mining (contract miner)	212.6
Process Plant & Infrastructure	204.2
General and Administration	68.5
Royalties	53.8
Total Operating Cash Cost	**774.6**
Sustaining Capital	63.6
Total AISC*	**838.2**
Underground Development Capital	19.5
Total AIC**	**857.7**

**AISC as per World Gold Council definition*
*** AIC does not include initial capital*

Table 2: Summary of Nyanzaga Operating Costs (±25% nominal accuracy)

Summary of Key Inputs and Assumptions

The key operating assumptions and financial outcomes of the Study are set out in ***Table 3*** below. All costs are in US$ and no exchange rate assumptions have been made.

It is noted that the parameters do not reflect the new legislative changes which were introduced in July 2017.

Parameter	Value
Development period (Months)	18
Mine life (Years)	12
Total Mill Throughput (Mt) LOM	45.3
Measured & Indicated Resources (% of Mineral Resource)	83%
Inferred Resources (% of Mineral Resource)	17%
Annual throughput (Mtpa)	4
Strip ratio (life of pit)	3.7:1
Steady state UG mining rate (Mtpa)	1.0
Average OP direct feed mineralised material grade mined (g/t gold)	1.5
Average UG mineralised diluted grade mined (g/t gold)	3.7
Average mill feed grade LOM (g/t gold)	2.0
Gold recovery	88%
Production (Average LOM gold koz pa)	213
OP mining costs (US$/t total material moved)	3.66
UG mining costs (US$/t mineralised material moved)	60.76
Processing cost (US$/t milled)	11.53
General and administration (US$/t milled)	3.72
Upfront Project capital (US$M) (including contingency)	287
UG development capital (US$M)	50
Sustaining capital – Above ground (US$M pa)	3.77
Sustaining capital – UG (US$M pa)	11
Corporate tax and royalty rates	30% and 4.3%
Average Cash Cost (US$/oz gold)	775
AISC* LOM average (US$/oz gold)	838
AIC** (All-in Cost) LOM average (US$/oz gold)	858
Gold Price (US$/oz)	1,250

** AISC as per World Gold Council definition.*
*** AIC does not include Initial Capital.*

Table 3: Nyanzaga Pre-Feasibility Study Parameters

Definitive Feasibility Study (DFS)

The DFS commenced in April 2017 and will primarily focus on optimisation of OP and UG mining and will assess the PFS proposed timing of the UG operation. The DFS will also further assess the process flow sheet to enhance gold recovery through optimisation of the comminution, gravity gold, leach and elution circuits and further refine all Project costs to a ±15% accuracy. A maiden Ore Reserve will be prepared as part of the DFS.

OreCorp believes there is potential to enhance the Project economics in the DFS by:

- Conducting a detailed geotechnical drilling program to further optimise pit wall angles, potentially reduce the OP stripping ratio and to confirm the boxcut and decline positions
- Optimisation of OP and UG mine designs, including finalisation of timing for the commencement of the UG development to optimise timing of capital expenditure
- Completion of testwork to confirm suitability of tailings material for paste backfilling and identifying opportunities to reduce filling requirements
- Development of first principle cost models for both the OP and UG mining operations to fully investigate the operating/capital cost trade-off between contractor mining versus owner operator
- Conducting a mine to mill optimisation study to maximise plant throughput and gold production during the early years of operation
- Finalising the detailed metallurgical testwork programme, which is already at an advanced stage, to further enhance gold recovery, optimise reagent consumption rates and refine operating costs
- The new post-PFS MRE will optimise the block size of the MRE to refine OP mine and UG stope design, resulting in an Ore Reserve

Further metallurgical testwork has been completed with results confirming those announced in the PFS.

Consultants Outotec Pty Ltd have completed the Phase 1 DFS paste-fill testwork program with positive results in line with expectations. Paste filling is a method used to dispose of mine tailings underground to backfill underground mine stopes.

The Phase 2 paste-fill optimisation work has commenced.

All key site activities for the DFS have now been completed and no further drilling is currently contemplated for 2017. Regional work has commenced.

Drilling

A resource infill drill program comprising 74 holes totalling 13,742m of diamond and reverse circulation (**RC**) drilling has been completed. The infill drilling focussed specifically on the area proposed to be mined in the early years of OP production, with the intention of converting JORC defined Inferred material to the Indicated and Measured categories. The overall drill hole spacing within this area of infill drilling is now approximately 20m x 20m.

In addition to the infill drilling hydrogeological drilling and field investigations have been completed to confirm the mine dewatering requirements. A large geotechnical drilling campaign for both the mining (OP, surface box-cut and decline) and site infrastructure (process plant and tailings storage facility) has also been completed and the remainder of the waste dump and mine infrastructure sterilisation drilling concluded. No further drilling is currently planned for the remainder of 2017 on or around the immediate environment of the Nyanzaga Deposit.

The concentrate export ban (announced by the Tanzanian Ministry of Energy and Minerals (**MEM**) on 3 March 2017) has ultimately led to delays in samples being exported for analysis. This has affected numerous samples destined for various international laboratories and has impacted the timing for completion of the DFS. The MEM recently communicated a procedure which authorises the exportation of analytical samples and this may resolve the matter. This has led to a significant delay and the DFS will not now be completed in December 2017 as was originally envisaged. The Company is however well ahead of the JV timetable.

Mineral Resources

As part of the DFS, the MRE was updated and is reported in ***Table 4*** in accordance with the JORC Code 2012.

PROJECT OVERVIEW (Continued)

OreCorp Limited – Nyanzaga Gold Project – Tanzania Mineral Resource Estimate (MRE) as at 12 September 2017			
JORC 2012 Classification	**Tonnes (Mt)**	**Gold Grade (g/t)**	**Gold Metal (Moz)**
Measured	4.63	4.96	0.738
Indicated	16.17	3.80	1.977
Sub-Total M & I	**20.80**	**4.06**	**2.715**
Inferred	2.90	3.84	0.358
Total	**23.70**	**4.03**	**3.072**
Reported at a 1.5g/t gold cut-off grade. MRE defined by 3D wireframe interpretation with subcell block modelling. Gold grade for lower grade sedimentary cycle hosted resources estimated using Uniform Conditioning using a 2 x 2 x 2m SMU. Totals may not add up due to appropriate rounding of the MRE.			

Table 4: Nyanzaga Gold Project – Updated Mineral Resource Estimate

Permitting

The Project was registered with the National Environmental Management Council (**NEMC**) in May 2016 with baseline surveys being completed during the remainder of 2016 and H1 2017. These surveys set the Scope of Works and Terms of Reference for the Environmental Impact Assessment (**EIA**) which were approved by NEMC. The EIA was completed by MTL Consulting Tanzania with the guidance and supervision of PaulSam Geo-Engineering in May 2017.

The reporting of the EIA activities and the baseline studies over the 2016-17 dry and wet seasons formed the basis of the Environmental Impact Assessment (**EIS**) which has been lodged with NEMC.

The EIS will be reviewed by NEMC and upon approval should result in the issuance of an Environmental Certificate (**EC**). An EC is a condition for the grant of a Special Mining Licence (**SML**). The Company will ultimately lodge an SML application ahead of the expiry of the key Prospecting Licence (PL4830/2007) in November 2017.

Noting that the processing of new mining licence applications has recently been suspended by His Excellency President John P Magufuli, it is not known how long the SML approval process is expected to take. The grant of the SML will be required before any form of financing for the construction of the Project can be concluded.

The Company has also commenced a Relocation Action Plan (**RAP**) study during May and conducted consultations on regional, district, ward and village levels.

Socio-economic, cultural and land asset surveys of people and infrastructure potentially affected by the development of the Project has also been completed. The RAP study was undertaken by Tanzanian consultants PaulSam Geo-Engineering. Feedback on the RAP work has been positive, including from the local community, the MEM and NEMC. This work also forms an integral part of the permitting process.

Legislative Changes

Proposed legislation in the form of three 'special bill supplements' referred to in the Company's announcements of 30 June, 3 July and 10 July 2017 (**Proposed Legislation**) have now been enacted (**Final Legislation**).

The Regulations, which will assist the implementation of the Final Legislation, are not yet available. Once the Regulations have been released, OreCorp will further assess the full impact of the Final Legislation and Regulations. This includes the introduction of a minimum 16% government free-carried interest, an increase in the royalty level payable for gold production from 4% to 6%, as well as various other significant new measures.

It is the Company's understanding that Regulations, once available, will assist with the implementation of the Final Legislation and provide additional guidance in relation to the administration of mining titles.

The Final Legislation is complex and should be considered in its entirety. Copies of the Final legislation are available on the Company's website.

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 significantly 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.

Regional Targets

Regional Drilling

Encouraging first pass results were received from the reconnaissance aircore and reverse circulation drilling program completed at the Bululu Prospect (***Figure 6 and Figure 7***). Bululu is a regional prospect located six kilometres south of the Nyanzaga Deposit. Significant gold mineralisation was intersected at shallow depths over broad widths. The drilling was designed to test the down-dip and along strike extensions of mineralisation identified in historical diamond drilling. The highlights are as follows:

- Gold mineralisation identified from surface and at shallow depths
- Drill intercepts up to 16m down hole width, with a peak gold value of 5.35g/t gold
- Mineralisation confirmed over a 250m strike length within a shallowly dipping shear zone, and open to the south-west on section
- Better drill intercepts include:
  - BULRC001 - 16m @ 2.84g/t gold from 48m, including 8m @ 4.01 g/t gold from 56m
  - BULAC026 - 8m @ 1.51g/t gold from 24m
  - BULAC061 - 4m @ 0.75 g/t gold from 16m and 9m @ 0.88 g/t gold from 28m to the end of hole
  - BULAC024 - 4m @ 1.10 g/t gold from surface
  - BULAC023 - 8m @ 0.79g/t gold from 4m
  - Extends mineralisation 80m down-dip of historical diamond drilling intercepts in BULDD006 and is still open

These significant new results are a very encouraging start to the planned testing of a suite of exploration targets that have been enhanced and refined by OreCorp since the commencement of the JV.

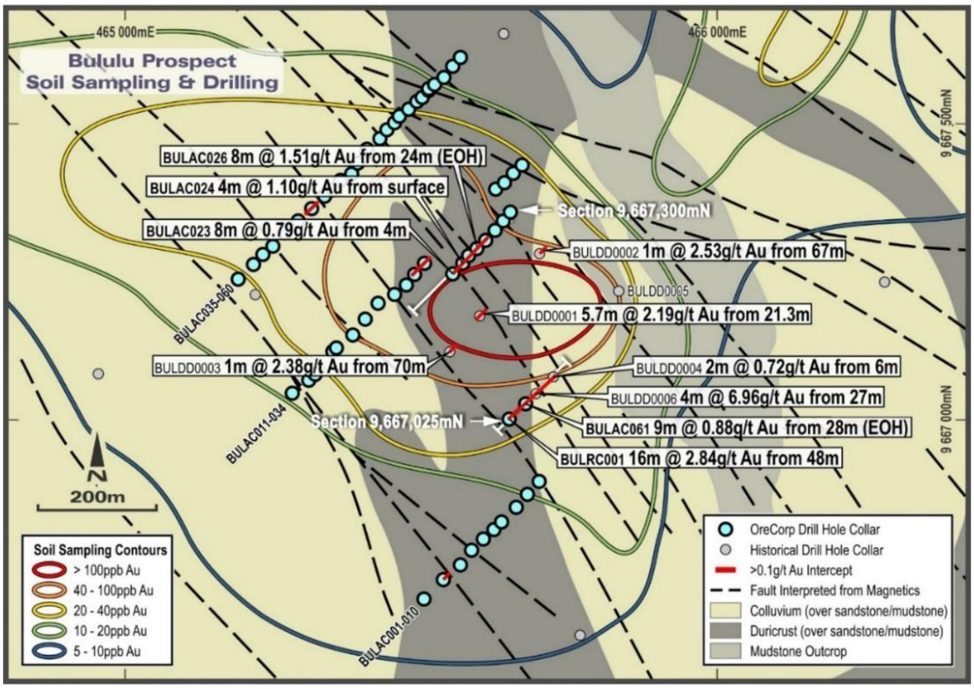


Figure 6: Bululu Prospect – Soil Geochemistry and Drilling Completed (Current Program Holes in blue)

PROJECT OVERVIEW (Continued)

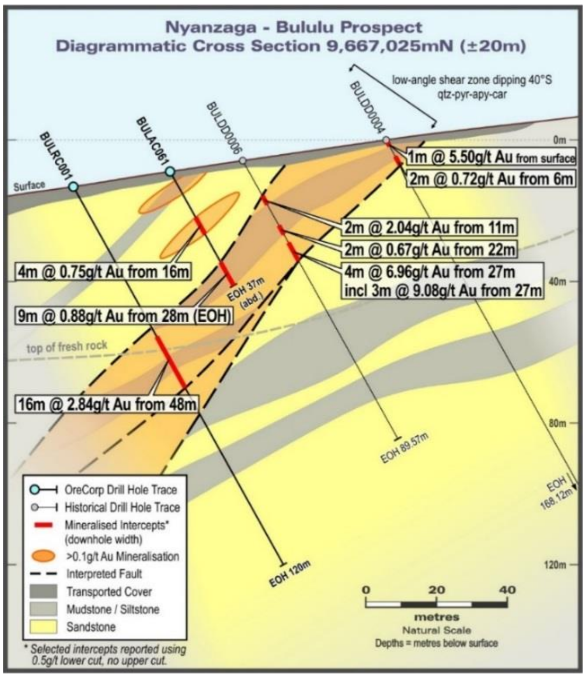


Figure 7: Bululu Prospect – Section 9,667,025mN

Regional Soil Sampling

OreCorp completed a large regional soil sampling program that generated a suite of exploration targets that have either been refined from previous work or newly defined by OreCorp. OreCorp is encouraged by the wider potential of the Project area surrounding the Nyanzaga Deposit. The soil results will be integrated with the aeromagnetic data to delineate and rank targets for future drill testing. The highlights of the regional soil sampling program are summarised as follows:

- Twenty distinct gold-in-soil anomalies delineated in the Project area, including ten previously undefined anomalies (***Figure 8***).
- Peak gold-in-soil value of 4.96g/t gold recorded in recent sampling program.
- Six anomalies identified have strike extents of > 1km with gold-in-soil values of greater than 20ppb gold.
- The Nyamigono-Ifugandi-Kasubuya trend in the southwest of the Project has continuous gold-in-soil anomalism confirmed over 10km of strike.
- Gold-in-soil anomalies identified at Ifugandi 3 and 4, Kasubuya 3 and 4, Lubungo Dam, Lubungo Northeast, North VTEM 1 and 2, Nyamtukusa 1, and Rugeye 1 and 2 are either untested or ineffectively tested by previous drilling.
- The Nyamigono-Ifugandi-Kasubuya trend and Bululu anomaly have historically received limited wide-spaced percussion reverse circulation and diamond drilling. Opportunity remains to identify significant mineralisation, as demonstrated by recent drilling results for the Bululu Prospect.

The soil sampling program has been effective in refining known gold prospects and defining previously unknown gold-in-soil anomalies within the Project Area.

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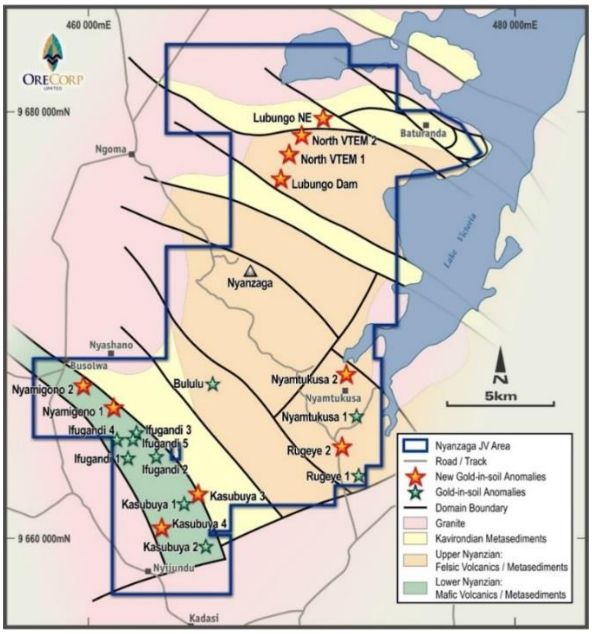

Figure 8: Regional Gold-in-Soil Anomalies over Simplified Geology – Nyanzaga Project Region

MAURITANIA

Background

The Akjoujt South Project comprises two granted licences (1415 and 1416) covering 460 km^2 and one application covering 136km^2 in northwest Mauritania (***Figure 9***).

Exploration at Anomaly 5 has included mapping, soil sampling, trenching, petrology and ground magnetic, Induced Polarisation (**IP**) and Moving Loop Electromagnetic (**MLEM**) geophysical surveys.

A maiden drill program comprising six diamond drill holes (1,040m) was completed in 2016 to test coincident geochemical, magnetic and IP/resistivity anomalies. Significant nickel-copper mineralised intercepts were returned from several holes.

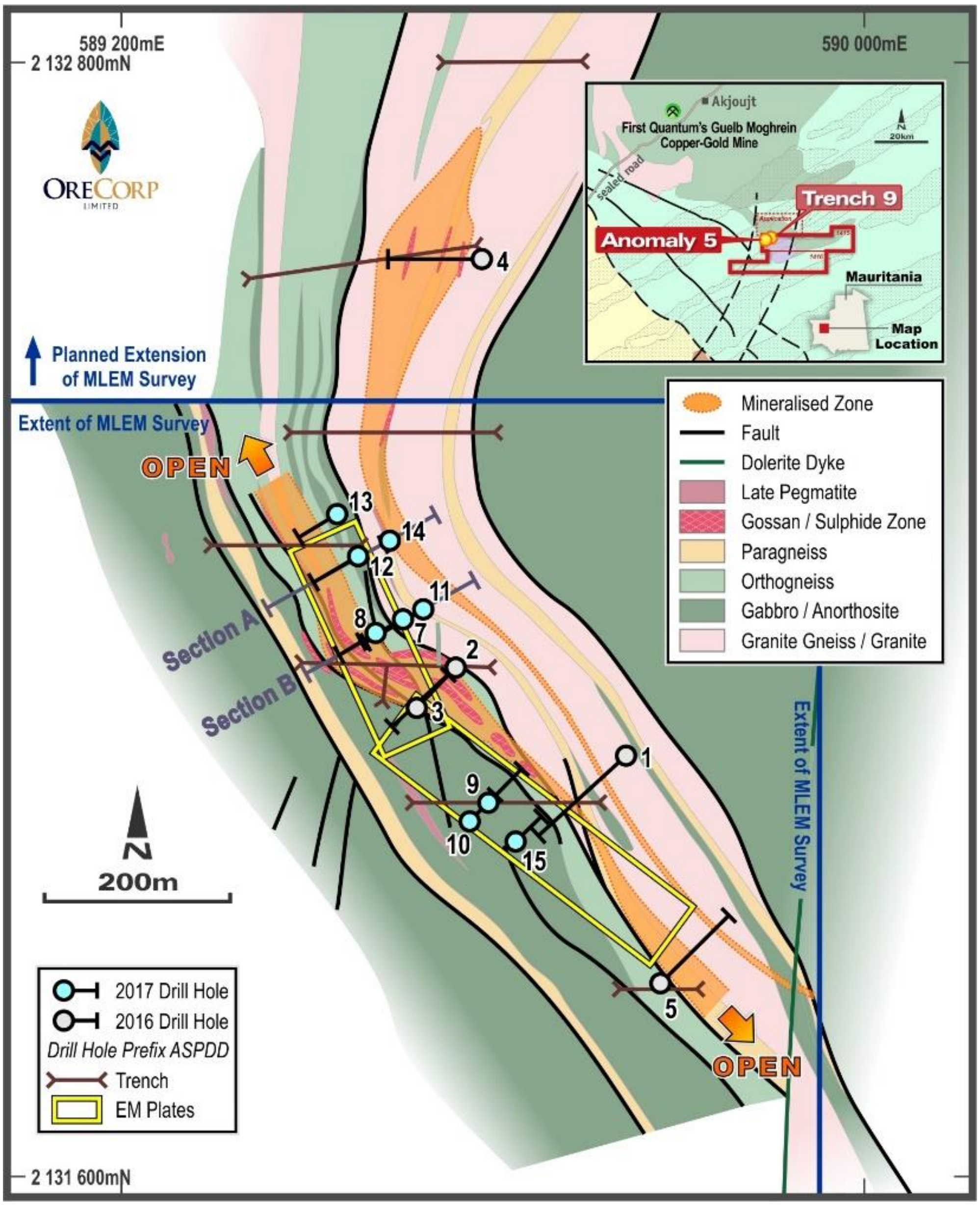

Figure 9: Drill Hole Locations, EM Plates and Geology - Anomaly 5 Prospect, Akjoujt South Project, Mauritania

PROJECT OVERVIEW (Continued)

2017 Drill Program

Nine angled reconnaissance diamond drill holes were completed in April - May 2017 for a total of 835m (***Figure 9***). These tested two MLEM conductor plates modelled from the survey completed in Q1 2017 and as a follow-up to the initial six hole program in 2016. The highlights are as follows:

- Nickel-copper mineralisation was intersected both in oxide and primary sulphide zones from surface to depths of 127m vertically below surface
- Better drill intercepts include:
  - **ASPDD12 - 63m @ 0.52% Ni and 0.31% Cu from 32m** (incl. 1m @ 1.03% Ni and 0.53% Cu from 39m, 1m @ 1.30% Ni and 0.24% Cu from 46m and 5m @ 1.14% Ni and 0.38% Cu from 54m)
  - **ASPDD7 - 47m @ 0.36% Ni and 0.20% Cu from 49m**
  - **ASPDD8 - 15m @ 0.36% Ni and 0.17% Cu from 9m, and 47m @ 0.50% Ni and 0.28% Cu from 28m** (incl. 3m @ 1.20% Ni and 0.48% Cu from 58m)
- Strong correlation of nickel-copper mineralisation with cobalt and silver
- Satellite imaging indicates further potential gossan with coincident soil geochemistry identified north of the current Moving Loop Electro Magnetic (**MLEM**) survey area that remains untested by drilling, potentially extending strike by over 250m
- A second, sub-parallel zone of mineralisation, over 600m in strike length remains untested, other than for two historical trenches and diamond drill hole ASPD4

Further work has commenced with additional drilling, MLEM and downhole EM geophysics planned on this highly prospective Project. Interpreted drill sections are shown in ***Figure 10 & 11.***

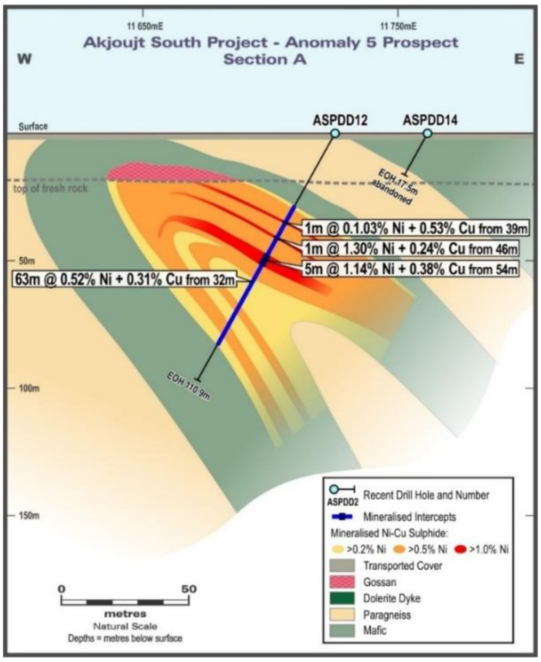

Figure 10: Anomaly 5 Prospect – Drill Section A

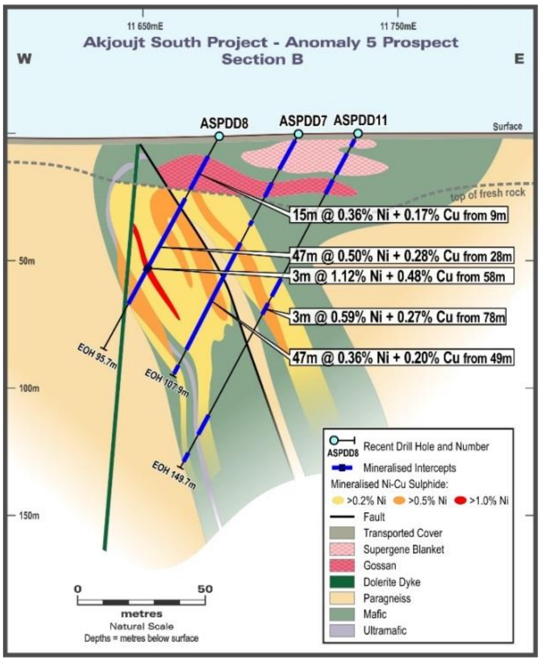

Figure 11: Anomaly 5 Prospect – Drill Section B

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.

Health and Safety

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 is committed to achieving the highest performance in occupational health and safety to create and maintain a safe and healthy environment at the workplace.

The Company seeks to eliminate work-related incidents, illnesses and injuries by identifying, assessing and where reasonably practical, eliminating or otherwise controlling hazards.

Environment

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

The Company seeks to ensure that throughout all phases of activity personnel and contractors give proper consideration to the care of the community, flora, fauna, land, air and water. To fulfil this commitment OreCorp will:

- comply with applicable environmental laws and regulations;
- implement and maintain effective environmental management systems;
- integrate environmental factors into decision-making throughout the mining life-cycle;
- assess the potential environmental effects of its activities and manage environmental risk;
- regularly monitor and strive to continually improve its environmental performance;
- rehabilitate the environment affected by Company activities;
- promote environmental awareness among personnel and contractors to increase understanding of their roles and responsibilities in relation to environmental management; and
- consult and communicate openly with host communities, governments and other stakeholders.

The Company has collected a comprehensive suite of baseline environmental data during the wet and dry seasons at the Nyanzaga Project and recently lodged an EIS with NEMC. The EIS will be reviewed by NEMC and upon approval, should result in the issuance of an EC which is a condition for the grant of a Special Mining Licence.

Stakeholder Relations

OreCorp seeks to develop and maintain positive, enduring relationships with its host communities in line with the Company's Code of Ethics and Conduct by striving for mutual understanding of each other's needs and aspirations.

Commensurate with the level of its activities OreCorp commits to support:

- ongoing consultation with local communities and public authorities;
- open and transparent communication about activities that might affect the host community;
- mitigation, management and monitoring plans that meet international and local standards;
- local sourcing of supplies, services and labour;
- technology transfer and training to both individuals and related institutions; and
- community development programs that can be self-sustaining.

PROJECT OVERVIEW (Continued)

The Company currently employs most of its staff at Nyanzaga from the local communities and sources the majority of its supplies from local providers. A number of community projects have been carried out over the last 12 months including the refurbishment and plastering of four classrooms at Lubungo Primary School, refurbishment of a classroom, building of a new classroom and a lavatory block at Bululu Primary School, building of a lavatory block at Kainingu School, drilling of a water bore for Sotta Village, the repair and improvement of the Lubungo-Mabilu road, the growing and distribution of 2,300 tree seedlings to nine local schools and four health centres in the area.

Community children fetching water from the Sotta Bore near Nyanzaga

Pupils and teachers from Sotta Primary School collecting tree seedlings from Nyanzaga camp

Lubungo classroom before refurbishment

Lubungo classroom after refurbishment

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 2017 (Consolidated Entity or Group).

DIRECTORS

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

Mr Craig Williams	Non-Executive Chairman
Mr Matthew Yates	Chief Executive Officer & Managing Director
Mr Alastair Morrison	Non-Executive Director
Mr Michael Klessens	Non-Executive Director
Mr Robert Rigo	Non-Executive Director

Unless noted above, all Directors held their office from 1 July 2016 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Mr Craig Williams

Non-Executive Chairman
Member of Audit Committee, Remuneration and Nomination Committee and Risk Committee
Qualifications – B.Sc. (Hons)

Mr Williams is a geologist with over 40 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 ('Barrick') 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 and he has been a Director of OreCorp Resources Pty Ltd since December 2011. During the three year period to the end of the financial year, Mr Williams holds a non-executive directorship in 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 30 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 exploration teams in Western Australia and Tanzania respectively. Mr Yates has an applied technical background and has held senior positions for over 20 years, including resident Exploration Manager in Tanzania for Tanganyika Gold Limited.

Mr Yates was appointed a Director of the Company on 27 February 2013 and he has been a Director of OreCorp Resources Pty Ltd, which he founded, since June 2010. 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
Member of Audit Committee, Risk Committee and, until 28 November 2016, Remuneration and Nomination Committee
Qualifications – MSc (Hons), Grad Dip App Fin & Inv, MAIG, GAICD

Mr Morrison is a geologist with more than 30 years experience in mineral exploration and investment.

He initially worked for more than six years in Australia as an exploration geologist in Western Australia, then for North Flinders Mines in the Northern Territory during the 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. 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 and he has been a Director of OreCorp Resources Pty Ltd since June 2010. During the three year period to the end of the financial year, Mr Morrison was not a director of any other public companies.

Mr Michael Klessens

Non-Executive Director
Chairman of Audit Committee and Remuneration and Nomination Committee, and member of Risk Committee
Qualifications – B.Bus, CPA, MAICD

Mr Klessens is a CPA with over 30 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.

From 2002 - 2011, Mr Klessens was Vice President - Finance and Chief Financial Officer of Equinox Minerals Limited where he was responsible for finance, debt and equity financings, treasury and all financial functions of the company and its operations.

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 and he has been a Director of OreCorp Resources Pty Ltd since March 2012. During the three year period to the end of the financial year, Mr Klessens was not a director of any other public companies.

Mr Robert Rigo

Non-Executive Director
Chairman of Risk Committee and Member of Remuneration and Nomination Committee from 28 November 2016
Qualifications – B.App Sc, FAusIMM, MIEAust, GAICD

Mr Rigo is an engineer with over 35 years experience. He has previously held a number of executive and senior management positions with publicly listed mining companies. He was Vice President - Project Development at Equinox from 2002 - 2011, where he managed the feasibility study, related technical studies and engineering design and construction contracts for the Lumwana Copper Mine in Zambia, which commenced production in 2008. He also established Lumwana's copper concentrate off-take and logistics contracts. Following Lumwana, Mr Rigo managed the construction of Equinox's Jabal Sayid (underground) Copper Mine in Saudi Arabia for Barrick.

Amongst Mr Rigo's roles prior to Equinox, he was the Mill Manager at Boddington Gold Mine, at the time Australia's largest gold mine. He then became General Manager - Technical Services for Newcrest Mining Ltd, Australia's major gold producer. His particular expertise lies in the management of mining operations, feasibility studies and construction of mining and mineral processing projects.

Mr Rigo joined the board of OreCorp as a Director on 1 April 2016. During the three year period to the end of the financial year, Mr Rigo was not a director of any other public companies.

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

Mr Watson is a Chartered Accountant, Chartered Secretary and a Fellow of FINSIA. He has significant corporate experience including mergers & acquisitions, capital raisings, IPOs and dual listings on the TSX. Since 2005, Mr Watson has held senior corporate and finance positions with a number of African-focused resources companies, including Mantra Resources Limited (Mantra) and OmegaCorp Limited. Mr Watson was the CFO & Company Secretary of Mantra from its $6 million IPO in October 2006 until its acquisition by ARMZ (JSC Atomredmetzoloto) for approximately $1 billion in mid-2011.

Mr Watson was appointed as CFO and Company Secretary on 28 February 2013 and he has held the same positions with OreCorp Resources Pty Ltd since October 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity consisted of mineral exploration for gold and precious metals in Africa, including the completion of a PFS and commencement of a DFS on the Nyanzaga Gold Project Joint Venture in Tanzania.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2017.

REVIEW OF OPERATIONS AND ACTIVITIES

Information on the operations and financial position of the group and its business strategies and prospects is set out in the project overview on pages 3 to 17 of this annual report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Consolidated Entity during the year were as follows:

(i) On 10 August 2016, the Company completed the Scoping Study for the Nyanzaga Project. The Study confirmed the outstanding potential of the Project and its ability to potentially generate robust cash flows. The Board subsequently approved the PFS to commence immediately in mid-August 2016;

(ii) On 2 September 2016, the Company granted 1,300,000 unlisted options under the Employee Option Acquisition Plan to key employees;

(iii) On 13 March 2017, the Company completed the PFS for the Nyanzaga Project, which optimised the results of the Scoping Study, and approved commencement of the DFS; and

(iv) On 5 April 2017, the Company completed the placement of 43 million ordinary shares at an issue price of A$0.48 per share to institutional and sophisticated investors in North America, Europe and Australia to raise gross proceeds of A$20.6 million (the Placement).

DIRECTORS' REPORT
(Continued)

SIGNIFICANT POST BALANCE DATE EVENTS

Other than the update to the MRE announced on 12 September 2017, there were no significant events occurring after balance date requiring disclosure.

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:

- progress the Nyanzaga Project JV, with a focus on obtaining all key permits and submitting a special mining licence application;
- continue to explore its Akjoujt South Project in Mauritania, including further geophysical and drilling programs; and
- continue to review other resource opportunities which may enhance shareholder value.

The successful completion of these activities will assist the Group to achieve its strategic objective of making the transition from explorer to producer.

These activities are inherently risky and the Board is unable to provide certainty that any or all of these objectives 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.

SHARE OPTIONS

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

(1) 2,985,000 unlisted options at an exercise price of $0.41 each that expire on 23 June 2019
(2) 2,800,000 unlisted options at an exercise price of $0.45 each that expire on 23 June 2019
(3) 2,750,000 unlisted options at an exercise price of $0.50 each that expire on 31 May 2020
(4) 250,000 unlisted options at an exercise price of $0.50 each that expire on 23 June 2019
(5) 250,000 unlisted options at an exercise price of $0.60 each that expire on 23 June 2019
(6) 250,000 unlisted options at an exercise price of $0.70 each that expire on 31 August 2020
(7) 250,000 unlisted options at an exercise price of $0.80 each that expire on 31 December 2021
(8) 100,000 unlisted options at an exercise price of $0.75 each that expire on 23 June 2019
(9) 100,000 unlisted options at an exercise price of $0.85 each that expire on 23 June 2019
(10) 100,000 unlisted options at an exercise price of $0.95 each that expire on 31 May 2020

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2017, and the number of meetings attended by each Director.

Directors	Board Meetings[1]		Audit Committee Meetings		Remuneration & Nomination Committee Meetings[2]		Risk Committee Meetings[3]	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Craig Williams	6	6	2	2	2	2	1	1
Matthew Yates	6	6	-	-	-	-	-	-
Alastair Morrison	6	6	2	2	1	1	1	1
Michael Klessens	6	6	2	2	2	2	1	1
Robert Rigo	6	6	-	-	1	1	1	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) On 28 November 2016, Mr Rigo was appointed to, and Mr Morrison ceased to be a member of, the remuneration and nomination committee.

(3) The risk committee was formed effective from 28 November 2016.

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 during or since the end of the financial year are set out below:

Directors

Mr Craig Williams	Non-Executive Chairman
Mr Matthew Yates	Chief Executive Officer & Managing Director
Mr Alastair Morrison	Non-Executive Director
Mr Michael Klessens	Non-Executive Director
Mr Robert Rigo	Non-Executive Director

Other Key Management Personnel

Mr Luke Watson – CFO & Company Secretary

Unless noted above, all KMP held their position from 1 July 2016 until the date of this report.

Other than the CEO and CFO, there were no other 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:

(i) the Group is currently concentrating on the Nyanzaga Project JV, including the completion of the DFS for the Project, reviewing other mineral resource opportunities, as well as the exploration of its Akjoujt South Project in Mauritania. The Board considers that the experience of its KMP in the resources industry will greatly assist the Group in achieving its strategic objectives and progressing its exploration properties over the next 12 – 24 months;

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

(iii) 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 (subject to statutory age-based limits) and do not receive any other retirement benefits.

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 (and in particular commodities prices and the resources sector), the Group intends to introduce a STIP when it has successfully completed feasibility studies at the Nyanzaga Project, 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, a STIP had not been ratified and introduced by the Board.

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

As approved by shareholders at the General Meeting held on 22 June 2016, the Consolidated Entity has adopted an option plan for employees and contractors ('Option Plan'). No options were issued to KMP pursuant to the Option Plan during the year ended 30 June 2017.

The Group has and intends to continue 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 had 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 during the year was reasonable and justified.

No options were granted to non-executive directors during the year ended 30 June 2017.

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.

Other than the criteria noted above, there are no performance requirements 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 $350,000, was approved by shareholders at the Company's 28 November 2016 Annual 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 (refer tables below for further details of share and option holdings).

Fees for the Chairman are presently $75,000 per annum (2016: $75,000) and fees for Non-Executive Directors' are presently set at $44,000 - $50,000 per annum (2016: $44,000 - $50,000). These fees cover main board activities as well as duties for board sub-committees. 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 and directors 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 for the last five financial years:

	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $	Year Ended 30 June 2015 $	Year Ended 30 June 2014 $	Period Ended 30 June 2013 $
Interest revenue	221,349	48,526	73,617	212,455	289,949
Other income	-	-	293,171	-	-
Unrealised foreign exchange gain / (loss)	26,929	235,682	836,452	(115,986)	118,836
Loss before tax	(15,372,180)	(3,603,871)	(650,670)	(2,665,151)	(6,781,640)
Loss after tax	(15,372,180)	(3,603,871)	(650,670)	(2,665,151)	(6,781,640)
Dividends	-	-	-	-	-
Share price	0.38	0.31	0.05	0.06	0.09
Basic loss per share (cents per share)	(8.37)	(3.05)	(0.57)	(2.35)	(8.26)
Diluted loss per share (cents per share)	(8.37)	(3.05)	(0.57)	(2.35)	(8.26)

Key Management Personnel Remuneration

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

	Short-Term Benefits		Post Employment Benefits	Share Based[1] Payments		% of Total Remuneration that consists of Option Valuations
2017	Salary & Fees $	Movement in Annual Leave Provision $	Superannuation $	Accounting Valuation $	Total $	%
Directors						
Craig Williams	67,875	-	6,448	84,717	159,040	53.27
Matthew Yates	315,000	15,977	35,000	125,524	491,501	25.54
Alastair Morrison	40,183	-	3,817	62,762	106,762	58.79
Michael Klessens	45,662	-	4,338	62,762	112,762	55.66
Robert Rigo	40,183	-	3,817	62,762	106,762	58.79
Other KMP						
Luke Watson	250,000	23,367	25,000	75,314	373,681	20.15

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 separately below.

2016	Short-Term Benefits Salary & Fees $	Post Employment Benefits Superannuation $	Share Based(1) Payments Accounting Valuation $	Total $	% of Total Remuneration that consists of Option Valuations %
Directors					
Craig Williams	45,688	4,312	2,111	52,111	4.05%
Matthew Yates	240,000	35,000	3,125	278,125	1.12%
Alastair Morrison	36,551	3,449	1,563	41,563	3.76%
Michael Klessens	36,551	3,449	1,563	41,563	3.76%
Robert Rigo (appointed 1 April 2016)	10,000	-	1,563	11,563	13.51%
Other KMP					
Luke Watson	225,000	25,000	1,875	251,875	0.74%

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 separately below

Shareholdings of Key Management Personnel

Key Management Person 2017	Opening Balance at 1 July 2016	Other Changes	Held at 30 June 2017
Directors			
Craig Williams	2,370,370	-	2,370,370
Matthew Yates	10,495,578	-	10,495,578
Alastair Morrison	5,124,874	-	5,124,874
Michael Klessens	1,995,370	-	1,995,370
Robert Rigo	470,370	-	470,370
Other KMP			
Luke Watson	1,152,781	-	1,152,781

Option Holdings of Key Management Personnel

The aggregate number of options 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 2017	Opening Balance at 1 July 2016 #	Grant of Options #	Held at 30 June 2017 #	Vested and Exercisable at 30 June 2017 #
Directors				
Craig Williams	1,000,000	-	1,000,000	350,000
Matthew Yates	1,500,000	-	1,500,000	500,000
Alastair Morrison	750,000	-	750,000	250,000
Michael Klessens	750,000	-	750,000	250,000
Robert Rigo	750,000	-	750,000	250,000
Other KMP				
Luke Watson	900,000	-	900,000	300,000

No options were granted to, exercised or lapsed for each Key Management Personnel of the Company or Group during the year ended 30 June 2017.

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. Effective 1 July 2016, Mr Yates receives $350,000 per annum (inclusive of superannuation). In addition, as approved by shareholders on 22 June 2016, Mr Yates is a participant in the Company's 'Employee Option Plan' and will be entitled to participate in the 'Short-Term Incentive Plan', as and when introduced by the Board.

Mr Luke Watson, Chief Financial Officer & Company Secretary, has a contract of employment with OreCorp Limited. The contract specifies the duties and obligations to be fulfilled by the CFO. The contract has no fixed term and may be terminated by either party giving 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. Effective 1 July 2016, Mr Watson receives $275,000 per annum (inclusive of superannuation). In addition, as approved by shareholders on 22 June 2016, Mr Watson is a participant in the Company's 'Employee Option Plan' and will be entitled to participate in the 'Short-Term Incentive Plan', as and when introduced by the Board.

End of Remuneration Report.

INSURANCE OF OFFICERS AND AUDITORS

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

During the financial year, the Company paid a premium in respect of a contract insuring the directors and the company secretary of the company (as named above) of any related body corporate against a liability incurred as such a director or secretary to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, 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. It noted that there were no such liabilities during the financial year.

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.

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 auditors	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
Deloitte Australia:		
- Audit and review of financial report	29,500	29,700
- Other non-audit services	-	-
PwC Tanzania:		
- Audit and review of financial report	11,941	10,257
- Other non-audit services (taxation advice)	23,999	3,556
Total remuneration for auditors	**65,440**	**43,513**

There were no non-audit services provided by the Group auditor (or by another person or firm on the auditor's behalf) during the financial year. A total of $23,999 (2016: $3,556) was paid to OreCorp Tanzania Limited's auditor (PwC Tanzania) for taxation advice and services.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is on page 69 of the Annual 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

12 September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

		Consolidated	
	Notes	Year Ended 2017 A$	Year Ended 2016 A$
Revenue	2(a)	**221,349**	**48,526**
Foreign exchange gain	2(b)	26,929	235,682
Corporate and administration costs	3	(1,180,104)	(743,642)
Exploration and evaluation costs	3	(14,320,583)	(2,844,767)
Business development costs		(119,771)	(299,670)
Loss before tax from continuing operations		**(15,372,180)**	**(3,603,871)**
Income tax expense	4	-	-
Loss for the year		**(15,372,180)**	**(3,603,871)**
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		(135,840)	(12,048)
Other comprehensive income/(loss) for the year		(135,840)	(12,048)
Total comprehensive loss for the year, net of income tax		**(15,508,020)**	**(3,615,919)**
Total comprehensive loss attributable to members of the parent		**(15,508,020)**	**(3,615,919)**
Earnings per share			
Weighted average number of shares		183,662,135	118,064,409
Basic loss per share (cents per share)	20	(8.37)	(3.05)
Diluted loss per share (cents per share)	20	(8.37)	(3.05)

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 2017

		Consolidated	
	Notes	2017 A$	2016 A$
ASSETS			
Current Assets			
Cash and cash equivalents	21(b)	21,815,536	17,270,215
Trade and other receivables	5	1,046,954	132,875
Total Current Assets		**22,862,490**	**17,403,090**
Non-current Assets			
Property, plant and equipment	6	262,188	274,357
Exploration and evaluation assets	7	1,320,755	1,460,397
Total Non-current Assets		**1,582,943**	**1,734,754**
TOTAL ASSETS		**24,445,433**	**19,137,844**
LIABILITIES			
Current Liabilities			
Trade and other payables	8	698,123	299,162
Provisions	9	116,870	61,158
Total Current Liabilities		**814,993**	**360,320**
TOTAL LIABILITIES		**814,993**	**360,320**
NET ASSETS		**23,630,440**	**18,777,524**
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	10	55,326,167	35,853,166
Reserves	11	887,295	564,700
Accumulated losses	12	(32,583,022)	(17,640,342)
TOTAL EQUITY		**23,630,440**	**18,777,524**

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 2017

		Consolidated	
	Note	Year Ended 2017 A$	Year Ended 2016 A$
Cash flows from operating activities			
Interest received		222,466	69,036
Payments to suppliers and employees		(14,896,089)	(3,468,710)
Net cash outflow from operating activities	21(a)	**(14,673,623)**	**(3,399,674)**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(141,267)	(293,785)
Purchase of exploration and evaluation assets	7	(19,434)	(1,431,315)
Net cash outflow from investing activities		**(160,701)**	**(1,725,100)**
Cash flows from financing activities			
Proceeds from issue of shares	10(b)	20,640,000	16,200,000
Payments for share issue transaction costs	10(b)	(1,166,999)	(967,374)
Net cash inflow from financing activities		**19,473,001**	**15,232,626**
Net increase in cash and cash equivalents held		**4,638,677**	**10,107,852**
Foreign exchange movement on cash and cash equivalents		(93,356)	162,714
Cash and cash equivalents at the beginning of the financial year		**17,270,215**	**6,999,649**
Cash and cash equivalents at the end of the financial year	21(b)	**21,815,536**	**17,270,215**

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 2017

For the Year Ended 30 June 2017	Issued Capital A$	Share Based Payments Reserve A$	Foreign Currency Translation Reserve A$	Accumulated Losses A$	Total Equity A$
Balance at 1 July 2016	**35,853,166**	**447,454**	**117,246**	**(17,640,342)**	**18,777,524**
Total comprehensive income for the year:					
Net loss for the year	-	-	-	(15,372,180)	(15,372,180)
Other comprehensive income:					
Exchange differences arising on translation of foreign operations	-	-	(135,840)	-	(135,840)
Income tax relating to components of other comprehensive income	-	-	-	-	-
Total other comprehensive loss	-	-	(135,840)	-	(135,840)
Total comprehensive loss for the year	-	-	(135,840)	(15,372,180)	(15,508,020)
Transactions with owners, recorded directly in equity					
Capital raising	20,640,000	-	-	-	20,640,000
Less cost of capital raising	(1,166,999)	-	-	-	(1,166,999)
Share based payment expense	-	887,935	-	-	887,935
Transfer balance of reserve relating to expired options to accumulated losses	-	(429,500)	-	429,500	-
Total transactions with owners	19,473,001	458,435	-	429,500	20,360,936
Balance at 30 June 2017	**55,326,167**	**905,889**	**(18,594)**	**(32,583,022)**	**23,630,440**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017
(Continued)

For the Year Ended 30 June 2016	Issued Capital A$	Share Based Payments Reserve A$	Foreign Currency Translation Reserve A$	Accumulated Losses A$	Total Equity A$
Balance at 1 July 2015	**20,620,540**	**429,500**	**129,294**	**(14,036,471)**	**7,142,863**
Total comprehensive income for the year:					
Net loss for the year	-	-	-	(3,603,871)	(3,603,871)
Other comprehensive income:					
Exchange differences arising on translation of foreign operations	-	-	(12,048)	-	(12,048)
Income tax relating to components of other comprehensive income	-	-	-	-	-
Total other comprehensive loss	-	-	(12,048)	-	(12,048)
Total comprehensive loss for the year	-	-	(12,048)	(3,603,871)	(3,615,919)
Transactions with owners, recorded directly in equity					
Capital raising	16,200,000	-	-	-	16,200,000
Less cost of capital raising	(967,374)	-	-	-	(967,374)
Grant of options	-	17,954	-	-	17,954
Total transactions with owners	15,232,626	17,954	-	-	15,250,580
Balance at 30 June 2016	**35,853,166**	**447,454**	**117,246**	**(17,640,342)**	**18,777,524**

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 2017

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 2017 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 2017 was authorised for issue in accordance with a resolution of the Directors on 12 September 2017.

(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 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').

(c) New and Revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations, including amendments to the existing standards issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. The adoption of these amendments has not resulted in any significant changes to the Group's accounting policies nor any significant effect on the measurement or disclosure of the amounts reported for the current or prior periods.

(d) 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 2017. These are outlined in the table below:

Standard / Interpretation	Effective for Annual Reporting Periods Beginning on or After	Expected to be Initially Applied in the Financial Year Ending
AASB 9 *'Financial Instruments*, and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 *'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15, AASB 2015-8 'Amendments to Australian Accounting Standards – Effective date of AASB 15' and AASB 2016-3 'Amendments to Australian Accounting Standards – Clarifications to AASB 15'*	1 January 2018	30 June 2019
AASB 16 *'Leases'*	1 January 2019	30 June 2020
AASB 2014-10 *'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' and AASB 2015-10 'Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128'*	1 January 2018	30 June 2019
AASB 2016-1 *'Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses'*	1 January 2017	30 June 2018
AASB 2016-2 *'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107'*	1 January 2017	30 June 2018
AASB 2016-5 *'Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*	1 January 2018	30 June 2019
AASB 2017-2 *'Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016'*	1 January 2017	30 June 2018
AASB 2017-4 *Amendments to Australian Accounting Standards - Uncertainty over Tax Treatment*	1 January 2017	30 June 2018

At the date of authorisation of the financial statements, no IASB Standards and IFRIC Interpretations (for which Australian equivalent Standards and Interpretations have not yet been issued) were in issue but not yet effective.

It is not anticipated that the initial application of AASB 9, AASB 15 or AASB 16 will have a significant impact on the financial statements of the Group. The Group does not generate a material amount of revenue, and its only leases are for office rental. While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets and liabilities, as these are primarily comprised of cash, indirect tax receivables and trade payables, the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets or liabilities. It is noted that the new impairment model under AASB 9 requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under AASB 139, and while the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

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.

(e) 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.

In February 2013, OreCorp Limited acquired OreCorp Resources Pty Ltd. The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. These consolidated financial statements have been prepared on the basis that the acquisition was effectively a recapitalisation of OreCorp Resources, hence OreCorp Resources acquired OreCorp Limited and not vice versa as the legal documentation shows. The recapitalisation was 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 acquisition.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the 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.

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.

(f) 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.

Where the group acquires an area of interest (through direct purchase or purchase of an entity), expenditure incurred in the acquisition of the area of interest 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.

Capitalised exploration is only carried forward 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.

(g) 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.

(h) Income Tax

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

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

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

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

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

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

(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, and 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.

(k) Receivables

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

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

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

(l) 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(i)).

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 (“GST”) / Value Added Tax (“VAT”)

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

(i) where the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) receivables and payables are stated with the amount of GST/VAT included.

The net amount of GST/VAT 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/VAT 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.

(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 an appropriate 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:

a. 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;

b. 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

c. All resulting exchange differences are recognised in other comprehensive income.

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 other comprehensive income. Where a foreign operation is sold or borrowings repaid, a proportionate share of such exchange differences are reclassified to 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) 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.

(w) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, as described above, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Exploration and evaluation expenditure

In accordance with accounting policy note 1(f) management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions, including the maintenance of title, ongoing expenditure and prospectivity are made. See note 7 for disclosure of carrying values.

(ii) Share-based payments

The consolidated entity measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they were granted. The fair value of options granted is determined using the Binomial option valuation model, based on the assumptions detailed in note 15.

	Consolidated	
	Year Ended 2017 $	Year Ended 2016 $
2. REVENUE AND OTHER INCOME FROM CONTINUING OPERATIONS		
(a) Revenue		
Interest revenue	221,349	48,526
Total Revenue	**221,349**	**48,526**
(b) Other income		
Net foreign exchange gain	26,929	235,682
Total other income	**26,929**	**235,682**
3. EXPENSES AND LOSSES		
Loss from ordinary activities before income tax expense includes the following specific expenses:		
(a) Depreciation and amortisation		
Depreciation of plant and equipment	(124,261)	(80,101)
(b) Impairment expenses included in exploration expenses		
Impairment of exploration intangible assets	(34,390)	-
Impairment of VAT receivables	(85,633)	-
Impairment of plant and equipment	(20,275)	-
(c) Share based payment expense		
Share based payments	(887,935)	(17,954)
(d) Employee Benefit Expense [(1)]		
Employee benefit expense (excluding share based payments (note 3(c))	(1,583,419)	(804,235)

Notes

(1) Includes employment costs related to exploration, business development and corporate & administrative costs.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017
(Continued)

	Consolidated Year Ended 2017 $	 Year Ended 2016 $
4. INCOME TAX		
(a) Recognised in profit or loss		
Current income tax - Current income tax benefit	(3,703,905)	(598,623)
Deferred income tax - Deferred tax assets not recognised	3,703,905	598,623
Income tax expense reported in the statement of profit or loss	-	-
(b) Recognised directly in equity		
Deferred income tax related to items charged or credited directly to equity		
Transaction costs recognised directly in equity	(48,139)	(23,194)
Deferred tax assets not recognised	48,139	23,194
Income tax expense recognised directly in equity	-	-
(c) Reconciliation between Tax Expense and Accounting Loss before Income Tax		
Accounting loss before income tax	**(15,372,180)**	**(3,603,871)**
At the domestic income tax rate of 27.5% (2016: 30%)	(4,227,350)	(1,081,161)
Expenditure not allowable for income tax purposes	936,237	420,393
Deferred tax assets not recognised	3,534,708	615,344
Effect of lower income tax rate in other jurisdictions	(243,595)	45,424
Income tax expense reported in the statement of profit or loss	-	-
(d) Deferred Income Tax		
Deferred income tax at 30 June relates to the following:		
Deferred Tax Liabilities		
Exploration and evaluation assets	5,856	10,342
Accrued interest income	5,264	6,078
Unrealised foreign exchange movement	118,189	207,507
Property, plant and equipment	15,034	15,429
Deferred tax assets used to offset deferred tax liabilities	(144,343)	(239,356)
	-	-
Deferred Tax Assets		
Accruals and provisions	39,437	32,148
Business related costs	62,454	19,838
Unrealised foreign exchange movement	85,822	-
Other	680	-
Tax losses available to offset against future taxable income	6,508,150	3,070,851
Deferred tax assets used to offset deferred tax liabilities	(144,343)	(239,356)
Deferred tax assets not recognised	(6,552,200)	(2,883,481)
	-	-

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

(i) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;

(ii) the conditions for deductibility imposed by tax legislation continue to be complied with; and

(iii) no changes in tax legislation adversely affect the Consolidated Entity in realising the benefit.

(e) Tax losses

At the reporting date the Group has unrecognised tax losses of $6,508,150 (2016: $3,070,851) that are available for offset against future taxable profits. Tax losses in Australia and Tanzania do not expire; in Mauritania, they carry forward for five years. No deferred tax asset has been recognised in respect of the tax losses due to the uncertainty of future profit streams.

(f) Tax Consolidation

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

	Consolidated	
	2017 $	2016 $
5. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES		
GST and VAT receivable	969,134	112,614
Accrued interest receivable	19,144	20,261
Other receivables	58,676	-
	1,046,954	**132,875**

	Consolidated	
	2017 $	2016 $
6. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
Cost	454,436	566,702
Accumulated depreciation	(192,248)	(292,345)
Net carrying amount	**262,188**	**274,357**
Reconciliation		
Carrying amount at beginning of year	274,357	65,730
Additions	141,267	293,785
Net written down value of plant and equipment written off	(20,275)	-
Depreciation charge for the year	(124,261)	(80,101)
Foreign exchange movement on plant and equipment	(8,900)	(5,057)
Carrying amount at end of year, net of accumulated depreciation and impairment	**262,188**	**274,357**

	Consolidated 2017 $	2016 $
7. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS		
Exploration & Evaluation Assets		
Nyanzaga JV Project, Tanzania	1,320,755	1,425,923
Misasi Project, Tanzania	-	5,392
Cheriton's East Project, Australia	-	29,082
Net carrying amount	**1,320,755**	**1,460,397**
Reconciliation - Exploration & Evaluation Assets		
Carrying amount at beginning of year	1,460,397	29,082
Add: acquisition of exploration and evaluation assets during the year (1), (2)	19,519	1,431,315
Less: provision for impairment (3)	(34,390)	-
Foreign exchange movement on exploration and evaluation assets	(124,771)	-
Carrying amount of Exploration and Evaluation Assets at end of year, net of impairment	**1,320,755**	**1,460,397**

Notes

(1) During the prior year, the Company announced that it had entered into a binding joint venture agreement (JV) with Acacia Mining plc to earn an interest in the Nyanzaga Gold Project (Nyanzaga or the Project) in northwest Tanzania. Pursuant to the JV Agreement, in October 2015 the Company made an initial upfront payment of US$1 million to Acacia Mining. Refer to Note 16 for further information regarding the JV.

(2) During the current year, the Company has also entered into an earn-in agreement for licence PL 9720/2014, a small narrow licence 7kms southeast of the proposed Nyanzaga pit, with Moonstan Gemstone Mining Company Limited. The agreement is currently being registered with the Tanzanian Ministry of Energy and Minerals.

(3) During the year, the Company impaired:

- the carrying value of the Misasi Project in Tanzania, on the basis that an application for surrender of the Misasi Project licence was lodged in November 2016; and
- the remaining carrying value of the Cheriton's East Project in Australia, as the licence is due to expire in March 2017 and the Company is considering its options in respect of this project.

	Consolidated 2017 $	2016 $
8. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES		
Trade and other creditors (1)	630,954	299,162
Withholding taxes payable (1)	67,169	-
	698,123	**299,162**

Notes

(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 2017 $	2016 $
9. CURRENT LIABILITIES - PROVISIONS		
Annual leave provision	116,870	61,158
	116,870	**61,158**

	Consolidated 2017 $	2016 $
10. ISSUED CAPITAL		
(a) Issued and Paid up Capital		
216,412,820 (2016: 173,412,820) fully paid ordinary shares	55,326,167	35,853,166

(b) Movements in Ordinary Share Capital:

Date	Details	Number of Shares	Issue Price A$	$
1 July 2015	Opening Balance	113,412,820		20,620,540
19 May 2016	Capital Raising	28,353,205	0.27	7,655,365
22 June 2016	Capital Raising	31,646,795	0.27	8,544,635
	Less: Capital Raising Costs	-	-	(967,374)
30 June 2016	**Closing Balance**	**173,412,820**		**35,853,166**
1 July 2016	Opening Balance	173,412,820		35,853,166
5 April 2017	Capital Raising	43,000,000	0.48	20,640,000
	Less: Capital Raising Costs	-	-	(1,166,999)
30 June 2017	**Closing Balance**	**216,412,820**		**55,326,167**

(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.

(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 2017 $	2016 $
11. RESERVES		
(a) Reserves		
Share Based Payments Reserve:		
Nil (30 June 2016: Nil) $0.2667 Unlisted Options	-	429,500
2,985,000 (30 June 2016: 2,985,000) $0.41 Unlisted Options	349,245	8,612
2,800,000 (30 June 2016: 2,800,000) $0.45 Unlisted Options	212,115	5,104
2,750,000 (30 June 2016: 2,750,000) $0.50 Unlisted Options	177,488	4,238
250,000 (30 June 2016: Nil) $0.50 Unlisted Options	67,500	-
250,000 (30 June 2016: Nil) $0.60 Unlisted Options	28,114	-
250,000 (30 June 2016: Nil) $0.70 Unlisted Options	17,275	-
250,000 (30 June 2016: Nil) $0.80 Unlisted Options	14,709	-
100,000 (30 June 2016: Nil) $0.75 Unlisted Options	18,286	-
100,000 (30 June 2016: Nil) $0.85 Unlisted Options	11,394	-
100,000 (30 June 2016: Nil) $0.95 Unlisted Options	9,763	-
	905,889	**447,454**
Foreign Currency Translation Reserve:		
Currency translation differences	(18,594)	117,246
Total Reserves	**887,295**	**564,700**

Notes:

(1) During the 2014 financial year, all $0.2667 Unlisted Options expired unexercised. The balance attributable to these Options has been transferred to retained earnings during the current year.

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 Unlisted Options	$
01 Jul 2015	Opening Balance	1,875,000	429,500
30 Mar 2016	Expiry of options	(1,875,000)	-
22 Jun 2016	Grant of options (1)	8,535,000	-
30 Jun 2016	Share based payment expense for the year	-	17,954
30 Jun 2016	**Closing Balance**	**8,535,000**	**447,454**
01 Jul 2016	Opening Balance	8,535,000	447,454
02 Sep 2016	Grant of options (1)	1,300,000	-
30 Jun 2017	Transfer balance of reserve relating to expired options to accumulated losses	-	(429,500)
30 Jun 2017	Share based payment expense for the year	-	887,935
30 Jun 2017	**Closing Balance**	**9,835,000**	**905,889**

Notes:
(1) Refer to Note 15 for details of share based payments during the year.

(c) Terms and conditions of the Options

The Unlisted 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:
  - 2,985,000 unlisted options at an exercise price of $0.41 each that expire on 23 June 2019;
  - 2,800,000 unlisted options at an exercise price of $0.45 each that expire on 23 June 2019;
  - 2,750,000 unlisted options at an exercise price of $0.50 each that expire on 31 May 2020;
  - 250,000 unlisted options at an exercise price of $0.50 each that expire on 23 June 2019;
  - 250,000 unlisted options at an exercise price of $0.60 each that expire on 23 June 2019;
  - 250,000 unlisted options at an exercise price of $0.70 each that expire on 31 August 2020;
  - 250,000 unlisted options at an exercise price of $0.80 each that expire on 31 December 2021;
  - 100,000 unlisted options at an exercise price of $0.75 each that expire on 23 June 2019;
  - 100,000 unlisted options at an exercise price of $0.85 each that expire on 23 June 2019; and
  - 100,000 unlisted options at an exercise price of $0.95 each that expire on 31 May 2020.
- 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.

(d) Movements in Foreign Currency Translation Reserve

	Consolidated 2017 $	2016 $
Balance at beginning of year	117,246	129,294
Currency translation differences	(135,840)	(12,048)
Balance at end of year	**(18,594)**	**117,246**

	Consolidated 2017 $	2016 $
12. ACCUMULATED LOSSES		
Balance at beginning of year	(17,640,342)	(14,036,471)
Net loss	(15,372,180)	(3,603,871)
Transfer balance of reserve relating to expired options to accumulated losses	429,500	-
Balance at end of year	**(32,583,022)**	**(17,640,342)**

(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.

13. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to Directors and other members of key management personnel of the Company and the Group is set out below:

	Consolidated Year Ended 2017 $	Year Ended 2016 $
Short-term employee benefits	798,247	593,790
Post-employment benefits	78,421	71,210
Share-based payments	473,841	11,799
	1,350,509	**676,799**

14. RELATED PARTY DISCLOSURES

(a) 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 16). Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. There were no other transactions with related parties during the year.

(b) Other Transactions with Related Parties

There were no other transactions with related parties during the year ended 30 June 2017.

15. 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:

	2017 Number	2017 WAEP	2016 Number	2016 WAEP
Outstanding at beginning of year	8,535,000	$0.452	1,875,000	$0.40
Options expired during the year	-	-	(1,875,000)	$0.40
Options granted during the year	1,300,000	$0.696	8,535,000	$0.452
Options exercised during the year	-	-	-	-
Outstanding at end of year	**9,835,000**	**$0.484**	**8,535,000**	**$0.452**
Exercisable at end of year	**3,235,000**	**$0.417**	**-**	**-**

The outstanding balance of options issued as share based payments on issue as at 30 June 2017 is represented by:

(1) 2,985,000 unlisted options at an exercise price of $0.41 each that expire on 23 June 2019;
(2) 2,800,000 unlisted options at an exercise price of $0.45 each that expire on 23 June 2019;
(3) 2,750,000 unlisted options at an exercise price of $0.50 each that expire on 31 May 2020;
(4) 250,000 unlisted options at an exercise price of $0.50 each that expire on 23 June 2019;
(5) 250,000 unlisted options at an exercise price of $0.60 each that expire on 23 June 2019;
(6) 250,000 unlisted options at an exercise price of $0.70 each that expire on 31 August 2020;
(7) 250,000 unlisted options at an exercise price of $0.80 each that expire on 31 December 2021;
(8) 100,000 unlisted options at an exercise price of $0.75 each that expire on 23 June 2019;
(9) 100,000 unlisted options at an exercise price of $0.85 each that expire on 23 June 2019; and
(10) 100,000 unlisted options at an exercise price of $0.95 each that expire on 31 May 2020.

The weighted average remaining contractual life of the options outstanding as at 30 June 2017 is 2.3 years (2016: 3.3 years).

The range of exercise prices for options outstanding at the end of the year was $0.41 - $0.95.

The weighted average fair value of options granted during the year was $0.263 (2016: $0.118).

The terms and conditions of the options are disclosed in note 11(c).

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 2017:

Valuation Model Input	Tranche A $0.50 Options	Tranche B $0.60 Options	Tranche C $0.70 Options	Tranche D $0.80 Options	Tranche E $0.75 Options	Tranche F $0.85 Options	Tranche G $0.95 Options
Exercise price	$0.50	$0.60	$0.70	$0.80	$0.75	$0.85	$0.95
Share price on date of grant	$0.505	$0.505	$0.505	$0.505	$0.505	$0.505	$0.505
Dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Volatility	85%	85%	85%	85%	85%	85%	85%
Risk-free interest rate	1.45%	1.45%	1.58%	1.58%	1.45%	1.45%	1.45%
Grant date	02/09/16	02/09/16	02/09/16	02/09/16	02/09/16	02/09/16	02/09/16
Expiry date	23/06/19	23/06/19	31/08/20	31/12/21	23/06/19	23/06/19	31/05/20
Expected life of option (years)	2.81	2.81	4.00	5.33	2.81	2.81	3.75
Number of options granted	250,000	250,000	250,000	250,000	100,000	100,000	100,000
Fair value at grant date	$0.27	$0.248	$0.278	$0.308	$0.221	$0.206	$0.236
Valuation per Tranche	$67,500	$62,000	$69,500	$77,000	$22,100	$20,600	$23,600
Vesting date	31/03/17	30/06/18	31/12/19	31/12/20	02/09/17	02/03/18	02/09/18
Vesting period (years)	0.58	1.82	3.33	4.33	1.0	1.5	2.0
Expensed at 30 June 2017 (pro-rata basis)	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Valuation Model Input	Tranche 1 $0.41 Options	Tranche 2 $0.45 Options	Tranche 3 $0.50 Options
Exercise price	$0.41	$0.45	$0.50
Share price on date of grant	$0.28	$0.28	$0.28
Dividend yield	Nil	Nil	Nil
Volatility	80%	80%	80%
Risk-free interest rate	1.68%	1.68%	1.68%
Grant date	22/06/16	22/06/16	22/06/16
Expiry date	23/06/19	23/06/19	31/05/20
Expected life of option (years)	3.01	3.01	3.94
Number of options granted	2,985,000	2,800,000	2,750,000
Fair value at grant date	$0.117	$0.111	$0.125
Valuation per Tranche	$349,245	$310,800	$343,750
Vesting date	22/06/17	22/12/17	22/06/18
Vesting period (years)	1.0	1.5	2.0
Expensed at 30 June 2016 (pro-rata basis)	Yes	Yes	Yes

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

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

The total share based payment expense recorded by the Group during the year was $887,935 (2016: $17,954). All share based payments were accounted for as equity-settled share based payment transactions.

16. 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 entity which is required by local law to use a 31 December year end (note – special purpose IFRS Accounts are maintained for the purposes of the consolidated financial statements).

Name of Controlled Entity	Place of Incorporation	% of Shares Held 2017	% of Shares Held 2016
OreCorp International Pty Ltd	Australia	100%	100%
OreCorp Resources Pty Ltd	Australia	100%	100%
OreCorp Tanzania Ltd	Tanzania	100%	100%
OreCorp Mining Mauritius Ltd	Mauritius	100%	100%
OreCorp Mauritania SARL	Mauritania	100%	100%
OreCorp East Africa Limited (1)	Tanzania	100%	-
OreCorp Africa Pty Ltd	Australia	100%	100%
OreCorp REE Pty Ltd	Australia	100%	100%
Silverstone Minerals Pty Ltd	Australia	100%	100%

Notes:

(1) Incorporated in August 2016.

17. INTEREST IN OTHER ENTITIES

Entity	Activity	Interest at 30 June 2017	Interest at 30 June 2016
Nyanzaga Project – Tanzania (1)	Gold Exploration	15% (2)	5% (1)
Akjoujt South Project - Mauritania	Nickel – Copper Exploration	90%	90%

Notes

(1) During the prior year, the Company announced that it had entered into a binding earn-in agreement (Agreement) with Acacia Mining plc to earn an interest in the Nyanzaga Gold Project (Nyanzaga or the Project) in northwest Tanzania. Pursuant to the Agreement, in October 2015 the Company made an initial upfront payment of US$1 million (A$1,425,923) to Acacia Mining and as a result, earned a 5% interest in the Project.

(2) In August 2016, the Company announced the Scoping Study results for the Project and as a result, earned a further 5% interest in the Project to move to a 10% interest. In March 2017, the Company announced the PFS results for the Project and as a result, earned a further 5% interest in the Project to move to a 15% interest.

	Consolidated	
	2017 $	2016 $
18. REMUNERATION OF AUDITORS		
Amounts received or due and receivable by Deloitte Australia for:		
- an audit or review of the financial reports of the Group	29,500	29,700
- other services in relation to the Group	-	-
Amounts received or due and receivable by PwC Tanzania for:		
- an audit or review of the financial reports of OreCorp Tanzania Ltd	11,941	10,257
- other services in relation to the OreCorp Tanzania Ltd (tax services)	23,999	3,556
Total Auditors' Remuneration	**65,440**	**43,513**

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. 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.

	Year Ended 2017 cents	Year Ended 2016 cents
20. EARNINGS PER SHARE		
Basic and diluted loss per share (cents per share):		
From continuing operations	**(8.37)**	**(3.05)**
From discontinued operations	**-**	**-**
Basic and diluted loss per share (cents per share)	**(8.37)**	**(3.05)**

	Year Ended 2017 $	Year Ended 2016 $
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net loss used in calculating basic and diluted earnings per share:		
Net loss from continuing operations	(15,372,180)	(3,603,871)
Net loss from discontinued operations	-	-
Earnings used in calculations of basic and diluted loss per share	**(15,372,180)**	**(3,603,871)**

	Number of Shares 2017	Number of Shares 2016
Weighted average number of ordinary shares used in calculating basic earnings per share, adjusted to reflect the group restructure	183,662,135	118,064,409
Effect of dilutive securities (1)	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**183,662,135**	**118,064,409**

Note

(1) Non-dilutive securities: As at balance date, 9,835,000 unlisted options (2016: 8,535,000) which represent 9,835,000 potential ordinary shares (2016: 8,535,000) were not considered dilutive, for the purposes of calculating the loss per share for the year ended 30 June 2017, as they would decrease the loss per share.

Conversions, calls, subscriptions or issues after 30 June 2017

There have been no conversions, calls, subscriptions or issues of shares or options subsequent to balance date, other than as disclosed in Note 26.

	Consolidated 2017 $	Consolidated 2016 $
21. STATEMENT OF CASH FLOWS		
(a) Reconciliation of Net Loss after Income Tax to Net Cash Outflow from Operating Activities		
Net loss after income tax	(15,372,180)	(3,603,871)
Adjustment for non-cash income and expense items		
Depreciation	124,261	80,101
Provision for annual leave	55,712	22,056
Share based payments	887,935	17,954
Impairment of exploration intangible assets	34,390	-
Impairment of VAT receivables	85,633	-
Foreign exchange (gain)/loss attributable to operating activities	91,102	(169,705)
Loss on disposal of plant & equipment	20,275	-
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	(999,712)	56,413
Increase/(decrease) in trade and other payables	398,961	197,378
Net cash outflow from operating activities	**(14,673,623)**	**(3,399,674)**
(b) Reconciliation of Cash and Cash Equivalents		
Cash at bank and on hand	648,061	349,880
Bank short-term deposits	21,167,475	16,920,335
	21,815,536	**17,270,215**

(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 2017

During the year ended 30 June 2017, the Group did not complete any investment transactions that involved the issue of shares as consideration.

(ii) 30 June 2016

During the year ended 30 June 2016, the Group did not complete any investment transactions that involved the issue of shares as consideration.

	2017 $	2016 $
22. PARENT ENTITY DISCLOSURES		
(a) Parent Entity – Financial Position		
ASSETS		
Current Assets	21,449,901	17,079,268
Non-current Assets	1,321,874	1,472,913
TOTAL ASSETS	**22,771,775**	**18,552,181**
LIABILITIES		
Current Liabilities	555,131	320,980
Non-current Liabilities	4,619,611	4,619,611
TOTAL LIABILITIES	**5,174,742**	**4,940,591**
NET ASSETS	**17,597,033**	**13,611,590**
EQUITY		
Issued capital	43,836,108	24,363,109
Reserves	781,202	447,454
Accumulated losses	(27,020,277)	(11,198,973)
TOTAL EQUITY	**17,597,033**	**13,611,590**
(b) Parent Entity – Financial Performance		
Loss for the year	(16,250,804)	(3,888,025)
Other comprehensive income/(loss)	-	-
Loss attributable to members of the parent	**(16,250,804)**	**(3,888,025)**

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

As at 30 June 2017, 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 2017, 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 2017, the Parent did not have any commitments for the acquisition of property, plant and equipment.

23. FINANCIAL INSTRUMENTS

(a) Overview

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

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

	Consolidated	
	2017 $	2016 $
Financial Assets		
Cash and cash equivalents	21,815,536	17,270,215
Other current receivables	1,046,954	132,875
Total financial assets	**22,862,490**	**17,403,090**
Financial Liabilities		
Trade and other payables	698,123	299,162
Total financial liabilities	**698,123**	**299,162**

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 2017, 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 $
2017			
Group			
Financial Assets			
Non-interest bearing (1)	-	3,483,604	3,483,604
Variable interest rate instruments	1.33%	6,641,711	6,641,711
Fixed interest rate instruments	2.46%	12,737,175	12,737,175
		22,862,490	**22,862,490**
Financial Liabilities			
Non-interest bearing	-	698,123	698,123
		698,123	**698,123**
2016			
Group			
Financial Assets			
Non-interest bearing (1)	-	3,404,700	3,404,700
Variable interest rate instruments	1.17%	4,702,768	4,702,768
Fixed interest rate instruments	2.13%	9,295,622	9,295,622
		17,403,090	**17,403,090**
Financial Liabilities			
Non-interest bearing	-	299,162	299,162
		299,162	**299,162**

Notes:

(1) The majority of the non-interest bearing financial assets are US dollars on deposit and VAT receivables, which earn no interest income.

(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 $
2017				
Group				
Cash and cash equivalents	22,135	(22,135)	22,135	(22,135)
2016				
Group				
Cash and cash equivalents	4,633	(4,633)	4,633	(4,633)

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 2017 and 2016.

(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	
	2017 $	2016 $
Financial Assets		
Cash and cash equivalents	21,815,536	17,270,215
Trade and other receivables and other financial assets	1,046,954	132,875
Total financial assets	22,862,490	17,403,090

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 an AA credit rating (Standard & Poor's).

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

The trade and other receivables balance is primarily comprised of 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. VAT receivables in Tanzania are audited on a six-monthly basis prior to submission to the Tanzania Revenue Authority for refund. The transactions for the period from 1 June to 30 November 2016 have been audited during the year and an impairment loss of $4,586 recognised. Additionally, during the year an impairment loss of $81,047 has been recognised in respect of VAT receivables in Mauritania which are not expected to be recovered.

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.

(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 (2016: $nil).

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

	Assets 2017 $	Assets 2016 $
US dollars	2,122,700	3,183,854
Other (Tanzanian and Mauritanian)	62,867	45,575
	2,185,567	3,229,429

Foreign currency sensitivity analysis

A sensitivity of 10% has been selected as this represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Australian dollar strengthens 10% against the relevant currency. For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	Profit or Loss		Equity [1]	
	10% Strengthening $	10% Weakening $	10% Strengthening $	10% Weakening $
2017				
Group				
Impact of foreign exchange rate movement	198,745	(162,610)	241,193	(200,036)
2016				
Group				
Impact of foreign exchange rate movement	334,618	(272,976)	358,825	(293,584)

(1) The equity movement includes the profit or loss impact of the change as this is reflected in accumulated losses.

It is noted that the analysis shown above is not representative of the risks faced by the Group throughout the year because foreign exchange rates and foreign currency denominated monetary balances have changed during 2017 and 2016.

(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 may also examine 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. COMMITMENTS FOR EXPENDITURE

	Consolidated	
	2017 **$**	**2016** **$**
Commitments		
Not longer than 1 year	2,069,052	7,581,221
Longer than 1 year and not longer than 5 years	-	32,188
	2,069,052	**7,613,409**

Note

(1) The majority of the commitments at 30 June 2017 relate to the proposed budget for the completion of the DFS to application for the Special Mining Licence for the Nyanzaga Project. Other amounts include the rent for offices in Tanzania and Australia.

25. CONTINGENT LIABILITIES

As at 30 June 2017 and 30 June 2016, the Group did not have any contingent liabilities.

26. SUBSEQUENT EVENTS

Other than the update to the MRE announced on 12 September 2017, there were no significant events occurring after balance date requiring disclosure.

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 2017 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 2017.

On behalf of the Board

MATTHEW YATES
Chief Executive Officer

12 September 2017

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Report to the members of OreCorp Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of OreCorp Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	
Carrying value of exploration and evaluation assets As disclosed in Note 7, the carrying value of exploration and evaluation assets as at 30 June is $1.32 million. The group's accounting policy in respect for exploration and evaluation assets is outlined in Note 1. Assessment of the carrying value of exploration and evaluation assets requires significant judgement, including the Group's intention and ability to proceed with a future work programme to realise value from the prospective resource, the likelihood of licence renewal or extension, and the expected or actual success of resource evaluation and analysis.	Our procedures included, but were not limited to: • confirming whether the rights to tenure of the area of interest remained current at balance date; • assessing the status of ongoing exploration programmes, and the mining licence application process for the respective area of interest; • evaluating the future intention for the area of interest, including reviewing future budgeted expenditure and related work programmes; • confirming whether evaluation activities for the area of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; and • assessing the potential impact of the change in Tanzanian mining legislation on the value of the capitalised exploration and evaluation asset. We also assessed the appropriateness of the disclosures in Note 7 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 27 of the Directors' Report for the year ended 30 June 2017.

Deloitte.

ORECORP LIMITED

In our opinion, the Remuneration Report of OreCorp Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ian Skelton
Partner
Chartered Accountants
Perth, 12 September 2017

Deloitte.

Deloitte Touche Tohmatsu
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The Directors
OreCorp Limited
Ground Floor, 516 Hay Street
SUBIACO WA 6008

12 September 2017

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 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ian Skelton
Partner
Chartered Accountants

CORPORATE GOVERNANCE STATEMENT

OreCorp Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance appropriate for a company of its size and nature of activities. OreCorp Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2017 corporate governance statement is dated as at, and was approved by the board on, 5 September 2017 and reflects the corporate governance practices in place throughout the 2017 financial year. A description of the group's current corporate governance practices is set out in the group's corporate governance statement which can be viewed at http://www.orecorp.com.au/corporate/corporate-governance.

ASX ADDITIONAL INFORMATION

The securityholder information set out below was applicable as at 25 August 2017.

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
J P Morgan Nominees Australia Limited	40,499,119	18.71
Zero Nominees Pty Ltd	22,910,084	10.59
HSBC Custody Nominees (Australia) Limited	8,191,368	3.79
Citicorp Nominees Pty Limited	7,013,189	3.24
Rollason Pty Ltd <Giorgetta Super Plan A/C>	7,000,000	3.23
Mutual Investments Pty Ltd <The Mitchell Super Fund A/C>	6,000,000	2.77
Beacon Exploration Pty Ltd	5,495,704	2.54
Meto Pty Ltd <Yates Family A/C>	4,999,874	2.31
Hillboi Nominees Pty Ltd	4,134,499	1.91
Alastair Donald Morrison <Tongariro Investment A/C>	4,079,420	1.89
Spar Nominees Pty Ltd	3,799,445	1.76
Precision Opportunities Fund Ltd <Investment A/C>	3,083,334	1.42
Mr Glyn Evans + Mrs Thi Thu Van Evans <Gvan Superannuation Plan A/C>	2,500,000	1.16
Invia Custodian Pty Limited <Orpheus Geoscience S/F A/C>	2,370,370	1.10
Walloon Securities Pty Ltd	2,350,000	1.09
Laurlock Pty Ltd <Dondea Super Fund A/C>	2,000,000	0.92
Mutual Investments Pty Ltd <Mitchell Family A/C>	2,000,000	0.92
Invia Custodian Pty Limited <Snesselk Family A/C>	1,995,370	0.92
Deering Nominees Pty Ltd	1,995,000	0.92
Ms Karen Jennifer Pittard <Whitehaven Mansions A/C>	1,749,959	0.81
Total Top 20	**134,166,735**	**62.00**
Others	**82,246,085**	**38.00**
Total Ordinary Shares on Issue	**216,412,820**	**100.00**

2. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of shareholders by size of holding:

	Ordinary Shares	
Distribution	Number of Shareholders	Number of Shares
1 - 1,000	21	10,947
1,001 - 5,000	51	154,251
5,001 - 10,000	89	731,536
10,001 - 100,000	381	16,923,582
More than 100,000	169	198,592,504
Totals	711	216,412,820

There were 54 holders of less than a marketable parcel of ordinary shares.

3. VOTING RIGHTS

See note 10 of the Notes to the Financial Statements.

4. SUBSTANTIAL SHAREHOLDERS

As at 25 August 2017, Substantial Shareholder notices have been received from the following shareholders:

Substantial Shareholder	Number of Shares	Percentage of Issued Shares
Westoz Funds Management Pty Ltd	22,910,084	10.59%
Australian Super Pty Ltd	20,150,852	9.31%
JP Morgan Chase & Co and its affiliates	17,325,500	8.01%

5. ON-MARKET BUY BACK

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

ASX ADDITIONAL INFORMATION (Continued)

6. UNQUOTED SECURITIES

The number of equity securities on issue, and number of holders, for each class of unquoted equity securities are listed below:

Unlisted Options Class	Number of Securities	Number of Holders
Unlisted options at an exercise price of $0.41 each that expire on 23 June 2019	2,985,000	20
Unlisted options at an exercise price of $0.45 each that expire on 23 June 2019	2,800,000	13
Unlisted options at an exercise price of $0.50 each that expire on 31 May 2020	2,750,000	13
Unlisted options at an exercise price of $0.50 each that expire on 23 June 2019	250,000	1
Unlisted options at an exercise price of $0.60 each that expire on 23 June 2019	250,000	1
Unlisted options at an exercise price of $0.70 each that expire on 31 August 2020	250,000	1
Unlisted options at an exercise price of $0.80 each that expire on 31 December 2021	250,000	1
Unlisted options at an exercise price of $0.75 each that expire on 23 June 2019	100,000	1
Unlisted options at an exercise price of $0.85 each that expire on 23 June 2019	100,000	1
Unlisted options at an exercise price of $0.95 each that expire on 31 May 2020	100,000	1

There were no holders of 20% or more of the equity securities in an unquoted class other than those who were issued their securities under an employee incentive scheme.

7. EXPLORATION INTERESTS

As at 25 August 2017, the Company has an interest in the following licences:

Project	Licence Number	Expiry Date[4]	Interest	Status	Period
Tanzania					
Nyanzaga	PL 4830/2007	08/11/2017	15%	Granted	Extension
Project[1,2]	PL 5069/2008	20/07/2018	15%	Granted	Extension
	PL 6493/2010	12/08/2018	15%	Granted	Second Renewal
	PL 6922/2011	27/02/2018	15%	Granted	First Renewal
	PL 7129/2011	02/08/2018	15%	Granted	First Renewal
	PL 7476/2011	18/12/2018	15%	Granted	First Renewal
	PL 8592/2012	23/12/2016	15%	Under Renewal	First Renewal Pending
	PL 8635/2012	23/12/2016	15%	Under Renewal	First Renewal Pending
	PL 9016/2013	26/03/2017	15%	Under Renewal	First Renewal Pending
	PL 9065/2013	26/03/2017	15%	Under Renewal	First Renewal Pending
	PL 9236/2013	30/06/2017	15%	Under Renewal	First Renewal Pending
	PL 9237/2013	30/06/2017	15%	Under Renewal	First Renewal Pending
	PL 9446/2013	31/10/2017	15%	Granted	Initial
	PL 9656/2014	31/03/2018	15%	Granted	Initial
	PL 9661/2014	31/03/2018	15%	Granted	Initial
	PL 9662/2014	31/03/2018	15%	Granted	Initial
	PL 9663/2014	31/03/2018	15%	Granted	Initial
	PL 9664/2014	31/03/2018	15%	Granted	Initial
	PL 9770/2014	04/06/2018	15%	Granted	Initial
	PL 9919/2014	07/07/2018	15%	Granted	Initial
	PL 4730/2007	19/09/2015	9%	Under Extension	Extension Pending
	PL 7120/2011	05/07/2018	9%	Granted	First Renewal
	PL 7121/2011	05/07/2018	9%	Granted	First Renewal
	PL 9673/2014	23/04/2018	15%	Granted	Initial
	PL10911/2016	22/09/2020	100%	Granted	Initial
	PL10877/2016	06/10/2020	100%	Granted	Initial
	PL 9720/2014[3]	11/05/2014	0%	Granted (Pending Transfer)	Initial
	PLA11559/2016		0%	Application Recommended	
	PLA11961/2017		0%	Application	
Mauritania					
Akjoujt South	1415B2	29/07/2018	90%	Granted	First Renewal
Project	1416B2	29/07/2018	90%	Granted	First Renewal

Notes:

1) Pursuant to a whole of company earn-in agreement with Acacia Mining plc, under which the Company has contractual rights to earn beneficial interests in the tenements and, upon completion of a DFS, acquire shares in the direct holding company of the tenements.
2) Under Section 67 of the Mining Act when the holder applies for a renewal of a current mineral right the the current licence shall remain in force until the date of renewal or grant, or until the application is refused.
3) Pursuant to an earn-in agreement with Moonstan Gemstone Mining Company Limited, under which the Company has contractual rights to earn an interest in the tenement. Whilst the PL is granted, its transfer to OreCorp is pending.
4) Current period expiry date.

ASX ADDITIONAL INFORMATION (Continued)

8. MINERAL RESOURCES STATEMENT

OreCorp Limited (**OreCorp** or the **Company**) has updated its Mineral Resources Estimate (**MRE**) as at 12 September 2017 (prepared and reported in accordance with JORC 2012) and for this purpose, has completed a review of the MRE for the Nyanzaga Gold Project (**Nyanzaga** or **Project**).

The Company's MRE has been compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code 2012 Edition), Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31. Following the completion and release of the Updated JORC 2012 Mineral Resource Estimate (refer ASX Announcement dated 12 September 2017), the Mineral Resources for Nyanzaga Project stand at 3.07 Moz.

The MRE was updated by independent consultants CSA Global Pty Ltd (CSA) following completion of the 2016/2017 infill drilling program and incorporates an additional 158 drill holes (Diamond, Aircore, Reverse Circulation) for 22,654m and 12,191 assays. This resulted in a revised MRE of 23.70Mt at 4.03g/t gold for 3.07Moz gold, see ***Table A*** below. The proportion of the current MRE that is in the Indicated and Measured categories has increased to 88%.

OreCorp Limited – Nyanzaga Gold Project – Tanzania Mineral Resource Estimate (MRE) as at 12 September 2017			
JORC 2012 Classification	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (Moz)
Measured	4.63	4.96	0.738
Indicated	16.17	3.80	1.977
Sub-Total M & I	**20.80**	**4.06**	**2.715**
Inferred	2.90	3.84	0.358
Total	**23.70**	**4.03**	**3.072**
Reported at a 1.5g/t gold cut-off grade. MRE defined by 3D wireframe interpretation with subcell block modelling. Gold grade for high grade portion estimated using Ordinary Kriging using a 10 x 10 x 10m estimation panel. Gold grade for lower grade sedimentary cycle hosted resources estimated with Uniform Conditioning using a 2 x 2 x 2m SMU. Totals may not add up due to appropriate			

Table A: Nyanzaga Gold Project – Current Mineral Resource Estimate

Note:
On 7 October 2015, the Company announced that it had completed the first 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. As at 31 August 2017, the Company's interest in the Project is 15%.

The grade tonnage tabulation for the updated MRE block model is presented in ***Table B***.

Grade and Tonnage Tabulation Nyanzaga Gold Project – 12 September 2017				
Gold g/t Cut-off	Tonnage (Million)	Gold g/t	Gold koz	In Situ Dry Bulk Density
2.75	12.9	5.75	2,389	2.83
2.50	14.3	5.46	2,504	2.82
2.25	15.7	5.18	2,609	2.82
2.00	17.3	4.89	2,723	2.81
1.75	19.6	4.54	2,858	2.81
1.50	23.7	4.03	3,072	2.82
1.25	30.3	3.45	3,366	2.82
1.00	45.0	2.69	3,897	2.82
0.75	65.3	2.13	4,469	2.83
0.50	103.7	1.57	5,246	2.83
0.45	111.5	1.50	5,366	2.83

Table B: Grade and Tonnage Tabulation - Nyanzaga Gold Project

Other than as disclosed above, the Company confirms that there have been no material changes to the MRE since 30 June 2017.

Comparison with Previous Year

The Company's Mineral Resources as at 12 September 2017 and 30 September 2016, reported in accordance with the 2012 Edition of the JORC Code and Chapter 5 of the ASX Listing Rules are as follows:

Nyanzaga Gold Project	Mineral Resources as at 12 September 2017			Mineral Resources as at 30 September 2016		
JORC 2012 Classification	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (Moz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (Moz)
Measured	4.63	4.96	0.738	2.93	3.77	0.356
Indicated	16.17	3.8	1.977	21.77	3.45	2.416
Sub-Total M & I	**20.8**	**4.06**	**2.715**	**24.7**	**3.49**	**2.772**
Inferred	2.9	3.84	0.358	5.1	3.49	0.572
Total	**23.7**	**4.03**	**3.072**	**29.8**	**3.49**	**3.344**

88% of the MRE (both Tonnage and Metal) is in the Measured and Indicated Mineral Resource categories, an increase of 5% from the previous year. In addition, the grade of the Measured and Indicated Resource has increased 16% to 4.06g/t gold. The remaining 12% of the MRE that remains in the Inferred category, decreased (both Tonnage and Metal), however this was partially offset by an increase in the grade.

Other than as disclosed above, the Company confirms that there have been no material changes to the MRE since 30 September 2016.

ASX ADDITIONAL INFORMATION (Continued)

Governance of Resources

The Company engages employees, external consultants and competent persons (as determined pursuant to the JORC 2012 Code) to assist with the preparation and calculation of estimates for its mineral resources.

Management and the Board review these estimates and underlying assumptions for reasonableness and accuracy. The results of the MRE are then reported in accordance with the requirements of JORC 2012 and other applicable rules (including ASX Listing Rules).

Where material changes occur during the year to a project, including the project's size, title, exploration results or other technical information, previous MRE and market disclosures are reviewed for completeness.

The Company reviews its MRE during September each year, for inclusion in the Company's Annual Report. If a material change has occurred in the assumptions or data used in previously reported mineral resources, where possible a revised MRE will be prepared as part of the annual review process. However, there are circumstance where this may not be possible (e.g. an ongoing drilling programme), in which case a revised MRE will be prepared and reported as soon as practicable.

Mineral Resources Reporting Requirements

As an Australian company with securities listed on the Australian Securities Exchange (**ASX**), OreCorp is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX Listing Rules. Investors should note that it is a requirement of the ASX Listing Rules that the reporting of Mineral Resources in Australia comply with JORC 2012 and that OreCorp's Mineral Resources Statement complies with JORC 2012.

Additional information for the "Annual Mineral Resource Statement as at 12 September 2017" containing additional information on the MRE is available on the OreCorp website at www.orecorp.com.au and lodged with the ASX (refer Announcement dated 12 September 2017).

JORC 2012 Competent Persons Statements

The Annual Mineral Resources Statement is based on, and fairly represents, information and supporting documentation prepared by the respective competent persons named below.

The information in this Mineral Resources Statement that relates to "Mineral Resources" is based on information compiled by Mr Malcolm Titley, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Titley is a Principal Consultant with CSA Global (UK). Mr Titley has sufficient experience that is relevant to the style of mineralisation and type of deposit 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 Titley has approved the Mineral Resources Statement as a whole and consents to its inclusion in the Annual Report in the form and context in which it appears.

DISCLAIMER/FORWARD LOOKING STATEMENTS

Forward Looking Statements

This report 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.

Cautionary Statements

The Study referred to in this report is based on moderate accuracy level technical and economic assessments. The PFS is at a lower confidence level than a Feasibility Study and the Mineral Resource Estimate (MRE) which forms the basis for the PFS is not sufficiently defined to allow conversion to an Ore Reserve or to provide assurance of an economic development case at this stage; or to provide certainty that the conclusions of the PFS will be realised. The PFS includes a financial analysis based on reasonable assumptions on the Modifying Factors, among other relevant factors, and a competent person has determined that, based on the content of the PFS, none of the Mineral Resources may be converted to an Ore Reserve at this time. Further, the financial analysis in the PFS is conceptual in nature and should not be used as a guide for investment.

88% of the existing MRE is in the Indicated and Measured categories, with the balance of 12% classified in the Inferred category. There is a low level of geological confidence associated with Inferred mineral resources and there is no certainty that further exploration work will result in the determination of Indicated or Measured Mineral Resources. Furthermore, there is no certainty that further exploration work will result in the conversion of Indicated and Measured Mineral Resources to Ore Reserves, or that the production target itself will be realised.

The consideration of the application of all JORC Modifying Factors is well advanced, including mining studies, processing and metallurgical studies and lodgement of the Environmental Impact Statement (EIS) with the National Environmental Council (NEMC).

The Company believes it has a reasonable basis for providing the forward looking statements in this Annual Report.

All material assumptions on which the forecast financial information is based are set out in this report.

JORC 2012 COMPLIANCE STATEMENTS

Nyanzaga Project

The information in this report relating to the Nyanzaga Project is extracted from the ASX Announcements dated 12 September 2017 titled "Mineral Resource Estimate Update for the Nyanzaga Project in Tanzania Increasing Category and Grade", 10 July 2017 titled "Further Update on Proposed Legislative Changes in Tanzania", 3 July 2017 titled "Proposed Legislative Changes in Tanzania", 30 June 2017 titled "Proposed Tanzanian Legislative Changes, Infill Drilling Results and Project Update at Nyanzaga", 11 May 2017 titled "Infill Drilling Results Further Demonstrate Outstanding Potential of Nyanzaga Project" and 13 March 2017 titled 'Pre-Feasibility Study Demonstrates Significant Potential of Nyanzaga Gold Project', which is available to view on the Company's website 'orecorp.com.au'.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Announcements referred to above and, in the case of (i) estimates of Mineral Resources, (ii) Metallurgical Testwork and Results, and (iii) Exploration Results in relation to the Nyanzaga Project (Project Results), that all material assumptions and technical parameters underpinning the Project Results in the original Announcement referred to above continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original Announcement referred to above.

Akjoujt South Project

The information in this report relating to the Akjoujt South Project is extracted from the following original ASX Announcements dated; 26 June 2017 titled 'Drilling Confirms Discovery of an Extensive Nickel-Copper Mineralised System at Akjoujt South Project, Mauritania', 24 March 2017 title 'Drill Targets Identified from EM Survey Akjoujt South Project Mauritania' and 24 March 2017 titled 'Drill Targets Identified from EM Survey Akjoujt South Project Mauritania', which are available to view on the Company's website 'orecorp.com.au'.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX Announcements referred to above and, in the case of Exploration Results, that all material assumptions and technical parameters underpinning the Exploration Results in the original ASX Announcements referred to above continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original ASX Announcements referred to above.

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