



# Ochre Group Holdings Limited

Financial Reports for Year Ended 30 June,  
2015

**ABN 69 008 877 745**

# **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

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## **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 2015.

## **PRINCIPAL ACTIVITY AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES**

During the first half of the financial year the Company sold the Wommunna tenements to Ascot Resources Ltd, and the sale was completed in September 2014. The Company's focus since then has been on corporate activities and trying to reach a resolution on its off-market bid 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 previously, 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

The sale of the Wommunna asset changed 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 resource assets and be involved in resource oriented 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 \$10,297,673 for the year, (2014: \$29,422,645) after providing for income tax. However, \$8,777,209, of that amount represents impairment of financial assets. Further, the result for the year was also impacted due to the following factors:

- (i) Impairment of Ascot Resources Limited receivables amount of \$1,390,411;
- (ii) Interest income from Ascot Resources and other sources amounting to \$1,118,742;
- (iii) Legal fees incurred during the year of \$430,046

### **Review of Operations**

Revenue from ordinary activities increased to \$1,476,868 (2014: \$843,113). Revenue this year included a substantial profit of \$102,258 (2014: \$802,967) from sale of investments and substantial increase in interest to \$1,118,742 as related to the loan receivable from Ascot Resources Ltd.

### **Financial Position**

The net assets of the consolidated group have decreased by \$10,291,535. This decrease in net assets is largely due to:

- An impairment of \$7,971,087 on the Ascot Resources Ltd shares owned.
- An impairment in Tonogold shares of \$713,957.
- An impairment of receivables by \$1,390,411.

The Group's working capital, being current assets less current liabilities, has decreased from \$20,704,289 in 2014 to (\$1,233,478) in 2015.

The net cash outflow from operating activities for the year ended 30 June 2015 was \$2,062,753 (2014 net cash operating outflow \$907,772).

# Ochre Group Holdings Limited & CONTROLLED ENTITIES

## DIRECTORS' REPORT (cont.)

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

#### (i) Acquisitions and disposals

During the first half of the financial year the Company completed the sale of its only exploration/mining tenement, the Wonmunna tenements, to Ascot Resources Limited (AZQ) for consideration of cash, shares in AZQ and deferred payments. The sale was completed in September, 2014.

No tenement acquisitions were made during the year.

#### (ii) Changes to Capital

The share capital was reduced by a buy-back of 4,082,972 shares for \$93,092 and the issue of 875,000 shares for \$87,500. There was also a 20:1 share reconstruction.

Ordinary shares	2015 No.	2015 \$	2014 No.	2014 \$
<b>Movements during the year</b>				
Balance at beginning of financial year	598,268,307	97,886,725	598,268,307	97,886,725
24/09/2014 – Buyback of unmarketable parcels 4,082,972 shares @2.28c (a)	(4,082,972)	(93,092)	-	-
08/12/2014 – Share reconstruction 20:1 (b)	(564,475,987)	-	-	-
23/12/2014 – Issue of shares @10c (c)	875,000	87,500	-	-
Share placement fees	-	-	-	-
<b>Total Company movements during the year</b>	<b>(567,683,959)</b>	<b>(5,592)</b>	<b>-</b>	<b>-</b>
<b>Balance for Company at end of financial year</b>	<b>30,584,348</b>	<b>97,881,133</b>	<b>598,268,307</b>	<b>97,886,725</b>

### 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 2014: Nil).

### EVENTS AFTER THE REPORTING PERIOD

Since the end of the financial year there have been no material or significant events other than as noted below:

On or about 1 September 2015, Ochre Group entered into an agreement with Silver Mines Limited (SVL) whereby Ochre Group and its Chairman, Mr Nathan Featherby, would assist SVL in the funding and acquisition by SVL of Malachite's Conrad Silver Project and in return Ochre Group would receive 225,000,000 shares in SVL, subject to SVL shareholders' approval.

## **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

### **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 not 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:

*Executive Chairman*  
N J Featherby

<i>Non-executive Directors</i>	
M Rudisill	Resigned 28 May 2015
S D Pentony	
M D Reilly	Resigned 29 December 2014
G Featherby	Resigned 29 December 2014
A Bray	Appointed 28 May 2015

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

<b>Name and qualifications</b>	<b>Experience and special responsibilities</b>
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.
	<i>Other current directorships</i> Comet Resources Ltd Silver Mines Ltd <i>Former Directorships in the last 3 years</i> Emerald Oil & Gas NL

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**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**DIRECTORS' REPORT (cont.)**

**INFORMATION ON DIRECTORS (cont.)**

Andrew Bray                      Appointed as non-executive director on 28 May 2015. Andrew Bray has a background in investment banking, corporate advisory and consulting. He is involved with a number of junior resource companies both in Australia and internationally.

*Other current directorships*

Shane Daniel Pentony            **Managing Director – Mandalong Resources Limited**  
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

## **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

### **DIRECTORS' REPORT (cont.)**

#### **INFORMATION ON DIRECTORS (cont.)**

#### **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 2015, and the numbers of meetings attended by each director were:

	<b>Board of Directors</b>	
	<b>Meetings Eligible To Attend</b>	<b>Meetings Attended</b>
N Featherby	10	10
M Rudisill	10	6
S D Pentony	10	10
M D Reilly	8	7
G Featherby	8	6
A.Bray	1	1

#### **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.

# **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

## **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 2001 and 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 is base pay, including superannuation.

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
Nathan Featherby	Executive Chairman
Shane Pentony	Non-Executive Director
Andrew Bray	Non-Executive Director

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.

# Ochre Group Holdings Limited & CONTROLLED ENTITIES

## DIRECTORS' REPORT (cont.)

### REMUNERATION REPORT (cont.)

At the 2014 AGM 99.99% (2013 99.55%) of the votes cast supported the adoption of the remuneration report for the year ended 30 June, 2014. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

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

All remuneration during the financial year was fixed remuneration.

2015	Base Remuneration Fees \$	Super annuation \$	Shares & Options Issued \$	Consulting Fees \$	Total Remuneration \$
<b>Executive Chairman</b>					
<b>Current</b>					
N Featherby	-	-	87,500(v)	60,000(i)	147,500
<b>Non-Executive Chairman</b>					
<b>Former</b>					
I Kins	-	-	-	-	-
Employee share plan adjustment					
<b>Non-executive Director</b>					
<b>Current</b>					
M Rudisill (ii)	12,000	-	-	-	12,000
S D Pentony	12,000	-	-	-	12,000
M D Reilly (iii)	6,000	-	-	-	6,000
G Featherby	6,000	-	-	-	6,000
<b>Executives</b>					
<b>Current</b>					
V Hovanessian (iv)	120,000	-	-	-	120,000
<b>TOTAL</b>	<b>156,000</b>	<b>-</b>	<b>87,500</b>	<b>60,000</b>	<b>303,500</b>

- (i) All payments referred to above in respect to Nathan Featherby were made to his associated company Mancora Pty Ltd.
- (ii) All payments referred to above in respect to M Rudisill were paid to his associated company, Pelagic Capital Investments.
- (iii) All payments referred to above in respect to M D Reilly were paid to his associated company, Styletown Investments Pty Limited
- (iv) All payments referred to above in respect to Vaz Hovanessian were paid to his associated company, Raxigi Pty Limited.
- (v) During the current financial year, 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 @0.10 per share in lieu of fees and incentive payment for completing the sale of the Company's Wonmunna tenements for a consideration in excess of \$30.0 Million.



**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**DIRECTORS' REPORT (cont.)**

**REMUNERATION REPORT (cont.)**

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

<b>2014</b>	<b>Base Remuneration Fees \$</b>	<b>Super annuation \$</b>	<b>Shares &amp; Options Issued \$</b>	<b>Consulting Fees \$</b>	<b>Total Remuneration \$</b>
<b>Executive Chairman</b>					
<b>Current</b>					
N Featherby (i)	-	-	-	60,000	60,000
<b>Non-Executive Chairman</b>	119,500	-	-	-	119,500
<b>Former</b>					
I Kins (ii)					
Employee share plan adjustment (vi)	-	-	16,307	-	16,307
<b>Non-executive Director</b>					
<b>Current</b>					
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
<b>Executives</b>					
<b>Current</b>					
V Hovanessian (v)	125,950	-	-	-	125,950
<b>TOTAL</b>	<b>271,094</b>	<b>-</b>	<b>17,896</b>	<b>60,000</b>	<b>348,990</b>

- (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 Tewel 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 Tewel 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.

## **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

### **DIRECTORS' REPORT (cont.)**

#### **REMUNERATION REPORT (cont.)**

##### **(c) Service Agreements**

The following key management personnel have formalised service agreements

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 1<sup>st</sup> December, 2012 when Mr. Rudisill's role was no longer a full time executive. It was further amended to \$12,000 PA, effective 1<sup>st</sup> 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 the other director, Mr Shane Pentony is on no-executive directors' fees of \$12,000 per annum. The previous directors Mr. Mark Reilly and Mr. Glenn Featherby were entitled to no-executive directors' fees of \$12,000 per annum till the date of their resignation i.e. 29 December 2014.

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 1<sup>st</sup> 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.

## **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

### **DIRECTORS' REPORT (cont.)**

#### **REMUNERATION REPORT (cont.)**

##### **Share Based Compensation**

###### **Issue of Shares**

875,000 shares were issued to Nathan Featherby valued at \$87,500, @0.10 per share in lieu of fees and incentive payment for completing the sale of the Company's Wonnunna tenements for a consideration in excess of \$30.0 Million.

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 2015.

Lapse of options – During the year 7,500,000 options issued in the past lapsed.

#### **(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 and former Directors of Ochre Group Holdings Ltd have the following interests in shares and options issued:

	<b>Shares Held Directly</b>	<b>Shares Held Indirectly</b>	<b>Options Held Directly</b>	<b>Options Held Indirectly</b>
N Featherby (i)	-	6,808,400	-	-
S Pentony (iii)	-	33,131	-	-
A.Bray	60,000	-	-	-

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

# Ochre Group Holdings Limited & CONTROLLED ENTITIES

## DIRECTORS' REPORT (cont.)

### REMUNERATION REPORT (cont.)

#### (e) Shareholdings of Key Management Personnel

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

2015	Balance at the start of the year	Adjustment for share split	Received as remuneration	Additions	Balance at end of employment	Balance at the end of the year
<b>Directors</b>						
<b>Current</b>						
Nathan Featherby	100,368,000	5,018,400	875,000	915,000	-	6,808,400
McAndrew Rudisill	2,000,000	100,000	-	-	(100,000)	-
Shane Pentony	662,622	33,131	-	-	-	33,131
Mark Reilly	500,000	25,000	-	-	(25,000)	-
Glenn Featherby	-	-	-	-	-	-
Andrew Bray	-	-	-	60,000	-	60,000
<b>Former</b>						
Imants Kins	-	-	-	-	-	-
Peter Schultz	-	-	-	-	-	-
<b>Other</b>						
Vaz Hovanessian	6,417,870	320,893	-	-	-	320,893

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
<b>Directors</b>					
<b>Current</b>					
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
<b>Former</b>					
Imants Kins	2,870,000	-	-	2,870,000	-
Peter Schultz	-	-	-	-	-
<b>Other</b>					
Vaz Hovanessian	4,750,563	-	1,667,307	-	6,417,870

## **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

### **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:

2015	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)	-

  

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

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 2015 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.

	2015 \$	2014 \$
Crowe Horwath:		
- Audit and review of financial reports	73,900	77,200
<b>Total remuneration for audit and non-audit services</b>	<b>73,900</b>	<b>77,200</b>

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**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, 2015

Signed for and on behalf of the Directors.



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Nathan Featherby  
Executive Director



**Crowe Horwath Sydney**

ABN 97 895 683 573  
Member Crowe Horwath International  
Level 15 1 O'Connell Street  
Sydney NSW 2000 Australia  
Tel +61 2 9262 2155  
Fax +61 2 9262 2190  
[www.crowehorwath.com.au](http://www.crowehorwath.com.au)

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 partner for the audit of the financial report of Ochre Group Holdings Limited for the financial year ended 30 June 2015, 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**

A handwritten signature in black ink, appearing to read "Leah Russell".

**LEAH RUSSELL**

Partner

30<sup>th</sup> September 2015

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

**for the year ended 30 June 2015**

	Note	2015 \$	2014 \$
Revenue – services		13,636	-
Interest revenue		1,118,742	40,147
Net profit on disposal of investments		102,258	802,967
Other revenue		242,232	-
<b>Total income from continuing operations</b>		<b>1,476,868</b>	<b>843,114</b>
Directors' fees		(96,000)	(210,144)
Share based payments		(87,500)	(17,896)
General & administrative expenses		(826,472)	(1,078,662)
Depreciation		(2,168)	(1,084)
Finance costs – external party		(7,851)	(211,900)
Profit/(loss) on change of fair value of financial assets		(8,777,209)	305,868
Impairment losses on non-current assets		(1,390,411)	(50,083)
<b>Total expenses from ordinary activities</b>		<b>(11,187,611)</b>	<b>(1,263,901)</b>
<b>Loss before income tax from continuing operations</b>		<b>(9,710,743)</b>	<b>(420,787)</b>
Income tax expense	3	-	-
<b>Loss after income tax from continuing operations attributable to members</b>		<b>(9,710,743)</b>	<b>(420,787)</b>
<b>Discontinued operations:</b>			
Loss after income tax on discontinued operations – Asset held for resale	25	(487,521)	(29,001,858)
Exploration expenses – Discontinued operations	25	(99,409)	-
<b>Loss after income tax expense</b>		<b>(10,297,673)</b>	<b>(29,422,645)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>11,730</b>	<b>88,028</b>
<b>Total comprehensive loss for the year attributable to members</b>		<b>(10,285,943)</b>	<b>(29,334,617)</b>
<b>Total Comprehensive income for the year attributable to:</b>			
Continuing operations		(9,699,013)	(332,759)
Discontinued operations		(586,930)	(29,001,858)
<b>Total comprehensive loss for the year attributable to members</b>		<b>(10,285,943)</b>	<b>(29,334,617)</b>



**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME (Cont.)**

**for the year ended 30 June 2015**

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

Basic loss per share (cents)	6	(3.4)	(4.9)
Diluted loss per share (cents)	6	(3.4)	(4.9)

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)	6	(3.2)	(0.1)
Diluted loss per share (cents)	6	(3.2)	(0.1)

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)	6	-	(4.8)
Diluted loss per share (cents)	6	-	(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 2015**

		<b>2015</b>	<b>2014</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Current assets</b>			
Cash and cash equivalents	7	2,484	304,355
Trade and other receivables	8	23,490	282,292
Financial assets held for trade	9	366,431	1,271,736
		<u>392,405</u>	<u>1,858,383</u>
Non-current assets classified as asset held for sale	11	-	22,055,989
<b>Total current assets</b>		<u><b>392,405</b></u>	<u><b>23,914,372</b></u>
<b>Non-current assets</b>			
Other receivables	8	9,510,510	-
Financial assets	9	2,780,183	642,293
Property, plant & equipment	10	1,898	4,066
<b>Total non-current assets</b>		<u><b>12,292,591</b></u>	<u><b>646,359</b></u>
<b>Total assets</b>		<u><b>12,684,996</b></u>	<u><b>24,560,731</b></u>
<b>Current liabilities</b>			
Trade and other payables	12	606,739	770,846
Borrowings	13	1,019,144	-
Provisions	14	-	2,439,237
<b>Total current liabilities</b>		<u><b>1,625,883</b></u>	<u><b>3,210,083</b></u>
<b>Total liabilities</b>		<u><b>1,625,883</b></u>	<u><b>3,210,083</b></u>
<b>Net assets</b>		<u><b>11,059,113</b></u>	<u><b>21,350,648</b></u>
<b>Equity</b>			
Contributed equity	15	97,881,133	97,886,725
Reserves	16(a)	16,633	425,504
Accumulated losses	16(b)	(86,838,653)	(76,961,581)
<b>Total equity</b>		<u><b>11,059,113</b></u>	<u><b>21,350,648</b></u>

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 2015**

	Note	Share capital - Ordinary \$	Option Reserves \$	Financial Asset Reserve \$	Accumulated losses \$	Total \$
Balance at 1.7.2014		97,886,725	337,476	88,028	(76,961,581)	21,350,648
<b>Transactions with owners, in their capacity as owners</b>						
Issue of shares to director	15	87,500	-	-	-	87,500
Shares buyback		(93,092)	-	-	-	(93,092)
<b>Other</b>						
Transfer financial assets reserve		-	-	(83,125)	83,125	-
Transfer share option reserve		-	(337,476)	-	337,476	-
Loss for the period		-	-	-	(10,297,673)	(10,297,673)
Other comprehensive income		-	-	11,730	-	11,730
Total comprehensive income for the period		-	-	11,730	(10,297,673)	(10,285,943)
Balance at 30 June 2015		97,881,133	-	16,633	(86,838,653)	11,059,113

		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
<b>Transactions with owners, in their capacity as owners</b>						
Contributions of equity, net of transaction costs	15	-	-	-	-	-
<b>Other</b>						
Share option reserve	16(a)	-	17,896	-	-	17,896
Loss for the year		-	-	-	(29,422,284)	(29,422,284)
Other Comprehensive Income	16(b)	-	-	88,028	-	88,028
Total Other Comprehensive income for the year		-	-	88,028	(29,422,284)	(29,334,617)
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 2015**

		<b>2015</b>	<b>2014</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		287,920	-
Payments to suppliers		(1,915,764)	(734,770)
Interest received		6,289	15,710
Interest paid		(7,851)	(140,065)
<b>Net cash (used in) operating activities</b>	<b>17</b>	<b>(1,629,406)</b>	<b>(859,125)</b>
<b>Cash flows from investing activities</b>			
Payment for equity investments		-	(930,244)
Payments for exploration and evaluation expenditure		(99,409)	(403,170)
Payment for physical non-current assets		-	-
Payment for mining leases		-	-
Proceeds from disposal of physical non-current assets		-	-
Proceeds from disposal of equity investments		466,181	2,111,791
Loans obtained from/(repaid to) other entities			-
<b>Net cash (used in) investing activities</b>		<b>366,772</b>	<b>778,377</b>
<b>Cash flows from financing activities</b>			
Buyback of unmarketable parcels		(58,381)	-
Repayment of loans from related parties		(10,594)	-
Proceeds of loans from related parties		1,029,738	-
Proceeds of loans from other parties		-	-
<b>Net cash provided by financing activities</b>		<b>960,763</b>	<b>-</b>
<b>Net increase / (decrease) in cash held</b>		<b>(301,871)</b>	<b>(80,748)</b>
Cash at beginning of year		304,355	385,103
<b>Cash at end of year</b>	<b>7</b>	<b>2,484</b>	<b>304,355</b>

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

# **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2015**

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 2015 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.

# **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2015**

### **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 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.

#### **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 21 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.

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**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.

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.

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

*Impairment of financial assets*

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.



**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Financial Instruments (cont.)**

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.

**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.

**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.

**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.

# **Ochre Group Holdings Limited**

## **& CONTROLLED ENTITIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **for the year ended 30 June 2015**

#### **1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

##### **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.

# **Ochre Group Holdings Limited**

## **& CONTROLLED ENTITIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **for the year ended 30 June 2015**

#### **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.

# **Ochre Group Holdings Limited**

## **& CONTROLLED ENTITIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **for the year ended 30 June 2015**

#### **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.

# **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2015**

### **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.

##### *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 significant amount of judgement has been required in assessing whether the Company is a going concern as set out in note 1.

##### *Financial assets - Receivables*

Financial assets that are a receivable are initially recognised at fair value and then measured at amortised cost. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or been received. Refer to Note 8 for assumptions.

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**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.

*AASB 9 Financial Instruments*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

*AASB 15 Revenue from Contracts with Customers*

This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2017. *The impact of its adoption is not expected to be significant*

# Ochre Group Holdings Limited & CONTROLLED ENTITIES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### 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	2015 \$	2014 \$
<b>Current assets</b>		
Cash and cash equivalents	2,267	304,286
Trade and other receivables	20,094	246,209
Financial assets held for trade	142,524	856,479
Non-current held for sale	-	22,055,990
<b>Total current assets</b>	<b>164,885</b>	<b>23,462,964</b>
<b>Non-current assets</b>		
Financial assets	2,250,000	-
Receivables	9,510,510	1,110,940
Plant and equipment	1,898	4,066
Capitalised exploration and evaluation	-	-
<b>Total non-current assets</b>	<b>11,762,408</b>	<b>1,115,006</b>
<b>Total assets</b>	<b>11,927,293</b>	<b>24,577,970</b>
<b>Current liabilities</b>		
Trade and other payables	523,632	583,896
Borrowings	468,144	-
Provisions	-	2,439,238
<b>Total current liabilities</b>	<b>991,776</b>	<b>3,023,134</b>
<b>Total liabilities</b>	<b>991,776</b>	<b>3,023,134</b>
<b>Net assets</b>	<b>10,935,517</b>	<b>21,554,836</b>
<b>Equity</b>		
Contributed equity	97,885,301	97,890,194
Options reserve	-	337,477
Accumulated losses	(86,949,784)	(76,672,835)
<b>Total equity</b>	<b>10,935,517</b>	<b>21,554,836</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Total loss after income tax	(10,614,425)	(29,232,705)
Total comprehensive loss	(10,614,425)	(29,232,705)



**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**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 2015.

Contractual Commitments

At 30 June 2015 Ochre Group Holdings Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment (2014: 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.

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**3 – INCOME TAX**

	2015	2014
	\$	\$
<b>Income tax expense</b>		
<b>(a) The prima facie income tax on the result before tax is reconciled to the income tax in the financial statements as follows:</b>		
Accounting loss before tax	10,297,673)	(29,422,645)
Income tax benefit calculated at 30% (2014: 30%)	(3,089,302)	(8,826,794)
Doubtful debts		-
Entertainment		-
Other expenses		-
Share based payments	26,250	5,369
Temporary differences in income tax	26,250	5,369
Income tax / (benefit) adjusted for temporary differences	(3,115,552)	(8,821,425)
Temporary differences and tax losses not brought to account as future income tax benefits	3,115,552	8,821,425
<b>Income tax attributable to Company</b>	<b>-</b>	<b>-</b>

**(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	10,711,156	8,331,363
Tax losses – capital	1,965,430	1,965,430
Timing differences	6,161,648	8,701,375
<b>Total estimated future income tax benefits</b>	<b>18,838,234</b>	<b>18,998,168</b>

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.

# **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2015**

### **4 – AUDITORS’ REMUNERATION**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Remuneration of the auditor of the Company for:</b>		
Review of the half-year financial statements	15,000	20,000
Audit of the full year financial statements	58,900	57,200
<b>Total Auditors’ Remuneration</b>	<b>73,900</b>	<b>77,200</b>

### **5 – 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.

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**5 – 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.

<b><u>Segment performance</u></b> <b>30 June 2015</b>	<b>Share Trading &amp; Investments</b>	<b>Exploration</b>	<b>Corporate</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
External sales	-	-	-	-
Interest revenue	-	-	1,118,742	1,118,742
Profit on sale of financial assets	102,258	-	-	102,258
Other operating revenue	-	-	255,868	255,868
<b>Total segment revenue</b>	<b>102,258</b>	<b>-</b>	<b>1,374,610</b>	<b>1,476,868</b>
<i>Reconciliation of segment revenue to group revenue</i>				
Inter-segment elimination				-
<b>Total group revenue</b>				<b>1,476,868</b>
<b>Segment net profit/(loss) before tax</b>	<b>(8,674,951)</b>	<b>(586,930)</b>	<b>(1,523,312)</b>	<b>(10,285,943)</b>
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>				
Inter-segment elimination				-
<b>Net profit/(loss) before tax</b>				<b>(10,2985,943)</b>
<b>Other segment information</b>				
Loss on disposal of plant and equipment				
Interest expense	-	-	7,851	7,851
Depreciation expense	-	-	2,168	2,168
Impairment of financial assets	8,777,209	-	1,390,411	10,167,620

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**5 – OPERATING SEGMENTS (Cont.)**

<u>Segment performance</u> 30 June 2014	Share Trading & Investments \$	Exploration \$	Corporate \$	TOTAL \$
<b>Revenue</b>				
External sales	-	-	-	-
Interest revenue	-	-	40,147	40,147
Profit on sale of financial assets	802,967	-	-	802,967
Other operating revenue				
<b>Total segment revenue</b>	<b>802,967</b>	<b>-</b>	<b>40,147</b>	<b>843,114</b>
<i>Reconciliation of segment revenue to group revenue</i>				
Inter-segment elimination				-
<b>Total group revenue</b>				<b>843,114</b>
<b>Segment net profit/(loss) before tax</b>	<b>1,058,754</b>	<b>(29,276,690)</b>	<b>(1,204,709)</b>	<b>(29,422,645)</b>
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>				
Inter-segment elimination				-
<b>Net profit/(loss) before tax</b>				<b>(29,422,645)</b>
<b>Other segment information</b>				
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	-	-	-	-

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**5 – OPERATING SEGMENTS (Cont.)**

**Segment assets**

<b>As at 30 June 2015</b>	<b>Share Trading &amp; Investments \$</b>	<b>Exploration \$</b>	<b>Corporate \$</b>	<b>TOTAL \$</b>
<b>Segment assets</b>	3,146,614	-	7,533,744	12,680,358
<i>Segment asset increases for the period</i>				
Acquisitions	-	-	-	-
<i>Reconciliation of segment assets to group assets</i>				
Inter-segment eliminations				-
<b>Total group assets</b>				<b>12,680,358</b>

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

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**5 – OPERATING SEGMENTS (Cont.)**

**Segment liabilities**

<b>As at 30 June 2015</b>	<b>Share Trading &amp; Investments \$</b>	<b>Exploration \$</b>	<b>Corporate \$</b>	<b>TOTAL \$</b>
<b>Segment liabilities</b>	67,663	80,795	1,477,425	1,625,883
<i>Reconciliation of segment liabilities to group liabilities</i>				
Inter-segment eliminations				-
<b>Total group liabilities</b>				<b>1,625,883</b>

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

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**6 – EARNINGS PER SHARE**

**(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	(10,297,673)	(29,422,645)
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*Diluted loss per share*

Diluted loss attributable to the ordinary equity holders of the company used in calculating diluted loss per share	(10,297,673)	(29,422,645)
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Loss from continuing operations used in calculating basic and diluted loss per share	(9,699,013)	332,759
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Loss from discontinued operations used in calculating basic and diluted loss per share	(586,930)	(29,001,858)
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**(b) Weighted average number of shares used as the denominator**

	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	30,584,348	598,268,307
Weighted average number of dilutive options outstanding	-	7,500,000
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	30,584,348	605,768,307



**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**6 – 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 22.

Issue of securities after reporting date

No securities have been issued after 30 June 2015.

**7 – CASH AND CASH EQUIVALENTS**

	2015	2014
	\$	\$
Cash at bank	2,484	18,661
Cash held by Financial Institution on behalf of the Company (i)	-	285,694
	<b>2,484</b>	<b>304,355</b>

(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.

**8 – TRADE AND OTHER RECEIVABLES**

	2015	2014
	\$	\$
<b>Current:</b>		
Trade debtors	5,795	37,847
GST	17,695	40,528
	<b>23,490</b>	<b>78,375</b>
Other debtors		
Other loans – not related	-	128,788
Deposit - Bond – Wonmunna Mining Lease	-	74,000
Prepayments	1,491	1,491
<b>Total trade and other receivables</b>	<b>1,491</b>	<b>282,654</b>
Less: Prepayments	(1,491)	(1,491)
<b>Total current financial assets – Note 18</b>	<b>21,999</b>	<b>281,163</b>

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**8 –TRADE AND OTHER RECEIVABLES (Cont.)**

<b>Non-Current:</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Receivables – Ascot Resources Limited (AZQ)	9,510,510	-

The Company entered an agreement to sell the Womunna 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 30 June 2015. The receivable was recorded at fair value on acquisition and on future reporting dates measured at amortised cost.

**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: Impairment of Receivables	(1,390,411)
Less: Cash received for part payment of stamp duty	(2,000,000)
Add: Interest capitalized	1,112,453
Add: Legal costs	220,000
<b>Closing net book amount</b>	<b>9,510,510</b>

The receivable is present valued using a discount rate of 20%. An expected payment date is 8 years.

**(a) Impaired receivables**

As at 30 June 2015, no current receivables of the Company were impaired. (2014 – Nil).

**(b) Past due but not impaired**

As of 30 June 2015, no trade receivables (2014 - Nil) were past due and impaired.

The ageing of the current trade receivables is as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
1 to 3 months	1,157	35,387
Over 3 months	-	2,460
	<u>1,157</u>	<u>37,847</u>

**(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 no loan in a foreign currency (2014 - one loan in a foreign currency US\$100,000). Interest rate risk in relation to receivables is provided in Note 18.

**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015**

**8 –TRADE AND OTHER RECEIVABLES (Cont.)**

**(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 18 for more information on the risk management policy of the Company and the credit quality of the Company's trade receivables.

**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015**

**9 – INVESTMENTS**

	2015	2014
	\$	\$
<b>Current:</b>		
<b>Financial assets at fair value</b>		
Shares in quoted entities – at cost	527,073	700,866
Less: Allowance for diminution in value	160,642	570,870
<b>Shares in quoted entities at fair value</b>	<u>366,431</u>	<u>1,271,736</u>
Shares in unquoted entities – at cost	664,473	664,473
Less: Allowance for diminution in value	(664,473)	(664,473)
	<u>366,431</u>	<u>1,271,736</u>
<b>Non-current:</b>		
<b>Financial assets at fair value – available for sale</b>		
Shares in quoted entities – at cost	10,872,887	669,001
Less: Allowance for diminution in value	(8,092,704)	(26,708)
<b>Shares in quoted entities at fair value</b>	<u>2,780,183</u>	<u>642,293</u>
<b>Movements during the year</b>		
<b>Current:</b>		
Balance at beginning of year	1,271,736	1,018,534
Additions	-	381,312
Disposals	(187,350)	(433,979)
Fair value increment/(decrement)	(717,955)	305,869
<b>Balance at end of year</b>	<u>366,431</u>	<u>1,271,736</u>
<b>Non-current:</b>		
Balance at beginning of year	642,293	933,900
Additions	10,373,958	548,932
Disposals	(188,542)	(878,483)
Fair value increment/(decrement)	(8,047,526)	37,944
<b>Balance at end of year</b>	<u>2,780,183</u>	<u>642,293</u>

**(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 (2014 – 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 21 for a list of the Group's subsidiaries.

**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015**

**9 – 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 18.

Impairment of financial assets available for sale are recognised in the profit and loss 2015: loss 8,777,209- (2014: gain \$Nil). Any unrealised gain goes through the statement of changes and comprehensive income 2015: \$11,730 (2014: 88,028). The movement is based on the change in bid price or management's assessment of recovery.

**10 – PLANT AND EQUIPMENT**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Plant &amp; equipment</b>		
At cost	8,671	8,671
Accumulated depreciation	(6,773)	(4,605)
<b>Total plant &amp; equipment at net written down value</b>	<b>1,898</b>	<b>4,066</b>

Depreciation in the year was \$2,168 (2014: \$1,084).

**11 – 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)
<b>Closing net book amount</b>	<b>-</b>

## Ochre Group Holdings Limited & CONTROLLED ENTITIES

### 11 – EXPLORATION ASSET HELD FOR SALE (2013: CAPITALISED EXPLORATION AND EVALUATION) (Cont.)

#### Reconciliation of movements:

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

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.

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

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

### 12 – TRADE AND OTHER PAYABLES

	2015	2014
Current	\$	\$
Trade creditors (i)	274,003	340,910
Sundry creditors and accrued expenses (ii)	332,736	429,936
	<b>606,739</b>	<b>770,846</b>

- (i) Included in trade creditors is an account payable to a related party, Imants Kins of \$Nil (2014: \$44,500). It also includes \$1,100 payable to Styletown Investments Pty Ltd, an associated entity of M D Reilly, a related party.

## **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

### **12 – TRADE AND OTHER PAYABLES (Cont.)**

- (ii) A total of \$164,829 of Sundry creditors and accrued expenses in 2015 are to related parties as follows:

	<b>2015</b>	<b>2014</b>
Nathan Featherby	\$106,079	\$15,479
M Rudisill	\$ 24,000	\$12,000
S D Pentony	\$ 17,500	\$ 5,392
M D Reilly	\$ 11,000	\$ 5,030
G Featherby	\$ 6,250	\$ 3,222

### **13 – BORROWINGS**

	<b>2015</b>	<b>2014</b>
<b>Current (unsecured):</b>	<b>\$</b>	<b>\$</b>
Bank overdraft	-	-
Loans by third parties	40,000	-
Loan by related party – amortised cost	979,144	-
	<b>1,019,144</b>	<b>-</b>

The loans are interest free. The loans are due for repayment on demand.

The carrying amounts represent the fair values of borrowings at balance date. Details of the Groups exposure to risks arising from current borrowings are set out in note 18.

### **14 – PROVISIONS**

Provisions - Stamp duty (i)	-	2,439,237
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- (i) During the current financial year, the Group has repaid the stamp duty in relation to its acquisition of tenements from Talisman Mining Ltd during the 30 June 2011 financial year.

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**15 – CONTRIBUTED EQUITY**

	2015 \$	2014 \$
30,584,348 (2014: 598,268,307) fully paid ordinary shares	97,881,133	97,886,725

Ordinary shares	2015		2014	
	No.	\$	No.	\$
<b>Movements during the year</b>				
Balance at beginning of financial year	598,268,307	97,886,725	598,268,307	97,886,725
24/09/2014 – Buyback of unmarketable parcels 4,082,972 shares @2.28c (a)	(4,082,972)	(93,092)	-	-
08/12/2014 – Share reconstruction 20:1 (b)	(564,475,987)	-	-	-
23/12/2014 – Issue of shares @10c (c)	875,000	87,500	-	-
<b>Total Company movements during the year</b>	<b>(567,683,959)</b>	<b>(5,592)</b>	<b>-</b>	<b>-</b>
<b>Balance for Company at end of financial year</b>	<b>30,584,348</b>	<b>97,881,133</b>	<b>598,268,307</b>	<b>97,886,725</b>

- a) During the 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 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.
- d) **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 2014: NIL).
- e) **Authorised capital**  
The number of shares authorised is the same as paid ordinary shares.
- (f) **Par value**  
The shares have no par value.



# Ochre Group Holdings Limited & CONTROLLED ENTITIES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### 15 – CONTRIBUTED EQUITY (cont.)

#### (g) Additional issue

Since the end of the Financial Year no shares have been issued.

#### (h) Ordinary shares

Fully paid ordinary shares carry one vote per share and the right to dividends.

#### (i) Share Options

There were no outstanding options to subscribe for ordinary fully paid shares at balance date.

Refer to note 22 for details of the share options outstanding at 30 June 2014 which expired in the year.

#### (j) 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 2015 and 30 June 2014 are:

	Note	Consolidated	
		2015 \$	2014 \$
Total borrowings		1,019,144	-
Less cash and cash equivalents	9	(2,484)	(304,355)
Net debt		1,016,660	(304,355)
Total equity		11,059,113	21,350,648
<b>Total capital</b>		<b>12,075,773</b>	<b>21,046,293</b>
Gearing ratio		8.42%	N/A

**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015**

**16 – RESERVES & ACCUMULATED LOSSES**

**(a) Reserves**

	2015 \$	2014 \$
Options reserve (i)	-	337,476
Financial asset reserve (ii)	16,633	88,028
	<u>16,633</u>	<u>425,504</u>

- (i) Arising out of valuation of options, & shares issued under the employee share plan, to directors or their nominees. Movement in the year was to retained earnings.
- (ii) Arising out of sale of gain on the revaluation of available for sale financial assets. Movement related to impairment of assets required to go through the Profit and loss statement.

**Movements**

Balance at beginning of financial year	425,504	319,580
Net movements attributed to members of the parent entity	(408,871)	105,924
<b>Balance at end of financial year</b>	<u><b>16,633</b></u>	<u><b>425,504</b></u>

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**17 – CASH FLOW INFORMATION**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of Cash Flow from Operations with loss after income tax</b>		
<b>Loss after income tax</b>	<b>(10,297,673)</b>	<b>(29,422,645)</b>
<b>Add / (less) non-cash items:</b>		
Impairment of non-current assets	1,877,932	-
Impairment of mining assets	-	29,001,858
Impairment financial assets	8,777,210	(255,785)
Directors fees issued as options & shares	-	17,896
Share based payments	87,500	-
Accrued interest revenue	-	(24,437)
Depreciation & amortisation	2,168	1,084
<b>Add / (less) investing / financing activities:</b>		
Net realised (gain) / loss on short-term investments	(102,258)	(802,967)
Exploration and evaluation expenditure	99,409	238,501
<b>Changes in assets and liabilities during the financial year:</b>		
Trade and other debtors	(129,296)	84,785
Non-current other debtors	-	-
Trade and other creditors	(2,202,120)	302,585
<b>Net cash used in operating activities</b>	<b>(1,629,406)</b>	<b>(859,125)</b>

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**18 – 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:

		<b>Consolidated</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>Financial assets</b>			
Cash and cash equivalents	7	2,484	304,355
Other receivables			
- current	8	23,490	281,163
- non-current	8	9,510,510	-
Total other receivables		9,536,484	281,163
Financial assets at fair value through profit and loss:			
- held for trading	9	366,431	1,271,736
Available for sale financial assets at fair value:			
- listed investments	9	2,780,183	642,293
<b>Total financial assets</b>		<b>12,683,098</b>	<b>2,499,547</b>
<b>Financial liabilities</b>			
Trade and other payables			
- current	12	606,739	770,846
- non-current	12	-	-
Borrowings			
- current	13	1,019,144	-
<b>Total financial liabilities</b>		<b>1,625,883</b>	<b>770,846</b>

# **Ochre Group Holdings Limited**

## **& CONTROLLED ENTITIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **for the year ended 30 June 2015**

#### **18 – 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 18(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 AS/US\$ exchange rate. At 30 June 2015 this investment was fair valued. 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:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
US Dollars - Loan	-	100,000
US Dollars - Shares	114,190	807,746

###### *(iii) Liquidity Risk*

The Company manages liquidity risk by monitoring forecast cash flows. All liabilities are current, however one is from a director for \$1,085,223 which may be negotiated in terms of timing.

###### *(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 materially exposed to a receivable from Ascot Resources Limited. Refer to note 8. The Group is not materially exposed to any overseas country.

###### *(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 fell significantly during the 2014-2015 financial year and had a negative impact to the value of the Company's investment accordingly.

# Ochre Group Holdings Limited & CONTROLLED ENTITIES

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

### 18 – 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 its 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	
	2015	2014	2015	2014	2015	2014
	%	%	\$	\$	\$	\$
<b>Financial assets - Current</b>						
Cash assets	-	1%	-	-	2,484	18,661
Trade & other receivables	-	-	-	128,788	-	-
	-	-	-	128,788	2,484	18,661

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**18 – FINANCIAL RISK MANAGEMENT (Cont.)**

		Non-interest Bearing		TOTAL	
		2015	2014	2015	2014
		\$	\$	\$	\$
<b>Financial assets -</b>					
<b>Current</b>					
Cash assets	Note 7	2,484	285,694	2,484	304,355
Other receivables	Note 7	23,490	153,504	23,490	282,292
Financial assets available for sale	Note 9	366,431	1,271,736	366,431	1,271,736
		<b>392,405</b>	<b>1,425,240</b>	<b>392,405</b>	<b>1,858,383</b>
<b>Financial assets –</b>					
<b>Non-current</b>					
Other receivables	Note 8	9,510,510	-	9,510,510	-
Financial assets available for sale	Note 9	2,780,183	642,293	2,780,183	642,293
		<b>12,290,693</b>	<b>642,293</b>	<b>12,290,693</b>	<b>642,293</b>
<b>Financial liabilities -</b>					
<b>Current</b>					
Trade and other payable	Note 13+12	606,739	3,210,083	606,739	3,210,083
Borrowings	Note 13	1,019,144	-	1,019,144	-
		<b>1,625,883</b>	<b>3,210,083</b>	<b>1,625,883</b>	<b>3,210,083</b>

**(c) Financial instrument composition and maturity analysis (cont.)**

Trade, sundry payables and provisions are expected to be paid as follows:

	2015	2014
	\$	\$
Less than 12 months	1,625,883	3,210,083
Over 12 months	-	-

**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015**

**18 – FINANCIAL RISK MANAGEMENT (Cont.)**

**(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).

**2015**

	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>	<b>Total \$</b>
<b>Financial Assets</b>				
Financial assets - available for sale:				
- Listed investments	2,780,183	-	-	2,780,183
<b>TOTAL</b>	<b>2,780,183</b>	<b>-</b>	<b>-</b>	<b>2,780,183</b>
<b>Financial Assets – FVTPL:</b>				
- Listed investments	366,431	-	-	366,431
<b>TOTAL</b>	<b>366,431</b>	<b>-</b>	<b>-</b>	<b>366,431</b>



**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**18 – FINANCIAL RISK MANAGEMENT (Cont.)**

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

2014				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial Assets</b>				
Financial assets - available for sale:				
- Listed investments	642,293	-	-	642,293
<b>TOTAL</b>	<b>642,293</b>	<b>-</b>	<b>-</b>	<b>642,293</b>
Financial Assets – FVTPL:				
- Listed investments	1,271,736	-	-	1,271,736
<b>TOTAL</b>	<b>1,271,736</b>	<b>-</b>	<b>-</b>	<b>1,271,736</b>
Exploration Asset held for sale:				
- Exploration asset	-	-	22,055,989	22,055,989
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>22,055,989</b>	<b>22,055,989</b>

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 11 on the fair value assumptions.

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**18 – 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 2015, 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:

	2015 \$	2014 \$
<b>Change in Profit and corresponding impact to Equity</b>		
Improvement in AUD to USD by 10%	(10,381)	(75,962)
Decline in AUD to USD by 10%	12,687	92,842

*(ii) Price Risk Sensitivity Analysis*

At 30 June 2015, 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:

	2015 \$	2014 \$
<b>Change in Profit and corresponding impact to Equity</b>		
Increase in Share prices by 10%	(286,056)	(23,253)
Decrease in Share prices by 10%	349,624	28,421

*(iii) Interest Rate Risk Sensitivity Analysis*

At 30 June 2015, 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.

**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 30 June 2015**

**19 – RELATED PARTY TRANSACTIONS**

**Parent entity**

Ochre Group Holdings Limited is the parent entity.

**Subsidiaries**

Interest in subsidiaries are set out in Note 21.

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:

<b>Key Management Person</b>	<b>Position</b>
McAndrew Rudisill	Non-executive Director
Nathan Featherby	Executive Chairman
Shane Daniel Pentony	Non-Executive Director
Mark David Reilly	Non-Executive Director (resigned 29 December 2014)
Glenn Featherby	Non-Executive Director (resigned 29 December 2014)
Vaz Hovanesian	Company Secretary / CFO

**(b) Directors' Loans**

Nathan Featherby has advanced to the company the following combined loans which are interest free and repayable on demand.

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Opening balance</b>	-	-
Loan advanced	1,095,817	-
Loan repaid	(10,594)	-
<b>Closing balance</b>	<u>1,085,223</u>	<u>-</u>

Balance is included in Note 12 and Note 13.

**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2015**

**19 – RELATED PARTY TRANSACTIONS (cont.)**

**(c) Other transactions with directors & key managed personnel**

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:

	2015	2014
Expense	\$	\$
Rental Expense (i)	8,000	9,000
Rental Expense (ii)	2,000	12,000

- (i) 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 to 28/02/2015 at \$1,000 per month (2014: \$12,000).
- (ii) Rental expense was charged by Broad Investments Ltd, a company associated with Vaz Hovanessian, for Ochre Group Holdings' sub-tenancy of an office leased by Broad Investments Ltd from 01/03/2015 to 30/04/2015 at \$1,000 per month (2014: Nil). The sub-lease was not required from 01/05/2015.
- (iii) Included in the current year trade creditors balance are amounts owing to companies related to Vaz Hovanessian amounting to \$1,100 (2014: \$4,400.00). This amount represents rental expense payable. Further \$25,100 (2014: Nil) was owed to companies related to Vaz Hovanessian towards Company Secretarial/CFO fees.

**(e) Summarised Key Management Personnel Remuneration**

	2015	2014
	\$	\$
Short-term employee benefits	216,000	246,994
Share based payments	87,500	17,897
Termination benefits	-	107,000
Post-employment benefits	-	-
<b>Total</b>	<b>303,500</b>	<b>371,891</b>

**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015**

**20 – COMMITMENTS**

**Lease Commitments (i)**

Ochre Group Holdings has a month by month lease agreement, therefore there are no operating lease commitments.

**Capital Commitments**

There are no capital commitments at 30 June 2015. As at 30 June 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. The total paid in the year was \$323,958.

## **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2015**

#### **21 - 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	2015 %	2014 %
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.

**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015**

**22 – SHARE BASED PAYMENTS**

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 @0.10 per share in lieu of fees and incentive payment for completing the sale of the Company's Womunna tenements for a consideration in excess of \$30.0 Million.

During the previous year ended 30 June 2014 no share or option based payments were made. The following reconciles the outstanding share options granted at the beginning and the end of the financial year:

	2015		2014	
	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	7,500,000		-	
Balance at the end of year	-		7,500,000	
Exercisable at end of year	-	20 cents	7,500,000	20 cents

The options were 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 2<sup>nd</sup> and 3<sup>rd</sup> 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 were not exercised.

**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015**

**23 - CONTINGENT LIABILITIES**

There were no guarantees, contingent liabilities or contractual commitments in relation to the company at 30 June 2015 (Nil for 2014), other than the 1% royalty agreement to Talisman Mining Limited which was transferred to Ascot Resources Limited after year end.

**24 – SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE**

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

- (i) On or about 1 September 2015, Ochre Group entered into an agreement with Silver Mines Limited (SVL) whereby Ochre Group and its Chairman, Mr Nathan Featherby, would assist SVL in the funding and acquisition by SVL of Malachite's Conrad Silver Project and in return Ochre Group would receive 225,000,000 shares in SVL, subject to SVL shareholders' approval.

No other matter or circumstances have arisen since the reporting date that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.



**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

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

**25 – DISCONTINUED OPERATIONS**

*Description*

In March 2014 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 11) 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*

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Revenue	-	-
Interest received	-	-
Total revenue	-	-
Changes in inventories	-	-
Raw materials and consumables used	-	-
Employee benefits expense	-	-
Depreciation and amortisation expense	-	-
Impairment	(487,521)	(29,001,858)
Other expenses	(99,409)	(274,832)
Total expenses	(586,930)	(29,276,690)
Profit before income tax expense	(586,930)	(29,276,690)
Income tax expense	-	-
Profit after income tax expense	(586,930)	(29,276,690)
Profit after income tax expense from discontinued operations	(586,930)	(29,276,690)

**Ochre Group Holdings Limited**  
**& CONTROLLED ENTITIES**

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

**25 – DISCONTINUED OPERATIONS (Cont.)**

*Cash flow information*

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Net cash from operating activities	(99,409)	(274,832)
Net cash used in investing activities	-	(732,080)
	<hr/>	<hr/>
Net increase in cash and cash equivalents from discontinued operations	(99,409)	(1,006,912)
	<hr/>	<hr/>

*Carrying amounts of assets and liabilities disposed*

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	-	-
Trade and other receivables	-	-
Inventories	-	-
Other current assets	-	-
Property, plant and equipment	-	-
Held for sale	-	22,055,989
Total assets	<hr/>	<hr/>
	-	22,055,989
Trade and other payables	-	--
Provisions	-	--
Total liabilities	<hr/>	<hr/>
	-	--
Net assets	<hr/>	<hr/>
	-	22,055,989

**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**DIRECTORS' DECLARATION**

In the directors' opinion:

- (a) the attached financial 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.

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



Nathan Featherby  
Executive Director

30 September, 2015

# 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 2015, 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 2015 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 2015. 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 2015, complies with section 300A of the *Corporations Act 2001*.

*Crowe Horwath Sydney*

**CROWE HORWATH SYDNEY**

A handwritten signature in black ink, appearing to read "Leah Russell".

**LEAH RUSSELL**  
Partner

Dated this 30<sup>th</sup> day of September 2015

# **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

## **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, and Andrew Bray.

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;

## **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

### **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.

## **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

### **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.



## **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

### **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.

## **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

### **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.

## **Ochre Group Holdings Limited & CONTROLLED ENTITIES**

### **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;

**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**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.

**Ochre Group Holdings Limited  
& CONTROLLED ENTITIES**

**AUSTRALIAN SECURITIES EXCHANGE ADDITIONAL  
INFORMATION**

The shareholder information set out below was applicable as at 30 September 2015.

**A) Distribution of equity securities**

The distribution of shareholders and their shareholding was as follows:

Number held	Number of Shareholders
1 - 1,000	144
1,001 - 5,000	257
5,001 - 10,000	72
10,001 - 100,000	149
100,001 and over	39

**Total Number of Shareholders 661**

433 shareholders held less than a marketable parcel at 30 September 2015.

**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:

Ordinary Shares		
Name	Number held	% of issued shares
ROSHELLE LIMITED	5,104,150	16.69%
CITICORP NOMINEES PTY LIMITED	4,602,688	15.05%
PERTH SELECT SEAFOODS PTY LTD	1,825,937	5.97%
TALISMAN MINING LIMITED	1,775,000	5.80%
BNP PARIBAS NOMINEES PTY LTD	783,757	2.56%
JEMAYA PTY LTD	1,510,000	4.94%
DEL PAGGIO NOMINEES PTY LTD	750,000	2.45%
HEATHCOTE PTY LTD	737,143	2.41%
MS EMMA RADFORD	650,933	2.13%
JATHRO PTY LTD	600,000	1.96%
BT PORTFOLIO SERVICES LIMITED	500,000	1.63%
SINO PORTFOLIO INTERNATIONAL	398,670	1.30%
TEXAS GOLD PTY LTD	275,000	0.90%
HSBC CUSTODY NOMINEES	251,230	0.82%
MRS PAMELA HELEN HUNTLEY	250,000	0.82%
MR MATTHEW SVEND HANSON	250,000	0.82%
CEN PTY LTD	250,000	0.82%
CELTIC CAPITAL PTY LIMITED	250,000	0.82%
MR JASON PETERSON &	242,033	0.79%
LIQUIPURE AUST PTY LTD	236,009	0.77%
<b>TOTAL TOP 20 SHAREHOLDERS</b>	<b>21,242,5501</b>	<b>69.45%</b>

# **Ochre Group Holdings Limited**

## **& CONTROLLED ENTITIES**

### **DIRECTORY**

<b>Directors</b>	Nathan Featherby Andrew Bray Shane Pentony
<b>Company Secretary</b>	Vaz Hovanesian
<b>Registered Office</b>	Level 10 2 Bligh Street SYDNEY NSW 2000  Telephone: (02) 8188 2557 Facsimile: (02) 9235 2203
<b>Auditors</b>	Crowe Horwarth - Sydney Chartered Accountants Level 15 1 O'Connell St Sydney NSW 2000
<b>Solicitors</b>	Minter Ellison Level 19, Aurora Place 88 Philip St, Sydney NSW 2000
<b>Share Registry</b>	Security Transfer Registrars Pty Ltd PO Box 535 Apple Cross Perth WA 6953  Telephone: (08) 9315 2333 Facsimile: (08) 9315 2233
<b>Stock Exchange Listing</b>	The Company is listed on the Australian Securities Exchange under Code: OGH