ORECORP
LIMITED

FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 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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ASX Code:
ORR – Ordinary Shares

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Auditor
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Perth WA 6000

Bankers
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DIRECTORS' REPORT

The Directors of OreCorp Limited present their report on the Consolidated Entity consisting of OreCorp Limited ('the Company' or 'OreCorp') and the entities it controlled at the end of, or during the half year ended 31 December 2017 ('Consolidated Entity' or 'Group').

DIRECTORS

The names of the directors in office at any time during the half year and until the date of this report 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

All Directors held their office from 1 July 2017 until the date of this report.

REVIEW OF OPERATIONS AND ACTIVITIES

The operating loss of the Consolidated Entity for the half year ended 31 December 2017 was $3,953,413 (2016: $5,692,426). This loss is largely attributable to the Consolidated Entity's accounting policy of expensing exploration and evaluation expenditure incurred by the Consolidated Entity subsequent to the initial acquisition of the rights to explore and up to the successful completion of definitive feasibility studies (see Note 1(b)). During the half year, exploration expenditure totalled $3,060,902 (2016: $5,181,165).

The abovementioned numbers and the financial report are presented in Australian dollars.

During the period:

- The Company completed the revised Mineral Resource Estimate (**MRE** or **Resource**), as well as advancing the Definitive Feasibility Study (**DFS**) and permitting for Nyanzaga in Tanzania toward the grant of the Environmental Certificate (**EC**) (which was subsequently granted in February 2018) and ultimately the potential grant of the Special Mining Licence (**SML**). The updated JORC 2012 compliant MRE for the Nyanzaga Project is 23.7Mt at 4.03g/t for 3.07Moz gold; and

- A large, ground based, high powered Moving Loop Electromagnetic (**MLEM**) survey was completed at the Akjoujt South Project (**ASP**) in Mauritania and delivered encouraging results on a prospect and regional scale.

REVIEW OF OPERATIONS AND ACTIVITIES (Continued)
Exploration and Evaluation Activities

TANZANIA
Nyanzaga Project (Gold) [OreCorp Earning up to 51%]

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. The Nyanzaga deposit hosts 3.1 Moz of gold at 4 g/t (***Table 1***).

Table 1: Nyanzaga Project - Mineral Resource Estimate, Reported at a 1.5g/t Au cut-off

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 using Uniform Conditioning using a 2.5 x 2.5 x 2.5m SMU. Totals may not add up due to appropriate rounding			

Nyanzaga is situated in the Archean Sukumaland Greenstone Belt, part of the Lake Victoria Goldfields (**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 26 contiguous Prospecting Licences and three applications covering a combined area of 290km^2. A SML application has been lodged over the Nyanzaga deposit and parts of the surrounding licences covering 23.4km^2. In addition to the Nyanzaga deposit, there are a number of other exploration prospects within the JV tenements.

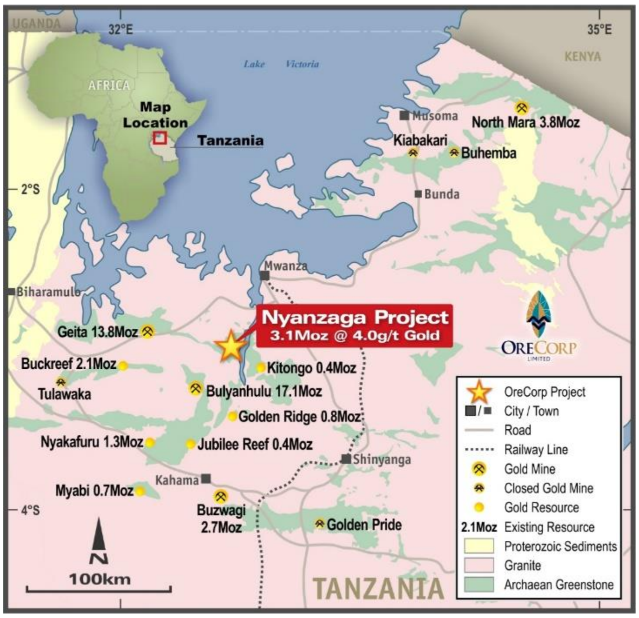

Figure 1: Lake Victoria Goldfields, Tanzania – Existing Resources

Project Update

Definitive Feasibility Study

All DFS site based activities have been completed and no further drilling is planned on or around the immediate environment of the Nyanzaga deposit prior to completion of the DFS. The MRE was updated by CSA following completion of the 2016/2017 infill drilling program which aimed to lift the MRE categories and improve grade.

The concentrate export ban (announced by the Tanzanian Ministry of Minerals and Energy on 3 March 2017) continued to delay the export of key samples for geotechnical work. The geotechnical samples were ultimately exported after considerable dialogue with the relevant authorities and are now being processed. The results from these geotechnical samples are required to progress critical study areas.

The Company aims to progress the DFS on a revised schedule to allow for the delays in geotechnical sample dispatch and analysis and which will allow for a full consideration of the Legislation and the new Regulations (discussed below).

Permitting & Project Licences

The Project was registered with the National Environmental Management Committee (**NEMC**) after baseline surveys were completed during 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 lodged by MTL Consulting Tanzania with the guidance and supervision of PaulSam Geo-Engineering during the period.

Following completion of the EIA, the Company lodged an Environmental Impact Statement (**EIS**) with NEMC. NEMC completed its review of the EIS and on 13 February 2018 the EC was granted. The EC is a pre-requisite for the grant of a SML.

Grant of the EC. Pictured from left to right; Mr Chelestino Malile, Finance Manager, OreCorp Tanzania Limited (partly seen); Dr Vedast Makota, Director General, NEMC; Ms Diane Wamunza, Company Secretary, Nyanzaga Mining Company Limited; Mr John Bosco, Director, MTL Consulting Tanzania and Ms Pili Seleman, Deputy CEO, Paulsam Geo-Engineering.

The Company lodged a SML application in October that covers the key licence plus portions of six surrounding licences (***Figure 2***). The processing of new mining licence applications remains suspended as a consequence of the instruction by His Excellency President John P Magufuli. It is therefore not currently known how long the SML approval process may take. The grant of the SML will be required before the construction of the Project can commence.

Several other prospecting licences within the project area are under application or renewal. Currently no prospecting licence can be granted or renewed under the directive outlined above.

Legislative Changes

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) was passed by the Tanzanian Parliament and has been enacted.

The final Mining Regulations to these special bill supplements are yet to be gazetted. Once officially gazetted OreCorp will assess the impact of the regulations.

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 approximately six months ahead of schedule in the proposed Nyanzaga Joint Venture timeline, which allows sufficient time to assess the full impact of the legislative and regulatory 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.

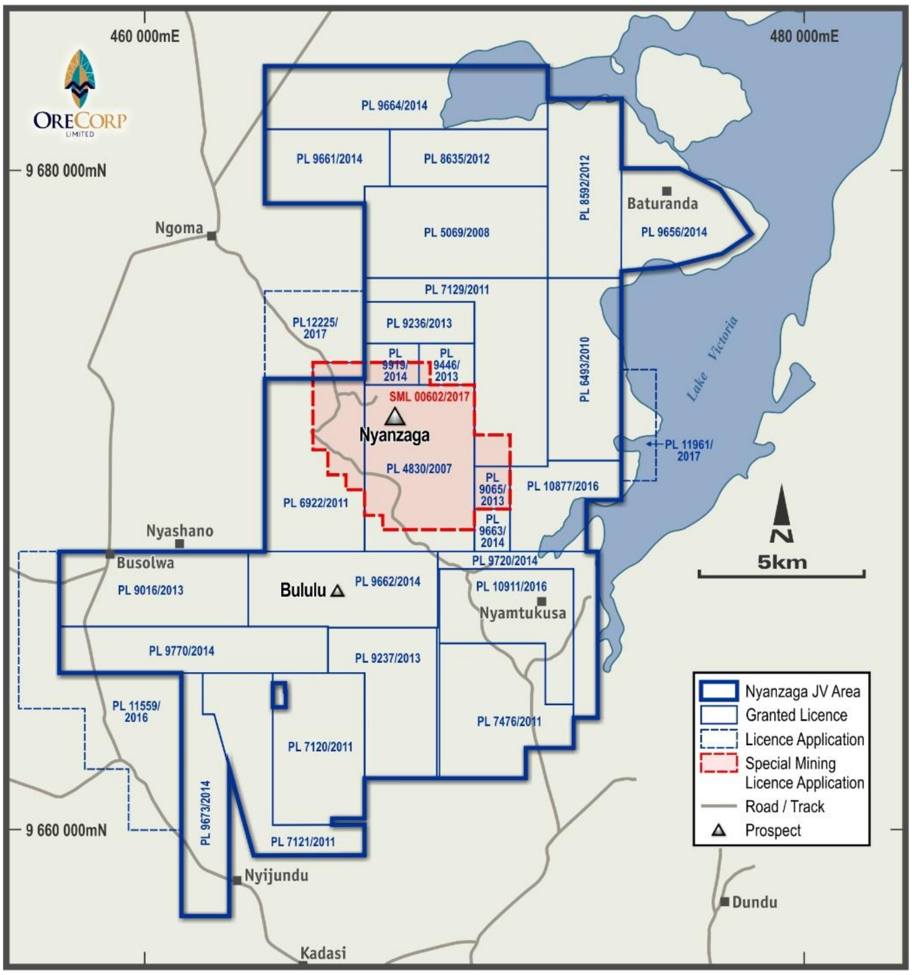

Figure 2: Nyanzaga Joint Venture Licence Status

Other In-Country Developments

The Company provides the following additional updates in relation to recent in-country developments:

- The Company met with the Honourable Minister for Minerals, the Honourable Deputy Ministers, the Permanent Secretary and Commissioner for Minerals. The dialogue was positive and engaging at all meetings.
- On 6 January 2018 a second Deputy Minister, the Honourable Doto Biteko, and a new Commissioner for Minerals, Professor Shukuruni Elisha Manya were appointed and sworn in by His Excellency President John P Magufuli.
- The formation of the Mining Commission is still awaited.
- Discussions between Barrick Gold Corporation (**Barrick**) and representatives from the Government of Tanzania are on-going.

OreCorp continues to monitor developments in Tanzania and with its JV partner and will provide further updates as appropriate.

Future Work

The Company aims to progress the DFS on a revised schedule to allow for the delays in sample dispatch and analysis and which will allow for a full consideration of the Legislation and the new Regulations.

Regional exploration has and will continue with a view to delineating and refining exploration targets. Stakeholder engagement will continue throughout the coming months as the Company advances toward the potential grant of the SML.

MAURITANIA

Akjoujt South Project (Nickel – Copper - Cobalt: 90% interest in Licences 1415 & 1416, granted)

The ASP comprises two licences (1415 and 1416) and covers 460km^2. An application has been lodged covering 136km^2 immediately to the north of licence 1415 and Anomaly 5 (***Figure 3***).

Anomaly 5 was identified in a regional soil sampling program. The anomalism is associated with a mafic intrusive body and alteration assemblage. Subsequent mapping, infill sampling, trenching, geophysical surveys and diamond drilling have identified a significant zone of nickel-copper-cobalt mineralisation.

MLEM Survey

A large, ground based, high powered MLEM survey was completed and comprised both reconnaissance and detailed programs to follow up on the significant nickel-copper-cobalt drill intercepts, geophysical and geochemical anomalism generated from previous work. Better drill intercepts from the previous diamond drill holes include 3m @ 1.28% nickel and 0.29% copper from 29m (ASPDD3), 1m @ 1.05% nickel and 0.23% copper from 31m (ASPDD4), 63m @ 0.52% nickel and 0.31% copper from 32m (ASPDD12) and 47m @ 0.36% nickel and 0.20% copper from 49m (ASPDD7) (refer to ASX Announcements dated 26 June 2017 and 2 August 2016). Cobalt values up to 0.18% have been recorded in rock-chips and 0.09% (ASPDD12) in diamond drilling. The ASP is 60km southeast of First Quantum's Guelb Moghrein copper-gold mine and 50km from a sealed bitumen road to the capital, Nouakchott (***Figure 3***).

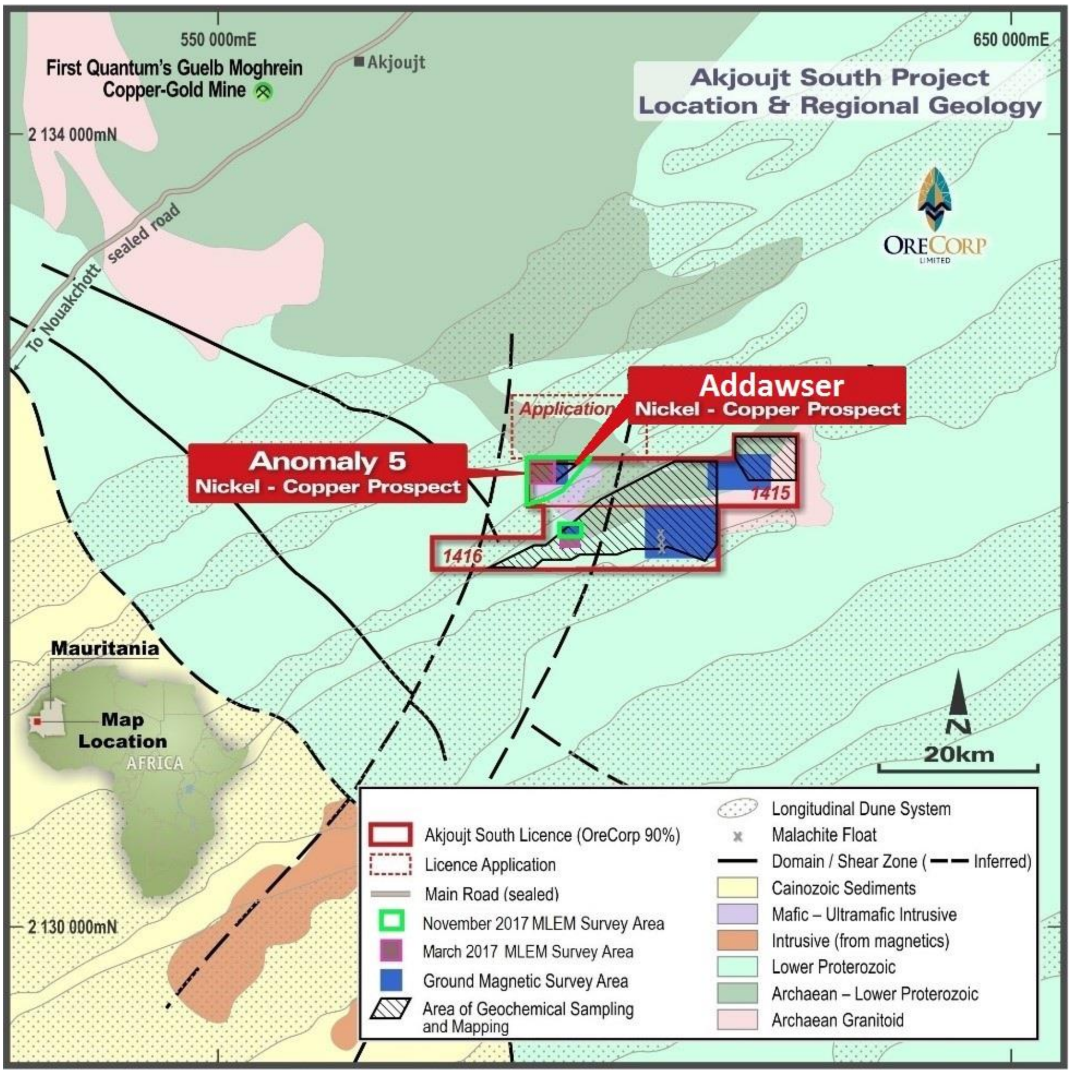

Figure 3: Akjoujt South Project Location Diagram with Recent MLEM Survey Area

The results of the Survey have delivered an encouraging outcome (refer to ASX release dated 27 November 2017) on both prospect and regional scale:

- Detailed MLEM data have extended the strike of known anomalism at Anomaly 5 and identified an additional Electromagnetic (**EM**) anomaly 600m to the north;
- The survey indicates that mineralisation at Anomaly 5 may extend down dip and/or include deeper sub-parallel sulphide zones beneath those already intercepted by drilling;
- The regional surveying has identified multiple new late time EM anomalies;
- A very large late time EM anomaly (Addawser Anomaly) has been discovered 6km northeast of Anomaly 5. This anomaly is the same tenor as Anomaly 5, is approximately 1.8km long and 800m wide and is outside the area of geochemical sampling; and
- EM anomalism has been encountered adjacent to the Trench 9 Prospect, 3km northeast of Anomaly 5.

Further new regional EM anomalies have been identified, including the Al Shamlal Anomaly, 3.5km southeast of Anomaly 5. The anomalies are shown in ***Figure 4.***

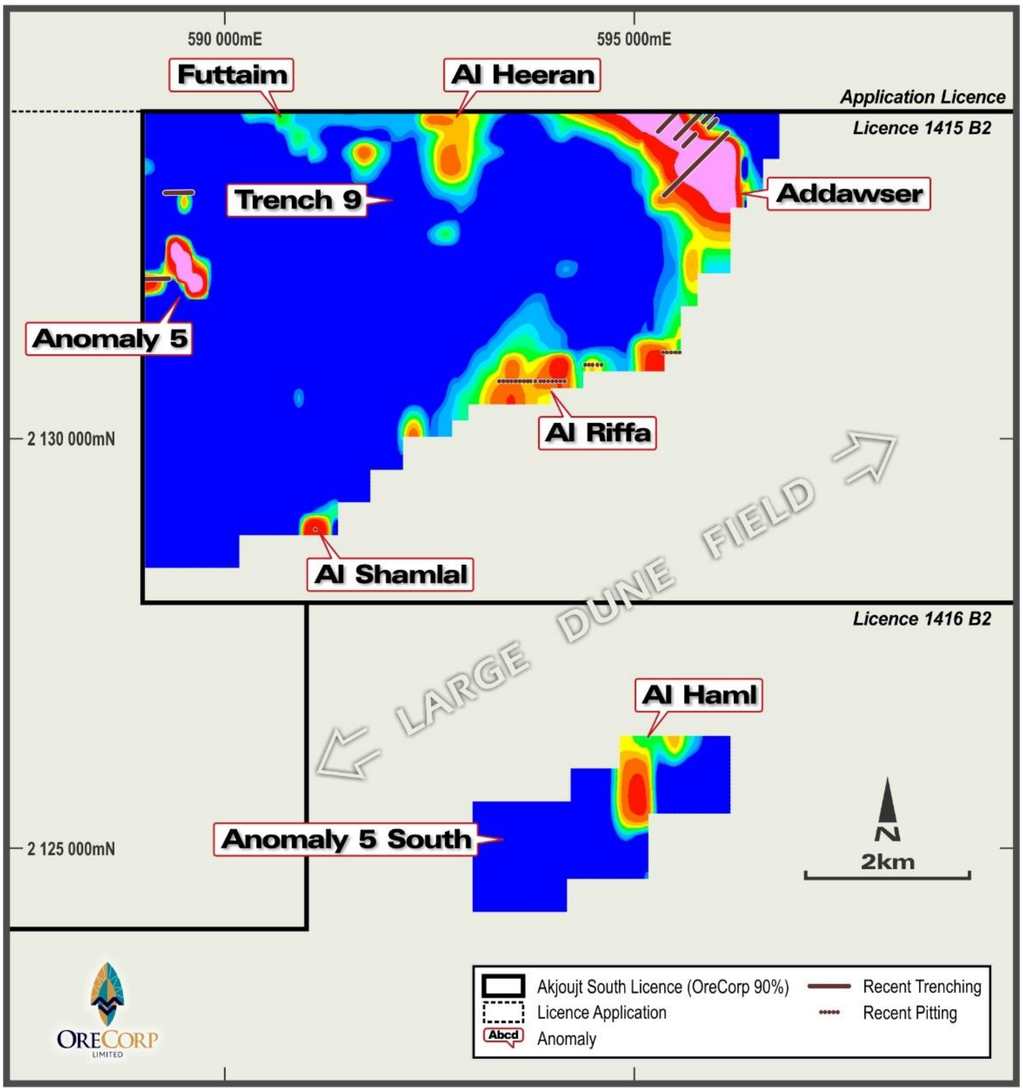

Figure 4: Channel 25 Z component MLEM data showing Anomalies and recent trenches and pits

Trenching, Pitting and Mapping Results

A trenching program comprising 14 trenches for a total of 2,934m was recently completed at the Addawser and Anomaly 5 Prospects (***Figure 4***). The program aimed to assess the geology and regolith over the MLEM anomalies and complement detailed surface mapping. A total of 28 pits were also completed at Al Riffa and Al Shamlal Prospects (refer ASX release dated 17 January 2018).

DIRECTORS' REPORT
(Continued)

At Addawser, 12 trenches (ADWTR1 to ADWTR12) for 2,336m were excavated and a total of 293 composite samples collected and analysed (***Figure 5***). The trenching and mapping at Addawser identified three alteration/ gossanous zones. These are summarised as follows and shown on Figure 5:

- The eastern zone (Zone 1) is a 300m long, 5 - 55m wide zone of gossan and gossanous/ferruginous alteration. This zone strikes northwest-southeast, dips moderately to the west and is open to the south where it is obscured by sand dune cover. This zone corresponds with the surface projection of a shallow to moderate westerly dipping EM plate.
- A central zone (Zone 2), 300m west of the eastern zone comprises steeply dipping, intense sericite-haematite-phengite-garnet-carbonate alteration. The zone is over 1,000m in strike length, 20-70m in width and is open south along strike where it passes under sand cover.
- A third, westerly zone (Zone 3) comprises a narrow (<3m wide) shear zone with garnet-biotite and stringer graphite alteration. The strike length appears limited to less than 300m. Importantly it is not considered the source of the EM anomalism at Addawser as the modelled plates do not correlate with this zone and observed graphite is extremely minor.

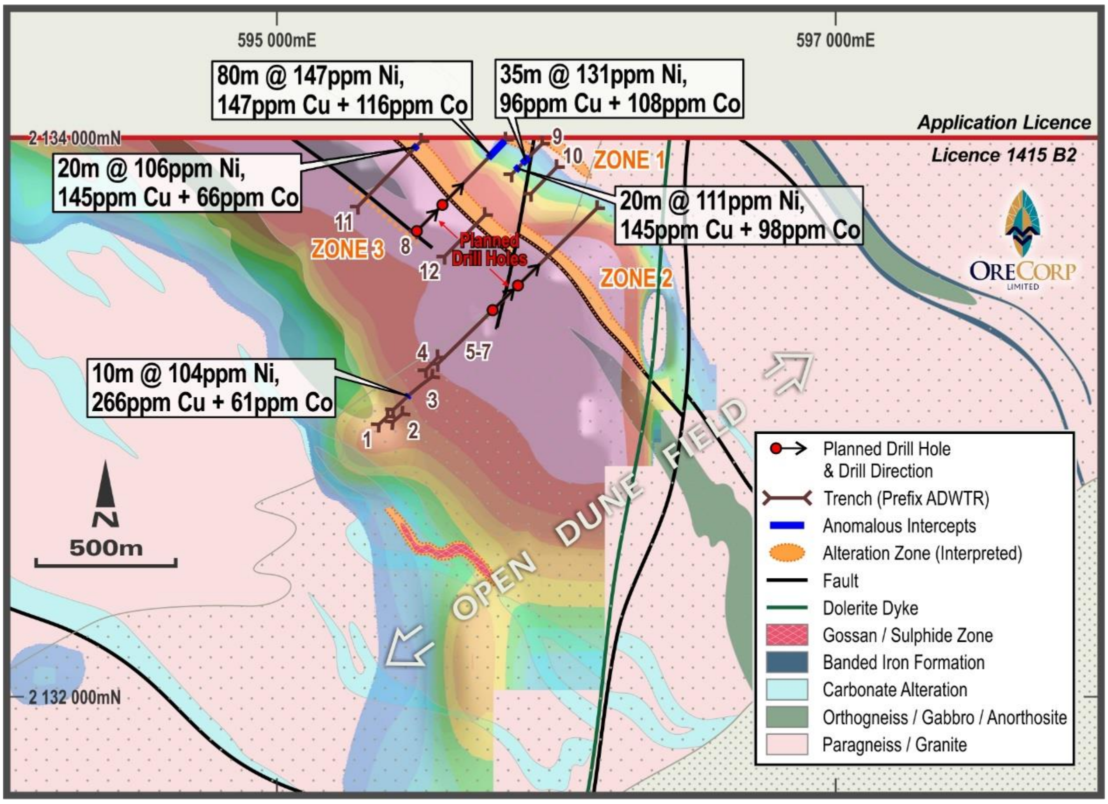

Figure 5: Addawser Anomaly – Geology over MLEM data with trenching results and planned drill holes

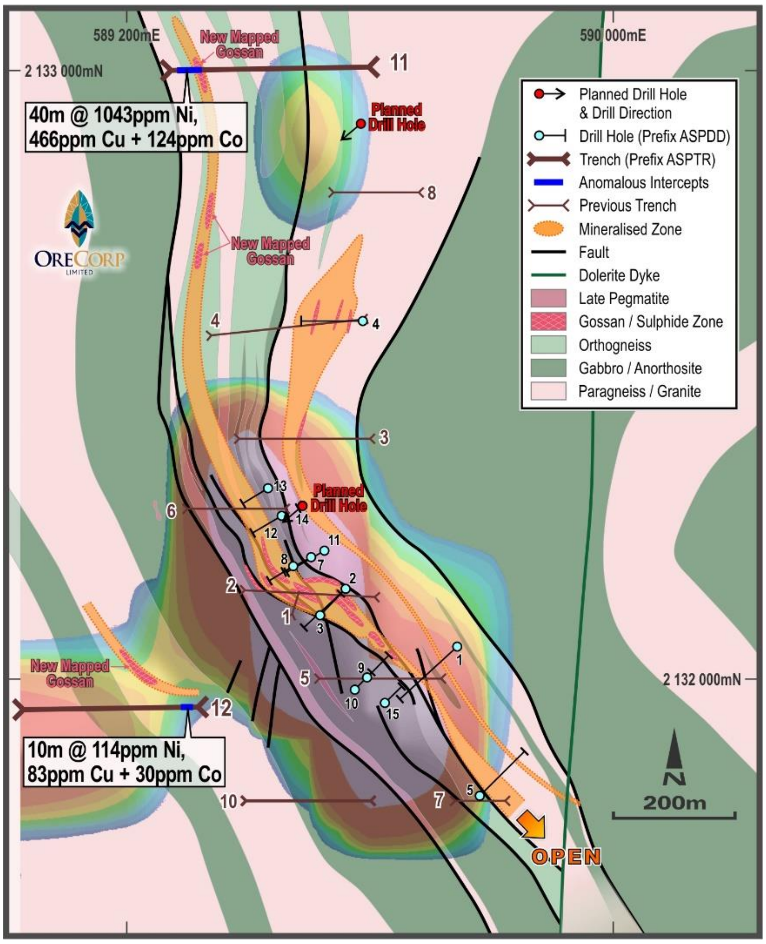

Figure 6: Anomaly 5 – Geology over MLEM data with trenching results and planned drill holes

At Anomaly 5, two trenches (ASPTR11 to ASPTR12) for 598m were excavated and a total of 64 composite samples collected and analysed (***Figure 6***). The trenching and mapping at Anomaly 5 identified a further three areas of gossan float/sub-crop in the north confirming an additional 700m strike extension of the mineralised zone which now extends for approximately 1.4km and remains open in the southeast (***Figure 6***). A new zone of gossan also occurs 300m west of the main drilled area at Anomaly 5. These new gossans are adjacent to EM anomalism and represent further drill targets.

Diamond and Reverse Circulation (RC) Drill Program

A diamond and RC drill program has commenced at the Addawser and Anomaly 5 Prospects.

The drilling program will initially comprise four diamond holes on two traverses at the Addawser Prospect to a planned maximum depth of 225m and a total meterage of 725m testing approximately 500m of strike (***Figure 5***).

Drilling at Anomaly 5 will test along strike, down dip and down plunge extensions of the thick zones of nickel-copper-cobalt mineralisation returned in the previous program completed in 2017 (ASPDD0012 63m @ 0.52% Ni and 0.31% Cu). An initial RC hole is planned approximately 650m north of this hole to test the recently identified EM anomalism (***Figure 6***). Further diamond and RC drilling to be completed as warranted.

Further drilling will be conducted on other regional MLEM anomalies as geophysical modelling is refined.

DIRECTORS' REPORT
(Continued)

Next Steps
Modelling of the MLEM survey data and integration with existing data around Anomaly 5 and Addawser is ongoing. Further ground magnetic data will be acquired over the whole of the MLEM survey area and integrated with existing data.

Drilling has commenced and will be modified and expanded as appropriate on this rapidly evolving and highly prospective nickel-copper-cobalt Project.

Corporate
The Company remains in a strong financial position with approximately $17.6m cash and no debt as at 31 December 2017.

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

- progress the Nyanzaga Project JV, with a focus on obtaining a SML and completing the DFS;
- continue to explore the Akjoujt South Project in Mauritania, including further geophysical and drilling programs; and
- continue to review other resource opportunities which may enhance shareholder value.

SIGNIFICANT POST BALANCE DATE EVENTS

Other than already disclosed, there were no significant events occurring after balance date requiring disclosure.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is on page 24 of the half year report.

This report is made in accordance with a resolution of the directors made pursuant to section 306(3) of the *Corporations Act 2001*.

For and on behalf of the Directors

Matthew G Yates

MATTHEW YATES
Chief Executive Officer & Managing Director

12 March 2018

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

		Consolidated Half Year Ended	
	Notes	31 Dec 2017 $	31 Dec 2016 $
Revenue	2	**157,577**	**108,327**
Other income	2	19,134	116,322
Corporate and administration costs		(675,202)	(554,575)
Exploration and evaluation costs		(3,060,902)	(5,181,165)
Business development costs		(394,020)	(86,909)
Other expenses	3(b)	-	(94,426)
Loss before tax		**(3,953,413)**	**(5,692,426)**
Income tax expense		-	-
Loss for the period		**(3,953,413)**	**(5,692,426)**
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		(84,817)	(16,442)
Other comprehensive income/(loss) for the period, net of income tax		(84,817)	(16,442)
Total comprehensive (loss) for the period		**(4,038,230)**	**(5,708,868)**
Total comprehensive loss attributable to members of the parent		**(4,038,230)**	**(5,708,868)**
Earnings per share			
Weighted average number of shares		216,412,820	173,412,820
Basic loss per share (cents per share)		(1.83)	(3.28)
Diluted loss per share (cents per share)		(1.83)	(3.28)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Notes	Consolidated 31 Dec 2017 $	30 Jun 2017 $
ASSETS			
Current Assets			
Cash and cash equivalents		17,630,795	21,815,536
Trade and other receivables		1,017,042	1,046,954
Total Current Assets		**18,647,837**	**22,862,490**
Non-current Assets			
Property, plant and equipment	4	240,910	262,188
Exploration and evaluation assets	5	1,300,305	1,320,755
Total Non-current Assets		**1,541,215**	**1,582,943**
TOTAL ASSETS		**20,189,052**	**24,445,433**
LIABILITIES			
Current Liabilities			
Trade and other payables		177,836	698,123
Provisions		111,099	116,870
Total Current Liabilities		**288,935**	**814,993**
TOTAL LIABILITIES		**288,935**	**814,993**
NET ASSETS		**19,900,117**	**23,630,440**
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	6	55,326,167	55,326,167
Reserves	7	768,085	887,295
Accumulated losses		(36,194,135)	(32,583,022)
TOTAL EQUITY		**19,900,117**	**23,630,440**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Consolidated Half Year Ended 31 Dec 2017 $	Consolidated Half Year Ended 31 Dec 2016 $
Cash flows from operating activities		
Interest received	172,375	108,809
Payments to suppliers and employees	(4,321,418)	(5,011,491)
Net cash outflow from operating activities	**(4,149,043)**	**(4,902,682)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(44,361)	(132,149)
Net cash outflow from investing activities	**(44,361)**	**(132,149)**
Net decrease in cash and cash equivalents held	**(4,193,404)**	**(5,034,831)**
Foreign exchange movement on cash and cash equivalents	8,663	100,371
Cash and cash equivalents at the beginning of the financial period	**21,815,536**	**17,270,215**
Cash and cash equivalents at the end of the financial period	**17,630,795**	**12,335,755**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Issued Capital $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2016	**35,853,166**	**447,454**	**117,246**	**(17,640,342)**	**18,777,524**
Loss for the period	-	-	-	(5,692,426)	(5,692,426)
Other comprehensive income:					
Exchange differences arising on translation of foreign operations, net of income tax	-	-	(16,442)	-	(16,442)
Total comprehensive income/(loss) for the period	-	-	(16,442)	(5,692,426)	(5,708,868)
Transactions with owners, recorded directly in equity					
Share based payment expense	-	443,187	-	-	443,187
Balance at 31 December 2016	**35,853,166**	**890,641**	**100,804**	**(23,332,768)**	**13,511,843**
Balance at 1 July 2017	**55,326,167**	**905,889**	**(18,594)**	**(32,583,022)**	**23,630,440**
Loss for the period	-	-	-	(3,953,413)	(3,953,413)
Other comprehensive income:					
Exchange differences arising on translation of foreign operations, net of income tax	-	-	(84,817)	-	(84,817)
Total comprehensive income/(loss) for the period	-	-	(84,817)	(3,953,413)	(4,038,230)
Transactions with owners, recorded directly in equity					
Net share based payment expense	-	307,907	-	-	307,907
Transfer balance of reserve relating to cancelled options to accumulated losses	-	(342,300)	-	342,300	-
Balance at 31 December 2017	**55,326,167**	**871,496**	**(103,411)**	**(36,194,135)**	**19,900,117**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

OreCorp Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The interim financial report of the Company for the half year ended 31 December 2017 was authorised for issue in accordance with a resolution of the Directors on page 21.

(a) Basis of Preparation of the Half Year Financial Report

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2017, other than as detailed below.

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current half year.

(b) 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.

(c) Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported or the disclosures for the current or prior half years.

	Consolidated Half Year Ended 31 Dec 2017 $	Consolidated Half Year Ended 31 Dec 2016 $
2. REVENUE AND OTHER INCOME FROM CONTINUING OPERATIONS		
Revenue		
Interest revenue	157,577	108,327
Total revenue	**157,577**	**108,327**
Other Income		
Foreign exchange gain	19,134	116,322
Total other income	**19,134**	**116,322**
3. EXPENSES AND LOSSES FROM CONTINUING OPERATIONS		
Loss from ordinary activities before income tax expense includes the following specific expenses:		
(a) Depreciation		
Depreciation of property, plant and equipment	62,006	61,527
	62,006	**61,527**
(b) Other expenses		
Impairment of exploration and evaluation assets	-	34,390
Provision for impairment of VAT receivable	-	40,011
Write-off of plant and equipment	-	20,025
	-	**94,426**

	Consolidated	
	31 Dec 2017 $	30 Jun 2017 $
4. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
Cost	492,607	454,436
Accumulated depreciation	(251,697)	(192,248)
Net carrying amount	**240,910**	**262,188**
Reconciliation		
Carrying amount at beginning of period	262,188	274,357
Additions	44,361	141,267
Net written down value of plant and equipment written off	-	(20,275)
Depreciation charge for the period	(62,006)	(124,261)
Foreign exchange movement on plant and equipment	(3,633)	(8,900)
Carrying amount at end of the period, net of accumulated depreciation and impairment	**240,910**	**262,188**

	Consolidated	
	31 Dec 2017 $	30 Jun 2017 $
5. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS		
Exploration & Evaluation Assets		
Nyanzaga Project, Tanzania	1,300,305	1,320,755
Net carrying amount	**1,300,305**	**1,320,755**
Reconciliation - Exploration & Evaluation Assets		
Carrying amount at beginning of period	1,320,755	1,460,397
Add acquisition of exploration and evaluation assets during the period	-	19,519
Less provision for impairment	-	(34,390)
Foreign exchange movement on exploration and evaluation assets	(20,450)	(124,771)
Carrying amount of Exploration and Evaluation Assets at end of year, net of impairment	**1,300,305**	**1,320,755**

Note:

The Company submitted an application for a SML over the key licence area for the Nyanzaga project in October 2017. The existing licence remains current pending grant of the SML. As at the date of this report, no decision regarding the SML application has been received however subsequent to period end the EC has been granted, which was a pre-requisite for the grant of the SML. The Company continues to carry forward the capitalised exploration and evaluation assets on the basis that it retains tenure as at 31 December 2017.

	Consolidated 31 Dec 2017 $	Consolidated 30 Jun 2017 $
6. ISSUED CAPITAL		
(a) Issued and Paid Up Capital		
216,412,820 (30 June 2017: 216,412,820) fully paid ordinary shares	**55,326,167**	**55,326,167**

(b) Issues, repurchases and repayments of issued capital

There were no movements in the issued capital of the Company in either the current or the prior half year periods ended 31 December.

	Consolidated 31 Dec 2017 $	Consolidated 30 Jun 2017 $
7. RESERVES		
(a) Reserves		
Share Based Payments Reserve		
3,385,000 (30 June 2017: 2,985,000) $0.41 Unlisted Options	360,445	349,245
3,175,000 (30 June 2017: 2,800,000) $0.45 Unlisted Options	281,475	212,115
3,125,000 (30 June 2017: 2,750,000) $0.50 Unlisted Options	229,576	177,488
Nil (30 June 2017: 250,000) $0.50 Unlisted Options	-	67,500
Nil (30 June 2017: 250,000) $0.60 Unlisted Options	-	28,114
Nil (30 June 2017: 250,000) $0.70 Unlisted Options	-	17,275
Nil (30 June 2017: 250,000) $0.80 Unlisted Options	-	14,709
Nil (30 June 2017: 100,000l) $0.75 Unlisted Options	-	18,286
Nil (30 June 2017: 100,000) $0.85 Unlisted Options	-	11,394
Nil (30 June 2017: 100,000) $0.95 Unlisted Options	-	9,763
	871,496	**905,889**
Foreign Currency Translation Reserve		
Currency translation differences	(103,411)	(18,594)
Total Reserves	**768,085**	**887,295**

(b) Issues, repurchases and repayments of share options

On 30 October 2017, the Company granted 2,050,000 unlisted options under the Employee Option Acquisition Plan to key employees and consultants, as follows:

(1) 400,000 unlisted options at an exercise price of $0.41 each that expire on 23 June 2019 at a fair value of $0.028 per unlisted option;
(2) 825,000 unlisted options at an exercise price of $0.45 each that expire on 23 June 2019 at a fair value of $0.025 per unlisted option; and
(3) 825,000 unlisted options at an exercise price of $0.50 each that expire on 31 May 2020 at a fair value of $0.039 per unlisted option.

7. RESERVES (Continued)

(b) Issues, repurchases and repayments of share options (Continued)

During the half year ended 31 December 2017, the following unlisted employee options lapsed in accordance with the terms on which they were issued, due to the holders no longer being employees or consultants of the Company:

(1) 450,000 unlisted options at an exercise price of $0.45 each that expire on 23 June 2019; and
(2) 450,000 unlisted options at an exercise price of $0.50 each that expire on 31 May 2020.

On 2 September 2016, the Company granted 1,300,000 unlisted options under the Employee Option Acquisition Plan to key employees, as set out below. During the half year ended 31 December 2017, these unlisted options were cancelled. The balance of the share based payment reserve relating to these cancelled options has been transferred to accumulated losses as at 31 December 2017.

(1) 250,000 unlisted options at an exercise price of $0.50 each that expire on 23 June 2019 at a fair value of $0.27 per unlisted option;
(2) 250,000 unlisted options at an exercise price of $0.60 each that expire on 23 June 2019 at a fair value of $0.248 per unlisted option;
(3) 250,000 unlisted options at an exercise price of $0.70 each that expire on 31 August 2020 at a fair value of $0.278 per unlisted option;
(4) 250,000 unlisted options at an exercise price of $0.80 each that expire on 31 December 2021 at a fair value of $0.308 per unlisted option;
(5) 100,000 unlisted options at an exercise price of $0.75 each that expire on 23 June 2019 at a fair value of $0.221 per unlisted option;
(6) 100,000 unlisted options at an exercise price of $0.85 each that expire on 23 June 2019 at a fair value of $0.206 per unlisted option; and
(7) 100,000 unlisted options at an exercise price of $0.95 each that expire on 31 May 2020 at a fair value of $0.236 per unlisted option.

8. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

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

9. CONTROLLED ENTITIES

There have been no changes to the composition of the Group during the half-year reporting period.

10. INTEREST IN OTHER ENTITIES

Joint Venture	Activity	Interest at 31 Dec 2017	Interest at 30 Jun 2017
Nyanzaga Project – Tanzania[1]	Gold Exploration	15%	15%
Akjoujt South Project - Mauritania	Copper – Nickel – Cobalt Exploration	90%	90%

Note:
The Nyanzaga Project is the subject of an unincorporated earn-in and joint venture agreement (JVA) with Acacia Mining plc and under terms of the JVA, OreCorp may earn up to a 51% beneficial interest.

11. COMMITMENTS FOR EXPENDITURE

	Consolidated Half Year Ended	
	31 Dec 2017 $	31 Dec 2016 $
Not longer than 1 year	1,252,631	3,074,894
Longer than 1 year and not longer than 5 years	50,531	68,883
	1,303,162	**3,143,777**

12. CONTINGENT LIABILITIES

As at 31 December 2017 and 30 June 2017, the Group did not have any contingent liabilities.

13. SIGNIFICANT POST BALANCE DATE EVENTS

Other than already disclosed, there were no significant events occurring after balance date requiring disclosure.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of OreCorp Limited:

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of Consolidated Entity's financial position as at 31 December 2017 and its performance for the half year ended on that date.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Board

MATTHEW YATES
Chief Executive Officer & Managing Director

12 March 2018

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Review Report to the members of OreCorp Limited

We have reviewed the accompanying half-year financial report of OreCorp Limited, which comprises the condensed statement of financial position as at 31 December 2017, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 11 to 21.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the OreCorp Limited's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of OreCorp Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

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

Deloitte.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of OreCorp Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations* 2001.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Ian Skelton
Partner
Chartered Accountants
Perth, 12 March 2018

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte Touche Tohmatsu
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The Directors
OreCorp Limited
Suite 20, Level 1
513 Hay Street
Subiaco WA 6008

12 March 2018

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 review of the financial statements of OreCorp Limited for the half year ended 31 December 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 review; and

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

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Ian Skelton
Partner
Chartered Accountants

DISCLAIMER/FORWARD LOOKING STATEMENTS

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

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

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

Except for statutory liability which cannot be excluded, the Company, its officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the material contained in this report and exclude all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this report or any error or omission there from. The Company accepts no responsibility to update any person regarding any inaccuracy, omission or change in information in this report or any other information made available to a person nor any obligation to furnish the person with any further information.

JORC 2012 COMPLIANCE STATEMENTS

Nyanzaga Project Update

The information in this report relating to the Nyanzaga Project is extracted from the ASX Announcement 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", 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; 17 January 2018 titled "Trenching Generates Significant Nickel-Copper Anomalism & Diamond/RC Drilling Commences at Akjoujt South Project in Mauritania", 27 November 2017 titled "Moving Loop EM Survey Generates Outstanding Results", 12 October 2017 titled "Moving Loop EM Survey Commences at Anomaly 5 in Mauritania" 26 June 2017 titled 'Drilling Confirms Discovery of an Extensive Nickel-Copper Mineralised System at 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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