

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

Update on Nyanzaga Project and Payment of Capital Gains Tax

OreCorp Limited (**OreCorp** or the **Company**) is pleased to advise that it has held a suite of constructive meetings with Government of Tanzania (**GoT**) representatives in relation to the transfer in ownership of the Nyanzaga Gold Project (**Nyanzaga** or **Project**) to OreCorp and the grant of the Special Mining Licence (**SML**).

OreCorp CEO and Managing Director Matthew Yates attended meetings late last week with the Honourable Minister of Minerals Doto Biteko, the Permanent Secretary for the Ministry of Minerals, Chairman and Chief Executive of the Tanzanian Mining Commission (**TMC**) and senior members of the Tanzanian Revenue Authority (**TRA**).

The recent meetings have provided a clear pathway to conclude the remaining regulatory approvals for OreCorp Tanzania Limited (**OTL**) to move to 100% ownership of Nyanzaga Mining Company Limited (**NMCL**), the holding company of Nyanzaga Project.

On 22 July 2019 the Company announced that it had participated in meetings with relevant Tanzanian authorities, which resulted in the simplification of OreCorp's agreement with Acacia Mining plc (**Acacia**) by removing the US\$15,000,000 royalty and replacing it with a cash payment of US\$1,500,000. As a result, the total cash consideration for the acquisition of 100% of NMCL (**Total Consideration**) increased from US\$10,000,000 to US\$11,500,000, payable upon the later of (i) the grant of the SML, and (ii) OreCorp holding 100% of the Nyanzaga Project. OreCorp also announced on 22 July 2019 that it will pre-pay the capital gains tax (**Pre-Paid Tax Amount**) on the Total Consideration on behalf of Acacia, on the basis that the Pre-Paid Tax Amount will be deducted from the Total Consideration payable to Acacia.

The revised and simplified process was further reviewed and discussed in the meetings which concluded on Friday, 30 August 2019. OreCorp was advised in those meetings that the simplified process should enable the remaining regulatory approvals to be obtained.

On Friday 30 August 2019 the TRA issued tax assessment notices in relation to the acquisition by OTL of 100% of NMCL. These assessment notices were consistent with OreCorp's expectations. Accordingly, OreCorp is today paying the Pre-Paid Tax Amount of US\$3,450,000 to receive Tax Clearance Certificates (**TCCs**). It is anticipated that the issuance of the TCCs will result in the TMC approving the change of control, and ultimately 100% ownership, of the Project.



ORECORP
LIMITED

ASX RELEASE:
2 September 2019

ASX CODE:
Shares: ORR

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

Alastair Morrison
Non-Executive Director

Mike Klessens
Non-Executive Director

Robert Rigo
Non-Executive Director

Dion Loney
Group Accountant & Company Secretary

ISSUED CAPITAL:
Shares: 270.5 million
Unlisted Options:
7.7 million

ABOUT ORECORP:
OreCorp Limited is a Western Australian based mineral company focussed on the Nyanzaga Gold Project in Tanzania and the Hobbes Gold Project in the Eastern Goldfields of Western Australia. OreCorp is seeking a Joint Venture partner for the Akjoujt South Nickel - Copper - Cobalt Project in Mauritania.

Set out below are the steps required for OreCorp to acquire 100% of the Project and for the SML to be granted:

- Issuance of the TCCs in relation to the acquisition of 100% of NMCL.
- Approval from the TMC to allow the change of control of NMCL. Once TMC approval has been obtained, OTL can acquire 51% of NMCL and replace the existing directors on the board of NMCL.
- Approval from the Tanzanian Fair Competition Commission (**FCC**) for OTL to acquire 100% of NMCL. The FCC has already granted its approval for OTL to hold 51% of NMCL (see ASX release 6 September 2018). The FCC approval process for OTL to move to 100% ownership is in progress and prompt approval is anticipated. Once both TMC and FCC approvals have been obtained, OTL can move to 100% of NMCL.
- The Ministry of Minerals has indicated the SML will be granted following completion of the 100% ownership of the Project by OTL.
- Upon the grant of the SML, OreCorp will pay the balance of US\$8,050,000 of the Total Consideration to conclude the transaction.

The Company considers these further developments are a significant step forward and will continue to work with all levels of the Tanzanian Government to conclude the transaction and ultimately deliver Tanzania and all its stakeholders its first large scale gold mine in over a decade. The Company will also welcome the GoT as a shareholder in NMCL.

For further information please contact:

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CEO and Managing Director

ABOUT ORECORP LIMITED

OreCorp Limited is a Western Australian based mineral company with gold and base metal projects in Tanzania, Western Australia and Mauritania. OreCorp is listed on the Australian Securities Exchange (ASX) under the code 'ORR'. The Company is well funded with no debt. OreCorp's key projects are the Nyanzaga Gold Project in northwest Tanzania and the Hobbes Project in the Eastern Goldfields of WA. OreCorp is seeking a joint venture partner for the Akjoujt South Nickel-Copper-Cobalt Project in Mauritania and has an active project acquisition program globally.

Risk Factors

Many factors, known and unknown could impact on the Company's potential investment in NMCL, the Nyanzaga Project and its other projects. Such risks include, but are not limited to: the volatility of prices of gold and other metals; uncertainty of mineral reserves, mineral resources, mineral grades and mineral recovery estimates; uncertainty of future production, capital expenditures, and other costs; currency fluctuations; financing of additional capital requirements; cost of exploration and development programs; mining risks; social and environmental risks; community protests; risks associated with foreign operations; and governmental and environmental regulation. For a more detailed discussion of such risks and other factors that may affect the Company's ability to achieve the expectations set forth in the forward looking statements contained in this announcement, see the Company's Annual Report for the year ended 30 June 2018, the Company's Prospectus dated January 2013 as well as the Company's other filings with ASX.

Forward Looking Statements

This release contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's expectations regarding Tanzanian regulatory approvals. 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 release are cautioned that such statements are only predictions, and that the 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 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.

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.