



Ochre Group Holdings Limited

ABN 69 008 877 745

**INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED 31
DECEMBER 2014**

CONTENTS

Directory	2
Directors' Report	3
Directors' Declaration	5
Condensed consolidated statement of Profit and Loss and other Comprehensive Income	6
Condensed consolidated statement of Financial Position	7
Condensed consolidated statement of Changes in Equity	8
Condensed consolidated statement of Cash Flows	9
Notes to the Financial Statements	10
Auditor's Independence Declaration	24
Independent Auditor's Review	25

OCHRE GROUP HOLDINGS LIMITED - ABN 69 008 877 745
and Controlled Entities

DIRECTORY

Registered Office	Level 10 2 Bligh Street SYDNEY NSW 2000
Directors	Nathan Featherby (Executive Chairman) Shane Pentony (Non-executive Director) McAndrew Rudisill (Non-executive Director) Mark Reilly (Non-executive Director) (resigned 29/12/2014) Glenn Featherby (Non-executive Director) (resigned 29/12/2014)
Company Secretary	Vaz Hovanessian
Auditors	Crowe Horwath Sydney Chartered Accountants Level 15 1 O'Connell St Sydney NSW 2000
Solicitors	Steinepreis Paganin Level 4 The Read Building 16 Milligan St Perth WA 6000
Share Registry	Security Transfer Registrars Pty Ltd PO Box 535 Applecross WA 6953 Telephone: (08) 9315 2333 Facsimile: (08) 9315 2233
Securities Exchange Listing	The Company is listed on the Australian Securities Exchange under Code OGH

DIRECTORS' REPORT

The Directors present their report together with the financial statements on the consolidated entity consisting of Ochre Group Holdings Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2014.

DIRECTORS

The names of the directors in office throughout the six months and up to the date of this report are:

Executive Chairman

Nathan Featherby

Non-executive Directors

Shane Pentony

McAndrew Rudisill

Mark Reilly

(Resigned 29 December 2014)

Glenn Featherby

(Resigned 29 December 2014)

PREPARATION OF INTERIM FINANCIAL REPORT

The financial statements and notes thereto have been prepared in accordance with Australian Accounting Standards, AASB 134 "Interim Financial Reporting".

PRINCIPAL ACTIVITIES

The Company operates as an Exploration and Mining company focusing on Exploration and Mining for Iron Ore in the Pilbara.

DIVIDENDS

The Directors do not recommend payment of a dividend and no dividend has been paid during the half-year.

REVIEW OF OPERATIONS

The company recorded a loss during the half-year of \$4,393,966 (2013: \$165,208 loss). The increase in the loss was largely due to the impairment of financial assets held as available for sale and amount in receivable for the sale of Wonmunna asset.

During the half year the group sold its main undertaking, the Wonmunna Iron Ore Tenements to Ascot Resources Limited (ASX:AZQ). The group now has a 38.8% stake in AZQ and a receivable of \$19.95 million repayable five years after first production of Iron Ore from the Wonmunna Tenements.

Also, during the half year the Board allowed the group's bid for Gondwana Resources Limited (ASX:GDA) to lapse on 11 November 2014. At that point the bid had achieved 27.077% of the issued capital of GDA. The Board and management continue to negotiate with GDA for achieving control of that company.

DIRECTORS' REPORT (CONT.)

The current focus of the group is to maximize the value of the group's investments in AZQ and GDA and seeking acquisitions of near production or well advanced exploration/mining assets.

SHARES RECONCILIATION

- a) During the half year the parent company of the group, Ochre Group Holdings Limited, completed a buy-back of unmarketable parcels of 4,082,972 shares which were then cancelled in accordance with ASX listing rules and Corporations Act, 2001.
- b) During the half year, following approval by shareholders at the AGM, the issued capital of the company was consolidated on a 20:1 basis, cancelling 564,475,987 shares.
- c) At the AGM of the company, following consolidation of issued capital, the shareholders approved the issue of 875,000 shares to the Executive Chairman Mr Nathan Featherby.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the period the group sold its Wonmunna tenements to Ascot Resources Limited and discontinued its bid for Gondwana Resources Limited. There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration to the Directors of Ochre Group Holdings Limited on page 24 forms part of the Directors' Report for the six months ended 31 December 2014.

SUBSEQUENT EVENTS

There were no significant events subsequent to balance date.

Signed in accordance with a resolution of the Board of Directors



Nathan Featherby
Executive Chairman

13th March 2015

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Nathan Featherby
Executive Chairman

13th March 2015

OCHRE GROUP HOLDINGS LIMITED - ABN 69 008 877 745
and Controlled Entities

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT
AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014**

	Note	31 December 2014 \$	31 December 2013 \$
Interest income		512,755	19,158
Other income		107,956	7,500
Gain on sale of investments		90,287	355,987
Net fair value gain on financial assets		-	106,028
Total revenue from continuing operations		710,998	488,673
Directors fees		(54,000)	(62,500)
Share based payments		(87,500)	(16,000)
General & administrative expenses		(617,363)	(317,638)
Depreciation		(1,084)	(1,084)
Finance costs		(5,935)	(47,290)
Impairment of financial assets		(3,748,966)	-
Total expenses from ordinary activities		(4,514,848)	(444,512)
(Loss)/profit before income tax expense from continuing operations		(3,803,850)	44,161
Income tax expense		-	-
Net (loss)/profit from continuing operations		(3,803,850)	44,161
Loss from discontinuing operations			
Loss on sale of tenements		(487,521)	-
Exploration costs		(102,595)	(209,369)
Total loss from discontinuing operations		(590,116)	(209,369)
Total loss for the period attributable to owners		(4,393,966)	(165,208)
Other Comprehensive Income			
Net change in fair value of available for sale financial assets		11,730	326,865
Total comprehensive income / (loss) for the period attributable to owners		(4,382,236)	161,657
(Loss)/profit for the half-year is attributable to:			
Owners of Ochre Group Holdings Limited		(4,382,236)	161,657
		(4,382,236)	161,657
Basic loss per share (cents)		(0.0640)	(0.0055)
Diluted loss per share (cents)		(0.0640)	(0.0162)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS AT 31 DECEMBER 2014**

	Note	31 December 2014 \$	30 June 2014 \$
ASSETS			
Current assets			
Cash and cash equivalents		304,793	304,355
Trade and other receivables		49,873	282,292
Financial assets at fair value through profit & loss		499,827	1,271,736
Non-current assets classified as asset held for sale	5	-	22,055,989
Total current assets		854,493	23,914,372
Non-current assets			
Receivables	5	10,294,972	-
Financial assets	6	7,675,034	642,293
Property, plant & equipment		2,982	4,066
Total non-current assets		17,972,988	646,359
TOTAL ASSETS		18,827,481	24,560,731
LIABILITIES			
Current liabilities			
Trade and other payables		1,285,199	770,846
Other liabilities	7	579,000	2,439,237
Total current liabilities		1,864,199	3,210,083
TOTAL LIABILITIES		1,864,199	3,210,083
NET ASSETS		16,963,282	21,350,648
EQUITY			
Contributed equity		97,881,595	97,886,725
Reserves		16,633	425,504
Accumulated losses		(80,934,946)	(76,961,581)
TOTAL EQUITY		16,963,282	21,350,648

**CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY FOR THE SIX MONTHS
ENDED 31 DECEMBER 2014**

	Share capital Ordinary	Financial Assets Reserve	Option Reserves	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1.7.2013	97,886,725	-	319,580	(47,538,936)	50,667,369
Transactions with owners, in their capacity as owners					
Share option reserve	-	-	16,000	-	16,000
Loss for the year (share based payments)	-	-	-	(16,000)	(16,000)
Other					
Transfer financial assets reserve	-	-	-	-	-
Transfer share option reserve	-	-	-	-	-
Loss for the period	-	-	-	(149,208)	(149,208)
Other comprehensive income	-	326,865	-	-	326,865
Total comprehensive income for the period		326,865	-	(149,208)	177,657
Balance at 31.12.2013	97,886,725	326,865	335,580	(47,704,144)	50,845,026
Balance at 1.7.2014	97,886,725	88,028	337,476	(76,961,581)	21,350,648
Transactions with owners, in their capacity as owners					
Issue of shares to director	87,500	-	-	-	87,500
Share buyback	(92,630)	-	-	-	(92,630)
Other					
Transfer financial assets reserve	-	(83,125)	-	83,125	-
Transfer share option reserve	-	-	(337,476)	337,476	-
Loss for the period	-	-	-	(4,393,966)	(4,393,966)
Other comprehensive income	-	11,730	-	-	11,730
Total comprehensive income for the period	-	11,730	-	(4,393,966)	(4,382,266)
Balance at 31.12.2014	97,881,595	16,633	-	(80,934,946)	16,963,282

OCHRE GROUP HOLDINGS LIMITED - ABN 69 008 877 745
and Controlled Entities

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	31 December 2014 \$	31 December 2013 \$
Cash flows from operating activities		
Payments to suppliers and stamp duty	(2,706,260)	(375,028)
Payments for exploration and development expenditure	-	(388,891)
Interest received	6,252	6,172
Interest paid	(5,935)	-
Net cash provided by / (used in) operating activities	(2,705,943)	(757,747)
Net cash used in investing activities		
Proceeds from sale of equity investments	466,180	977,482
Proceeds from sale of physical assets	2,074,000	-
Payment for equity investments	(373,957)	(302,402)
Loans obtained from/(repaid to) other entities	632,788	100,000
Net cash provided by / (used in) investing activities	2,799,011	775,080
Cash flows from financing activities		
Buyback of unmarketable parcels	(92,992)	-
Others	362	-
Net cash inflow / (outflow) from financing activities	(92,630)	
Net (decrease) / increase in cash and cash equivalents	438	17,333
Cash at beginning of the financial period	304,355	385,103
Cash and cash equivalents at end of the period	304,793	402,436

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These General Purpose consolidated interim financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Ochre Group Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

b) Impact of standards issued but not yet applied by the entity

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale equity investments, for example, will be recognised directly in the statement of comprehensive income. In the current reporting period, the group recognised it directly in other comprehensive income, except for significant impairment which was recognized in the income statement.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The group has not yet decided when to adopt AASB 9.

The new standard and amendment to standards that is mandatory for the first time for the financial period beginning 1 January 2015 did not result in material adjustments to the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

c) Principles of Consolidation

A controlled entity is any entity over which Ochre Group Holdings Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

These financial statements are presented in Australian dollars which is the company's functional and presentation currency.

The group has assessed that the investment in Ascot Resources Limited (38.8% ownership) and the investment in Gondwana (27.77% ownership) do not represent control of or significant influence on those companies given that neither holding is above 50% and in the case of Ascot the group has one nominee out of five directors on the Ascot Board and no directors on the Board of Gondwana.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

d) Going concern

The directors believe that the going concern basis is appropriate for the preparation and presentation of the financial statements, notwithstanding continued operating losses resulting substantially from impairment provisions, and net current liabilities. The Company has sufficient cash or liquid assets to continue to operate for the foreseeable future and is also confident of being able to raise additional funds through any one or a combination of share placement, rights issue or debt facility.

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

- The ability of the Company to sell in a timely manner the liquid investments it holds and at the estimated values and to achieve the estimated fees from corporate advisory services;
- Available facility from one director; and
- The ability of the Company to raise equity funds via share placements or rights issues and/or debt to fund such expenditure or acquisition.

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.

e) Financial assets - Receivables

Financial assets that are a receivable are initially recognised at fair value. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or been received.

The movement in fair value is being recognised through the profit and loss statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

NOTE 2 - SEGMENT REPORTING

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

NOTE 2 - SEGMENT REPORTING (CONT.)

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, are in accordance with accounting policies and are consistent to those adopted in the annual financial statements of the Company.

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.

OCHRE GROUP HOLDINGS LIMITED - ABN 69 008 877 745
and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

NOTE 2 - SEGMENT REPORTING (CONT.)

Segment performance

31 December 2014	Share Trading & Investments \$	Exploration \$	Corporate \$	TOTAL \$
Revenue from external parties				
Interest revenue	-	-	512,755	512,755
Other income	-	-	107,956	107,956
Gain on disposal of investments	90,287	-	-	90,287
Total segment revenue	90,287	-	620,711	710,998

Reconciliation of segment revenue to group revenue

Inter-segment elimination				-
Total group revenue				710,998
Segment net profit/(loss) before tax	(3,658,679)	(590,116)	(145,171)	(4,393,966)

Reconciliation of segment result to group net profit/(loss) before tax

Inter-segment elimination				-
Net profit/(loss) before tax				(4,393,966)

Other segment information

Depreciation expense	-	-	1,084	1,084
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OCHRE GROUP HOLDINGS LIMITED - ABN 69 008 877 745
and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

NOTE 2 - SEGMENT REPORTING (CONT.)

Segment performance

31 December 2013	Share Trading & Investments \$	Exploration \$	Corporate \$	TOTAL \$
Revenue from external parties				
Interest revenue	-	-	19,158	19,158
Other income	-	-	7,500	7,500
Gain on disposal of investments	355,987	-	-	355,987
Net fair value gain on financial assets	106,028	-	-	106,028
Total segment revenue	462,015	-	26,658	488,673

Reconciliation of segment revenue to group revenue

Inter-segment elimination				-
Total group revenue				488,673
Segment net profit/(loss) before tax	462,015	(256,659)	(370,564)	(165,208)

Reconciliation of segment result to group net profit/(loss) before tax

Inter-segment elimination				-
Net profit/(loss) before tax				(165,208)

Other segment information

Depreciation expense	-	-	1,084	1,084
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Segment assets

As at 31 December 2014	Share Trading & Investments \$	Exploration \$	Corporate \$	TOTAL \$
Segment assets	8,174,862	-	10,652,619	18,827,481

Segment asset increases for the period

*Reconciliation of segment assets to
group assets*

Inter-segment eliminations				-
Total group assets				18,827,481

Acquisitions	10,373,958	-	-	10,373,958
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OCHRE GROUP HOLDINGS LIMITED - ABN 69 008 877 745
and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

NOTE 2 - SEGMENT REPORTING (CONT.)

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
<i>Segment asset increases for the period</i>				
<i>Reconciliation of segment assets to group assets</i>				
Inter-segment eliminations				-
Total group assets				24,560,731
Acquisitions	(930,244)	(403,170)	-	(1,333,414)

Segment liabilities

As at 31 December 2014	Share Trading & Investments \$	Exploration \$	Corporate \$	TOTAL \$
Segment liabilities	50,000	146,386	1,667,813	1,864,199
<i>Reconciliation of segment liabilities to group liabilities</i>				
Inter-segment eliminations				-
Total group liabilities				1,864,199

Segment liabilities

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

OCHRE GROUP HOLDINGS LIMITED - ABN 69 008 877 745
and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

NOTE 3 - EQUITY SECURITIES ISSUES

Issues of ordinary shares during the half year	Half year		Half year	
	2014 No. of Shares	2013 No. of Shares	31 December 2014 \$	31 December 2013 \$
Opening balance	598,268,307	598,268,307	97,886,725	97,886,725
Buy back of unmarketable parcel shares (a)	(4,082,972)	-	(92,630)	-
Capital reconstruction (1:20) (b)	(564,475,987)	-	-	-
Issue of shares (c)	875,000	-	87,500	-
Movements during the year	(567,683,959)	-	(5,130)	-
Closing balance at 31 December	30,584,348	598,268,307	97,881,595	97,886,725

- d) During the half year the parent company of the group, Ochre Group Holdings Limited, completed a buy-back of unmarketable parcels of 4,082,972 shares which were then cancelled in accordance with ASX listing rules and Corporations Act, 2001.
- e) During the half year, following approval by shareholders at the AGM, the issued capital of the company was consolidated on a 20:1 basis, cancelling 564,475,987 shares.
- f) At the AGM of the company, following consolidation of issued capital, the shareholders approved the issue of 875,000 shares to the Executive Chairman Mr Nathan Featherby.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014**

NOTE 4 – FAIR VALUE MEASUREMENTS

The group measures and recognises the following assets at fair value on a recurring basis:

- Available-for-sale financial assets.
- Financial assets at fair value through profit or loss (FVTPL)

Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) 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 or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Recognised fair value measurements

The following table presents the group's assets and liabilities measured and recognised at fair value at 31 December 2014. Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new rules.

At 31 December 2014	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements				
Financial assets	-	-	10,294,972	10,294,972
Receivables				
Financial assets at FVTPL				
Trading securities	499,827	-	-	499,827
Available-for-sale financial assets	-			
Trading securities	7,213,464	-	461,570	7,675,034
Total financial assets	7,713,291	-	10,756,542	18,469,833

At 30 June 2014	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements				
Financial assets				
Financial assets at FVTPL				
Trading securities	642,293	-	-	642,293
Available-for-sale financial assets				
Trading securities	1,271,736	-	-	1,271,736
Total financial assets	1,914,029	-	-	1,914,029

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014**

NOTE 4 – FAIR VALUE MEASUREMENTS (CONT.)

There were transfers between levels 1 and level 3 for shares held in Gondwana Resources Limited for recurring fair value measurements during the period.

Valuation techniques for fair value measurements categorised within level 3

The shares in Gondwana are currently suspended with the last sale showing at 10.0 cents. However, given the period of suspension and the fact that GDA has not released its 2014 audited accounts the Board has been reluctant to adopt the last sale price for calculating the current value of the shares. A recent independent valuation by BDO placed the preferred value at \$0.0688/share and the Board of Ochre believes that it is more appropriate that the GDA shares be impaired in the Ochre books to this value in the Half Year balance Sheet as at 31 December, 2014.

Level 3 assets

Movements in level 3 assets during the current financial half-year are set out below:

Consolidated	Available- for-sale \$	Receivable \$	Total \$
Balance at 1 July 2014	-	-	-
Transfer shares in Gondwana from level 1 to level 3	461,570	-	461,570
Additions: Receivables from Ascot Resources Limited	-	10,294,972	10,294,972
Balance at 31 December 2014	461,570	10,294,972	10,756,542

The level 3 assets unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average)	Sensitivity
Receivables	Growth rate	Not applicable	Not applicable
	Discount rate	20%	3% decrease would increase fair value by \$1,461,323 and 3% increase would decrease fair value by \$1,226,455

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

NOTE 4 – FAIR VALUE MEASUREMENTS (CONT.)

The loan is repayable 5 years from date of first sale. This is assumed to be 2 years from date of sale currently and will be reviewed at each reporting period. Therefore the loan has been assumed to be repaid at 7 years. Two years had been assessed as reasonable based on the public announcements of Ascot Resources Limited. Interest for the first two years is capitalised, and after that date is repaid in cash.

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

NOTE 5 – RECEIVABLES (JUNE 2014: NON-CURRENT ASSETS CLASSIFIED AS ASSET HELD FOR SALE)

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 an asset held for sale as at 30 June, 2014 is treated as Receivables asset at 31 December 2014.

Reconciliation of movements:

Opening net book amount (Asset held for sale)	22,055,989
Less: Transfer to financial assets (Issue of 50,000,000 AZQ shares at 20 cents each)	(10,000,000)
Less: Loss on sale	(487,521)
Less: Cash received for part payment of stamp duty	(2,000,000)
Add: Interest capitalized	506,504
Add: Legal costs	220,000
Closing net book amount	10,274,972

NOTE 6 – INVESTMENTS

Investments in the half year increased as a result of the acquisition of Ascot Resources Limited Shares. Refer to Note 5. At period end the share price had decreased resulting in an impairment of \$3,000,000. Thus net increase from Ascot resources Limited was \$7,000,000.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER**

NOTE 7 – OTHER LIABILITIES

The decrease in other liabilities was the group repaying the stamp duty in excess of \$ 2 million. The balance at year end relates to a loan from Nathan Featherby a director of the company for \$539,000.

NOTE 8 – DISCONTINUED OPERATIONS

The group sold the Wonmunna tenements during the period.

Description

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 an asset held for sale as at 30 June, 2014 is treated as Receivables asset at 31 December 2014.

The below disclosures relate to the segment for exploration activities.

Financial performance information

	Consolidated	
	31 Dec 2014	31 Dec 2013
	\$	\$
Revenue	-	-
Interest received	-	-
Total revenue	-	-
Changes in inventories	-	-
Raw materials and consumables used	-	-
Employee benefits expense	-	-
Depreciation and amortisation expense	-	-
Impairment	(487,521)	-
Other expenses	(102,595)	(209,369)
Total expenses	(590,116)	(209,369)
Profit before income tax expense	(590,116)	(209,369)
Income tax expense	-	-
Profit after income tax expense from discontinued operations	(590,116)	(209,369)

OCHRE GROUP HOLDINGS LIMITED - ABN 69 008 877 745
and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER

NOTE 9 - CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There are no contingent liabilities or capital commitments as at 31 December 2014.

NOTE 10 - EVENTS SUBSEQUENT TO BALANCE DATE

There were no significant events subsequent to balance date.

The Board of Directors
Ochre Group Holdings Limited
Level 10, 2 Bligh Street
SYDNEY NSW 2000

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 principal for the review of the consolidated financial statements of Ochre Group Holdings Limited for the period ended 31 December 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Crowe Horwath Sydney

CROWE HORWATH SYDNEY



LEAH RUSSELL
Partner

Dated this 13th day of March 2015.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF OCHRE GROUP HOLDING LIMITED

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Ochre Group Holding Limited which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of Profit and Loss and other comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Ochre Group Holding Limited and its controlled entities (the consolidated entity). The consolidated entity comprises both Ochre Group Holding Limited (the company) and the entities it controlled during that half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Matters Relating to Electronic Publication of the Audited Financial Report

This review report relates to the financial report of Ochre Group Holding Limited for the half-year ended 31 December 2014 included on the website of Ochre Group Holding Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of the financial report are concerned with the inherent risk arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2011, which has been given to the directors of Ochre Group Holding Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

Conclusion

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

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

We draw attention to Note 1 'Going Concern' in the financial report which describes the uncertainty regarding the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Yours sincerely

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

L Russell

**LEAH RUSSELL
PARTNER**

Dated this 13th day of March 2015