Ochre Group Holdings Limited

Financial Reports for Year Ended 30 June, 2014

ABN 69 008 877 745

CONTENTS

DIRECTORS' REPORT

The Directors present their report, together with the financial statements of the Group, being Ochre Group Holdings Limited and its controlled entities, for the financial year ended 30 June 2014.

PRINCIPAL ACTIVITY AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

In the first half of the financial year, the Company was involved in Mining and Exploration for Iron Ore in the Pilbara, Western Australia with a focus on its Wonmunna tenements. However, in the 2nd half of the year the Company actively sought to sell the Wonmunna tenements, which it successfully did in the first quarter of the 2nd half when it sold the tenements to Ascot Resources Ltd, with the sale finally completed in September 2014.The Company's focus since then has been on corporate activities, which included an off-market bid, in May 2014, for all of the issued capital of Gondwana Resources Ltd, a junior exploration company with a royalty asset on an Iron Ore project sold to Atlas Iron.

As advised in the previous year, the Company intends to take a more diversified approach to its resource investments and would use its excess cash or by issue of shares to take advantage of opportunities in other base metals as well as oil & gas assets. Such investments could be direct acquisition of a resource or tenements or indirect investments in resource or oil & gas companies. An example of such an acquisition was the purchase in 2013 of a strategic parcel of shares in Emerald Oil & Gas NL, which the company sold at a considerable profit into a partial takeover bid and into a rising market, when its initial attempt at merging with Emerald failed.

The sale of the Wonmunna asset is a significant change in the nature of the consolidated group's principal activities during the financial year and is likely to change again as the Company continues to pursue other corporate activities to add value for shareholders.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating Results

The consolidated loss of the consolidated group amounted to $29,422,645 for the year, (2013: $2,988,548) after providing for income tax. However, $29,001,858, of that amount represents a one off write down on the Company's Wonmunna asset, based on the sale price achieved. Except for the Wonmunna asset impairment, the result for the year was due to the following factors:

(i) An increase in Legal and Corporate Advisory fees associated with corporate activities which increased G&A expenses by $537,188.

(ii) A Profit on disposal of investments of $802,967;

Review of Operations

Revenue from ordinary activities increased to $843,113 (2013: $37,240). Revenue this year included a substantial profit of $802,967 from sale of investments.

Financial Position

The net assets of the consolidated group have decreased by $29,316,721 from 30 June 2013 to $21,350,648 in 2014. This decrease in net assets is largely due to:

- An impairment of $29,001,858 on the Wonmunna tenements.

The Group's working capital, being current assets less current liabilities, has increased from ($871,456) in 2013 to $20,704,289 in 2014.

The net cash outflow from operating activities for the year ended 30 June 2014 was $907,772 (2013 net cash operating outflow $793,403).

DIRECTORS' REPORT (cont.)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

(i) Acquisitions and disposals

During the financial year no exploration or mining leases were surrendered. However, an agreement has been entered into in March 2014 to sell the Wonmunna tenements, which was completed in September, 2014.

No tenement acquisitions were made during the year.

(ii) Changes to Capital

There was no change in share capital during the year. During the 30 June, 2013 financial year approximately $5.3 Million, net of costs, was raised.

	2014		2013	
Ordinary shares	**No.**	**No.**	**No.**	**$**
Issue of Shares @ $0.102507			3,000,000	-
Issue of Shares @ $0.07	-	-	3,589,286	251,250
Issue of Shares @ $0.035	-	-	171,599,207	6,005,972
Share placement & issue costs / ASX Quotation fees	-	-	-	(940,650)
Issue of Shares in 2014:	-	-	-	-
Total number of Shares issued	**-**	**-**	**178,188,493**	**5,316,572**

DIVIDENDS

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year. (30 June 2013: Nil).

EVENTS AFTER THE REPORTING PERIOD

Since the end of the financial year the following events have occurred:

(i) The Company announced a share buy-back of unmarketable parcels on 9 July, 2014 and after the mandatory six week period of waiting, a total of 4,082,972 shares held by 1635 shareholders were bought back and cancelled by the Company at a cost of 2.28 cents/share, totalling $93,092. The Company now has 594,185,335 shares on issue, held by 697 shareholders.

(ii) In March 2014, the Company announced the sale of its Wonmunna tenements to Ascot Resources Ltd which was later aborted and renegotiated on 3 July 2014, due to the failure of meeting the Conditions Precedent by 30 June, 2014. The sale was completed under the new terms sheet on or about 23 September, 2014, which included the payment of $2.0 Million in cash to Ochre, the issue of 50 million Ascot shares to Ochre, a deferred payment of $19.5 Million in 5 years at an interest rate of 5.88% PA, and a 1.0% gross revenue royalty, payable from 12 months after first shipment of ore.

(iii) On May 2014 the Company announced an off-market bid for 100% of the issued capital Gondwana Resources Ltd that it did not own, at 8.2 cents for each Gondwana share. Later the Company increased its offer to 11.5 cents/share. As at 30 June 2014, the takeover was still on foot and the offer has been extended to 13 October 2014.

DIRECTORS' REPORT (cont.)

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Company expects to continue its corporate activities and look for other worthwhile resource acquisitions to replace the Wonmunna project. However, the Directors have not included any further information on the likely future acquisitions or developments or expected results of those acquisitions as they are uncertain and there are reasonable grounds to believe that such information would prejudice the interests of the Company if such information was included.

ENVIRONMENTAL ISSUES

Since becoming an exploration/mining company Ochre Group Holdings has complied with all environmental regulations and adequate rehabilitation of sites after any exploration work has been carried out. At the time of this report there are no significant environmental regulations that need to be complied with or any that may have been breached by the Company. Further, it should be noted that with the sale of Wonmunna the previous surrender of other tenements, the Company does hold any exploration assets as at the date of this report, that could expose the Company to any environmental regulatory requirements.

INFORMATION ON DIRECTORS

The following persons were directors of Ochre Group Holdings Limited during the financial year and up to the date of this report:

Non-executive Chairman		
I Kins	Appointed 30 November 2009	Resigned 17 January 2014
Executive Chairman		
N J Featherby	Appointed 17 January 2014	
Non-executive Director		
M Rudisill	Appointed 31 March 2011	
S D Pentony	Appointed 17 January 2014	
M D Reilly	Appointed 28 January 2014	
G Featherby	Appointed 24 March 2014	

The qualifications, experience and responsibilities of each of the current Directors are as follows:

Name and qualifications	Experience and special responsibilities
Nathan Featherby B.Com	Appointed as non-Executive Director 15 March 2011, as executive director 6 August 2012 and as Executive Chairman 17 January 2014. Mr Featherby holds a Bachelor of Commerce degree from Curtin University and most of his working career has been in stockbroking and merchant banking with a focus on small to medium mining and exploration companies. *Other current directorships* Comet Resources Ltd *Former Directorships in the last 3 years* Emerald Oil & Gas NL

DIRECTORS' REPORT (cont.)

INFORMATION ON DIRECTORS (cont.)

McAndrew Rudisill	McAndrew Rudisill is Chief Executive Officer of Emerald Oil, Inc. since May 2013. Prior to his appointment as Chief Executive Officer, Mr. Rudisill served as Emerald Oil's President from July 2012 to May 2013. Mr. Rudisill has 12 years of investment management and investment banking experience in the natural resources sector. Mr. Rudisill was the Managing Partner and founder of Pelagic Capital Advisors LP from 2007 to 2011. Mr. Rudisill holds a B.A. cum laude with high honors in Economics from Middlebury College in Middlebury, Vermont. *Other current directorships* Emerald Oil Inc -USA *Former Directorships in the last 3 years* Emerald Oil & gas NL
Shane Daniel Pentony	Appointed as non-executive director on 17 January 2014. Mr Pentony is a lawyer and partner at Lavan Legal in Perth and has extensive experience in the mining industry, with most of his work focused on mining and exploration transactions and large scale civil, commercial and mining construction projects. *Other current directorships* Nil *Former Directorships in the last 3 years* Nil
Mark David Reilly	Appointed as non-executive director on 28 January 2014. Mr Reilly is a chartered accountant with 20 years experience in banking, finance and corporate reconstruction. He commenced his career with Coopers & Lybrand before establishing his own practice in 1997. He is the MD of ASX and AIM listed Forte Energy NL, a junior exploration company with prospective Uranium assets in West Africa. Other current directorships Forte energy NL Black Star Petroleum Limited Triumph Tin Limited Former Directorships in the last 3 years Nil

DIRECTORS' REPORT (cont.)

INFORMATION ON DIRECTORS (cont.)

Glenn Featherby

Appointed as non-executive director on 24 March 2014. Glenn is an accountant with 25 years experience in corporate advisory work with extensive experience in the resources sector he worked with KPMG in Perth and London before establishing his own accountancy practice in 1997. He has been previously finance director at AIM listed Regal Petroleum Plc and non-executive director of Canadian and AIM listed European Goldfields Limited.

Other current directorships
Forte Energy NL
Patagonia Gold Limited

Former Directorships in the last 3 years
Regal petroleum Plc
European Goldfields Limited

MEETINGS OF DIRECTORS

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2014, and the numbers of meetings attended by each director were:

	Board of Directors	
	Meetings Eligible To Attend	**Meetings Attended**
N Featherby	19	19
I Kins	8	8
M Rudisill	19	15
S D Pentony	11	10
M D Reilly	11	11
G Featherby	6	5

OPTIONS

At the date of this report, there are no unissued ordinary shares Ochre Group Holdings Limited under option. 7,500,000 options expired on 12 August, 2014.

INDEMNIFYING OFFICERS OR AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor, except as allowed under the constitution of the Company. However, the Company does have a Directors' & Officers' Insurance Policy with a $5.0M cover.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

The company was not a party to any such proceedings during the year.

DIRECTORS' REPORT (cont.)

REMUNERATION REPORT

The remuneration report, that has been audited, outlines key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001and its regulations.

(a) Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the directors. The Board assesses the appropriateness of the nature and amount of emoluments of directors on a periodic basis by reference to relevant market conditions with the overall objective of ensuring maximum stakeholder benefit within the confines of the resources of the Company.

The Board has agreed that executive directors should receive remuneration commensurate with the risk and their endeavours in maintaining the company and to act as an incentive to maximise shareholder returns. The remuneration of non-executive Directors is governed by the constitution of the Company.

(b) Directors' & executives' Remuneration

Directors' fees
The current base remuneration was last reviewed with effect from 1 March 2011. Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders.

Executive pay
The executive pay and reward framework has two components where relevant:

- base pay, including superannuation, and
- performance incentives

The combination of these comprises the executive total remuneration.

The base pay may be delivered as cash or company securities as agreed between the executive chairman and the executive. The performance incentives are reviewed periodically by the executive chairman and the Board and may be delivered as a combination of cash or company securities as agreed between the executive chairman and the executive.

Amounts of remuneration
Details of the remuneration of the directors and the key management personnel of Ochre Group Holdings Limited are set out below. The key management personnel of Ochre Group Holdings Limited are the current directors of the company and the following executive:

Vaz Hovanessian	Company Secretary / CFO

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Executive Directors: All Directors have only a fixed component to their salary and fees.

Other Key Management Personnel: All Key Management Personnel have only a fixed component to their salary and fees.

No remuneration consultants were used in the year.

At the 2013 AGM 99.55% of the votes cast supported the adoption of the remuneration report for the year ended 30 June, 2013. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

DIRECTORS' REPORT (cont.)

REMUNERATION REPORT (cont.)

(b) Directors' & executives' Remuneration (cont.)

All remuneration during the financial year was fixed remuneration.

2014	Base Remuneration Fees	Super annuation	Shares & Options Issued	Consulting Fees	Total Remuneration
	$	$	$	$	$
Executive Chairman					
Current					
N Featherby (i)	-	-	-	60,000	60,000
Non-Executive Chairman					
Former					
I Kins (ii)	119,500	-	-	-	119,500
Employee share plan adjustment (vi)			16,307		16,307
Non-executive Director					
Current					
M Rudisill (iii) (vi)	12,000	-	1,589	-	13,589
S D Pentony	5,392	-	-	-	5,392
M D Reilly (iv)	5,030	-	-	-	5,030
G Featherby	3,222	-	-	-	3,222
Executives					
Current					
V Hovanessian (v)	125,950	-	-	-	125,950
TOTAL	**271,094**	**-**	**17,896**	**60,000**	**348,990**

(i) All payments referred to above in respect to Nathan Featherby were made to his associated company Mancora Pty Ltd.

(ii) The company entered into a Separation and Settlement agreement with Tewal Pty Limited, a company associated with Imants Kins on 8 June 2014 agreeing to pay $107,000 as a final separation settlement and retirement benefit payment. This amount is included in base remuneration fees noted above. All remuneration to Imants Kins detailed above was also paid to Tewal Pty Ltd. Mr. Kins resigned during the year, on 17 January, 2014.

(iii) All payments referred to above in respect to M Rudisill were paid to his associated company, Pelagic Capital Investments.

(iv) All payments referred to above in respect to M D Reilly were paid to his associated company, Styletown Investments Pty Limited

(v) All payments referred to above in respect to Vaz Hovanessian were paid to his associated company, Raxigi Pty Limited.

(vi) Vesting interest of previously issued options.

DIRECTORS' REPORT (cont.)

REMUNERATION REPORT (cont.)

(b) Directors' & executives' Remuneration (cont.)

2013	Base Remuneration Fees	Super annuation	Shares & Options Issued	Consulting Fees	Total Remuneration
	$	$	$	$	$
Executive Director					
Current					
N Featherby (i)	-	-	-	60,000	60,000
I Kins (ii)	175,000	7,500	-	-	182,500
Non-executive Director					
Current					
M Rudisill (iii)	155,048	-	-	-	155,048
Former					
P Schultz (iv)	18,750	-	-	-	18,750
Executives					
Current					
V Hovanessian (v)	147,500	-	-	-	147,500
TOTAL	**496,298**	**7,500**	**-**	**60,000**	**563,798**

(i) All payments referred to above in respect to Nathan Featherby were made to his associated company Mancora Pty Ltd.

(ii) Mr Kins was issued 1,000,000 shares @ 10.2507cps in accordance with shareholder approval under an Employee Share Plan. These shares did not form part of any remuneration as they were paid for at market value by way of the loans. These shares were issued to Tewal Pty Limited, a company associated with Imants Kins. All remuneration to Imants Kins detailed above was also paid to Tewal Pty Ltd.

(iii) Mr Rudisill's remuneration for 2012-13 was paid by the issue of shares @ 7cps. All payments referred to above in respect to McAndrew Rudisill were made to his associated company Pelagic Capital Investments.
Mr Rudisill was issued 2,000,000 shares @ 10.2507cps in accordance with shareholder approval under an Employee Share Plan. These shares did not form part of any remuneration as they were paid for at market value by way of the loans. These shares were issued to Pelagic Capital Investments, a company associated with McAndrew Rudisill.

(iv) All payments referred to above in respect to Peter Schultz were paid to his associated company, Probe Mining Pty Limited

(v) All payments referred to above in respect to Vaz Hovanessian were paid to his associated company, Raxigi Pty Limited.

REMUNERATION REPORT (cont.)
(c) Service Agreements

As part of cost cutting measures and in anticipation of corporate transactions, all of the service agreements with directors have been amended:

Imants Kins, *Non-executive Chairman*
- Mr. Kins is no longer non-executive Chairman and resigned from the Board on 17 January 2014. There were no outstanding Service Agreements with Mr Kins at the time of his resignation. In accordance with a Separation Agreement Mr Kins was paid an amount of $107,000.

Nathan Featherby, *Executive director/CEO*
- There were two agreements with Nathan Featherby or his company Mancora Pty Limited commencing on 15 March, 2011. One related to non-executive Director's Fees and the other is for Consulting Services.
- Term of agreement was for 2 years which has now expired and is currently on a month to month basis. Three months notice required for termination.
- Mr Featherby continues to receive his Consulting Fees of $60,000 PA but has opted not to be paid any Director's Fees.

McAndrew Rudisill, *Non-executive director*
- Term of agreement – 2 years from 31 March 2011, which has now expired.
- The initial base remuneration of $250,000 was amended to $100,000 PA effective from 1st December, 2012 when Mr. Rudisill's role was no longer a full time executive. It was further amended to $12,000 PA, effective 1st July, 2013, following Mr. Rudisill's role becoming non-executive.
- The agreement may be terminated if Mr. Rudisill resigns or is removed as a director by shareholders.

No other director has a Service Agreement with the Company and all other directors, Mr Shane Pentony, Mr. Mark Reilly and Mr. Glenn Featherby are on no-executive directors' fees of $12,000 per annum each.

The current key management personnel have a formalised service agreement which is detailed below:

Vaz Hovanessian, *Company Secretary/CFO*
- Term of agreement – 3 years from 1st April 2011. Agreement is with key management related company, Raxigi Pty Limited, to provide Company Secretarial and Financial Advisory and Accounting/CFO services.
- Base Fees of $180,000 PA, reduced to $150,000 PA in July 2012 and in June 2013 to $120,000 PA. The current agreed remuneration remains at $120,000 PA.
- The agreement is now expired and is on a month to month basis.

DIRECTORS' REPORT (cont.)

REMUNERATION REPORT (cont.)

Share Based Compensation
Issue of Shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2014.

Issue of Options
There were no options issued to directors and other key management personnel as part of compensation during the year ended 30 June 2014.

The following shares and options were granted as remuneration to key management personnel during the year ended 30 June, 2013:
- 3,589,286 shares were issued to Mr Rudisill on 10 December 2012 in lieu of debt and directors fees to 31 December 2013. The shares were valued @ 7cps.

(d) Directors' Interests

Directors are not required under the Company's constitution to hold any shares.

As at the date of this report, the Directors of Ochre Group Holdings Ltd have the following interests in shares and options issued:

	Shares Held Directly	Shares Held Indirectly	Options Held Directly	Options Held Indirectly
N Featherby (i)	1,085,000	99,283,000	-	-
M Rudisill (ii)	-	2,000,000	-	7,500,000
S Pentony (iii)	-	662,622	-	-
M Reilly (iv)	-	500,000	-	-

(i) The indirect interest of Mr Featherby is held through the associated company Roschelle Limited.
(ii) The indirect interests of Mr Rudisill is held through the associated company Pelagic Capital Investments Limited.
(iii) The indirect interests of Mr Pentony is held through the associated company Alderbury Two Pty Limited.
(iv) The indirect interests of Mr Reilly is held through the associated company Styletown Investment Pty Limited.

DIRECTORS' REPORT (cont.)

REMUNERATION REPORT (cont.)

(e) Shareholdings of Key Management Personnel

The number of shares held directly, indirectly or beneficially, by each director, including their personally-related entities is as follows:

2014	**Balance at the start of the year**	**Received as remuneration**	**Net changes during the year**	**Balance at end of employment**	**Balance at the end of the year**
Directors					
Current					
Nathan Featherby	100,368,000	-	-	-	100,368,000
McAndrew Rudisill	2,000,000	-	-	-	2,000,000
Shane Pentony	-	-	662,622	-	662,622
Mark Reilly	-	-	500,000	-	500,000
Former					
Imants Kins	2,870,000	-	-	2,870,000	-
Peter Schultz	-	-	-	-	-
Other					
Vaz Hovanessian	4,750,563	-	1,667,307	-	6,417,870

2013	**Balance at the start of the year**	**Received as remuneration**	**Net changes during the year**	**Balance at end of employment**	**Balance at the end of the year**
Directors					
Current					
Imants Kins	1,870,000	-	1,000,000	-	2,870,000
Nathan Featherby	5,785,000	-	94,583,000	-	100,368,000
McAndrew Rudisill	1,931,607	-	68,393	-	2,000,000
Former					
Peter Schultz	517,858	-	-	517,858	-
Other					
Vaz Hovanessian	5,000,563	-	(250,000)	-	4,750,563

DIRECTORS' REPORT (cont.)

REMUNERATION REPORT (cont.)

(e) Shareholdings of Key Management Personnel

The number of options for shares held directly, indirectly or beneficially, by each director, including their personally-related entities is as follows:

2014	Balance at the start of the year	Net changes during the year	Balance at the end of the year
Directors			
McAndrew Rudisill	7,500,000	-	7,500,000

2013	Balance at the start of the year	Net changes during the year	Balance at the end of the year
Directors			
McAndrew Rudisill	7,500,000	-	7,500,000

This concludes the remuneration report which has been audited

COMPANY SECRETARY

The company secretary is Mr Vaz Hovanessian. Mr Hovanessian was appointed as company secretary on 1 May 2009. Mr Hovanessian has held and holds similar positions with other listed public companies and has over 30 years' experience in corporate and financial services and public company directorships.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company is important. For the financial year ended at 30 June 2014 there were no additional amounts paid to the auditor (Crowe Horwath - Sydney) for non-audit services.

Amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out below.

	2014 $	2013 $
Crowe Horwath:		
- Audit and review of financial reports	77,200	71,500
Total remuneration for audit and non-audit services	**77,200**	**71,500**

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report, incorporating the remuneration report, is made in accordance with a resolution of the Directors.

Dated, 30 September, 2014

Signed for and on behalf of the Directors.

Nathan Featherby
Executive Director

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The Board of Directors
Lower Level,
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Artarmon NSW 2064

Dear Board Members

OCHRE GROUP HOLDINGS 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 Ochre Group Holdings Limited.

As lead audit partner for the audit of the financial report of Ochre Group Holdings Limited for the financial year ended 30 June 2014, I declare that to the best of my knowledge and belief, that 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

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

L Russell

LEAH RUSSELL
Partner

30th September 2014

Ochre Group Holdings Limited
& CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2014

	Note	2014 $	2013 $
Revenue – services	3	-	24,601
Interest revenue	3	40,147	5,093
Net profit on disposal of investments	3	802,967	-
Other revenue	3	-	7,546
Total income from continuing operations		**843,114**	**37,240**
Directors' fees		(210,144)	(416,298)
Share based payments		(17,896)	(71,156)
General & administrative expenses		(1,078,662)	(541,113)
Depreciation	4	(1,084)	(2,168)
Finance costs	4	(211,900)	(1,388)
Loss on disposal of fixed assets	4	-	(25,698)
Net loss on disposal of investments	4	-	(121,566)
Profit/(loss) on change of fair value of financial assets	4	305,868	(1,582,106)
Impairment losses on non-current assets	4	(50,083)	(264,295)
Total expenses from ordinary activities		**(1,263,901)**	**(3,025,788)**
Loss before income tax from continuing operations		(420,787)	(2,988,548)
Income tax expense	5	-	-
Loss after income tax from continuing operations attributable to members		(420,787)	(2,988,548)
Discontinued operations:			
Loss after income tax on discontinued operations – Asset held for resale	4	(29,001,858)	-
Loss after income tax expense		**(29,422,645)**	**(2,988,548)**
Other comprehensive income for the year, net of tax		88,028	-
Total comprehensive loss for the year attributable to members		**(29,334,617)**	**(2,988,548)**
Total Comprehensive income for the year attributable to:			
Continuing operations		(332,759)	(2,988,548)
Discontinued operations		(29,001,858)	-
Total comprehensive loss for the year attributable to members		**(29,334,617)**	**(2,988,548)**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Cont.)
for the year ended 30 June 2014

Earnings per share for loss attributable to the ordinary equity holders of the company

Basic loss per share (cents)	8	(4.9)	(0.6)
Diluted loss per share (cents)	8	(4.9)	(0.6)

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company

Basic loss per share (cents)	8	(0.1)	(0.6)
Diluted loss per share (cents)	8	(0.1)	(0.6)

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

Earnings per share for loss from discontinuing operation attributable to the ordinary equity holders of the company

Basic loss per share (cents)	8	(4.8)	-
Diluted loss per share (cents)	8	(4.8)	-

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

Ochre Group Holdings Limited
& CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2014

	Note	2014 $	2013 $
Current assets			
Cash and cash equivalents	9	304,355	385,103
Trade and other receivables	10	282,292	268,641
Financial assets held for trade	11	1,271,736	1,018,534
		1,858,383	1,672,278
Non-current assets classified as asset held for sale	13	22,055,989	-
Total current assets		**23,914,372**	**1,672,278**
Non-current assets			
Other receivables	10	-	74,000
Financial assets	11	642,293	933,900
Property, plant & equipment	12	4,066	5,150
Capitalised exploration and evaluation	13	-	50,525,775
Total non-current assets		**646,359**	**51,538,825**
Total assets		**24,560,731**	**53,211,103**
Current liabilities			
Trade and other payables	14	770,846	443,734
Provisions	15	2,439,237	2,100,000
Total current liabilities		**3,210,083**	**2,543,734**
Total liabilities		**3,210,083**	**2,543,734**
Net assets		**21,350,648**	**50,667,369**
Equity			
Contributed equity	16	97,886,725	97,886,725
Reserves	17(a)	425,504	319,580
Accumulated losses	17(b)	(76,961,581)	(47,538,936)
Total equity		**21,350,648**	**50,667,369**

The statement of financial position is to be read in conjunction with the notes to the financial statements.

Ochre Group Holdings Limited
& CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2014

		Share capital – Ordinary	Option Reserves	Financial Asset Reserve	Accumulated losses	Total
		$	$	$	$	$
Balance at 1.7.2012 restated		**92,570,153**	**248,424**	**-**	**(44,550,388)**	**48,268,189**
Transactions with owners, in their capacity as owners						
Contributions of equity, net of transaction costs	16	251,250	-	-	-	251,250
Loss for the year (directors fees / share based pyts)	17(b)	-	-	-	(487,454)	(457,454)
Contributions of equity, net of transaction costs	16	5,065,322	-	-	-	5,065,322
Other						
Loss for the year	17(b)	-	-	-	(2,501,094)	(2,501,094)
Other comprehensive income	17(a)	-	71,156	-	-	71,156
Total Other Comprehensive income for the year		-	71,156	-	(2,988,548)	(2,429,938)
Balance at 30 June 2013		**97,886,725**	**319,580**	**-**	**(47,538,936)**	**50,667,369**

		Share capital - Ordinary	Option Reserves	Financial Asset Reserve	Accumulated losses	Total
		$	$	$	$	$
Balance at 1.7.2013 restated		**97,886,725**	**319,580**	**-**	**(47,538,936)**	**50,667,369**
Transactions with owners, in their capacity as owners						
Contributions of equity, net of transaction costs	16	-	-	-	-	-
Other						
Share option reserve	17(a)	-	17,896	-	-	17,896
Loss for the year	17(b)	-	-	-	(29,422,645)	(29,422,645)
Other Comprehensive Income		-	-	88,028	-	88,028
Total Other Comprehensive income for the year		-	17,896	88,028	(29,422,284)	(29,316,721)
Balance at 30 June 2014		**97,886,725**	**337,476**	**88,028**	**(76,961,581)**	**21,350,648**

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Ochre Group Holdings Limited
& CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Receipts from customers		-	-
Payments to suppliers		(734,770)	(797,108)
Interest received		15,710	5,093
Interest paid		(140,065)	(1,388)
Net cash (used in) operating activities	18	**(859,125)**	**(793,403)**
Cash flows from investing activities			
Payment for equity investments		(930,244)	(3,607,377)
Payments for exploration and evaluation expenditure		(403,170)	(902,689)
Payment for physical non-current assets		-	-
Payment for mining leases		-	(75,000)
Proceeds from disposal of physical non-current assets		-	14,000
Proceeds from disposal of equity investments		2,111,791	854,006
Loans to other entities		-	(96,805)
Loans repaid by other entities		-	-
Net cash (used in) investing activities		**778,377**	**(3,813,865)**
Cash flows from financing activities			
Proceeds from issue of shares		-	4,979,471
Capital raising costs		-	(36,308)
Proceeds of loans from related parties		-	-
Proceeds of loans from other parties		-	-
Net cash provided by financing activities		**-**	**4,943,163**
Net increase / (decrease) in cash held		(80,748)	335,895
Cash at beginning of year		385,103	49,208
Cash at end of year	9	**304,355**	**385,103**

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

These consolidated financial statements and notes represent those of Ochre Group Holdings Limited and controlled entities (the 'consolidated group' or 'group' or 'consolidated entity'). Ochre Group Holdings Limited is a company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Ochre Group Holdings Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 30 September 2014 by the directors of the company. There is a right to amend the financial statements after they have been issued.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation
The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Account 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 following significant accounting policies have been adopted in the preparation and presentation of the financial report.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Going Concern Basis
The directors believe that the going concern basis is appropriate for the preparation and presentation of the financial statements, notwithstanding continued operating losses and negative operating cash flows, which is common with junior exploration companies, as the Directors believe that the Group has sufficient cash and liquid assets or can access cash at short notice to continue to operate for the foreseeable future. Further, the Company is confident of being able to raise additional funds through any one or a combination of share placement, share purchase plan, rights issue or debt facility for working capital or acquisitions which would enhance profitability and cash flow. Since post the end of the financial year, the Group has sold its Wonmunna tenements with part consideration being $2.0 Million in cash and $10.0 Million in shares in Ascot Resources Ltd. The cash has been applied in reducing creditors and the shares can be sold to provide cash should the need arise. Further, the Group is no longer exposed to the exploration commitments for the Wonmunna tenements.

The Directors have prepared a forecast for the foreseeable future reflecting the abovementioned expectations and their effect on the Group. The achievement of the forecast is largely dependent upon the following matters, the outcomes of which are uncertain:

- The ability of the Group to achieve a reasonable return from investing its available cash and for the carrying values of its financial assets held for resale remaining stable or increasing; and
- Whilst Directors believe there is sufficient cash or access to cash to meet all of the needs of the Group as and when required over the foreseeable future, it is possible that any new acquisitions may require additional cash and therefore dependent on the ability of the Company to raise equity funds via share placements, share purchase plan or rights issues to fund such acquisition to grow the Company.

In the event that the outcomes of the abovementioned matters are unfavourable, the Directors believe that they have sufficient cash and other assets it can partially or fully sell for the Company to continue to meet its debts as and when they become due and payable.

In the unlikely event most or every matter referred to above results in a negative outcome, then the going concern basis may not be appropriate with the result that the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Financial Report. No allowance for such circumstances has been made in the Financial Report.

Principles of Consolidation
The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Ochre Group Holdings Limited at the end of the reporting period. A controlled entity is any entity over which Ochre Group Holdings Limited 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.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 23 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Revenue and Other Income
Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised on an accruals basis.
Dividend revenue is recognised when the right to receive a dividend has been established.
Revenue is recognised for the major business activities as follows:

Services
Revenue from services is recognised in the accounting period in which the services are rendered.

Asset Sales
The gain arising on sales of assets are included as revenue from the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

All revenue is stated net of the amount of goods and services tax (GST).

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits available on demand with banks and others, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

Trade and Other receivables
Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Plant and Equipment
Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount the carrying amount is recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a re-valued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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 comprehensive income during the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets including capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

	2014	2013
Furniture and fittings	5%	5%
Office equipment	10%	10%
Computer equipment	25%	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Financial Instruments
Recognition and initial measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement
Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Financial Instruments (cont.)
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Financial assets at fair value through profit or loss
Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

Available-for-sale investments
Available-for-sale investments are non-derivative financial assets that are either not capable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Financial liabilities
Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Financial Instruments (cont.)

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposure if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Financial Instruments (cont.)
Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment of Assets
At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a re-valued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a re-valued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 to 60 days of recognition of the liability.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Provisions
Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Earnings per share
Basic earnings per share (EPS) is calculated by dividing the net profit/(loss) attributable to members of the Company, excluding any costs of servicing equity (other than ordinary shares and converting notes classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company outstanding during the financial period.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares.

Contributed Equity
Ordinary shares are classified as equity.

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.

If the Company reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

Income Taxes
The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Employee Benefits
Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Share Based payments are measured at the fair value of the instruments issued and amortised over the vesting periods. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of options expected to vest is reviewed and adjusted at the end of each reporting period.

Discontinued operations
A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Company has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Non-current assets or disposal groups classified as held for sale
Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.
Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Critical Accounting Estimates and Judgments
The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates
Impairment- general
The Company assesses impairment at each reporting date by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. These calculations require the use of assumptions.

Income taxes
The Company is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

The Company has not recognised deferred tax assets relating to carried forward tax losses as the company has not met the probability test that losses would be utilised in the near future. In addition the same business test and ownership rules would need to be reviewed. The total unrecognised income tax losses are $8,331,363, capital tax losses of $1,965,430 and total temporary differences, or deferred tax assets not recognised is $8,701,375.

Going Concern
A key assumption underlying the preparation of the financial statements is that the Company will continue as a going concern. An entity is a going concern when it is considered to be able to pay its debts as and when they are due, and to continue in operation without any intention or necessity to liquidate or otherwise wind up its operations. A signification amount of judgement has been required in assessing whether the Company is a going concern as set out in note 1.

Key Estimates (cont.)

Ore Reserves
Economically recoverable reserves represent the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable economic conditions. The Company determines and report ore reserves under the standards incorporated in the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, 2004 edition (the JORC Code). The determination of ore reserves includes estimates and assumptions about a range of geological, technical and economical factors, including: quantities, grades, production techniques, recovery rates, productions costs transport costs commodity demand, commodity prices ad exchange rates. Changes in ore reserves impact the assessment of recoverability of exploration and evaluation assets, provisions for site restoration and the recognition of deferred tax assets, including tax losses.

Exploration and Evaluation Assets
Determining the recoverability of exploration and evaluation expenditure capitalised requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Critical to this assessment is estimates and assumptions as to ore reserves, the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. Changes in these estimates and assumptions as new information about the presence or recoverability of on ore reserves becomes available, may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after having capitalised the expenditure, a judgment is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the income statement. No site restoration costs are expected. The carrying amount of exploration and evaluation assets are set out in note 13.

Share based payments
The fair value of options is determined using the Black-Scholes pricing model. In using this model management has used inputs based on best estimate and judgement. Refer to Note 24 for further details.

New, revised or amending Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements
The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. –No impact to the financial statements

AASB 11 Joint Arrangements
The consolidated entity has applied AASB 11 from 1 July 2013. The standard defines which entities qualify as joint arrangements and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets are accounted for using the equity method. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities, will account for its share of the assets, liabilities, revenues and expenses separately under the appropriate classifications. – No impact to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

AASB 12 Disclosure of Interests in Other Entities
The consolidated entity has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, associates, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'. No impact to the financial statements.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used. Increased disclosure in this years financial statements.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken. No impact to the financial statements.

AASB 127 Separate Financial Statements (Revised), AASB 128 Investments in Associates and Joint Ventures (Reissued) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
The consolidated entity has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures. No impact to the financial statements.

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities
The consolidated entity has applied AASB 2012-2 from 1 July 2013. The amendments enhance AASB 7 'Financial Instruments: Disclosures' and requires disclosure of information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement. No impact to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle
The consolidated entity has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. No impact to the financial statements

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement
The consolidated entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report. Change to disclosures only in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2014. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments and its consequential amendments
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting
These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit continuation of hedge accounting in circumstances where a derivative (designated as hedging instrument) is novated from one counter party to a central counterparty as a consequence of laws or regulations. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities
These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and allow entities that meet the definition of an 'investment entity' to account for their investments at fair value through profit or loss. An investment entity is not required to consolidate investments in entities it controls, or apply AASB 3 'Business Combinations' when it obtains control of another entity, nor is it required to equity account or proportionately consolidate associates and joint ventures if it meets the criteria for exemption in the standard. The adoption of these amendments from 1 July 2014 will have no impact on the consolidated entity.

Annual Improvements to IFRSs 2010-2012 Cycle
These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

Annual Improvements to IFRSs 2011-2013 Cycle
These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

2 – PARENT INFORMATION

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with the Australian Accounting Standards.

STATEMENT OF FINANCIAL POSITION	2014 $	2013 $
Current assets		
Cash and cash equivalents	304,286	385,103
Trade and other receivables	246,209	268,641
Financial assets held for trade	856,479	493,264
Mining asset held for sale	22,055,990	-
Total current assets	**23,462,964**	**1,147,008**
Non-current assets		
Receivables	1,110,940	1,635,445
Plant and equipment	4,066	5,150
Capitalised exploration and evaluation	-	50,525,775
Total non-current assets	**1,115,006**	**52,166,370**
Total assets	**24,577,970**	**53,313,378**
Current liabilities		
Trade and other payables	583,896	443,734
Provisions	2,439,238	2,100,000
Total current liabilities	**3,023,134**	**2,543,734**
Total liabilities	**3,023,134**	**2,543,734**
Net assets	**21,554,836**	**50,769,644**
Equity		
Contributed equity	97,890,194	97,890,194
Options reserve	337,477	319,580
Accumulated losses	(76,672,835)	(47,440,130)
Total equity	**21,554,836**	**50,769,644**
STATEMENT OF COMPREHENSIVE INCOME		
Total loss after income tax	(29,232,705)	(2,889,742)
Total comprehensive loss	(29,232,705)	(2,889,742)

2 – PARENT INFORMATION (Cont.)

Guarantees and Contingent Liabilities
Ochre Group Holdings Limited has no guarantees, contingent liabilities or contractual commitments in relation to the company at 30 June 2014.

Contractual Commitments
At 30 June 2014 Ochre Group Holdings Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment (2013: Nil).

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity as disclosed in Note1, except for the following:

- Investment in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

3 – REVENUE

	2014	2013
	$	$
Operating activities		
Revenue - services	-	24,601
Miscellaneous revenue	-	7,546
Interest received from unrelated persons	40,147	5,093
Profit on sale of financial assets	802,967	-
Total revenue	**843,114**	**37,240**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

4 – EXPENSES

Loss before income tax includes the following items of expense:

	2014	2013
	$	$
From continuing operations		
Expenses:		
Finance costs		
Interest expense	211,900	1,388
Depreciation of:		
Plant and equipment	1,084	2,168
Net bad & doubtful debts	-	-
Net loss on sale of short-term investments	-	121,566
Net loss on sale of fixed assets	-	25,698
Impairment of Assets		
Impairment on discontinued operations – Asset held for resale	29,001,858	-
Current financial assets:		
Profit/(loss) on change of fair value of financial assets	(305,868)	1,582,106
Non-current financial assets:		
Impairment losses on non-current assets available for sale	50,083	-
Mining Lease – Surrendered	-	247,892
Exploration expenditure	-	16,403
	-	264,295

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

5 – INCOME TAX

	2014 $	2013 $
Income tax expense		
(a) The prima facie income tax on the result before tax is reconciled to the income tax in the financial statements as follows:		
Accounting loss before tax	(29,422,645)	(2,988,548)
Income tax benefit calculated at 30% (2013: 30%)	(8,826,794)	(896,564)
Doubtful debts	-	-
Entertainment	-	-
Other expenses	-	75,433
Share based payments	5,369	65,597
Temporary differences in income tax	5,369	141,030
Income tax / (benefit) adjusted for temporary differences	(8,821,425)	(755,534)
Temporary differences and tax losses not brought to account as future income tax benefits	8,821,425	755,534
Income tax attributable to Company	**-**	**-**
(b) Estimated future income tax benefit not brought to account as assets		
The potential future income tax benefit arising from tax losses and timing differences has not been recognised as an asset because recovery of tax losses is not certain beyond any reasonable doubt:		
Tax losses – revenue	8,331,363	7,379,566
Tax losses – capital	1,965,430	1,965,430
Timing differences	8,701,375	1,320,963
Total estimated future income tax benefits	**18,998,168**	**10,665,959**

The potential future income tax benefit will only be obtained if:

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

(ii) the company continues to comply with the conditions for deductibility imposed by the law; and

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

6 – AUDITORS' REMUNERATION

	2014	2013
	$	$
Remuneration of the auditor of the Company for:		
Review of the half-year financial statements	20,000	16,500
Audit of the full year financial statements	57,200	55,000
Audit of the previous year financial statements (i)	-	81,818
Total Auditors' Remuneration	**77,200**	**153,318**

(i) Additional fees in excess of estimated cost of the previous year audit, paid to the previous auditor.

7 – OPERATING SEGMENTS

Segment Information

Identification of reportable segments
The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since the diversifications of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- The products sold and/or services provided by the segment;
- The type or class of customer for the products or service;
- The distribution method; and
- External regulatory requirements.

Types of services by segment

Exploration Mining
Mining exploration through parent company.

Share trading & investments
Trading and investing in ASX listed entities or up-coming floats.

Corporate
A segment that handles corporate and administrative matters.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

7 – OPERATING SEGMENTS (Cont.)

Inter-segment transactions
Corporate charges are allocated to reporting segments based on an assessment of the overall proportion of work generated by that segment. The chief executive officer believes this is representative of likely head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements. All inter-segment transactions are eliminated on consolidation for the Group's financial statements.

Segment assets
All segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities
Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct provisions.

Segment performance **30 June 2014**	**Share Trading & Investments** **$**	**Exploration** **$**	**Corporate** **$**	**TOTAL** **$**
Revenue				
External sales	-	-	-	-
Interest revenue	-	-	40,147	40,147
Profit on sale of financial assets	802,967	-	-	802,967
Other operating revenue				
Total segment revenue	**802,967**	**-**	**40,147**	**843,114**
Reconciliation of segment revenue to group revenue				
Inter-segment elimination				-
Total group revenue				**843,114**
Segment net profit/(loss) before tax	**1,058,754**	**(29,276,690)**	**(1,204,709)**	**(29,422,645)**
Reconciliation of segment result to group net profit/(loss) before tax				
Inter-segment elimination				-
Net profit/(loss) before tax				**(29,422,645)**
Other segment information				
Loss on disposal of plant and equipment	-	-	-	-
Interest expense	-	-	211,900	211,900
Depreciation expense	-	-	1,084	1,084
Impairment of financial assets	(255,785)	-	-	(255,785)
Loss on sale of financial assets	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

7 – OPERATING SEGMENTS (Cont.)

30 June 2013	Share Trading & Investments $	Exploration $	Corporate $	TOTAL $
Revenue				
External sales	24,601	-	-	24,601
Interest revenue	-	-	5,093	5,093
Other operating revenue	-	-	7,546	7,546
Total segment revenue	**24,601**	**-**	**12,639**	**37,240**
Reconciliation of segment revenue to group revenue				
Inter-segment elimination				-
Total group revenue				**37,240**
Segment net profit/(loss) before tax	**(1,679,071)**	**(264,295)**	**(1,045,182)**	**(2,988,548)**
Reconciliation of segment result to group net profit/(loss) before tax				
Inter-segment elimination				-
Net profit/(loss) before tax				**(2,988,548)**
Other segment information				
Loss on disposal of plant and equipment	-	-	25,698	25,698
Interest expense	-	-	1,388	1,388
Depreciation expense	-	-	2,168	2,168
Impairment of financial assets	1,582,106	-	-	1,582,106
Loss on sale of financial assets	121,566	-	-	121,566

Segment assets

As at 30 June 2014	Share Trading & Investments $	Exploration $	Corporate $	TOTAL $
Segment assets	1,914,030	22,055,989	590,712	24,560,731
Segment asset increases for the period				
Acquisitions	(930,244)	(403,170)	-	(1,333,414)
Reconciliation of segment assets to group assets				
Inter-segment eliminations				-
Total group assets				**24,560,731**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

7 – OPERATING SEGMENTS (Cont.)

As at 30 June 2013	Share Trading & Investments $	Exploration $	Corporate $	TOTAL $
Segment assets	1,952,434	50,599,775	658,894	53,211,103
Segment asset increases for the period				
Acquisitions	3,631,385	-	-	3,631,385
Reconciliation of segment assets to group assets				
Inter-segment eliminations				-
Total group assets				**53,211,103**

<u>Segment liabilities</u>

As at 30 June 2014	Share Trading & Investments $	Exploration $	Corporate $	TOTAL $
Segment liabilities	203,554	2,519,901	486,628	3,210,083
Reconciliation of segment liabilities to group liabilities				
Inter-segment eliminations				-
Total group liabilities				**3,210,083**

As at 30 June 2013	Share Trading & Investments $	Exploration $	Corporate $	TOTAL $
Segment liabilities	-	2,207,626	336,108	2,543,734
Reconciliation of segment liabilities to group liabilities				
Inter-segment eliminations				-
Total group liabilities				**2,543,734**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

8 – EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculations of basic earnings per share are as follows:

	2014 Cents per Share	2013 Cents per Share
Loss per share attributable to the ordinary equity holders of the Company:		
Basic loss per share (cents)	(4.9)	(0.6)
Diluted loss per share (cents)	(4.9)	(0.6)
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company		
Basic loss per share (cents)	(0.1)	(0.6)
Diluted loss per share (cents)	(0.1)	(0.6)
Earnings per share for loss from discontinuing operation attributable to the ordinary equity holders of the company		
Basic loss per share (cents)	(4.8)	-
Diluted loss per share (cents)	(4.8)	-

(a) Reconciliation of loss used in calculating earnings per share

Basic loss per share		
Loss attributable to the ordinary equity holders of the company used in calculating basic loss per share	(29,422,645)	(2,988,548)
Diluted loss per share		
Diluted loss attributable to the ordinary equity holders of the company used in calculating diluted loss per share	(29,422,645)	(2,988,548)
Loss from continuing operations used in calculating basic and diluted loss per share	-	-
Loss from discontinued operations used in calculating basic and diluted loss per share	-	-

(b) Weighted average number of shares used as the denominator	**No.**	**No.**
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	598,268,307	490,698,951
Weighted average number of dilutive options outstanding	7,500,000	7,500,000
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	605,768,307	498,198,951

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

8 – EARNINGS PER SHARE (Cont.)

Information concerning the classification of securities
Diluted loss per share
Potential ordinary shares being the balance of the convertible note at balance date and options granted at balance date are not considered dilutive as the conversion of these components to equity would result in a decrease in the net loss per share.

Options
No options have been included in the determination of basic loss per share. Details relating to the options are set out in Note 11.

Issue of securities after reporting date
No securities have been issued after 30 June 2014. Since year end there has been a share buy-back of 4,082,972 shares. The share buy back after reporting date will result in an increase of $0.01 cents per share.

9 – CASH AND CASH EQUIVALENTS

	2014 $	2013 $
Cash at bank	18,661	11,204
Cash held by Financial Institution on behalf of the Company (i)	285,694	373,899
	304,355	**385,103**

(i) The cash is held on deposit by RM Corporate Finance Pty Ltd in an interest bearing account. This balance is restricted cash used for advisory and consulting fees in respect to any transactions that RM Corporate Finance has assisted with.

10 –TRADE AND OTHER RECEIVABLES

	2014 $	2013 $
Current:		
Trade debtors	37,847	2,460
GST	40,528	60,438
	78,375	**62,898**
Other debtors		
Other loans – not related	128,788	204,351
Deposit - Bond – Wonmunna Mining Lease	74,000	-
Prepayments	1,491	1,392
Accrued revenue	-	-
Total trade and other receivables	**282,654**	**268,641**
Less: Prepayments	(1,491)	(1,392)
Total current financial assets – Note 19	**281,163**	**267,249**

10 –TRADE AND OTHER RECEIVABLES (Cont.)

Non-Current:		
Deposit - Bond – Wonmunna Mining Lease	-	74,000
Accrued revenue	-	-
	-	**74,000**
(i) Other debtors movements were:		
Balance as at 1 July	204,351	112,507
Additions	24,437	96,805
Foreign exchange gain	-	7,546
Amounts received	(100,000)	(12,507)
Balance as at 30 June	**128,788**	**204,351**

(a) Impaired receivables
As at 30 June 2014, no current receivables of the Company were impaired. (2013 – Nil).

(b) Past due but not impaired
As of 30 June 2014, no trade receivables (2013 - Nil) were past due and impaired.

The ageing of the current trade receivables is as follows:

	2014 $	2013 $
1 to 3 months	35,387	2,460
Over 3 months	2,460	-
	37,847	2,460

(c) Other loans
These amounts generally arise from transactions outside the usual operating activities of the Company. There is one loan that has a Deed of Agreement. The loan is within the terms of agreement and has been repaid after the year end.

(d) Foreign exchange and interest rate risk
The Company has one loan in a foreign currency (US$100,000). Interest rate risk in relation to receivables is provided in Note 19.

(e) Fair value and credit risk
Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 19 for more information on the risk management policy of the Company and the credit quality of the Company's trade receivables.

11 – INVESTMENTS

	2014	2013
	$	$
Current:		
Financial assets at fair value		
Shares in quoted entities – at cost	700,866	1,540,222
Less: Allowance for diminution in value	570,870	(521,688)
Shares in quoted entities at fair value	**1,271,736**	**1,018,534**
Shares in unquoted entities – at cost	664,473	664,473
Less: Allowance for diminution in value	(664,473)	(664,473)
	1,271,736	**1,018,534**
Non-current:		
Financial assets at fair value – available for sale		
Shares in quoted entities – at cost	669,001	1,963,450
Less: Allowance for diminution in value	(26,708)	(1,029,550)
Shares in quoted entities at fair value	**642,293**	**933,900**
Movements during the year		
Current:		
Balance at beginning of year	1,018,534	821,900
Additions	381,312	1,667,935
Disposals	(433,979)	(918,746)
Fair value increment/(decrement)	305,869	(552,556)
Balance at end of year	**1,271,736**	**1,018,534**
Non-current:		
Balance at beginning of year	933,900	-
Additions	548,932	1,963,450
Disposals	(878,483)	-
Fair value increment/(decrement)	37,944	(1,029,550)
Balance at end of year	**642,293**	**933,900**

(a) Unlisted securities

Unlisted securities are traded in inactive markets. Their fair value is determined based on the present value of net cash inflows from expected future interest or dividends and subsequent disposal of the securities.

Included in unlisted securities in both the consolidated and parent entity financial statements are shares in Auto Data Networks Inc. that are carried at Nil (2013 – Nil). It may be that these shares will have a different value in the future, however, being currently unlisted and having no determinable value they are currently carried at Nil value.

(b) Investments in related parties

Refer to note 23 for a list of the Group's subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

11 – INVESTMENTS (Cont.)

(c) Impairment and risk exposure
The maximum exposure to credit risk at the reporting date is the fair value classified as available-for-sale.

Available-for-sale financial assets are denominated in Australian and US currency. For an analysis of the sensitivity of available-for-sale financial assets to foreign currency, price and interest rate risk refer to note 19.

Impairment of financial assets available for sale are recognised in the profit and loss 2014: - (2013: $1,582,106). Any unrealised gain goes through the statement of changes and comprehensive income 2014: $88,028 (2013: Nil). The movement is based on the change in bid price or management's assessment of recovery.

12 – PLANT AND EQUIPMENT

	2014	2013
	$	$
Plant & equipment		
At cost	8,671	8,671
Accumulated depreciation	(4,605)	(3,521)
Total plant & equipment at net written down value	**4,066**	**5,150**
Reconciliations		
Plant & equipment		
Carrying amount at beginning of year	5,150	47,016
Additions	-	-
Disposals	-	(39,698)
Depreciation	1,084	(2,168)
Carrying amount at end of year	**4,066**	**5,150**

13– EXPLORATION ASSET HELD FOR SALE (2013: CAPITALISED EXPLORATION AND EVALUATION)

The Company entered an agreement to sell the Wonmunna tenements in March 2014 under a Sale & Purchase Agreement which completed in September 2014. The asset, which was treated as a non-current asset in the previous year, is treated as at 30 June, 2014 as an asset held for sale. The balance has been measured at fair value less cost to sell.

30 June 2014 Capitalised Exploration and Evaluation

Opening net book amount	50,525,775
Additions	532,072
Transfer to Held for sale assets	(51,057,847)
Closing net book amount	**-**

Reconciliation of movements:

Opening net book amount	-
Transfer from capitalised exploration and evaluation expenditure	51,057,847
Less: Impairment	(29,001,858)
Closing net book amount	**22,055,989**

The fair value has been based on the sale agreement and a number of assumptions.

- $2,000,000 cash received
- 50,000,000 Ascot Resources Limited ('Ascot') shares valued at 21 cents being closing price at 30 June 2014.
- Deferred settlement of $19,500,000 payable no later than 5 years from first sales. Interest for the first two years is capitalised at 5.88% and then paid in cash.
- 1.0% gross revenue royalty payable from 12 months after first shipment of ore.

The Group has assumed that the deferred settlement will be received at end of 5 years. Due to the time value of money and the weighted average cost of capital of Ascot a discount rate of 18% has been used.

30 June 2013 Capitalised Exploration and Evaluation	**$**
Opening net book amount	50,224,839
Additions – exploration & evaluation expenditure	565,231
Impairment (incl surrendered tenements)	(264,295)
Closing net book amount	**50,525,775**

Recovery of the carrying amount of exploration assets is dependent upon the successful exploration and sale of iron ore.

14 – TRADE AND OTHER PAYABLES

	2014	2013
Current	**$**	**$**
Trade creditors (i)	340,910	281,234
Sundry creditors and accrued expenses (ii)	429,936	162,500
	770,846	**443,734**

(i) Included in trade creditors is an account payable to a related party, Imants Kins of $44,500 (2013: $58,574). An additional accrual of $52,000 is included in the accruals.

(ii) A total of $41,123 of Sundry creditors and accrued expenses in 2014 are to related parties as follows:

Nathan Featherby	$15,479
M Rudisill	$12,000
S D Pentony	$ 5,392
M D Reilly	$ 5,030
G Featherby	$ 3,222

15 - PROVISIONS

Provisions - Stamp duty (i)	2,439,237	2,100,000

(i) The Company has estimated a provision for stamp duty in relation to its acquisition of tenements from Talisman Mining Ltd during the 30 June 2011 financial year. The movement of $339,237 was the interest.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

16 – CONTRIBUTED EQUITY

	2014 $	2013 $
598,268,307 (2013: 598,268,307) fully paid ordinary shares	97,886,725	97,886,725

Ordinary shares	**2014**		**2013**	
	No.	**$**	**No.**	**$**
Movements during the year				
Balance at beginning of financial year	598,268,307	97,886,725	420,079,814	92,570,153
- 3/8/12 shares @ $0.102507 (i)	-	-	3,000,000	-
- 10/12/12 shares @ $0.07 (ii)	-	-	3,589,286	251,250
- 28/12/12 shares @ $0.035	-	-	29,433,800	1,030,183
- 14/2/13 shares @ $0.035	-	-	91,220,580	3,192,720
- 28/2/13 shares @ $0.035	-	-	50,944,827	1,783,069
Share placement fees	-	-	-	(940,650)
Total Company movements during the year	**-**	**-**	**178,188,493**	**5,316,572**
Balance for Company at end of financial year	**598,268,307**	**97,886,725**	**598,268,307**	**97,886,725**

(i) 3,000,000 shares issued to directors under the Employee Share Plan.
(ii) 3,589,286 shares issued to director in lieu of debt and directors fees to December 2013

(a) Dividends
No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year. (30 June 2013: NIL).

(b) Authorised capital
The number of shares authorised is the same as paid ordinary shares.

(c) Par value
The shares have no par value.

16 – CONTRIBUTED EQUITY (cont.)

(d) Additional issue
Since the end of the Financial Year no shares have been issued, however there has been a share buy back of 4,082,972.

(e) Ordinary shares
Fully paid ordinary shares carry one vote per share and the right to dividends.

(f) Share Options
7,500,000 options to subscribe for ordinary fully paid shares were outstanding at balance date.

Set out below is a summary of the movements in options during the year:

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Balance at end of the year
		$	Number	Number	Number	Number
2014						
12 August 2011	12 August 2014	$0.20	7,500,000(i)	-	-	7,500,000
Weighted average exercise price			$0.20			
Total			**7,500,000**	**-**	**-**	**7,500,000**

(i) These options were not exercised.

The weighted average share price at the date of exercise of options during the year ended 30 June 2014 was Nil (2013 – Nil).

The weighted average remaining contractual life of share options outstanding at the end of the period was 0.12 years (2013 – 1.12 years)

Since the end of the financial year no options have been issued, and the above options have expired.

The method used for pricing the issued options was the Black Scholes method and the following criteria were used:

- Strike price
- Stock price
- Time (days) left to Option expiry
- Volatility (%)
- Risk free interest rate (%)

16 – CONTRIBUTED EQUITY (cont.)

Set out below is a summary of the movements in options outstanding during the previous financial year:

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Balance at end of the year
		$	Number	Number	Number	Number
2013						
12 August 2011	12 August 2014	$0.20	7,500,000	-	-	7,500,000
Weighted average exercise price			$0.20			
Total			**7,500,00**	**-**	**-**	**7,500,000**

Shares and Options are issued at the discretion of the Directors, where appropriate or necessary, with the approval of shareholders.

(g) Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The directors monitor capital.

There have been no changes in the strategy adopted to control the capital of the Group since the prior year. The gearing ratios for the year ended 30 June 2014 and 30 June 2013 are:

		Consolidated	
		2014	2013
	Note	$	$
Total borrowings		-	-
Less cash and cash equivalents	9	(304,355)	(385,103)
Net debt		(304,355)	(385,103)
Total equity		21,350,648	50,667,369
Total capital		**21,046,293**	**50,282,266**
Gearing ratio		N/A	N/A

17 – RESERVES & ACCUMULATED LOSSES

(a) Reserves

	2014 $	2013 $
Options reserve (i)	337,476	319,580
Financial asset reserve (ii)	88,028	-
	425,504	-

(i) Arising out of valuation of options, & shares issued under the employee share plan, to directors or their nominees.
(ii) Arising out of sale of gain on the revaluation of available for sale financial assets.

Movements

Balance at beginning of financial year	319,580	248,424
Net movements attributed to members of the parent entity	105,924	71,156
Balance at end of financial year	**425,504**	**319,580**

(b) Accumulated losses

Movements

Balance at beginning of financial year	(47,538,936)	(44,550,388)
Net loss attributed to members	(29,422,645)	(2,988,548)
Balance at end of financial year	**(76,961,581)**	**(47,538,936)**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

18 – CASH FLOW INFORMATION

	2014 $	2013 $
Reconciliation of Cash Flow from Operations with loss after income tax		
Loss after income tax	(29,422,645)	(2,988,548)
Add / (less) non-cash items:		
Impairment of non-current assets		-
Impairment of mining assets	29,001,858	
Impairment financial assets	(255,785)	1,582,106
Loss on sale of fixed assets	-	25,698
Directors fees issued as options & shares	17,896	251,250
Share based payments	-	71,156
Exploration and evaluation expenditure	-	197,504
Accrued interest revenue	(24,437)	-
Depreciation & amortisation	1,084	2,168
Revenue converted to financial assets	-	(24,601)
Borrowings reclassified as current payables	-	(75,000)
Other items	-	613
Add / (less) investing / financing activities:		
Net realised (gain) / loss on short-term investments	(802,967)	64,740
Net loans to third parties	-	96,805
Exploration and evaluation expenditure	238,501	404,249
Capital raising costs	-	122,138
Net cash (used in) operating activities before changes in assets and liabilities	**(1,246,495)**	**(269,722)**
Changes in assets and liabilities during the financial year:		
Trade and other debtors	84,785	(49,588)
Non-current other debtors	-	15,277
Trade and other creditors	302,585	(489,370)
Net cash used in operating activities	**(859,125)**	**(793,403)**

19 – FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

The Group's activities expose it to variety of financial risks: market risk (including interest rate risk and price risk), creditor risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange where applicable and other price risks and aging analysis for credit risk.

The consolidated entity's financial instruments consist mainly of deposits with banks and other parties, short and long-term equity investments, accounts receivable and payable, and loans to and from other parties. The consolidated entity has speculated in the trading of equity investments. No derivative financial instruments were used by the consolidated entity.

All risk management is carried out by the Executive Director in consultation with the Board of Directors.

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	
		2014	2013
	Note	$	$
Financial assets			
Cash and cash equivalents	9	304,355	385,103
Other receivables			
- current	10	281,163	268,641
- non-current	11	-	74,000
Total other receivables		281,163	342,641
Financial assets at fair value through profit and loss:			
- held for trading	11	1,271,736	1,018,534
Available for sale financial assets at fair value:			
- listed investments	11	642,293	933,900
Total financial assets		**2,499,547**	**2,680,178**
Financial liabilities			
Trade and other payables			
- current	14	770,846	443,734
- non-current	14	-	-
Total financial liabilities		**770,846**	**443,734**

19 – FINANCIAL RISK MANAGEMENT (cont.)

(b) Financial Risk Exposures and Management

(i) Interest Rate Risk
It is the policy of the Company to keep only a small level of cash in the main bank account. The remainder of the cash is kept either in an interest-bearing savings account with a floating interest rate or by unrelated third parties on behalf of the Company. Cash held on behalf of the Company by unrelated third parties has not earned interest. The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out in note 19(c).

(ii) Foreign Currency Risk
An investment by the consolidated entity is denominated in US dollars and as such, the Company's statement of financial position can be affected by movements in the A$/US$ exchange rate. At 30 June 2014 this investment was revalued. Given the size of these investments, the Group's policy is not to hedge its investment portfolio. The carrying value of the Company's assets at balance date was as follows:

	2014	2013
	$	$
US Dollars - Loan	100,000	100,000
US Dollars - Shares	807,746	104,351

(iii) Liquidity Risk
The Company manages liquidity risk by monitoring forecast cash flows.

(iv) Credit Risk
The maximum exposure to credit risk, at balance date, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. There are no amounts of collateral held as security at balance date.

The Group's exposure to credit risk arises primarily from its carrying on business in the mining industry. Credit risk is managed on a group basis and reviewed regularly by directors. It arises from exposures to deposits with financial institutions and loans provided. The Group is not materially exposed to any substantial or single customer. The Group is not materially exposed to any overseas country.

For customers, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on limits set by the Executive Director exercising Board policy. The compliance with credit limits is regularly monitored by the accountant. Sales to customers are settled by credit terms of 30 days from date of invoice.

(v) Price Risk
The group is exposed to price risk through its share investment in the equity of corporations, classified on the statement of financial position and through the statement of comprehensive income as available for sale and held for trade. Most of these investments were in ASX listed companies. The prices of lot of these shares rose during the 2013-2014 financial year and had a positive impact to the value of the Company's investment accordingly.

NOTES TO THE FINANCIAL STATEMENTS
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19 – FINANCIAL RISK MANAGEMENT (cont.)

(b) Financial Risk Exposures and Management (cont.)

(v) Price Risk(cont.)

To manage its price risk arising from investments in equity securities the Group has access to market reports on various stocks and regularly liaises with it brokers to keep abreast of market fluctuations. It considers information from various sources including financial magazines, investor reports and analysts' reports and information provided by companies.

(c) Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

	Weighted Average Effective Interest Rate (Per Annum)		Fixed Interest Rate		Floating Interest Rate	
	2014 %	2013 %	2014 $	2013 $	2014 $	2013 $
Financial assets - Current						
Cash assets	1%	1%	-	-	18,661	11,204
Trade & other receivables	-	-	128,788	104,351	-	-
Financial assets available for sale	-	-	-	-	-	-
			128,788	104,351	**18,661**	**11,204**

	Non-interest Bearing		TOTAL	
	2014 $	2013 $	2014 $	2013 $
Financial assets - Current				
Cash assets	-	373,899	304,355	385,103
Other receivables	153,504	267,249	282,292	267,249
Financial assets available for sale	1,271,736	1,018,534	1,271,736	1,018,534
	1,425,240	**1,659,682**	**1,858,383**	**1,670,886**
Financial assets – Non-current				
Financial assets available for sale	642,293	933,900	642,293	933,900
Financial liabilities - Current				
Trade and other payable	3,210,083	2,543,734	3,210,083	2,543,734

19 – FINANCIAL RISK MANAGEMENT (Cont.)

(c) Financial instrument composition and maturity analysis (cont.)
Trade, sundry payables and provisions are expected to be paid as follows:

	2014 $	2013 $
Less than 12 months	3,210,083	2,543,734

(d) Fair Value Measurement
The financial instruments recognised as assets and liabilities at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

2014

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial Assets				
Financial assets - available for sale:				
- Listed investments	642,293	-	-	642,293
TOTAL	**642,293**	**-**	**-**	**642,293**
Financial Assets – FVTPL:				
- Listed investments	1,271,736	-	-	1,271,736
TOTAL	**1,271,736**	**-**	**-**	**1,271,736**
Exploration Asset held for sale:				
- Exploration asset	-	-	22,055,989	22,055,989
TOTAL	-	-	22,055,989	22,055,989

19 – FINANCIAL RISK MANAGEMENT (Cont.)

(e) Financial Instruments Measured at Fair Value (cont.)

2013

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial Assets				
Financial assets - available for sale:				
- Listed investments	933,900	-	-	933,900
TOTAL	**933,900**	**-**	-	933,900

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

There was no transfers between the levels during the financial year.

The carrying amount of trade and other receivables and trade and other payables are assumed to approximate their fair value due to the short-term nature.

Valuation techniques for fair value measurement categorised within level 2 and level 3.

The only level 3 asset is the held for sale asset that was previously recorded at cost.

Refer to Note 13 on the fair value assumptions.

19 – FINANCIAL RISK MANAGEMENT (Cont.)

(f) Sensitivity Analysis

The Company has performed sensitivity analysis relating to its exposure to foreign currency risk, price risk and interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

(i) Foreign Currency Risk Sensitivity Analysis

At 30 June 2014, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the US Dollar, with all other variables remaining constant is as follows:

	2014 $	2013 $
Change in Profit		
Improvement in AUD to USD by 10%	(75,962)	(50,886)
Decline in AUD to USD by 10%	92,842	62,190
Change in Equity		
Improvement in AUD to USD by 10%	(75,962)	(50,886)
Decline in AUD to USD by 10%	92,842	62,190

(ii) Price Risk Sensitivity Analysis

At 30 June 2014, the effect on profit and equity as a result of changes in the price risk, with all other variables remaining constant would be as follows:

	2014 $	2013 $
Change in Profit		
Increase in Share prices by 10%	(23,253)	79,718
Decrease in Share prices by 10%	28,421	(79,718)
Change in Equity		
Increase in Share prices by 10%	(174,003)	166,145
Decrease in Share prices by 10%	212,669	(166,145)

(iii) Interest Rate Risk Sensitivity Analysis

At 30 June 2014, the effect on profit and equity as a result of changes in the interest rate risk was insignificant.

The above foreign exchange rate, price risk and interest rate risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

20 – RELATED PARTY TRANSACTIONS

Parent entity

Ochre Group Holdings Limited is the parent entity.

Subsidiaries

Interest in subsidiaries are set out in Note 23.

Loans are provided by subsidiaries to other subsidiaries. No interest is charged and there are no repayment terms.

Key management personnel

Disclosures relating to key management personnel are set out below and the remuneration report in the director's report.

(a) Directors

The names and positions held of Company key management personnel in office at any time during the financial year are:

Key Management Person	Position
Imants Kins	Non-Executive Chairman (resigned 17 January 2014)
McAndrew Rudisill	Managing Director (resigned 18 January 2013) Non-executive Director (appointed 18 January 2013)
Nathan Featherby	Executive Director (appointed 6 August 2013) Managing Director (appointed 18 January 2013) Executive Chairman (appointed 17 January 2014)
Shane Daniel Pentony	Non-Executive Director (appointed 17 January 2014)
Mark David Reilly	Non-Executive Director (appointed 28 January 2014)
Glenn Featherby	Non-Executive Director (appointed 24 March 2014)
Vaz Hovanessian	Company Secretary / CFO

(b) Directors' Loans

There were no loans by directors to the Group, or loans by the Group to directors during the financial year.

20 – RELATED PARTY TRANSACTIONS (cont.)

(c) Other transactions with directors & key managed personnel

No shares and options were granted as remuneration to key management personnel during 2013/14.

The following shares and options were granted as remuneration to key management personnel during 2012/13:

- 1,000,000 shares issued to Imants Kins on 3 August 2012 @ $0.102507 per share in accordance of the Employee Share Plan. These shares were issued to Tewal Pty Ltd, a company associated with Imants Kins.
- 2,000,000 shares issued to McAndrew Rudisill on 3 August 2012 @ $0.102507 per share in accordance of the Employee Share Plan. These shares were issued to Pelagic Capital Investments, a company associated with McAndrew Rudisill.
- 3,589,286 shares issued to McAndrew Rudisill on 3 August 2012 @ $0.07 per share in lieu of debt and director's fees until 31 December 2013. These shares were issued to Pelagic Capital Investments, a company associated with McAndrew Rudisill.

(d) Other transactions with directors & key managed personnel (cont.)

The loss from ordinary activities before income tax includes the following items that resulted from transactions with Directors or their director-related entities, all of which are made on normal commercial terms and conditions:

	2014	2013
Expense	**$**	**$**
Rental Expense (i)	9,000	12,000
Rental Expense (ii)	12,000	6,000

(i) Rental expense was charged by ManageNet Pty Ltd, a company associated with Vaz Hovanessian, for Ochre Group Holdings' sub-tenancy of an office leased by ManageNet Pty Ltd (2013: $12,000). The rental arrangement ceased from 01 June 2014 as Ochre Group Holdings Limited did not require the office space any longer.
(ii) Rental expense was charged by Fern Street Partners Pty Ltd, a company associated with Vaz Hovanessian, for Ochre Group Holdings' sub-tenancy of an office leased by Fern Street Partners Pty Ltd (2013: $6,000).
(iii) Included in the current year trade creditors balance are amounts owing to companies related to Vaz Hovanessian amounting to $4,400 (2013: $16,500). This amount represents rental expense payable.

(e) Summarised Key Management Personnel Remuneration

	2014	2013
	$	**$**
Short-term employee benefits	246,994	556,298
Share based payments	17,897	-
Termination benefits	107,000	-
Post-employment benefits	-	7,500
Total	**371,891**	**563,798**

21 – COMMITMENTS

	2014 $	2013 $
Lease Commitments (i)		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, is as follows:		
Within one year	-	-
Over one year	-	-
Representing:		
Operating lease on premises	-	-

(i) Ochre Group Holdings has month by month lease agreement for 210 George Street, Sydney, New South Wales.

	2014 $	2013 $
Capital Commitments		
Expenditure commitments in relation to mining exploration leases contracted for at the reporting date but not recognised as liabilities, is as follows:		
Within one year	-	702,887
Between one and five years	-	2,811,546
	-	**3,514,433**
Representing:		
Exploration mining leases	-	3,514,433

On May 2014 the Company announced an off-market bid for 100% of the issued capital Gondwana Resources Ltd that it did not own, at 8.2 cents for each Gondwana share. Later the Company increased its offer to 11.5 cents/share. As at 30 June 2014, the takeover was still on foot and the offer has been extended to 13 October 2014.

22 - CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1.

Name of Company	Interest held by each parent entity		
	Class of Shares	2014 %	2013 %
OCHRE GROUP HOLDINGS LIMITED			
Joffrey Pty Ltd (i)	Ordinary	100	100
Ochre Capital Management Pty Ltd (ii)	Ordinary	100	100
Ochre Industries Pty Ltd (iii)	Ordinary	100	100
Ochre Petroleum Pty Ltd (iv)	Ordinary	100	100
Winterfell Nominees Pty Ltd (iii)	Ordinary	100	100

(i) Incorporated 2 April 2013
(ii) Incorporated 28 March 2013.
(iii) Incorporated 18 February 2013.
(iv) Acquired 31 March 2013 for nil consideration (shelf company)..

Each of the above companies is incorporated in Australia.

The proportion of ownership interest is equal to the proportion of voting power held.

The consolidated financial statements incorporate the assets, liabilities and results of all subsidiaries.

23 – SHARE BASED PAYMENTS

No share based payments were issued to key management personnel during the 30 June 2014 year.

During the year, the following share based payment was in existence:

(i) 3,589,286 shares were issued to McAndrew Rudisill on 3 August 2012 @ $0.07 per share in lieu of debt and director's fees until 31 December 2013. These shares were issued to Pelagic Capital Investments, a company associated with McAndrew Rudisill.

(ii) No other shares or option based payments were made in the 2014 financial year.

Any options have been priced using the Black Scholes option pricing model based on the following inputs to the model:

Inputs into the model	
Share price at grant date	12.0 cents
Exercise price	20.0 cents/share
Volatility	78.73%
Dividend yield	0.00
Risk-free interest rate	4.75%

The valuation of the options was carried out by an independent party using the Black & Scholes method for the first tranche of 2.0 M Options. The 2nd and 3rd tranches were substantially out of the money and were valued by the independent party by applying a discount rate of 67.5% and 80.4% respectively to the first tranche valuation, after taking into account all factors and market conditions.

The option expired on 12 August 2014 and it was not exercised.

The following reconciles the outstanding share options granted at the beginning and the end of the financial year:

	2014		**2013**	
	Number of Options	**Weighted Average Exercise Price**	**Number of Options**	**Weighted Average Exercise Price**
Balance at the beginning of year	7,500,000	20 cents	7,500,000	20 cents
Granted during year	-		-	
Add:				
Exercised	-		-	
Cancelled	-		-	
Balance at the end of year	**7,500,000**		**7,500,000**	
Exercisable at end of year	7,500,000	20 cents	7,500,000	20 cents

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

24 - CONTINGENT LIABILITIES

There were no guarantees, contingent liabilities or contractual commitments in relation to the company at 30 June 2014 (Nil for 2013), other than the 1% royalty agreement to Talisman Mining Limited which was transferred to Ascot Resources Limited after year end.

25 – SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the financial year the following events have occurred:

(i) The Company announced a share buy-back of unmarketable parcels on 9 July, 2014 and after the mandatory six week period of waiting, a total of 4,082,972 shares held by 1635 shareholders were bought back and cancelled by the Company at a cost of 2.28 cents/share, totalling $93,092. The Company now has 594,185,335 shares on issue, held by 697 shareholders.

(ii) In March 2014, the Company announced the sale of its Wonmunna tenements to Ascot Resources Ltd which was later aborted and renegotiated on 3 July 2014, due to the failure of meeting the Conditions Precedent by 30 June, 2014. The sale was completed under the new terms sheet on or about 22 September, 2014, which included the payment of $2.0 Million in cash to Ochre, the issue of 50 million Ascot shares to Ochre, a deferred payment of $19.5 Million in 5 years at an interest rate of 5.88% PA, and a 1.0% gross revenue royalty, payable from 12 months after first shipment of ore.

(iii) On May 2014 the Company announced an off-market bid for 100% of the issued capital Gondwana Resources Ltd that it did not own, at 8.2 cents for each Gondwana share. Later the Company increased its offer to 11.5 cents/share. As at 30 June 2014, the takeover was still on foot and the offer has been extended to 13 October 2014.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

26 – DISCONTINUED OPERATIONS

Description
In March the consolidated entity entered a sales agreement to sell the Wonmunna tenements, for consideration with a fair value of $22,055,989 (refer to note 13) resulting in an impairment loss on disposal before income tax of $28,469,786. The below indicates the financial performance for the financial year.

The below disclosures relate to the segment for exploration activities.

Financial performance information

	Consolidated	
	2014 **$**	**2013** **$**
Revenue	-	-
Interest received	-	-
Total revenue	-	-
Changes in inventories	-	-
Raw materials and consumables used	-	-
Employee benefits expense	-	-
Depreciation and amortisation expense	-	-
Impairment	(29,001,858)	-
Other expenses	(274,832)	-
Total expenses	(29,276,690)	-
Profit before income tax expense	(29,276,690)	-
Income tax expense	-	-
Profit after income tax expense	(29,276,690)	-
Profit after income tax expense from discontinued operations	(29,276,690)	[illegible]

26 – DISCONTINUED OPERATIONS (Cont.)

Cash flow information

	Consolidated	
	2014	**2013**
	$	**$**
Net cash from operating activities	(274,832)	-
Net cash used in investing activities	(732,080)	(902,689)
Net increase in cash and cash equivalents from discontinued operations	(1,006,912)	(902,689)

Carrying amounts of assets and liabilities disposed

	Consolidated	
	2014	**2013**
	$	**$**
Cash and cash equivalents	-	-
Trade and other receivables	-	-
Inventories	-	-
Other current assets	-	-
Property, plant and equipment	-	-
Held for sale	22,055,989	-
Total assets	22,055,989	-
Trade and other payables	-	-
Provisions	-	-
Total liabilities	-	-
Net assets	22,055,989	-

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the attachedfinancial statements and notes are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date;

(b) the financial report also complies with International Financial Reporting Standards as set out in note 1;

(c) 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

(d) the directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

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This declaration is made in accordance with a resolution of the directors.

Nathan Featherby
Executive Director

30 September, 2014

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Ochre Group Holdings Limited and Controlled Entities

Independent Auditor's Report to the Members of Ochre Group Holdings Limited

Report on the Financial Report

We have audited the accompanying financial report of Ochre Group Holdings Limited, which comprises the consolidated statement of financial position as at 30 June 2014, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statement*, that the financial statement comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's Opinion

In our opinion:

a. the financial report of Ochre Group Holdings Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of matter regarding Going Concern

Without qualifying our opinion, we draw attention to Note 1 'Going Concern' in the financial report. As a result of the matters described in Note 1 there is material uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Report on Remuneration Report

We have audited the Remuneration Report included in pages 7 to 13 of the directors' report for the year ended 30 June 2014. 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.

Auditor's Opinion

In our opinion, the Remuneration Report of Ochre Group Holdings Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001.*

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

L Russell

LEAH RUSSELL
Partner

Dated this 30th day of September.2014

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Ochre Group Holdings Limited ("Ochre" or "the Company") is responsible for the corporate governance of the Group. The Board guides and monitors the business activities of Ochre on behalf of the shareholders by whom they are elected and to whom they are accountable.

Set out below is a summary of the latest and updated Company's corporate governance practices that have been adopted with reference to the ASX Corporate Governance Council's corporate governance principles and recommendations for best practice in corporate governance. They comply with the August 2007 *ASX Principles of Good Corporate Governance and Best Practice Recommendations as amended 2010*.

Due to the current size and activities of the Company, the Board has resolved not to adopt some of the best practice recommendations at this stage. In addition, the process of formally documenting and implementing policies and procedures relating to some of the best practice recommendations is still continuing. Where the Company has resolved not to comply or is not currently complying with a particular recommendation, the reasons for this are also detailed below.

BOARD OF DIRECTORS

Ochre has adopted a formal Board Charter that sets out the role and responsibilities of the Board and delegation of authority to senior management.

The Board's role is to govern the Company and must act in the best interest of the Company. The senior management are responsible for the efficient and effective operation of the Company in accordance with the directions and delegations of the Board. The Board is responsible to oversee the activities of management in carrying out these delegated duties.

Board Composition and Members

To add value to the shareholders, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The Company's current Board consists of five members, being the Executive Chairman, Nathan Featherby, and Non-Executive Directors McAndrew Rudisill, Shane Pentony, Glenn Featherby and Mark Reilly.

The relevant qualifications and experience of the Company Directors are set out in the Directors' Report.

Responsibilities

The Board has responsibility for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things necessary to determine the objectives and the strategy, and to ensure that the strategy is carried out in order to achieve the objectives of the Company.

Without intending to limit the stated role, the principal functions and responsibilities of the Board include:

- Determining the vision, values and objectives of the Company;
- Formulating short term and long term strategies to enable the Company to achieve its objectives, and ensuring adequate resources are available to implement strategic objectives;
- Identifying occupational health, safety and environmental issues and formulating and implementing policies to address and manage them and to monitor the compliance and effectiveness of these policies;

CORPORATE GOVERNANCE STATEMENT (cont.)

- Identifying other material business risks pertaining to the Company's operations, and to develop and implement strategies to manage these risks, and internal control systems to monitor compliance with and the effectiveness of these strategies;
- Appointing and approving the terms and conditions of the appointment of the Managing Director or Executive Chairman;
- Establishing and determining the powers and functions of committees of the Board, such as Audit and Risk Management, Remuneration and Nomination Committees, where established;
- Reviewing and providing feedback on the performance of the Managing Director or Executive Chairman and Chief Financial Officer;
- Reviewing the performance of the Board, individual Directors and Board committees;
- Endorsing the terms and conditions of employment of senior executives;
- Approving and fostering an appropriate culture for the Company that is directly aligned to its values, strategies and objectives;
- Identifying all areas where written Board policy is required, determining the policies, and overseeing the implementation and monitoring of compliance, including policy in relation to code of conduct, related party transactions, and trading in the Company's securities;
- Approving the annual budget, and material variations thereto;
- Approving major operating and capital budgets, and material variations to these budgets;
- Authorising expenditure approval limits for the Managing Director or Executive Chairman, and authorising expenditure in excess of these discretionary limits;
- Approving all mergers, acquisitions and disposals of projects and businesses;
- Considering the reports from committees and the recommendations made therein;
- Reviewing annually the progress and performance of the Company towards meeting its objectives;
- Reviewing periodically the process, outcomes and effectiveness of the Company's decisions and strategies, for the purpose of continuous improvement in all these matters and ensuring that valuable lessons are identified, and absorbed into the process and framework for making future decisions;
- Authorising the issue of securities and instruments of the Company;
- Approving processes, procedures and internal control systems to ensure that the Company's financial results are reported in a timely and accurate basis;
- Approving the half year and year-end financial reports, notices of general meeting, and profit and dividend announcements;
- Determining, implementing and monitoring procedures to ensure that ASIC and ASX are promptly and adequately informed of all matters considered to be material, in accordance with the Company's continuous disclosure obligations;
- Monitoring developments in the Company's industry and general operating environment;
- Encouraging effective communication between the Company and its shareholders, employees and the general public; and,
- Establishing and encouraging effective communication channels between the Company and shareholders and other parties having legitimate interests that may be affected by the Company's activities.

CORPORATE GOVERNANCE STATEMENT (cont.)

Promote ethical and responsible decision making

The Company complies with the ASX Corporate Governance Council's recommendation in respect to ethical and responsible decision making, and in particular where it relates to diversity. The Company has released comprehensive details of its diversity policy to the market. However, due to its small size the company does not at this stage comply with gender diversity policies and procedures, but is mindful of implementing its policy as the Company grows.

Directors' Independence

Best Practice Recommendations 2.1 and 2.2 recommend respectively that a majority of the Board should be independent Directors and the Chairperson should be an independent Director. As noted below it is not currently practical to strictly adhere to this recommendation. The Board currently consist of one executive Director, and four non- executive Directors.

Ochre Group Holdings is a resource exploration company. As a resource exploration company some of the Directors (including their associates) might take large equity risk positions to provide funding support, particularly at difficult times in the equity markets. This will assist in providing confidence to investors as to the focus and commitment of the Board to achieve its objectives. Consultancy arrangements with Directors on an as-needed basis have also assisted the Company to access required skills, but keep the cost structure flexible and competitive.

The need for access to supporting equity and skills as required, and a flexible cost structure have been greater imperatives for Ochre Group Holdings as an exploration company, than the largely mutually exclusive concept of independence, which is much more relevant to larger corporations with substantial workforces. Currently, at least one Non-Executive Director is regarded as an independent Director.

Complete compliance with the best practice in this area is not considered a current imperative, due to the additional direct cost of employing such additional independent Directors, the view that there would not be an increase in Board skills (only independence), and the risk that inefficiency will occur in the Board decision making process whilst the independent Directors become familiar with the Company's business.

Executive Chairman and Managing Director/Chief Executive Officer (CEO)

The role of the Executive Chairman is carried out by Mr Nathan Featherby who is the company's CEO.

Board Policies

Conflict of Interests

A Director must inform the Board or the Chairman or Executive Chairman, as soon as the Director becomes aware of any conflict or potential conflict of interests, which that Director may have in relation to any transaction or matter relevant to the Company or its business. Unless the Board decides otherwise, the Director should be absent from any discussion and decision on that transaction or matter.

Commitments

Each member of the Board is committed to spending sufficient time to enable them to discharge their duties as a Director of the Company.

CORPORATE GOVERNANCE STATEMENT (cont.)

Independent Professional Advice

If a Director considers it necessary to obtain independent professional advice to properly discharge their responsibilities as a Director of the Company, then provided the Director first obtains approval for incurring such expense from the Chairman or Executive Chairman, as the case may be, the Company will pay the reasonable expenses associated with obtaining such advice.

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

The procedure for the annual Board performance evaluation will be to:

- Review the Board's performance against the terms of the Company's charter;
- Review the performance of committees, where appointed, against the terms of their charters;
- Review the contribution of each Director;
- Review the changes that may be required to the charter of the Board of its committees, taking into account the developments in the Company and its activities over the preceding year, and in corporate governance practices.

The Board determines the scope and detailed procedures for assessing performance against both measurable and qualitative indicators.

BOARD COMMITTEES

Best practice recommends that the Board should establish a number of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. The Board committees that are generally recommended are:

- Audit and Risk Management Committee;
- Remuneration Committee;
- Nomination Committee.

Given the current size and composition of the Company's Board, the full Board will be responsible for the duties of the Remuneration Committee, the Nomination Committee and the Audit and Risk Management Committee. As the number of staff increase a Remuneration Committee is expected to be the first of the committees to be formed. Meanwhile, the Board will rely on independent advice and comparable remuneration being paid in similar sized companies in the same industry.

When they are formed, each committee should report to the Board, as it considers appropriate, having regard to matters and issues of significance that may arise, but in any case at least annually.

The minutes of all committee meetings should be included in the Board pack of Directors for each Board meeting, or distributed in a manner the Board considers appropriate, except where the Chairman or Executive Chairman considers it inappropriate due to potential conflicts.

In order to define the role, responsibility, power, structure, composition, operation and administration of each committee, the Board and committee have adopted a charter for each committee as detailed below:

Nomination Committee
Best practice Recommendation 2.4 recommends that the Board should establish a nomination committee to assess the necessary competencies of Board members, review Board succession plans, evaluate the Board's performance and make recommendations for the appointment and removal of Board members.

CORPORATE GOVERNANCE STATEMENT (cont.)

A Nomination Committee is generally responsible for:

- Devising criteria for Board membership;
- Identifying specific individuals for nomination as Directors;
- Making recommendations to the Board for new Directors and membership of committees;
- Assisting the Chairman or Executive Chairman in advising Directors about their performance and possible retirement;
- Overseeing management of succession plans, including the Managing Director or Executive Chairman and senior management.

Having regard to the current size and activities of the Company, the full Board will retain responsibility for the duties outlined above.

Directors are appointed under the terms of the Company's constitution. Appointments to the Board are based upon merit and against criteria that serves to maintain an appropriate balance of skills, expertise and experience on the Board in the context of the current stage of development of the Company. The categories considered necessary for this purpose are a blend of finance, business, management (including strategic planning) industry knowledge, technical skills and experience and administration skills. As the Company develops in the respective stages that occur in the move from explorer to produce the skill mix of the Board will be reviewed accordingly.

Directors are to be appointed pursuant to formal agreements. The expectations for time to be committed to attend Board meetings and participate in committees and other activities of the Company should be set out in writing.

An induction pack should be provided to all new Directors, which includes information in relation to the Company's operations, structure, constituent documents, financial position and strategic and business plans.

Remuneration Committees

As mentioned above, no Remuneration Committee exists either having regard to the size, number of employees and the activities of the Company and the full Board will retain responsibility for the duties that would be assigned to a remuneration committee and seek independent and expert advice when and if necessary.

A Remuneration Committee is generally responsible for:

- Setting policies for senior officers' remuneration;
- Setting policies for Directors' remuneration;
- Making specific recommendations to the Board on remuneration of Directors and senior officers;
- Setting the terms and conditions for the appointment of the Managing Director or Executive Chairman;
- Undertaking the review of the Managing Director's or Executive Chairman's performance, at least annually, including setting with the Managing Director or Executive Chairman the goals for the coming year and reviewing progress in achieving these goals.

The Board recognises that the Company remuneration policy must be structured to attract, motivate and retain key employees and encourage them to deliver performance to create value for shareholders.

CORPORATE GOVERNANCE STATEMENT (cont.)

The Board has agreed on the following set of key Remuneration Policy Guidelines from which to determine the remuneration policy for Directors, senior executives and employees:

- Individual reward should be based on performance across a range of measurable and qualitative indicators;
- Rewards to executives should be linked to creating value for shareholders;
- Remuneration arrangements should be equitable and facilitate the deployment of senior management across the various divisions of the Company;
- Remuneration packages should be comparable and competitive against remuneration packages of other companies within the industries which the Company operates.

Audit Committee

An Audit and Risk Management Committee is generally responsible for:

- Overseeing and appraising the quality of the external audit and the internal control procedures, especially in the following areas:
    - Financial reporting and practices;
    - Business ethics policies and practices;
    - Accounting policies; and
    - Management and internal controls.
- Providing through regular meetings, a forum for communication between the Board, senior financial management staff involved in internal control procedures, and the external auditors;
- Enhancing the credibility and objectivity of financial reports with other interested parties;
- Enhancing the environment for identifying, analysing, managing and monitoring the operating risks involved in the business activities of the Company;
- Ensuring that executive management are extensively involved in, and vouch for, the adequacy and effectiveness of the risk management systems.

During the year ending 30 June 2011, due to the size and composition of the Company's Board, the full Board retained responsibility for the duties outlined above.

APPOINTMENT OF EXTERNAL AUDITOR

The Board is responsible for selecting and appointing the Company's external auditor. The Board is also responsible for monitoring and reviewing the independence and quality of the audit services provided.

Where it is determined that a new auditor is to be appointed, and/or a tender process undertaken for the audit, the Board has identified the following criteria for determination of the preferred auditor:

- Value for money taking into account cost and quality of service;
- Independence of Auditors taking into account other work that may be required of the firm;
- The matters set out in auditor independence guidelines;
- Seniority of Audit staff to be appointed to the Company's engagement;
- Board being satisfied as to the intended scope of work to be undertaken as part of the audit process;

- Background and experience of the audit firm with the Company and the industry in which it operates and number of companies of similar size that the firm audits and;
- Reputation and standing of the audit firm in the business community.

RISK ASSESSMENT AND MANAGEMENT

Identification of Risks

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In principles, the Company policies are designed to ensure strategic, operational, legal, reputational and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

The Executive Chairman is accountable to the Board for ensuring that any risks are adequately mitigated and measures implemented for risk reduction. The Executive Chairman may assign responsibilities in relation to risk management within the Company.

Senior management are also responsible for the development of risk mitigation plans and the implementation of risk reduction strategies.

Integrity of Financial Reporting

As a mineral exploration company, the Company provides a report on its activities to the ASX at the end of each quarter. In addition the Company provides a copy of its audited half year and full year financial accounts to the ASX and ASIC.

Prior to signing off the half year and full year financial accounts and approving them for release to the market, the Board requires the Managing Director and the Chief Financial Officer to state in writing to the Board that the financial accounts present a true and fair view, in all material respects, of the Company's financial position and operational results and are in accordance with relevant accounting standards.

CODE OF CONDUCT

The Company has adopted a formal Code of Conduct for Company Directors and Senior Executives.

The Code of Conduct requires Directors and senior executives to act in the best interests of the Company and to promote and exercise the highest standards of ethics and integrity at all times in performing their duties for the Company.

The Company has also formally adopted a Share Trading Policy. The Share Trading Policy sets out when trading in the Company's shares is permitted by Directors, senior managers, employees and related parties and sets out procedures to limit the risk of insider trading.

The Company has also adopted a Corporate Code of Conduct for all of its employees in order to ensure the Company meets its legal and other obligations to legitimate stakeholders. These stakeholders include shareholders, customers, suppliers, employees and the community as a whole.

Employees are expected to apply the principles and guidelines set out in the Corporate Code of Conduct at all times in carrying out their duties for the Company.

CORPORATE GOVERNANCE STATEMENT (cont.)

DISCLOSURE OF INFORMATION

Continuous Disclosure to ASX

The Company's shares are listed on the ASX and as such the Company is required to comply with the continuous disclosure requirements set out in the ASX Listing Rules.

In order to ensure that the Company meets its obligations with regard to the continuous disclosure requirements, the Company has adopted a Continuous Disclosure Policy.

The Continuous Disclosure Policy sets out the Company's obligations and its policies and procedures to ensure timely and accurate disclosure of price sensitive information to the market. The detail of this policy is available in the Company's charter.

Communication with Shareholders

The Company endeavours to provide shareholders with important information on the Company in a timely and efficient manner. The Company promotes direct communication with shareholders and encourages them to direct questions or requests for further information to the Executive Chairman, Company Secretary or the Board.

The Company has adopted a Shareholder Communication Policy to formalise its practices in this regard.

In addition to direct mailing of information to shareholders, the Company posts up to date information on the Company's activities together with copies of all information released to the ASX on its website.

Shareholder meetings are an important forum for investors to meet with the Board and senior management and discuss matters concerning the Company.

The Company's external auditor attends all annual general meetings of the Company and is available to answer shareholder questions regarding the conduct of the audit and the preparation and content of the auditor's report.

AUSTRALIAN SECURITIES EXCHANGE ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 29 September 2014.

A) Distribution of equity securities

The distribution of shareholders and their shareholding was as follows:

Number held	Number of Shareholders
1 - 1,000	74
1,001 - 5,000	38
5,001 - 10,000	14
10,001 - 100,000	295
100,001 and over	277
Total Number of Shareholders	

220 shareholders held less than a marketable parcel at 29 September 2014.

B) Equity security holders

(i) Twenty largest quoted equity security holders
The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary Shares Number held	% of issued shares
CITICORP NOMINEES PTY LIMITED	100,878,412	16.86%
ROSCHELLE LIMITED	84,583,000	14.14%
PERTH SELECT SEAFOODS PTY LTD	36,018,728	6.02%
TALISMAN MINING LIMITED	35,500,000	5.93%
HSBC CUSTODY NOMINEES	21,643,249	3.62%
DEL PAGGIO NOMINEES PTY LTD	14,999,999	2.51%
HEATHCOTE PTY LTD	14,742,857	2.46%
JEMAYA PTY LTD	14,600,000	2.44%
MS EMMA RADFORD	13,018,648	2.18%
JEMAYA PTY LTD	13,000,000	2.17%
BT PORTFOLIO SERVICES LIMITED	10,000,000	1.67%
HSBC CUSTODY NOMINEES	8,878,007	1.48%
SINO PORTFOLIO INTERNATIONAL	7,973,390	1.33%
TEXAS GOLD PTY LTD	5,500,000	0.92%
CEN PTY LTD	5,000,000	0.84%
MR ANDREW WESLEY ROACH	5,000,000	0.84%
MR JASON PETERSON &	4,840,642	0.81%
LIQUIPURE AUST PTY LTD	4,720,178	0.79%
HSBC CUSTODY NOMINEES	4,708,551	0.79%
ZERO NOMINEES PTY LTD	4,320,000	0.72%
TOTAL TOP 20 SHAREHOLDERS	**409,925,661**	**68.52%**

AUSTRALIAN SECURITIES EXCHANGE ADDITIONAL INFORMATION (cont.)

(ii) Unquoted equity securities

Type	Number on issue	Number of holders
Options for ordinary shares expiring on 12 August 2014 exercisable at 20 cents	7,500,000	1

The following hold greater than 20% of each class of option

Options for ordinary shares expiring on 12 August 2014 exercisable at 20 cents	Number held
Pelagic Capital Investments Limited	7,500,000

C) Voting Rights

Ordinary shares
In accordance with the Constitution of the Company, on a show of hands, every shareholder present in person or by proxy, attorney or representative has one vote and on a poll, every shareholder present in person or by proxy, attorney or representative has:

- in respect of fully paid shares, one vote for every share held; and
- in respect of partly paid shares, such number of votes as bears the same proportion to the total number of such shares held as the amount of the paid up issue price bears to the total price.

Options
Options have no voting rights.

DIRECTORY

Directors	Nathan Featherby McAndrew Rudisill Shane Pentony Mark Reilly Glenn Featherby
Company Secretary	Vaz Hovanessian
Registered Office	Lower Level, 15 Whiting Street, Artarmon, NSW 2064 Telephone: (02) 9391 0450 Facsimile: (02) 9391 0409
Auditors	Crowe Horwarth - Sydney Chartered Accountants Level 15 1 O'Connell St Sydney NSW 2000
Solicitors	Minter Ellison Level 19, Aurora Place 88 Philip St, Sydney NSW 2000
Share Registry	Security Transfer Registrars Pty Ltd PO Box 535 Apple Cross Perth WA 6953 Telephone: (08) 9315 2333 Facsimile: (08) 9315 2233
Stock Exchange Listing	The Company is listed on the Australian Securities Exchange under Code: OGH