



Annual Report **2016**

ABN 24 147 917 299

CORPORATE DIRECTORY

Directors

Mr Craig Williams – Non-Executive Chairman
Mr Matthew Yates – CEO & Managing Director
Mr Alastair Morrison – Non-Executive Director
Mr Michael Klessens – Non-Executive Director
Mr Robert Rigo - Non-Executive Director

CFO & Company Secretary

Mr Luke Watson

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ASX Code: ORR – Ordinary Shares

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Auditor

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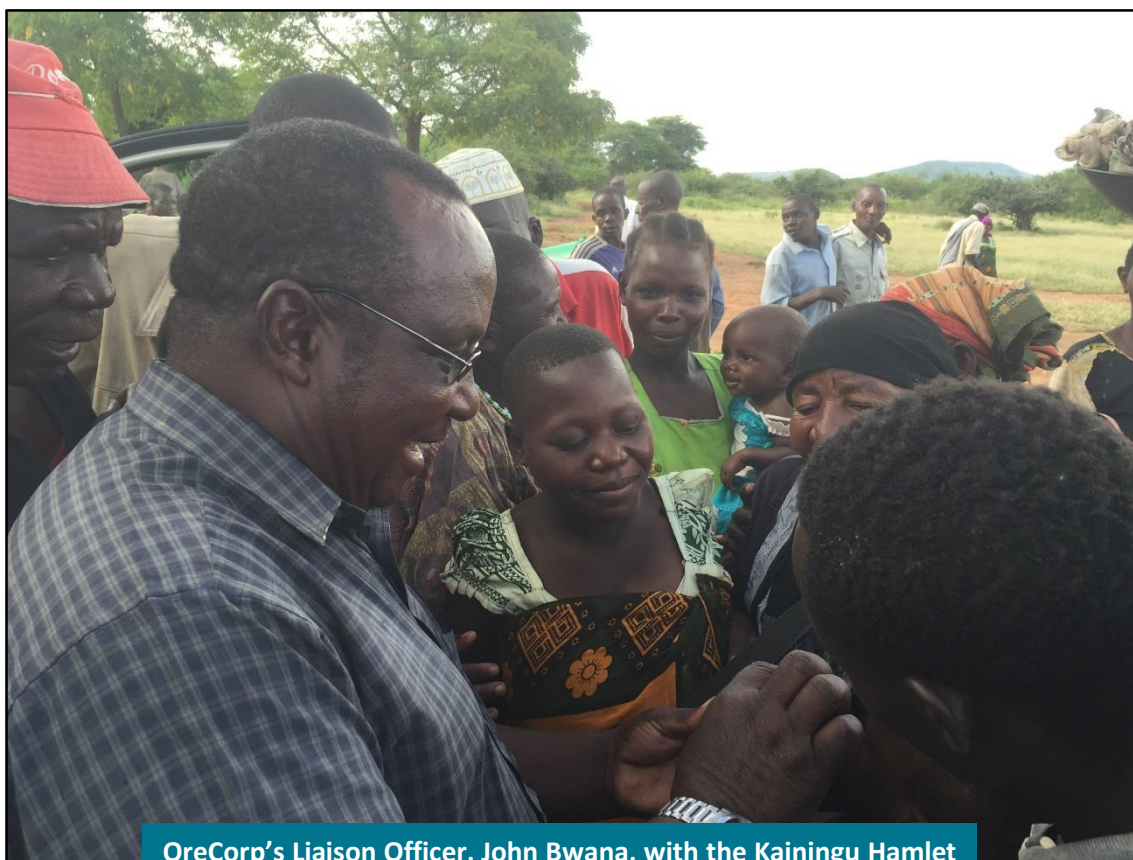
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OreCorp Tanzania Limited Staff - Nyanzaga Camp Site

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OreCorp's Liaison Officer, John Bwana, with the Kainingu Hamlet

LETTER FROM THE CEO

2016 has been an extremely successful and rewarding year as OreCorp made considerable progress in its transition from explorer to emerging gold producer following the acquisition of its Joint Venture (**JV**) interest in the Nyanzaga Gold Project (**Nyanzaga** or **Project**) in September 2015.

A number of key Project milestones were achieved by the Company during a still somewhat challenging period for commodities and in particular junior mining companies. This progress has been facilitated by a significant cash position, a shareholder base that now includes a number of globally recognised institutional shareholders and the hard work and dedication of the Company's employees and consultants.

The completion of the Scoping Study for Nyanzaga confirmed the outstanding potential of the Project, updated the Project's Mineral Resource Estimate to 29.8Mt @ 3.5g/t gold for 3.3Moz gold and indicated its capacity to potentially operate with strong cash margins. As a result, the Company moved immediately into Pre-Feasibility Study (**PFS**) phase, five months ahead of the JV schedule. The PFS is well advanced, currently on budget and targeting completion in Q1 2017.

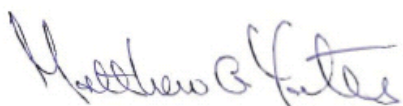
Additionally, positive advancements have been made in the regional exploration targeting within the broader Nyanzaga Project area.

In Mauritania, a reconnaissance diamond drilling program at the Akjoujt South Project was completed. Significant nickel-copper mineralisation was intersected at shallow depths over broad widths and significant strike length in four of the six holes drilled. A recent ground magnetic survey identified two areas of anomalism within the Anomaly 5 intrusive and a trenching program to test these areas has commenced.

The Company completed a A\$16.2m capital raising in June, allowing it to finish the year with A\$17.3 million cash. The capital raising strengthened the Company's institutional shareholder base and provides funds to advance both the Nyanzaga feasibility studies in Tanzania and accelerate exploration activities at Akjoujt South in Mauritania.

The Board believes that with the Nyanzaga Project and its strong balance sheet, OreCorp is well placed to achieve its strategic objective of becoming a gold producer and is looking forward to further advancing both the Nyanzaga and Akjoujt South Projects during 2017.

On behalf of the Board, I would like to thank all our stakeholders for their support over the past year and look forward to sharing our mutual success in the future.



Matthew Yates
CEO & Managing Director

COMPANY PROFILE

OreCorp Limited is a dynamic and emerging development company listed on the Australian Securities Exchange (**ASX**) under the code ORR. The Company is well funded and has no debt. OreCorp's key projects are the Nyanzaga Gold Project (**Nyanzaga** or the **Project**) in northwest Tanzania and the Akjoujt South Nickel - Copper Project in Mauritania.

The Company has a joint venture agreement with Acacia Mining plc to earn up to a 51% interest in Nyanzaga in the Lake Victoria Goldfields of Tanzania (**LVG**). The Project hosts a JORC 2012 compliant Mineral Resource Estimate (**MRE**) of 29.8Mt @ 3.5g/t gold for 3.34Mozs using a 1.5g/t lower cut-off, in the Nyanzaga Deposit. A Scoping Study (or **Study**) was completed in August and confirmed the potential of the Project. A Pre-Feasibility Study (**PFS**) has commenced.

Over the next twelve months OreCorp will continue to focus on fast-tracking the exploration, appraisal and development of the Nyanzaga Project with the aim of becoming a significant gold producer. The Company will also be rapidly advancing and evaluating its regional prospects within the Nyanzaga Project and also the highly prospective targets at the Akjoujt South Project in Mauritania.

ORECORP'S VISION

OreCorp's vision is to be a gold producer delivering superior value to its stakeholders.

This objective is pursued through strategies which draw on the technical, financial and corporate strengths of the Company to provide multiple opportunities for growth.

THE ORECORP MISSION

OreCorp will achieve this vision through a purposeful focus on the following themes in its business:

- Utilising all of its resources efficiently and responsibly;
- Conducting its business in an environmentally and socially responsible manner;
- Safeguarding the health and safety of all its stakeholders;
- Continuously improving all of its systems and processes;
- Developing its people and recognising superior performance; and
- Fostering mutually beneficial relationships with its stakeholders.



Nyanzaga Project Landscape

PROJECT OVERVIEW

TANZANIAN PROJECT

Nyanzaga Project (Au)

[OreCorp Earning up to 51%]

On 22 September 2015, the Company announced that it had entered into a joint venture agreement (**JVA**) to earn up to a 51% interest in the Nyanzaga Project, refer to original ASX Announcement for further details. A Scoping Study, led by Lycopodium Minerals Pty Ltd (ASX: LYL; **Lycopodium**) of Perth, Western Australia was completed in August 2016, five months ahead of the JVA schedule. The Study examined all facets of geology, mining, processing and supporting infrastructure at a US\$1,250/oz gold price.

INTRODUCTION

The Lake Victoria Goldfields (**LVG**) host an exceptional endowment of gold mineralisation, with historical gold production of >20Moz and gold resources of >45 Moz (**Figure 1**). Tanzania is the third largest gold producer in Africa (www.gold.org) with an internationally respected mining industry, a Mining Act revised in 2010 and English language based commerce. The Nyanzaga Project comprises 26 contiguous Prospecting Licences and one Application covering a combined area of 271km² and in addition to the MRE, includes a number of other exploration targets at varying stages of advancement (**Figure 2**).



Figure 1: Lake Victoria Goldfields, Tanzania – Existing Resources

PROJECT HIGHLIGHTS

- Scoping Study indicates outstanding potential, expected to deliver a project with average gold production of 220koz per annum for the first five years of full production
- Life of mine (**LOM**) average gold production is expected to be 182koz per annum over 13 years for a total of ~2.4Moz of gold
- Average Cash Cost estimated to be US\$756/oz and All-in Sustaining Cost (**AISC**) of US\$798/oz over LOM
- Pre-production capital costs including all associated project infrastructure expected to be \$248M (inclusive of contingency)
- Mineral Resource Estimate (**MRE**) of 29.8Mt @ 3.5g/t gold for 3.34Moz gold using a 1.5g/t gold lower cut-off
- The MRE averages approximately 4,200 ounces gold per vertical metre
- An initial open pit mine is expected to deliver approximately 1.2Moz of gold over its five year mine life
- Transition to an underground mine from year four onwards at a steady state production rate of 1.1Mtpa, for a total period of nine years, which is expected to deliver a further 1.2Moz of gold
- Average LOM open pit strip ratio (unmineralised:mineralised) of 2.5:1 (based on low grade mineralisation included in mineralised material)
- Base Case 4Mtpa Carbon in Leach (**CIL**) processing plant with gold recoveries forecast to average ~85% over the LOM
- Scoping Study optimised at US\$1,250/oz gold price
- Pre-Feasibility Study (**PFS**) commenced
- Significant regional exploration potential

PROJECT OVERVIEW (Continued)

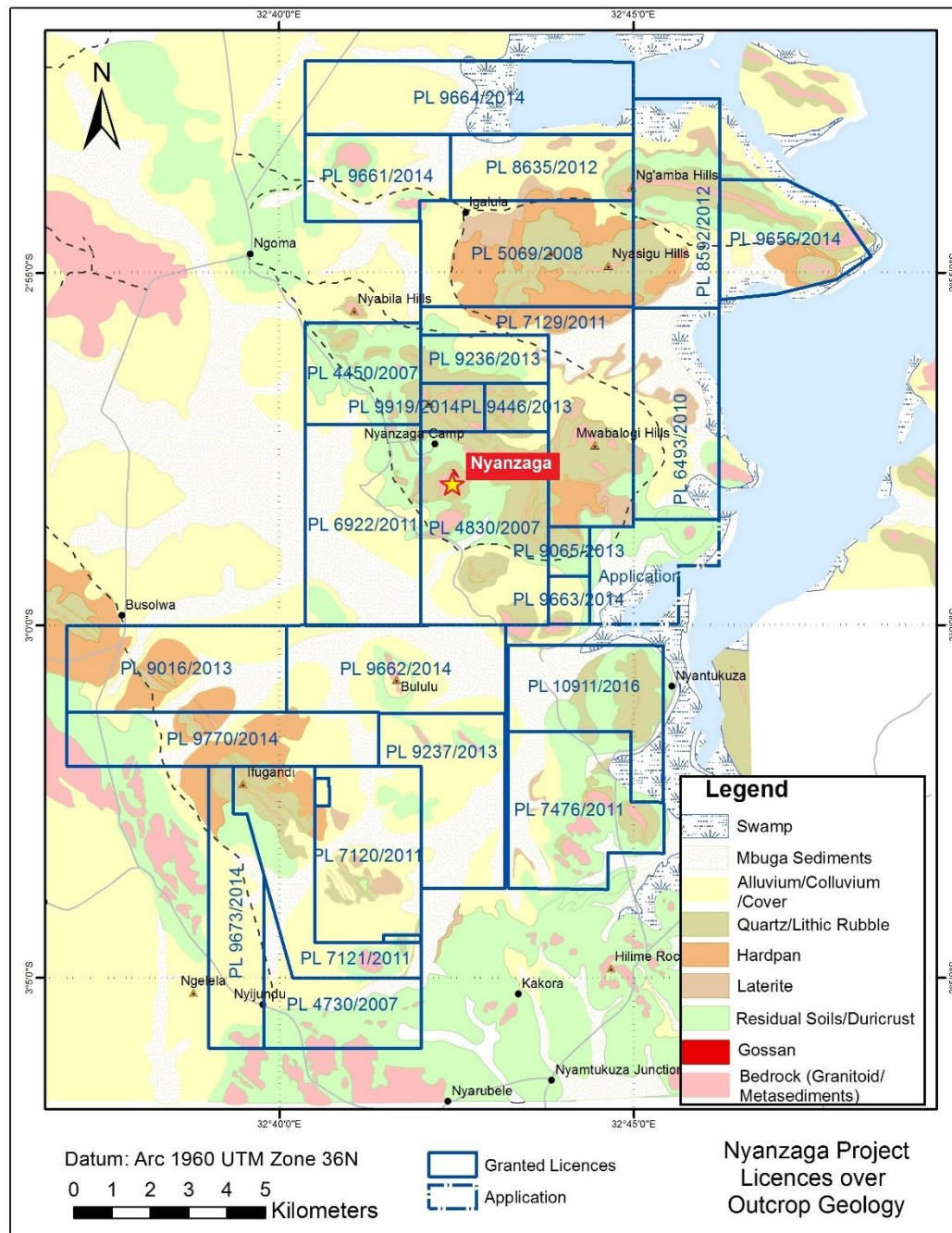


Figure 2: Nyanzaga Project – Licences over Geology

MINERAL RESOURCE ESTIMATE

The MRE was prepared by independent consultants CSA Global Pty Ltd (**CSA**) and is reported in accordance with the JORC Code 2012 (**Table 1**).

The MRE is estimated at 29.8Mt at 3.5g/t gold for 3.34Moz gold using a 1.5 g/t gold cut-off. Approximately 83% of the MRE is in the Measured and Indicated Categories, it extends approximately 800m below surface and is open at depth (**Figure 3**).

Table 1: Nyanzaga Deposit Mineral Resource Estimate

OreCorp Limited – Nyanzaga Gold Project – Tanzania Mineral Resource Estimate (MRE) as at 10 August, 2016			
JORC 2012 Classification	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (Moz)
Measured	2.93	3.77	0.356
Indicated	21.77	3.45	2.416
Sub-Total M & I	24.70	3.49	2.772
Inferred	5.10	3.49	0.572
Total	29.80	3.49	3.344

Reported at a 1.5g/t gold cut-off grade. MRE defined by 3D wireframe interpretation with subcell block modelling. Gold grade estimated using Ordinary Kriging using a 10 x 10 x 10m estimation panel and Uniform Conditioning followed by Localisation to simulate 2.5 x 2.5 x 5m selectivity. Totals may not add up due to appropriate rounding of the MRE.

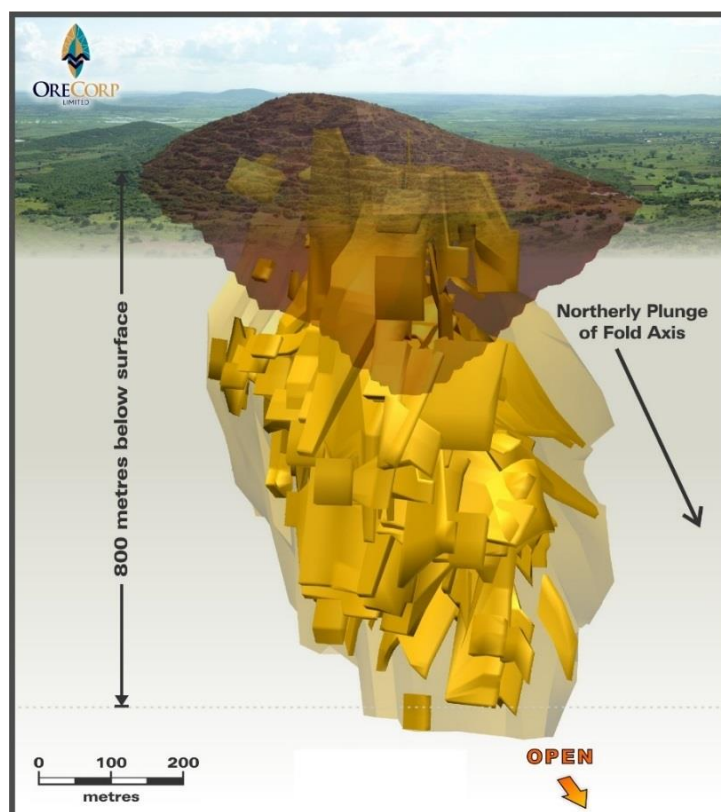


Figure 3: Nyanzaga MRE Model with Conceptual Pit

Grade was estimated using Ordinary Kriging for the high grade domain using a 10m x 10m x 10m estimation panel and Uniform Conditioning followed by a localisation step to simulate the grade and tonnage distribution based on a selective mining unit of 2.5m x 2.5m x 5m for the lower grade domain. The MRE is based on the extensive project drill hole database (typically

on a 40m x 40m drill hole spacing) at Nyanzaga including 2,040 drill holes which total 237,207m of drilling. The grade and tonnage tabulation for the MRE is presented in **Table 2**. The Nyanzaga Deposit contains approximately 4,200oz per vertical metre (**Figure 4**). The deposit remains open below the 800m depth vertical extent of the MRE.

PROJECT OVERVIEW (Continued)

Table 2: Grade and Tonnage Tabulation - Nyanzaga Gold Project

Grade and Tonnage Tabulation Subcelled Model Nyanzaga Gold Project – August 2016			
Gold g/t Cut-off	Tonnage (Million)	Gold g/t	Gold koz
2.50	16.9	4.68	2,539
2.00	22.2	4.09	2,925
1.50	29.8	3.49	3,344
1.00	47.0	2.65	4,014
0.50	92.2	1.70	5,051

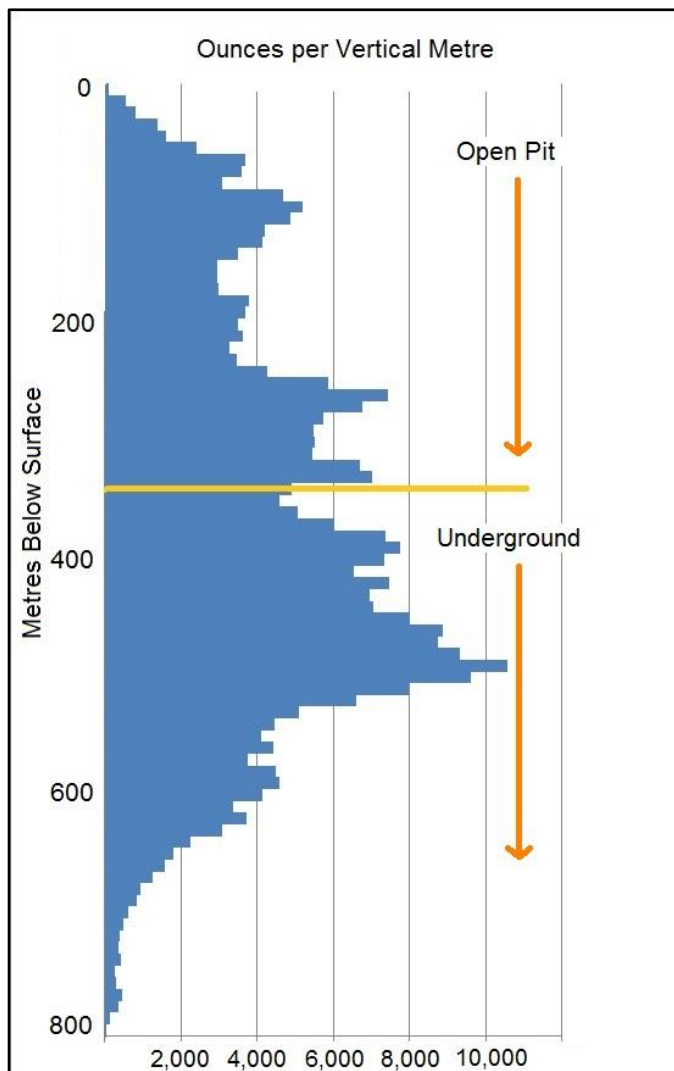
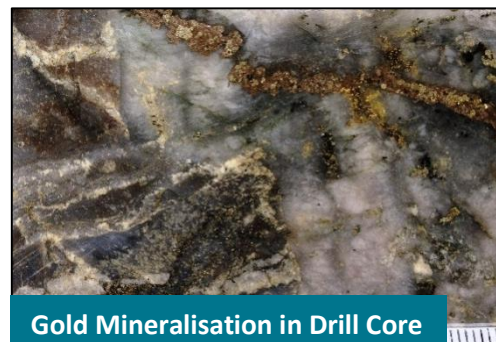


Figure 4: Ounces per Vertical Metre – Nyanzaga Deposit



SCOPING STUDY

The Study, managed by Lycopodium and completed by a number of industry recognised consultants (**Table 3**), evaluated the viability of both open pit (**OP**) and underground (**UG**) development scenarios. The key considerations in the Study were preferred mining and processing route, throughput rate, project life, community and environmental impacts. The minimum life of the Project is 13 years, but has the potential to be increased. The Nyanzaga deposit remains open at depth and there are a number of untested targets within close proximity of the current MRE. The Study is therefore considered as a base case scenario. The Study was completed to an overall approximate $\pm 35\%$ level of accuracy.

The current preferred development option is to initially develop Nyanzaga as a 4Mtpa OP operation (**Phase 1**), transitioning in year four into an OP/UG operation (**Phase 2**). The Project is expected to deliver average annual gold production of 182koz over a 13 year LOM, peaking at 246koz in year five and totalling ~2.4Moz over the LOM. The first five years of full production are expected to average ~220koz pa. The AISC is estimated to be US\$798/oz over the LOM.

The process facility is based on a conventional flow sheet design of a semi-autogenous mill/ball mill configuration (**SABC**) comminution circuit, gravity recovery and CIL processes, utilising proven technology that has been used globally for many years.

Table 3 – Scoping Study Team

Study Discipline	Industry Expert
Project Managers/Engineering Group	Lycopodium (Perth)
Geology	CSA Global & OreCorp
Resource Estimation	CSA Global (Perth and London)
Mining Engineering	Mining Plus (Perth)
Comminution	Lycopodium (Perth)
Metallurgy and Process Engineering	Lycopodium (Perth)
Metallurgical Testwork	Lycopodium (Perth)
ESIA	MTL Consulting (Tanzania) Ltd
Tailings Management	Knight Piesold (consulting to Lycopodium)
Legal	ENS Attorneys

The capital cost (determined to a nominal accuracy of $\pm 35\%$) for the process plant and associated project infrastructure is estimated at US\$248M and includes a US\$43M contingency. This does not include a mining fleet as the Study is based on a contractor mining scenario for both OP and UG.

UG development will commence in year three and generate mineralised material from year four. From year five, the UG mine will achieve a steady state of 1.1Mtpa for a total period of nine years. The Scoping Study indicates that the capital costs

associated with the UG may be funded from cash flow generated by the OP operation. Initial UG development capital is expected to be approximately US\$18M, while ongoing UG development capital is estimated at US\$16M pa. All UG development expenditure is included in AIC.

The key operating assumptions and financial outcomes of the scoping study are set out in **Table 4** below. All costs are in US\$ and no exchange rate assumptions have been made.

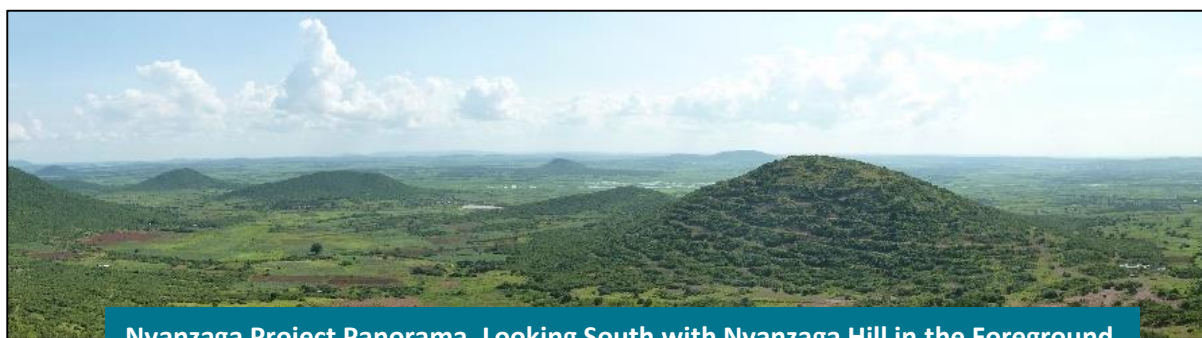
PROJECT OVERVIEW (Continued)

Table 4: Scoping Study Parameters

Parameter	Value
Development period (Months)	18
Mine life (Years)	13
Total Mill Throughput (Mt) LOM includes low grade material	46.7
Measured & Indicated Resources	83%
Inferred Resources	17%
Annual throughput (Mtpa)	4
Strip ratio (life of pit)	2.5:1
Steady state underground mining rate (Mtpa)	1.1
Average OP direct feed mineralised material grade mined (g/t gold)	1.8 [#]
Average UG mineralised diluted grade mined (g/t gold)	3.7
Average mill feed grade LOM (g/t gold)	1.9
Gold recovery	85%
Production (Average LOM gold koz pa)	182
Open pit mining costs (US\$/t material moved)	3.40
Underground mining costs (US\$/t)	52
Processing cost (US\$/t milled)	10.60
Power cost (US\$/kWh)	0.12
General and admin (US\$/t milled)	2.30
Upfront Project capital (including US\$43M contingency, US\$M)	248
Year three UG development capital (US\$M)	18
Sustaining capital – Above Ground (US\$M pa)	7.7
Average life of UG Development capital (US\$M pa)	16
Corporate tax and royalty rates	30% and 4%
Gold Price (US\$/oz)	1,250

[#] excluding low grade mineralised material

* AISC and AIC as per as per World Gold Council definitions



Nyanzaga Project Panorama, Looking South with Nyanzaga Hill in the Foreground

Mining Overview

Mining will be completed utilising both OP and UG, for a total LOM of 13 years. UG production will

commence in year four and be complemented by stockpiled mineralisation from the OP through its nine year UG mine life (**Figure 5**).

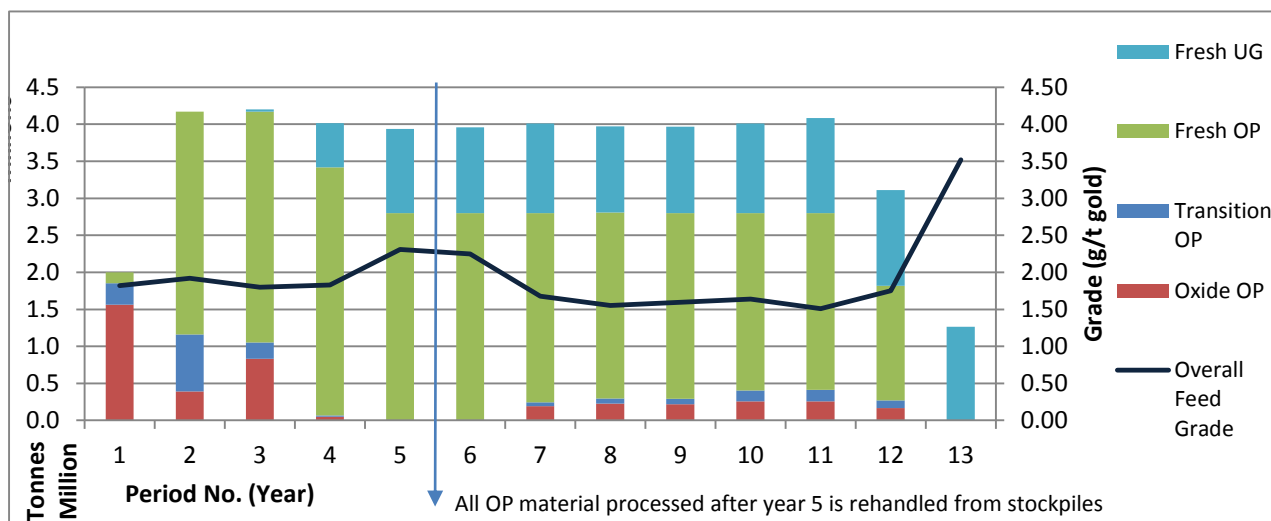


Figure 5: Mill Feed by Material Type and Source

Open Pit Mining

Mining Plus, the mining engineering consultant engaged for the Study, is of the opinion that the Nyanzaga MRE block model is based on a robust geological understanding of the deposit and is an accurate representation of the input grades.

The mining of both mineralised material and low grade mineralisation is a simple process in a single OP requiring drilling and blasting. As part of the Study a series of pit optimisations, unmineralised rock dump and low grade stockpile locations and LOM mining schedules were completed to determine the optimal long term mine plan. The stripping ratio for the Project will vary from a minimum of 1.5:1 to a maximum of 3:1, averaging 2.5:1 over LOM. This includes both mineralised material and low grade mineralisation (stockpile). Final open pit depth will be 340m below surface.

Mining will be completed on bench heights of 10m and to an overall wall angle of 30° in oxide and 50° in fresh rock. Berm heights will be 20m and wall angles between the berms will be 50° in oxide and 70° in fresh rock. Access to the pit will be a dual haul road.

The basic mining fleet will comprise standard trucking equipment, in the form of 250 tonne excavators and 136 tonne rigid haul trucks. Haul road maintenance will be supported by graders and

water carts, the run of mine (ROM) stockpile requires front end loaders capable of loading the haul trucks and maintenance support in the form a service truck and tyre handler. The Company is currently contemplating the mining being undertaken on a contract miner basis. The average OP mining cost is approximately US\$3.40/t of material moved.

It is estimated that the OP will generate mineralised material containing approximately 1.4Moz of gold over five years. Mineralised material which is above the 1.5g/t gold MRE cut-off grade will be fed directly to the mill while the mineralised material below this cut-off will be re-handled via stockpiles (SP) for processing at a later date and blended with the higher grade UG material.

The unmineralised material from the open pit will be used entirely in the construction of the Tailings Storage Facility (TSF). The mine stockpiles derived from the OP will generally be situated between the OP and the processing plant to take advantage of the short hauls.

An infill drilling program has been planned at Nyanzaga with the objective of upgrading portions of the MRE from Indicated category to Measured category. This will predominantly cover the first three years of the anticipated OP.

PROJECT OVERVIEW (Continued)

Underground Mining

The UG will be accessed using a 1:7 gradient decline via a portal located within the OP. There will be less than a two year overlap between the OP and UG operations. The development will commence in year three of the Project and cost approximately US\$18M which will be funded by cash flow from the OP. It is anticipated that the first mineralised material will be accessed from the UG in year four of the Project life. From the completion of the decline, an average of US\$16M pa will be incurred in development expenditure over the UG life. This development expenditure has been included in the AIC and will be fully funded by cash flow.

All infrastructure, including intake and exhaust rises, dewatering (pumping systems and lines), reticulation of services (electrical, air, water and paste fill), advances at depth with the decline and production panels have been contemplated in the Study (**Figure 6**).

The main UG mining method used is continuous retreat sub level open stoping with paste fill. Due to proximity of the stoping zone to the portal entrance in the pit, the level development commences in year three and the stope production in year four. The steady state production rate of 1.1Mtpa is expected to be achieved in year three of the UG operation, and is not planned to exceed more than 1.3Mtpa over the LOM.

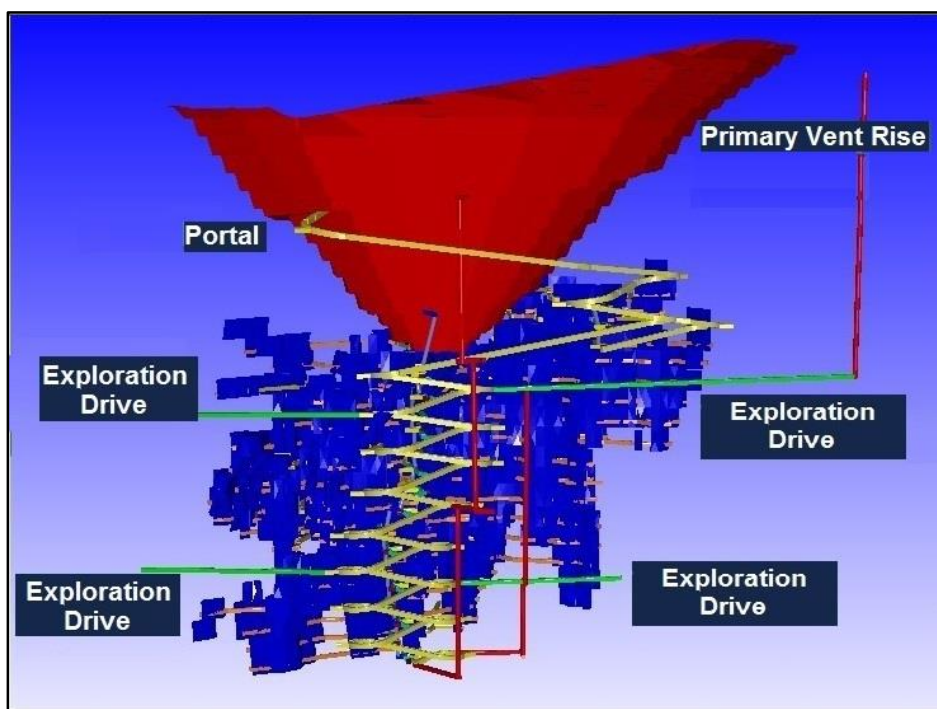


Figure 6: Concept of UG Operation with Exploration Drives, Stopes and Vent Rises

Steady state production will be maintained for nine years. A nominal 10% dilution has been applied to the mine plan which results in a LOM UG mined grade of 3.7g/t gold at a 2g/t gold cut-off grade. A nominal allowance has been considered for the crown pillar.

The MRE extends to approximately 800m below surface, some 460m below the planned concluding depth of the OP. Drilling has intersected mineralisation beneath the MRE so potential exists for further mineral resources to be defined. It is anticipated that exploration drilling and drives will be completed from the underground workings as development progresses.

Processing

The treatment plant design incorporates the following unit process operations:

- Primary crushing with a gyratory crusher to produce a coarse crushed product
- A live surge bin with a dead stockpile from which mineralisation can be reclaimed to feed the milling circuit
- A SABC milling circuit comprised of a SAG mill in closed circuit with a pebble crusher and a ball mill in closed circuit with hydrocyclones to produce an 80% passing (P_{80}) 106 micron grind size
- Gravity concentration and removal of coarse gold and silver from the milling circuit and treatment of gravity concentrate by intensive cyanidation and electrowinning to recover gold to doré
- Pre-leach thickening of the milled slurry to increase the slurry density feeding the CIL circuit
- A Carbon in Leach (CIL) circuit to leach and absorb gold and silver from the milled ore onto activated carbon in six CIL tanks providing a total of 24 hours leach time
- A conventional elution circuit, electrowinning and gold smelting to recover gold from the loaded carbon to produce doré

- A SO_2 / oxygen cyanide destruction circuit that is compliant with the International Cyanide Management Code (ICMC)
- Pumping tailings to the TSF. Subject to further testwork, some tailings may be utilised as paste fill in the UG operation.

The final site selection for both the process plant and TSF will be subject to a sterilisation drilling program.

The flow sheet will be optimised and finalised to Definitive Feasibility Study standard in the PFS (**Figure 7**) with a significant metallurgical test work program that aims to assess differing recoveries in the different mineralisation types and their respective oxidation states.

Further test work and trade off studies to determine the optimum addition rate and economics of each reagent added to the leach will be conducted during the PFS. An overall 85% recovery, based on limited historical test work, has been applied in the Study. Extensive metallurgical test work is scheduled for the initial phase of the PFS to further validate the recovery assumptions for the Project.

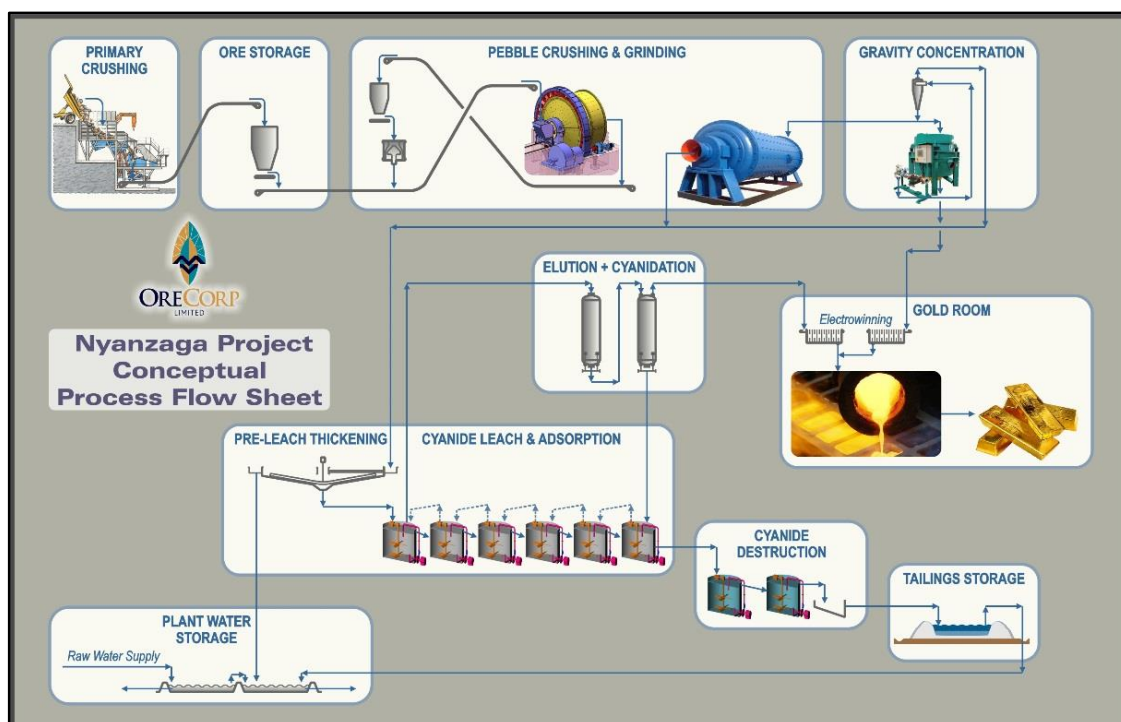


Figure 7: Conceptual Process Flow Sheet

PROJECT OVERVIEW (Continued)

Capital Costs

Capital costs (determined to a nominal accuracy of +/-35%) for the process plant, reagents and plant services and all other project infrastructure are estimated at US\$156M (excluding contingency). The capital cost estimates do not include mining fleet

capital as the Study is based on a contractor mining scenario. The capital costs are summarised in **Table 5** and **Figure 8**. Owner's costs include provision for working capital for the processing plant (first fill of reagents and consumables), plant spares, vehicles and miscellaneous equipment and relocation costs.

Table 5 - Summary of Capital Costs (+/- 35% nominal accuracy)

Capital Costs (+/- 35%)	US\$M	%
Mine Pre-strip & Pre-production	14	7
Process Plant	65	32
Reagents & Plant Services	8	4
Infrastructure	56	27
Mine Admin Building	1	<1
Contractor & Construction Services	12	6
Subtotal	156	
Management Costs	15	7
Owners Project Costs	30	14
General Working Capital	4	2
Subtotal	49	
TOTAL	205	100
Contingency	43	21
Project Total	248	

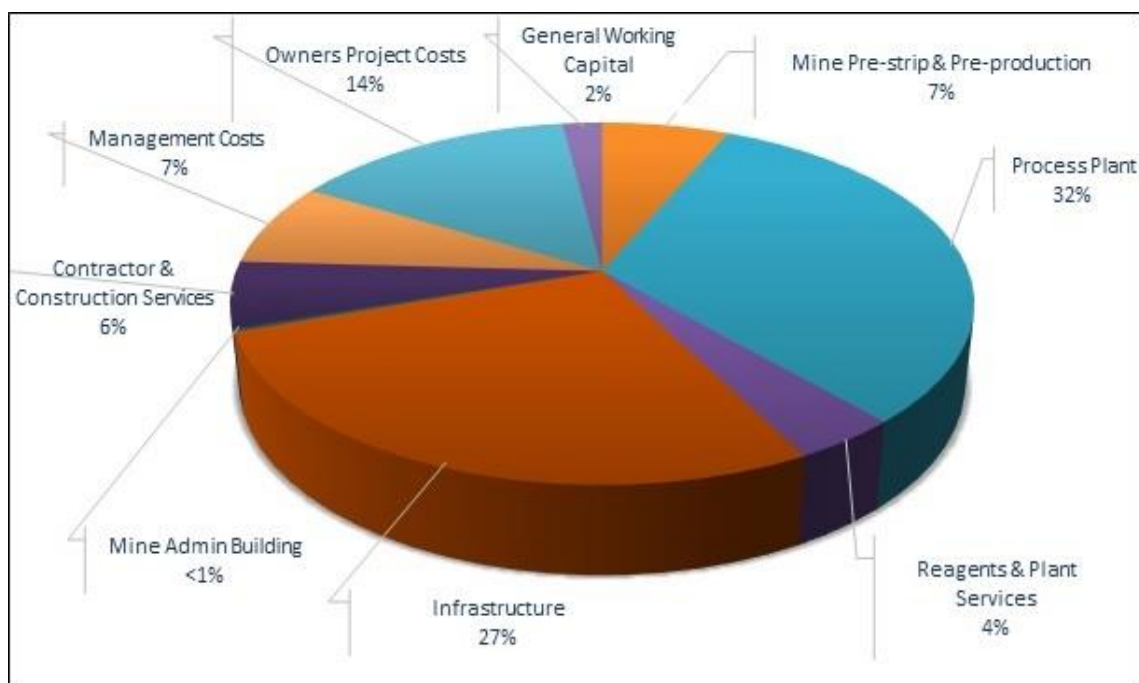


Figure 8: Summary of Capital Costs

Infrastructure Costs

The total power requirements for the Project are estimated at 25MW, excluding the requirements of the UG operation which will draw a further 3-4MW from year four onwards for ventilation and pumping. Power will be supplied to site via an approximately 35km long transmission line using Tanesco (state utility) power (**Figure 9**).

It is planned to utilise water from Lake Victoria, seven kilometres to the east of the Project, for all process water needs. Acacia Mining's Bulyanhulu operation further to the south currently utilises water from the lake and it is expected that necessary approvals will be obtained by the Company. An all weather site access road has been provided for in the infrastructure costs.

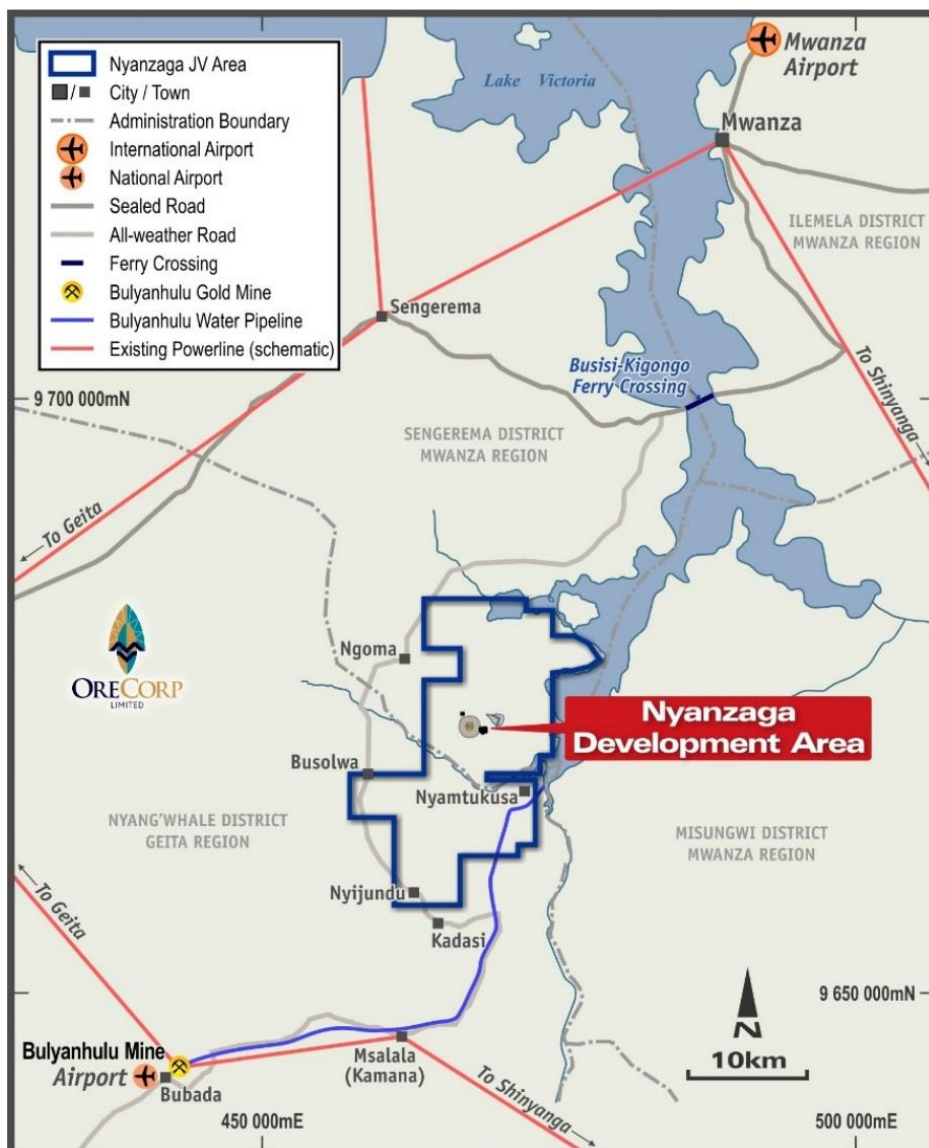


Figure 9: Nyanzaga Project and Regional Infrastructure

PROJECT OVERVIEW (Continued)

Tailings Management

A total of US\$16M has been budgeted for the TSF as part of the infrastructure capital costs (**Table 5**). In addition, a further US\$4M pa has been provided for tailings management through the LOM, which is included in the AISC. There are a number of potential TSF locations within the Project area, proximal to the proposed plant site. The optimal site selection will be determined following completion of the sterilisation drilling and further trade-off studies in the PFS. It is anticipated that if test work proves that the tailings are suitable to be used for

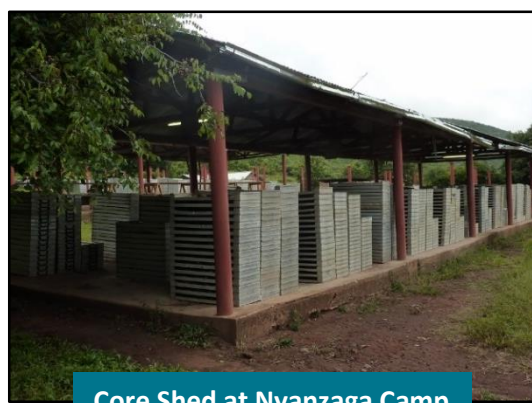
paste fill, then the cost of a paste plant will be offset by the reduced amount of sustaining capital required for the TSF.

Operating Costs

In the first full year of production, the AISC is estimated to be US\$747/oz. Over the LOM the average AISC is US\$798/oz (+/- 35% nominal accuracy). The operating costs over the LOM are summarised in **Table 6** and **Figure 10**. OP and UG mining costs are averaged over the LOM.

Table 6 - Summary of Average LOM Operating Costs (+/- 35% nominal accuracy)

Description Cost (LOM)	US\$/oz
Open Pit Mining (contract miner)	172
Underground Mining (contract miner)	252
Process Plant and Infrastructure	229
General and Administration	49
Royalties	54
Total Cash Cost	756
Sustaining Capital	43
Total AISC	798



Core Shed at Nyanzaga Camp

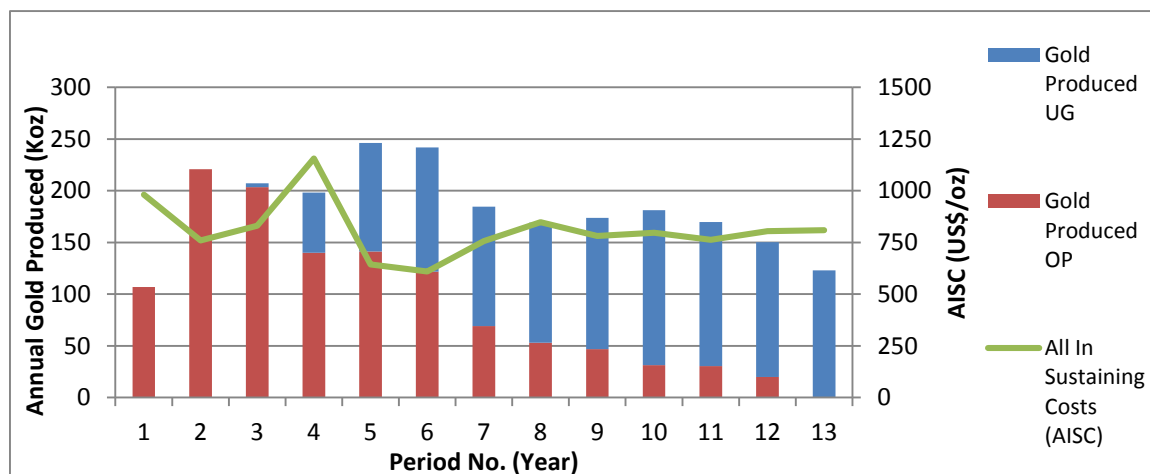


Figure 10: Gold Production by Source and Unit Cost (AISC)

PERMITTING

The JV currently holds 26 Prospecting Licences (PLs) and one Application covering an area of approximately 271 square kilometres, including the PL covering the Nyanzaga Prospect. Environmental and Social baseline studies are underway. The JV has recently registered an ESIA application with the relevant authorities in Tanzania. These activities

have commenced as a prelude to the application for a Special Mining Licence (SML) to cover the Prospect area, which is expected to be lodged in 2017. An Environmental Certificate is also required as a prerequisite to the grant of an SML.

Additional permitting to cover items such as power, water and aggregate will progress as required.

PROJECT OVERVIEW (Continued)

MAURITANIAN PROJECT

Akjoujt South Project

(Ni-Cu: 90% interest in Licences 1415 & 1416)

The Akjoujt South Project comprises two granted licences (1415 and 1416) covering 460 km² and one application covering 136km² (**Figure 12**). Anomaly 5 was identified in a regional soil sampling program which generated an anomalous soil sample of 0.26% nickel and 0.23% copper. The anomalism is

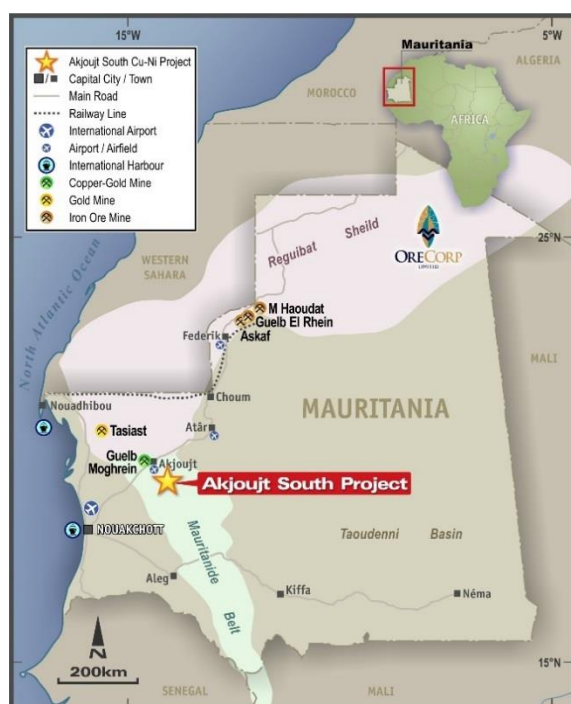


Figure 12: Location of Akjoujt South Project, Mauritania

Geophysical surveys including Induced Polarisation (IP) and ground magnetics have been completed over the Anomaly 5 and Trench 9 areas and have revealed significant chargeability, conductivity and magnetic anomalies coincident with the previously identified nickel-copper geochemical anomalism. Six angled reconnaissance diamond drill holes were completed in July 2016 for a total of 1,040m aimed at testing these anomalies.

The drilling intersected significant nickel-copper-sulphide mineralisation in four of the six holes. Sympathetic cobalt and silver is also noted. The mineralisation is hosted within disseminated and semi massive to massive sulphide breccia zones associated with altered gabbro, mafic and orthogneiss country rock. The mineralisation comprises breccia and disseminated textured

associated with an intrusive body and alteration assemblage. Subsequent mapping, infill sampling and trenching defined a zone of geochemical anomalism approximately 1.6km long. Trenching across this anomalism intersected mineralised intervals of up to 160m in width of 0.24% nickel and 0.21% copper. Further mineralisation has been identified in Trench 9, three kilometres to the east (**Figure 13**).

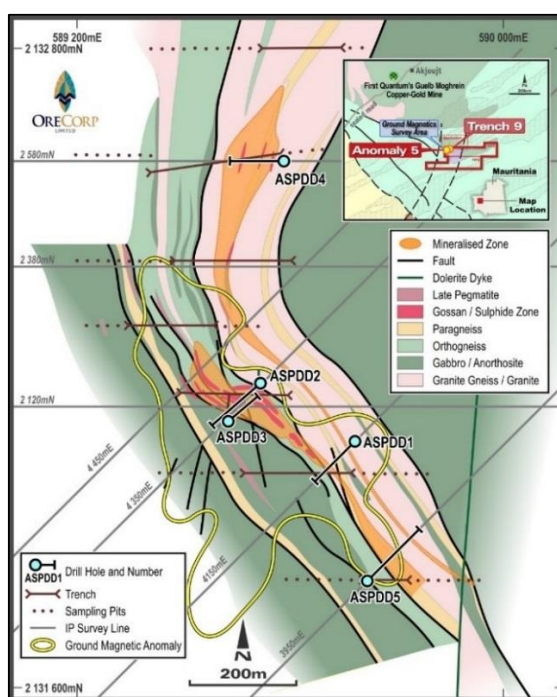


Figure 13: Anomaly 5 Prospect, Akjoujt South Project – IP Survey Lines, Ground Magnetic Anomaly and Drill Hole Locations

pyrrhotite (dominant), pentlandite and chalcopyrite primary mineralisation, with overlying gossan development and secondary nickel sulphide violarite.

Petrology was completed on 21 selected samples and indicates that the mineralisation and alteration assemblages identified to date are part of a magmatic nickel-copper mineralised system. Peak nickel and copper values of 1.34% nickel (31-32m) and 1.29% copper (26-27m) respectively were both intersected in hole ASPDD003. The drill results are summarised in **Table 7** below and an interpreted drill section for 4350mE is shown in **Figure 14**.

A follow up program of geophysics and drilling is planned for Akjoujt South.

Table 7: Significant Assay Results, Akjoujt South Project

Prospect	Hole	Coordinate		Dip	Azim	Intersection (m)			Assay Results	
		E	N			From	To	Width	Ni%	Cu%
Anomaly 5	ASPDD001	589715	2132055	-60	227	No significant mineralisation				
	ASPDD002	589529	2132146	-60	226	11	42	31	0.31	0.21
						45	47	2	0.59	0.45
						90	91	1	0.22	0.10
						94	103	9	0.21	0.10
						157	160	3	0.43	0.19
	ASPDD003	589489	2132017	-60	44	2	15	13	0.35	0.24
						19	34	15	0.58	0.40
					(Incl.	29	31	3	1.28	0.29
	ASPDD004	589610	2132580	-60	273	16.3	33	16.7	0.40	0.22
					(Incl.	31	32	1	1.05	0.23
	ASPDD005	589748	2131811	-70	44	116.8	121.5	4.7	0.39	0.20
					(Incl.	116.8	117.5	0.7	1.00	0.15
						126.5	127.5	1	0.25	0.11
Trench 9	ASPDD006	592340	2132900	-60	90	No significant mineralisation				

NOTE: The results have used a 0.2% lower cut-off for Ni; internal dilution of 2m or less; quarter core was assigned as 1m in areas of visual sulphide or 3m composite intervals elsewhere; included values use a 1% lower cut-off for Ni. The entire hole was sampled. (Coordinate datum is UTM WGS84, Zone 28N)

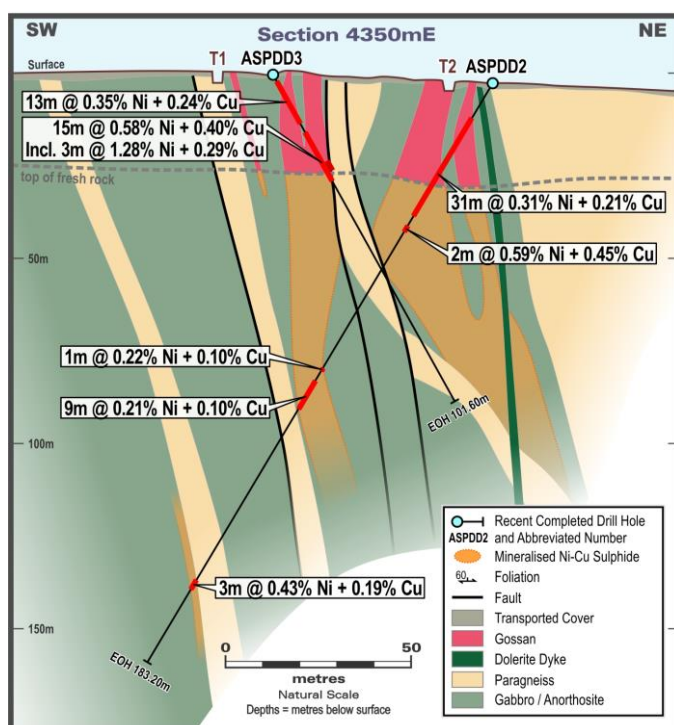


Figure 14: Anomaly 5 Prospect – Drill Section 4350mE



Camp, Akjoujt South Project



Drilling, Akjoujt South Project

PROJECT OVERVIEW (Continued)

SUSTAINABLE DEVELOPMENT

At OreCorp we believe the success of our business is underpinned by a strong commitment to all aspects of sustainable development with an integrated approach to economic, social and environmental management and effective corporate governance.

Health and Safety

The Company believes that sound occupational health and safety management practices are in the best interests of its employees, its business, its shareholders, and the communities in which it operates. OreCorp is committed to achieving the highest performance in occupational health and safety to create and maintain a safe and healthy environment at the workplace.

The Company seeks to eliminate work-related incidents, illnesses and injuries by identifying, assessing and where reasonably practical, eliminating or otherwise controlling hazards.

Environment

OreCorp regards caring for the environment as an integral part of its business and is committed to operating in a responsible manner which minimises the impact on the environment.

The Company seeks to ensure that throughout all phases of activity personnel and contractors give proper consideration to the care of flora, fauna, land, air, water and the community. To fulfil this commitment OreCorp will:

- comply with applicable environmental laws and regulations;
- implement and maintain effective environmental management systems;
- integrate environmental factors into decision-making throughout the mining life-cycle;
- assess the potential environmental effects of its activities and manage environmental risk;
- regularly monitor and strive to continually improve its environmental performance;
- rehabilitate the environment affected by Company activities;
- promote environmental awareness among personnel and contractors to increase understanding of their roles and responsibilities in relation to environmental management; and
- consult and communicate openly with host communities, governments and other stakeholders.



Sediment Gully Trap, Kilimani

The Company is collecting a comprehensive suite of baseline environmental data during the wet and dry seasons at the Nyanzaga Project and recently commenced an Environmental and Social Impact Assessment (ESIA). The general objective of the ESIA is to assess potential environmental and socio-economic impacts of the Project in order to develop management plans that will enable the mitigation of adverse impacts and enhance positive impacts. Once the detailed study is completed, OreCorp will prepare the ESIA report including both an Environmental Management Plan and an Environmental Monitoring Plan in accordance with the requirements of the Tanzanian Environmental Management Act. This also forms an integral part of the Special Mining Licence application.

Stakeholder Relations

OreCorp seeks to develop and maintain positive, enduring relationships with its host communities in line with the Company's Code of Ethics and Conduct by striving for mutual understanding of each other's needs and aspirations.

Commensurate with the level of its activities OreCorp commits to support:

- ongoing consultation with local communities and public authorities;
- open and transparent communication about activities that might affect the host community;
- mitigation, management and monitoring plans that meet international and local standards;
- local sourcing of supplies, services and labour;
- technology transfer and training to both individuals and related institutions; and
- community development programs that can be self-sustaining.

The Company currently employs over 40 people at Nyanzaga from the local communities and sources the majority of its supplies from local providers. A number of community projects have been carried out including the repair of three water supply wells at Ngoma, Lubungo and Nyasigu Villages, the re-building of the classroom at Nyashimba Primary School, Nyabila Village and the provision of 90 desks for three primary schools in Sotta and Bululu Villages.



New Desks for Sotta Primary School



Classroom Nyashimba Primary School - Before



Classroom Nyashimba Primary School - After

DIRECTORS' REPORT

The Directors of OreCorp Limited present their report on the Consolidated Entity consisting of OreCorp Limited (the Company or OreCorp) and the entities it controlled at the end of, or during the year ended 30 June 2016 (Consolidated Entity or Group).

DIRECTORS

The names of directors in office at any time during the financial year or since the end of the financial year are:

Mr Craig Williams	Non-Executive Chairman
Mr Matthew Yates	Chief Executive Officer & Managing Director
Mr Alastair Morrison	Non-Executive Director
Mr Michael Klessens	Non-Executive Director
Mr Robert Rigo	Non-Executive Director (appointed 1 April 2016)

Unless noted above, all Directors held their office from 1 July 2015 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Mr Craig Williams

Non-Executive Chairman

Member of Audit Committee and Remuneration and Nomination Committee

Qualifications – B.Sc. (Hons)

Mr Williams is a geologist with over 35 years' experience in mineral exploration and mine development.

He was the President and CEO of Equinox Minerals Limited ('Equinox'), a dual listed TSX - ASX resources company which he co-founded in 1993 with the late Dr Bruce Nisbet. Mr Williams was instrumental in the financing and development of the major Lumwana Copper mine in Zambia which resulted in Equinox being one of the world's top 20 copper producers. Following the ramp up of Lumwana, Equinox embarked on an acquisition program that resulted in the takeover of the Citadel Resource Group for \$1.2 billion, targeting development of the Jabal Sayid Mine in Saudi Arabia. Equinox was taken over in mid-2011 by Barrick Gold Corporation for \$7 billion, bringing to an end a challenging and exciting 18 year history at Equinox.

Mr Williams was appointed as Director and Chairman of the Company on 27 February 2013 and he has been a Director of OreCorp Resources Pty Ltd since December 2011. During the three year period to the end of the financial year, Mr Williams held a non-executive directorship in Liontown Resources Limited (November 2006 - current).

Mr Matthew Yates

Chief Executive Officer & Managing Director

Qualifications – B.Sc. (Hons.), MAIG

Mr Yates is a geologist with over 20 years' industry experience, covering most facets of exploration from generative work to project development. Most recently, he was the Joint Managing Director of Mantra Resources Limited and was instrumental in the acquisition of a number of uranium projects, including Mkuju River (Tanzania), Kariba (Zambia) and Mavuzi (Mozambique). He has worked in Australia and southern, east and west Africa, Central Asia and the Gulf Region. He managed exploration teams in Western Australia and Tanzania respectively. Mr Yates has an applied technical background and has held senior positions for over 20 years, including resident Exploration Manager in Tanzania for Tanganyika Gold Limited.

Mr Yates was appointed a Director of the Company on 27 February 2013 and he has been a Director of OreCorp Resources Pty Ltd, which he founded, since June 2010. During the three year period to the end of the financial year, Mr Yates was not a director of any other public companies.

Mr Alastair Morrison

Non-Executive Director

Member of Audit Committee and Remuneration and Nomination Committee

Qualifications – MSc (Hons), Grad Dip App Fin & Inv, MAIG, GAICD

Mr Morrison is a geologist with more than 20 years' experience in mineral exploration and investment.

He initially worked for more than six years in Australia as an exploration geologist in Western Australia, then for North Flinders Mines in the Northern Territory during the development of the +5 million ounce Callie gold deposit.

From 1996 to 2003 he worked in Tanzania for East African Gold Mines Limited at the North Mara Gold Project. He was responsible for the management of exploration, overseeing the delineation of more than 5 million ounces of resources, including the discovery of the high-grade Gokona gold deposit. In later years, he had additional responsibilities for all in-country development activities, through feasibility and permitting until the commencement of construction. East African Gold Mines was acquired by Placer Dome Inc. in mid-2003 for US\$252 million.

Since 2004, he has worked as an investment analyst for a private, resource-oriented investment fund evaluating and investing in mining projects around the world.

Mr Morrison was appointed a Director of the Company on 27 February 2013 and he has been a Director of OreCorp Resources Pty Ltd since June 2010. During the three year period to the end of the financial year, Mr Morrison was not a director of any other public companies.

Mr Michael Klessens

Non-Executive Director

Chairman of Audit Committee and Remuneration and Nomination Committee

Qualifications – B.Bus, CPA, MAICD

Mr Klessens is a CPA with over 24 years practical financial and management experience, particularly within the resources industry. This experience has involved all areas of corporate and treasury management, project financing, capital raisings, mergers and acquisitions, dual listings, feasibility studies and establishment of systems and procedures for new mining operations.

From 2002 - 2011, Mr Klessens was Vice President - Finance and Chief Financial Officer of Equinox Minerals Limited ('Equinox'), a dual listed TSX - ASX resources company which developed the major Lumwana Copper mine in Zambia which resulted in Equinox being one of the world's top 20 copper producers. Following the ramp up of Lumwana, Equinox embarked on an acquisition program that resulted in the takeover of the Citadel Resource Group for \$1.2 billion, targeting development of the Jabal Sayid Mine in Saudi Arabia. Equinox was taken over in mid-2011 by Barrick Gold Corporation for \$7 billion.

Prior to Equinox, Mr Klessens held senior positions in mid-tier Australian resource companies primarily focused on gold.

Mr Klessens joined the Board of OreCorp as a Director on 27 February 2013 and he has been a Director of OreCorp Resources Pty Ltd since March 2012. During the three year period to the end of the financial year, Mr Klessens was not a director of any other public companies.

DIRECTORS' REPORT (Continued)

Mr Robert Rigo

Non-Executive Director

Qualifications – B.App Sc, FAusIMM, MIEAust, GAICD

Mr Rigo is an engineer with over 35 years' experience. He has previously held a number of executive and senior management positions with publicly listed mining companies. He was Vice President - Project Development at Equinox Minerals Limited ('Equinox'), where he managed the feasibility study, related technical studies and engineering design and construction contracts for the Lumwana Copper Mine in Zambia, which commenced production in 2008. He also established Lumwana's copper concentrate off-take and logistics contracts. Following Lumwana Mr Rigo managed the construction of Equinox's Jabal Sayid (underground) Copper Mine in Saudi Arabia.

Amongst Mr Rigo's earlier job roles, he was the Mill Manager at Boddington Gold Mine, at the time Australia's largest gold mine. He then became General Manager - Technical Services for Newcrest Mining Ltd, Australia's major gold producer. His particular expertise lies in the management of mining operations, feasibility studies and construction of mining and mineral processing projects.

Mr Rigo joined the board of OreCorp as a Director on 1 April 2016. During the three year period to the end of the financial year, Mr Rigo was not a director of any other public companies.

Mr Luke Watson

CFO & Company Secretary

Qualifications – B.Bus, CA, ACIS, F Fin

Mr Watson is a Chartered Accountant, Chartered Secretary and a Fellow of FINSIA. He has significant corporate experience including mergers & acquisitions, capital raisings, IPOs and dual listings on the TSX. Since 2005, Mr Watson has held senior corporate and finance positions with a number of African-focused resources companies, including Mantra Resources Limited (Mantra) and OmegaCorp Limited. Mr Watson was the CFO & Company Secretary of Mantra from its \$6 million IPO in October 2006 until its acquisition by ARMZ (JSC Atomredmetzoloto) for approximately \$1 billion in mid-2011.

Mr Watson was appointed as CFO and Company Secretary on 28 February 2013 and he has held the same positions with OreCorp Resources Pty Ltd since October 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity consisted of mineral exploration for gold and precious metals in Africa, including the completion of a scoping study (Scoping Study) and commencement of a pre-feasibility study (PFS) on the Nyanzaga Gold Project Joint Venture (Nyanzaga) in Tanzania.

EMPLOYEES

	2016	2015
Number of full time equivalent people employed by the Consolidated Entity at reporting date	15	2

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2016.

EARNINGS PER SHARE

	2016	2015
Basic loss per share (cents per share)	(3.05)	(0.57)
Diluted loss per share (cents per share)	(3.05)	(0.57)

CORPORATE STRUCTURE

OreCorp Limited is a company limited by shares that is incorporated and domiciled in Australia. The Company has prepared a consolidated financial report including the entities it incorporated and controlled during the financial year.

CONSOLIDATED RESULTS

	2016 \$	2015 \$
Loss of the Consolidated Entity before income tax expense	(3,603,871)	(650,670)
Income tax expense	-	-
Net loss attributable to members of OreCorp Limited	(3,603,871)	(650,670)

REVIEW OF OPERATIONS AND ACTIVITIES

The operating loss of the Consolidated Entity for the year ended 30 June 2016 was \$3,603,871 (2015: \$650,670). This loss is largely attributable to:

- (i) The Consolidated Entity's accounting policy of expensing exploration and evaluation expenditure incurred by the Consolidated Entity subsequent to the acquisition of the rights to explore and up to the successful completion of definitive feasibility studies. During the year, exploration expenditure totalled \$2,844,767 (2015: \$892,555 inclusive of discontinued operation).

The significant increase in exploration expenditure during the period, as compared to the prior year, arose following the acquisition of the Company's interest in the Nyanzaga Gold Project. These activities included the completion of a maiden JORC Mineral Resource Estimate (MRE or Resource) and the Scoping Study (refer additional details below); and

- (ii) Business development activities which aim to identify and evaluate new mineral resource opportunities, in Africa and elsewhere. During the year, business development expenditure totalled \$299,670 (2015: \$395,694).

It is noted that the abovementioned numbers, and the financial report, are presented in Australian dollars.

During the year, OreCorp made the following progress at its projects in Tanzania and Mauritania:

DIRECTORS' REPORT (Continued)

Tanzania

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

On 22 September 2015, the Company announced that it had entered into a binding earn-in and JV agreement (JVA) to earn up to a 51% interest in the Nyanzaga Project in the Lake Victoria Goldfields of Tanzania.

The Lake Victoria Goldfields host an exceptional endowment of gold mineralisation, with four operating gold mines that collectively produced >1.2Mozs in 2015 and host >45 Mozs of gold in foreign estimates. Tanzania is the third largest gold producer in Africa (www.gold.org) with an internationally respected mining industry, a Mining Act revised in 2010 and English language based commerce.

The Nyanzaga Project comprises 27 contiguous Prospecting Licences and renewal applications covering a combined area of 271km², with a further two new applications pending. In addition to the Nyanzaga deposit, there are a number of other exploration prospects within the JV tenements.

Scoping Study

The Scoping Study commenced in April 2016 following the completion of the maiden JORC MRE. The Scoping Study examined all facets of geology, mining and processing. The Study was completed in early August 2016 and confirmed the outstanding potential of the Project.

Highlights from the Study included:

- Study indicated an outstanding potential, expected to deliver a project with average gold production of 220koz per annum for the first five years of full production
- Life of mine (**LOM**) average production is expected to be 182koz per annum over 13 years for a total of ~2.4Moz
- Average Cash Cost estimated to be US\$756/oz and All-in Sustaining Cost (**AISC**) of US\$798/oz over LOM
- Pre-production capital costs including all associated project infrastructure expected to be \$248M (inclusive of contingency)
- Updated MRE of 29.8Mt @ 3.5g/t gold for 3.3Moz gold, an increase of 566koz (~19%) compared to the Maiden JORC 2012 MRE released 31 March 2016
- The MRE averages approximately 4,200 ounces per vertical metre
- An initial open pit mine is expected to deliver approximately 1.2Moz of gold over its five year mine life
- A transition to an underground mine from year four onwards at a steady state of 1.1Mtpa, for a total period of nine years is expected to deliver a further 1.2Moz of gold
- Average LOM open pit strip ratio (unmineralised:mineralised) of 2.5:1 (based on low grade mineralised material included in mineralised material)
- Base Case 4Mtpa Carbon in Leach (**CIL**) processing plant with gold recoveries forecast to average ~85% over the LOM
- Scoping Study optimised at US\$1,250/oz gold price

The Scoping Study, led by Lycopodium Minerals Pty Ltd (ASX: LYL; Lycopodium) of Perth, Western Australia, examined all facets of geology, mining, processing and supporting infrastructure at a US\$1,250/oz gold price.

The Study identified the opportunity to incorporate lower grade mineralisation not included in the JORC 2012 MRE released on 31 March 2016. This lower grade mineralisation is included in an updated MRE estimated at 29.8Mt at 3.5g/t gold for 3.3Moz gold, an increase of 566koz (~19%).

The Study evaluated the technical and economic viability of both open pit (**OP**) and underground (**UG**) development scenarios. Processing options were considered in the context of various mining scenarios to optimise both throughput capacity utilisation and mineralised feed flexibility to enhance metallurgical outcomes.

The current preferred development option is to initially develop Nyanzaga as a 4Mtpa OP operation (**Phase 1**), transitioning in year four into an OP/UG operation (**Phase 2**). The Project is expected to deliver average annual gold production of 182koz over a 13 year LOM, peaking at 246koz in year five and totalling ~2.4Moz over the LOM. The first five years of full production are expected to average ~220koz pa. The AISC is estimated to be US\$798/oz over the LOM.

The process facility is based on a conventional flow sheet design of a semi-autogenous mill/ball mill configuration ('SABC') comminution circuit, gravity recovery and CIL processes, utilising proven technology that has been used globally for many years.

Capital costs (determined to a nominal accuracy of +/-35%) for the process plant and associated project infrastructure are estimated at US\$248M and includes a US\$43M contingency. This does not include a mining fleet as the Study is based on a contractor mining scenario for both OP and UG.

UG development will commence in year three and generate mineralised material from year five onwards at a steady state of 1.1Mtpa, for a total period of nine years based on the current MRE. The Scoping Study indicates that the capital costs associated with the UG may be funded from cash flow generated by the OP operation. Initial UG development capital is expected to be approximately US\$18M, while ongoing UG development capital is estimated at US\$16M pa. All UG development expenditure is included in AIC.

The key operating assumptions and financial outcomes of the scoping study are set out in the Project Overview section. All costs are in US\$ and no exchange rate assumptions have been made.

A PFS commenced immediately in mid-August, primarily focusing on optimisation of OP and UG mining and the process flow sheet to enhance gold recovery through optimisation of the comminution, gravity gold, leach and elution circuits. The PFS will also provide additional definition to the Projects' infrastructure requirements such as power, water supply and logistics.

OreCorp believes there is potential to enhance the Project economics by:

- Optimising OP and UG mine designs
- Assessing contractor vs owner operator mining fleet
- Optimising metallurgical recovery through the various PFS testwork studies
- Examining the consumption rates of reagents, their transport and potential recovery to reduce operating costs

Infill, sterilisation and exploration drilling programs are scheduled to commence in the third quarter of 2016. These are being undertaken with the objective of:

- Upgrading portions of the MRE potentially mineable by OP methods in the first three years of mine life to predominantly Measured category
- Supporting the metallurgical and comminution testwork program
- Sterilisation drilling to confirm plant, associated infrastructure, waste dump and Tailings Storage Facility (**TSF**) locations
- Testing of exploration targets

DIRECTORS' REPORT (Continued)

The Directors believe that the positive results of the Scoping Study for Nyanzaga underpin the Company's strategy of focusing on near-term production and generating an early cash flow, and further demonstrates the potential of the Project to deliver significant returns for shareholders from a substantial, low cost gold operation.

Mauritania

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

The Akjoujt South Project comprises two licences (1415 and 1416) and covers 460 km². The licences were renewed for a period of three years, effective from July 2015. An application has been lodged covering the 136 km² immediately to the north of licence 1415 and Anomaly 5.

Anomaly 5 was identified in a regional soil sampling programme which generated an anomalous soil sample of 0.26% nickel and 0.23% copper. The anomalism is associated with a circular intrusive body and alteration assemblage. Subsequent mapping, infill sampling and trenching defined a zone of geochemical anomalism approximately 1.6km long. Trenching across this anomalism has intersected mineralised intervals of up to 160m in width of 0.24% nickel and 0.21% copper. Further mineralisation has been identified in Trench 9, three kilometres to the east. Significant IP geophysical anomalism was encountered in a survey completed and reported during the December 2015 quarter. Diamond drilling commenced in the March 2016 quarter along with a concurrent ground magnetic survey and both programmes were completed during the June quarter.

The initial reconnaissance diamond drill programme tested the encouraging geophysical, trench and soil geochemical anomalism encountered in previous OreCorp exploration campaigns, for nickel - copper sulphide mineralisation. The drilling programme concluded with five diamond holes drilled at Anomaly 5 and one hole at Trench 9 for a total of 1,040m of drilling.

The drilling defined significant nickel-copper and sympathetic cobalt +/- silver sulphide mineralisation. The mineralisation is hosted within disseminated and semi massive to massive sulphide breccia zones associated with altered gabbro, mafic and orthogneiss country rock. The mineralisation comprises breccia and disseminated textured dominant pyrrhotite with pentlandite and chalcopyrite primary mineralisation and overlying gossan and secondary nickel sulphide violarite. Highlights from the programme included:

- Nickel-copper mineralisation was intersected from depths as shallow as 2m below surface
- Drill intercepts were up to 31m down hole width, with peak nickel and copper values of 1.34% and 1.29% respectively
- Mineralisation was encountered over a total of one kilometre in strike length, comprising a series of sub-parallel gossan/sulphide zones individually up to 350m in strike length
- Better drill intercepts included:
 - ASPDD002 31m @ 0.31% Ni and 0.21% Cu from 11m; and 9m @ 0.21% Ni and 0.10% Cu from 94m
 - ASPDD003 13m @ 0.35% Ni and 0.24% Cu from 2m; and 15m @ 0.58% Ni and 0.40% Cu from 19m (incl. 3m @ 1.28% Ni and 0.29% Cu from 29m)
 - ASPDD004 16.7m @ 0.40% Ni and 0.22% Cu from 16.3m (incl. 1m @ 1.05% Ni and 0.23% Cu from 31m)
 - ASPDD005 4.7m @ 0.39% Ni and 0.20% Cu from 116.8m (incl. 0.70m @ 1.00% Ni and 0.15% Cu from 116.8m)
- Petrology confirmed a nickel-copper sulphide style of mineralisation.

Future work will involve data integration, target generation and ranking. It is anticipated that further ground magnetics, ground EM, regional surface geochemistry and mapping will be utilised to enhance the understanding and refine the targeting within this highly prospective project.

Australia

Cheriton's East Project (Au-Ni-Cu: OreCorp 100% in Licence E77/1223)

The Cheriton's East Project (E77/1223) is located 48km south-east of Marvel Loch in the Eastern Goldfields of Western Australia and covers an area of 14.6km². Field work completed this year included detailed geological mapping at 1:5,000 scale, re-examination of old anomalous RAB drill holes, the re-evaluation of the geology and geochemistry of the mineralised holes and the collection of rock chip samples. No significant results were obtained from the rock chip samples and the Company is currently considering its options for this Project.

Corporate and Financial

In May and June 2016, the Company completed a capital raising which involved the issue of 60 million fully paid ordinary shares at an issue price of \$0.27 per share to institutional and sophisticated investors in Europe and Australia, raising \$16.2 million (before costs).

The Placement was conducted in two tranches, with the Second Tranche Shares subject to shareholder approval. Shareholder approval for the issue of the Second Tranche Shares was obtained at the general meeting held on 22 June 2016.

Proceeds from the Placement will be used to fast track the various planned development and exploration activities both at the Nyanzaga Gold Project in Tanzania and the Akjoujt South Nickel - Copper Project in Mauritania, including:

- completion of the Scoping, Pre-Feasibility and Definitive Feasibility Studies for Nyanzaga;
- advancement of regional exploration activities at Nyanzaga, including drilling of priority targets;
- permitting and licensing for Nyanzaga;
- a follow-up drilling programme at the Anomaly 5 Nickel - Copper Prospect in Mauritania; and
- general working capital.

At 30 June 2016, the Group was in a strong financial position with \$17.3m in cash and no debt.

Business Development

OreCorp has continued to assess advanced projects and corporate opportunities throughout Africa which may enhance shareholder value.

Business Strategies and Prospects

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

- (i) To complete the PFS and if positive immediately commence a definitive feasibility study (DFS), on the Nyanzaga Project. This will potentially enable the Company to achieve its strategic objective of becoming a gold producer.
- (ii) Undertake further work on the Anomaly 5 Prospect in Mauritania, including ground magnetics and ground EM to refine drill targets for a follow-up drilling program.
- (iii) Seek to maximise the value of the Consolidated Entity's portfolio of exploration assets in Africa; and
- (iv) Continue to identify and evaluate new mineral resource and other corporate opportunities, which can enhance shareholder value.

DIRECTORS' REPORT (Continued)

Risk Management

The Board is responsible for the oversight of the Consolidated Entity's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed below, there were no significant changes in the state of affairs of the Consolidated Entity during the year.

- (i) On 22 September 2015, OreCorp announced that it had entered into a binding joint venture agreement (JV) with Acacia Mining plc (Acacia) to earn an interest in the Nyanzaga Project in northwest Tanzania.
- (ii) The Company then engaged independent experts CSA Global completed a JORC compliant Mineral Resource Estimate (MRE or Resource). Following the completion of the Scoping Study, Nyanzaga now hosts 3.3 million ounces of gold at 3.5 g/t (refer to ASX Announcements dated 31 March and 10 August 2016).
- (iii) In April 2016, the Scoping Study for the Nyanzaga Project commenced. Lycopodium was engaged to complete the Study. The Scoping Study was completed in August 2016, ahead of schedule and on budget and confirmed the outstanding potential of the Project. The Board subsequently approved the PFS to commence immediately (refer to the summary above for further details).
- (iv) During the June Quarter, the Company completed a reconnaissance diamond drilling programme on Anomaly 5 at the Akjoujt South Project in Mauritania, with five of six holes intersecting zones of disseminated and breccia-fill sulphide mineralisation. Significant nickel-copper mineralisation was intersected at shallow depths over broad widths and significant strike length in four of the six holes drilled. Drill intercepts are up to 31m down hole width, with peak nickel and copper values of 1.34% and 1.29% respectively. Mineralisation has been encountered over a total of one kilometre in strike length (refer to ASX Announcement dated 2 August 2016).
- (v) In May and June 2016, the Company completed a capital raising which involved the issue of 60 million fully paid ordinary shares at an issue price of \$0.27 per share to institutional and sophisticated investors in Europe and Australia, raising \$16.2 million (before costs). At 30 June 2016, the Group was in a strong financial position with \$17.3m in cash and no debt; and
- (vi) At the general meeting held on 22 June 2016 shareholder approval was also obtained for the establishment of the Employee Option Acquisition Plan, the grant of options under that plan and the grant of options to the Non-Executive Directors. Accordingly, the Company has granted 5,285,000 options under the plan (including 1,500,000 to the Company's CEO and Managing Director) and 3,250,000 options to the Non-Executive Directors.

SIGNIFICANT POST BALANCE DATE EVENTS

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

- (i) On 10 August 2016, the Company completed the Scoping Study for the Nyanzaga Project (a full summary of the Scoping Study results is provided above). The Study confirmed the outstanding potential of the Project and its ability to potentially generate robust cash flows. The Board subsequently approved the PFS to commence immediately in mid-August and expects to complete this study in Q1 2017; and

- (ii) On 2 September 2016, the Company granted 1,300,000 unlisted options under the Employee Option Acquisition Plan to key employees.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are subject to various environmental laws and regulations in each of the African countries in which it holds exploration licences. The Group aims for full compliance with these laws and regulations and regards them as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either internally, or by external compliance audits or inspections by relevant government authorities.

There have been no significant known breaches by the Consolidated Entity during the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

It is the Board's current intention that the Consolidated Entity will:

- focus on the Nyanzaga Project JV, including the completion of the pre-feasibility study in Q1 2017 and then intends to move immediately into the DFS phase;
- undertake further regional exploration programmes at Nyanzaga, including the drilling of priority targets proximal to the Nyanzaga deposit;
- continue to explore its Akjoujt South Project in Mauritania, including further geophysical and drilling programmes; and
- continue to review other resource opportunities which may enhance shareholder value.

The successful completion of these activities will assist the Group to achieve its strategic objective of becoming a developer of the Nyanzaga Project in the near term.

These activities are inherently risky and the Board is unable to provide certainty that any or all of these objectives will be able to be achieved. In the opinion of the Directors, any further disclosure of information regarding likely developments in the operations of the Consolidated Entity and the expected results of these operations in subsequent financial years may prejudice the interests of the Group and accordingly, further information has not been disclosed.

SHARE OPTIONS

At the date of this report, the following options have been issued over unissued shares:

- (1) 2,985,000 unlisted options at an exercise price of \$0.41 each that expire on 23 June 2019
- (2) 2,800,000 unlisted options at an exercise price of \$0.45 each that expire on 23 June 2019
- (3) 2,750,000 unlisted options at an exercise price of \$0.50 each that expire on 31 May 2020
- (4) 250,000 unlisted options at an exercise price of \$0.50 each that expire on 23 June 2019
- (5) 250,000 unlisted options at an exercise price of \$0.60 each that expire on 23 June 2019
- (6) 250,000 unlisted options at an exercise price of \$0.70 each that expire on 31 August 2020
- (7) 250,000 unlisted options at an exercise price of \$0.80 each that expire on 31 December 2021
- (8) 100,000 unlisted options at an exercise price of \$0.75 each that expire on 23 June 2019
- (9) 100,000 unlisted options at an exercise price of \$0.85 each that expire on 23 June 2019
- (10) 100,000 unlisted options at an exercise price of \$0.95 each that expire on 31 May 2020

DIRECTORS' REPORT (Continued)

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2016, and the number of meetings attended by each Director.

Directors	Board Meetings ⁽¹⁾		Audit Committee Meetings		Remuneration & Nomination Committee Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Craig Williams	8	8	2	2	1	1
Matthew Yates	8	8	-	-	-	-
Alastair Morrison	8	8	2	2	1	1
Michael Klessens	8	8	2	2	1	1
Robert Rigo	2	1	-	-	-	-

Notes

- (1) In addition to the Board Meetings held during the year, there were a number of matters resolved by way of Circular Resolution that are not reflected in the table above.

REMUNERATION REPORT (AUDITED)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel ('KMP') of the Group. The term KMP refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Details of Key Management Personnel

Details of the KMP during or since the end of the financial year are set out below:

Directors

Mr Craig Williams	Non-Executive Chairman
Mr Matthew Yates	Chief Executive Officer & Managing Director
Mr Alastair Morrison	Non-Executive Director
Mr Michael Klessens	Non-Executive Director
Mr Robert Rigo	Non-Executive Director (appointed 1 April 2016)

Other Key Management Personnel

Mr Luke Watson – CFO & Company Secretary

Unless noted above, all KMP held their position from 1 July 2015 until the date of this report.

Other than the CEO and CFO, there were no executives of the Company or Group during the year.

Remuneration Policy

The Group's remuneration policy for its KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

- (i) the Group is currently concentrating on the recently acquired Nyanzaga Project JV, including the completion of the Scoping Study, PFS and intended completion of the DFS for the Project, reviewing other mineral resource opportunities, as well as the exploration of its Akjoujt South Project in Mauritania. The Board considers that the experience of its KMP in the resources industry will greatly assist the Group in achieving its strategic objectives and progressing its exploration properties over the next 12 – 24 months;
- (ii) risks associated with developing resource companies whilst exploring and developing projects, particularly at the 'grass roots' stage; and
- (iii) other than profit which may be generated from asset sales, the Group does not expect to be undertaking profitable operations until after the commencement of commercial production on any of its projects.

Executive Remuneration

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. KMP who are residents of Australia for taxation purposes receive a statutory superannuation contribution (subject to statutory age-based limits) and do not receive any other retirement benefits.

Fixed remuneration is reviewed annually by the Board. The process consists of a review of Consolidated Entity and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Performance Based Remuneration – Short-Term Incentive Plan ('STIP')

Subject to the global equity markets improving (and in particular commodities prices and the resources sector), the Group intends to introduce a STIP when it has successfully completed feasibility studies at the Nyanzaga Project, whereby its KMP will be entitled to an annual cash bonus upon achieving various key performance indicators ('KPI's'), as set by the Board. As at the date of this Report, a STIP had not been ratified and introduced by the Board.

Performance Based Remuneration – Long-Term Incentive Plan ('LTIP')

As approved by shareholders at the General Meeting held on 22 June 2016, the Consolidated Entity has adopted an option plan for employees and contractors ('Option Plan'). As at 30 June 2016, the following options had been issued to KMP pursuant to the Option Plan:

- (1) 1,885,000 unlisted options at an exercise price of \$0.41 each that expire on 23 June 2019
- (2) 1,700,000 unlisted options at an exercise price of \$0.45 each that expire on 23 June 2019
- (3) 1,700,000 unlisted options at an exercise price of \$0.50 each that expire on 31 May 2020

The Group has and intends to continue to issue options pursuant to the LTIP in order to attract and retain the services of its KMP and to provide an incentive linked to the performance of the Consolidated Entity. The Option Plan will be administered by the Directors.

DIRECTORS' REPORT (Continued)

In the absence of a formal LTIP in prior years, the Board had chosen to issue incentive options to some directors and executives as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the directors and executives and to provide an incentive linked to the performance of the Consolidated Entity. The Board considers that each person's experience in the resources industry will greatly assist the Consolidated Entity in progressing its projects to the next stage of development and the identification of new projects. As such, the Board believes that the number of incentive options granted to its directors and KMP during the year was reasonable and justified. During the year ended 30 June 2016, the following incentive options were issued to the Company's non-executive directors (these are not included with the Employee Option Plan):

- (1) 1,100,000 unlisted options at an exercise price of \$0.41 each that expire on 23 June 2019
- (2) 1,100,000 unlisted options at an exercise price of \$0.45 each that expire on 23 June 2019
- (3) 1,050,000 unlisted options at an exercise price of \$0.50 each that expire on 31 May 2020

The Board has a policy of granting options to directors and KMP with exercise prices at or above market share price (at the time of agreement). As such, incentive options granted to directors and KMP will generally only be of benefit if they perform to the level whereby the value of the Consolidated Entity increases sufficiently to warrant exercising the incentive options granted.

Other than the criteria noted above, there are no performance requirements on the incentive options granted to directors and KMP, as given the speculative nature of the Group's activities and the small management team responsible for its running, it is considered the performance of the directors and KMP is closely related to the performance and value of the Consolidated Entity.

Non-Executive Director Remuneration

The Board's policy is for fees to Non-Executive Directors to be no greater than market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, Incentive Options have been and will continue to be used in future to attract and retain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice may be sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors, currently \$225,000, has been approved by shareholders at a General Meeting. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares and/or options in the Company and Non-Executive Directors may in limited circumstances receive Incentive Options in order to secure their initial or ongoing services (refer tables below for further details of share and option holdings).

Fees for the Chairman are presently \$75,000 per annum (2015: \$50,000) and fees for Non-Executive Directors' are presently set at \$44,000 - \$50,000 per annum (2015: \$40,000). These fees cover main board activities as well as duties for board sub-committees. Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees and services that would ordinarily not be expected of a non-executive director.

Impact of Shareholder Wealth on Key Management Personnel Remuneration

The Board does not directly base remuneration levels on the Company's share price or movement in the share price over the financial year. However, as noted above, KMP may receive Incentive Options which generally will only be of value should the value of the Company's shares increase sufficiently to warrant exercising the Incentive Options granted.

The Board anticipates that, during the Group's exploration and development phases of its business, it will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly, the Company does not currently have a policy with respect to the payment of dividends, and as a result the remuneration policy does not take into account the level of dividends or other distributions to shareholders (e.g. return of capital).

Impact of Earnings on Key Management Personnel Remuneration

The Group is currently undertaking exploration and project evaluation activities and does not expect to be undertaking profitable operations until after the successful commercialisation, production and sale of commodities from one or more of its projects. Accordingly, the Board does not consider current or prior year earnings when assessing remuneration of KMP.

Group Performance

The table below sets out summary information about the Consolidated Entity's earnings and movements in shareholder wealth for the last four financial years:

	Year Ended 30 June 2016 \$	Year Ended 30 June 2015 \$	Year Ended 30 June 2014 \$	Period Ended 30 June 2013 \$
Interest revenue	48,526	73,617	212,455	289,949
Other income	-	293,171	-	-
Unrealised foreign exchange gain / (loss)	235,682	836,452	(115,986)	118,836
Loss before tax	(3,603,871)	(650,670)	(2,665,151)	(6,781,640)
Loss after tax	(3,603,871)	(650,670)	(2,665,151)	(6,781,640)
Dividends	-	-	-	-
Share price	0.31	0.05	0.06	0.09
Basic loss per share (cents per share)	(3.05)	(0.57)	(2.35)	(8.26)
Diluted loss per share (cents per share)	(3.05)	(0.57)	(2.35)	(8.26)

DIRECTORS' REPORT (Continued)

Key Management Personnel Remuneration

Details of the nature and amount of each element of the remuneration of each KMP of the Company or Group for the financial year are as follows:

	Short-Term Benefits	Post Employment Benefits	Share Based ⁽¹⁾ Payments	% of Total Remuneration that consists of Option Valuations	
	Salary & Fees	Superannuation	Accounting Valuation	Total	%
2016	\$	\$	\$	\$	%
Directors					
Craig Williams	45,688	4,312	2,111	52,111	4.05%
Matthew Yates	240,000	35,000	3,125	278,125	1.12%
Alastair Morrison	36,551	3,449	1,563	41,563	3.76%
Michael Klessens	36,551	3,449	1,563	41,563	3.76%
Robert Rigo (appointed 1 April 2016)	10,000	-	1,563	11,563	13.51%
Other KMP					
Luke Watson	225,000	25,000	1,875	251,875	0.74%

Notes

- (1) The value of options granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian accounting standards.
- (2) Details of incentive options granted as remuneration to each Key Management Personnel of the Company or Group during the financial year are outlined in further detail separately below.

	Short-Term Benefits	Post Employment Benefits	Total
	Salary & Fees	Superannuation	
2015	\$	\$	\$
Directors			
Craig Williams	45,688	4,312	50,000
Matthew Yates	240,000	35,000	275,000
Alastair Morrison	36,551	3,449	40,000
Michael Klessens	36,551	3,449	40,000
Other KMP			
Luke Watson	225,000	25,000	250,000

Note

- (1) There were no long-term benefits, including incentive options, paid or issued to KMP during the year ended 30 June 2015.

Shareholdings of Key Management Personnel

Key Management Person 2016	Opening Balance at 1 July 2015	Other Changes	Held at 30 June 2016
Directors			
Craig Williams ^{(1) (2)}	1,524,989	845,381	2,370,370
Matthew Yates	10,495,578	-	10,495,578
Alastair Morrison	5,124,874	-	5,124,874
Michael Klessens ⁽²⁾	1,625,000	370,370	1,995,370
Robert Rigo ⁽²⁾	100,000	370,370	470,370
Other KMP			
Luke Watson ⁽²⁾	875,500	277,781	1,153,281

Notes

- (1) On 30 September & 2 October 2015, Mr Williams acquired a total of 475,011 shares on market.
- (2) On 23 June 2016 Messrs Williams, Klessens, Rigo and Watson bought shares at \$0.27 each as part of the capital raising. The participation of the directors in the capital raising was approved by shareholders at the General Meeting held on 22 June 2016.

Option Holdings of Key Management Personnel

The aggregate number of options over ordinary shares of the Company held directly, indirectly or beneficially by KMP of the Company or Group or their related entities at balance date is as follows:

Key Management Person 2016	Opening Balance at 1 July 2015 #	Grant of Options ⁽¹⁾ #	Held at 30 June 2016 #	Vested and Exercisable at 30 June 2016 #
Directors				
Craig Williams	-	1,000,000	1,000,000	Nil
Matthew Yates	-	1,500,000	1,500,000	Nil
Alastair Morrison	-	750,000	750,000	Nil
Michael Klessens	-	750,000	750,000	Nil
Robert Rigo	-	750,000	750,000	Nil
Other KMP				
Luke Watson	-	900,000	900,000	Nil

Notes

- (1) On 22 June 2016 Messrs Williams, Yates, Morrison, Klessens, Rigo and Watson were granted options. The options were granted pursuant to shareholder approval obtained at the General Meeting held on 22 June 2016.

DIRECTORS' REPORT (Continued)

2016	Issuing Entity	Grant Date	Expiry Date	Exercise Price \$	Grant Date Fair Value \$	No. Granted	No. Vested at 30 June 2016	% of Grant Vested %	% of Total Remuneration that consists of Option Valuations %
Directors									
Craig Williams	OreCorp	22-06-16	23-06-19	\$0.41	\$0.117	350,000	Nil	-	4.05%
		22-06-16	23-06-19	\$0.45	\$0.111	350,000	Nil	-	
		22-06-16	31-05-20	\$0.50	\$0.125	300,000	Nil	-	
Matthew Yates	OreCorp	22-06-16	23-06-19	\$0.41	\$0.117	500,000	Nil	-	1.12%
		22-06-16	23-06-19	\$0.45	\$0.111	500,000	Nil	-	
		22-06-16	31-05-20	\$0.50	\$0.125	500,000	Nil	-	
Alastair Morrison	OreCorp	22-06-16	23-06-19	\$0.41	\$0.117	250,000	Nil	-	3.76%
		22-06-16	23-06-19	\$0.45	\$0.111	250,000	Nil	-	
		22-06-16	31-05-20	\$0.50	\$0.125	250,000	Nil	-	
Michael Klessens	OreCorp	22-06-16	23-06-19	\$0.41	\$0.117	250,000	Nil	-	3.76%
		22-06-16	23-06-19	\$0.45	\$0.111	250,000	Nil	-	
		22-06-16	31-05-20	\$0.50	\$0.125	250,000	Nil	-	
Robert Rigo	OreCorp	22-06-16	23-06-19	\$0.41	\$0.117	250,000	Nil	-	13.51%
		22-06-16	23-06-19	\$0.45	\$0.111	250,000	Nil	-	
		22-06-16	31-05-20	\$0.50	\$0.125	250,000	Nil	-	
Other KMP									
Luke Watson	OreCorp	22-06-16	23-06-19	\$0.41	\$0.117	300,000	Nil	-	0.74%
		22-06-16	23-06-19	\$0.45	\$0.111	300,000	Nil	-	
		22-06-16	31-05-20	\$0.50	\$0.125	300,000	Nil	-	

Notes

- (1) Details on the valuation of the options granted during the year ended 30 June 2016, including models and assumptions used are provided in Note 16.
- (2) Each option converts into one ordinary share of OreCorp Limited on exercise.
- (3) No amounts are paid or payable by the recipient on receipt of the options. The options are subject to vesting periods of 12, 18 and 24 months. There are no further service or performance criteria that need to be met in relation to options granted.

Details of the value of options granted, exercised or lapsed for each Key Management Personnel of the Company or Group during the financial year are as follows:

	Total Value of Options Granted During the Year ⁽¹⁾ \$	Value of Options Exercised During the Year \$	Value of Options Lapsed During the Year ⁽²⁾ \$
2016			
Directors			
Craig Williams	117,300	-	-
Matthew Yates	176,500	-	-
Alastair Morrison	88,250	-	-
Michael Klessens	88,250	-	-
Robert Rigo	88,250	-	-
Other KMP			
Luke Watson	105,900	-	-

Notes

- (1) The value of options granted during the year is recognised in compensation over the vesting period of the grant, in accordance with Australian Accounting Standards.
- (2) No options were forfeited or cancelled during the year ended 30 June 2016.
- (3) There were no options issued to Directors or KMP during the year ended 30 June 2015.

Employment Contracts with Key Management Personnel

Mr Matthew Yates, Chief Executive Officer, has a contract of employment with OreCorp Limited. The contract specifies the duties and obligations to be fulfilled by the CEO. The contract has no fixed term and may be terminated by either party giving three months' notice. No amount is payable in the event of termination for neglect or incompetence in regard to the performance of duties other than accrued entitlements. In the event of termination by either party in certain circumstances, Mr Yates is entitled to 12 months' salary. Since August 2010, Mr Yates' cash remuneration has totalled \$275,000 per annum (inclusive of superannuation). Effective 1 July 2016, Mr Yates will receive \$350,000 per annum (inclusive of superannuation). In addition, as approved by shareholders on 22 June 2016, Mr Yates is a participant in the Company's 'Employee Option Plan' and will be entitled to participate in the 'Short-Term Incentive Plan', as and when introduced by the Board.

Mr Luke Watson, Chief Financial Officer & Company Secretary, has a contract of employment with OreCorp Limited. The contract specifies the duties and obligations to be fulfilled by the CFO. The contract has no fixed term and may be terminated by either party giving three months' notice. No amount is payable in the event of termination for neglect or incompetence in regard to the performance of duties other than accrued entitlements. In the event of termination by either party in certain circumstances, Mr Watson is entitled to 12 months' salary. Since October 2011, Mr Watson's cash remuneration has totalled \$250,000 per annum, (inclusive of superannuation). Effective 1 July 2016, Mr Watson will receive \$275,000 per annum (inclusive of superannuation). In addition, as approved by shareholders on 22 June 2016, Mr Watson is a participant in the Company's 'Employee Option Plan' and will be entitled to participate in the 'Short-Term Incentive Plan', as and when introduced by the Board.

End of Remuneration Report.

DIRECTORS' REPORT (Continued)

INSURANCE OF OFFICERS AND AUDITORS

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company or Group for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

During the financial year, the Company paid a premium in respect of a contract insuring the directors and the company secretary of the company (as named above) of any related body corporate against a liability incurred as such a director or secretary to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, 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. It noted that there were no such liabilities during the financial year.

NON-AUDIT SERVICES

The Group may decide to use its auditor to provide non-audit services where the auditor's expertise and experience with the Group is important.

During the year, the following fees were paid or payable for services provided by the auditor of the Group:

	Year Ended 30 June 2016	Year Ended 30 June 2015
Services provided by the Company's auditors	\$	\$
<i>Deloitte Australia:</i>		
- Audit and review of financial report	29,700	29,500
- Other non-audit services	-	-
<i>PwC Tanzania:</i>		
- Audit and review of financial report	10,257	-
- Other non-audit services (taxation advice)	3,556	-
Total remuneration for auditors	43,513	29,500

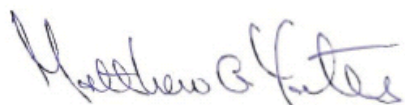
There were no non-audit services provided by the Group auditor (or by another person or firm on the auditor's behalf) during the financial year. A total of \$3,556 was paid to OreCorp Tanzania Limited's auditor (PwC Tanzania) for taxation advice and services.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is on page 80 of the Annual Report.

This report is made in accordance with a resolution of the directors made pursuant to section 298(2) of the Corporations Act 2001.

For and on behalf of the Directors



MATTHEW YATES
Chief Executive Officer

12 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

		Consolidated	
	Notes	Year Ended 2016 A\$	Year Ended 2015 A\$
Revenue	2	48,526	73,617
Other income	2	-	293,171
Realised foreign exchange gain	2	235,682	836,452
Corporate and administration costs	3	(743,642)	(567,229)
Exploration and evaluation costs		(2,844,767)	(691,262)
Business development costs		(299,670)	(395,694)
Other expenses	3(a)	-	1,568
Loss before tax from continuing operations		(3,603,871)	(449,377)
Income tax expense	4	-	-
Loss for the year from continuing operations		(3,603,871)	(449,377)
Discontinued operation costs	3(g)	-	(201,293)
Loss for the year		(3,603,871)	(650,670)
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Net fair value gain on available for sale financial assets during the year		-	293,171
Reclassification of available for sale assets disposed of during the year		-	(293,171)
Exchange differences arising on translation of foreign operations		(12,048)	75,889
Other comprehensive income/(loss) for the year		(12,048)	75,889
Total comprehensive loss for the year, net of income tax		(3,615,919)	(574,781)
Total comprehensive loss attributable to members of the parent		(3,615,919)	(574,781)
Earnings per share			
Weighted average number of shares		118,064,409	113,412,820
Basic loss per share (cents per share)	21	(3.05)	(0.57)
Diluted loss per share (cents per share)	21	(3.05)	(0.57)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Notes	Consolidated 2016 A\$	2015 A\$
ASSETS			
Current Assets			
Cash and cash equivalents	22(b)	17,270,215	6,999,649
Trade and other receivables	5	132,875	189,288
Total Current Assets		17,403,090	7,188,937
Non-current Assets			
Property, plant and equipment	6	274,357	65,730
Exploration and evaluation assets	7	1,460,397	29,082
Total Non-current Assets		1,734,754	94,812
TOTAL ASSETS		19,137,844	7,283,749
LIABILITIES			
Current Liabilities			
Trade and other payables	9	299,162	101,784
Provisions	10	61,158	39,102
Total Current Liabilities		360,320	140,886
TOTAL LIABILITIES		360,320	140,886
NET ASSETS		18,777,524	7,142,863
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	11	35,853,166	20,620,540
Reserves	12	564,700	558,794
Accumulated losses	13	(17,640,342)	(14,036,471)
TOTAL EQUITY		18,777,524	7,142,863

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	Consolidated	
		Year Ended 2016 A\$	Year Ended 2015 A\$
Cash flows from operating activities			
Interest received		69,036	96,316
Payments to suppliers and employees		(3,468,710)	(1,623,400)
Net cash outflow from operating activities	22(a)	(3,399,674)	(1,527,084)
Cash flows from investing activities			
Proceeds from disposal of plant and equipment		-	32,683
Purchase of property, plant and equipment	6	(293,785)	-
Purchase of exploration and evaluation assets	7	(1,431,315)	-
Cost of acquisition of available-for-sale financial assets	8	-	(565,915)
Proceeds from sale of available-for-sale financial assets	8	-	859,087
Net cash inflow/(outflow) from investing activities		(1,725,100)	325,855
Cash flows from financing activities			
Proceeds from issue of shares		16,200,000	-
Payments for share issue transaction costs		(967,374)	-
Net cash inflow from financing activities		15,232,626	-
Net increase/(decrease) in cash and cash equivalents held		10,107,852	(1,201,229)
Foreign exchange movement on cash and cash equivalents		162,714	862,068
Cash and cash equivalents at the beginning of the financial year		6,999,649	7,338,810
Cash and cash equivalents at the end of the financial year	22(b)	17,270,215	6,999,649

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

For the Year Ended 30 June 2016	Issued Capital A\$	Share Based Payments Reserve A\$	Foreign Currency Translation Reserve A\$	Accumulated Losses A\$	Total Equity A\$
Balance at 1 July 2015	20,620,540	429,500	129,294	(14,036,471)	7,142,863
Total comprehensive income for the year:					
Net loss for the year	-	-	-	(3,603,871)	(3,603,871)
Other comprehensive income:					
Exchange differences arising on translation of foreign operations	-	-	(12,048)	-	(12,048)
Income tax relating to components of other comprehensive income	-	-	-	-	-
Total other comprehensive income	-	-	(12,048)	-	(12,048)
Total comprehensive income for the year	-	-	(12,048)	(3,603,871)	(3,615,919)
Transactions with owners, recorded directly in equity					
Capital raising	16,200,000	-	-	-	16,200,000
Less cost of capital raising	(967,374)	-	-	-	(967,374)
Grant of options	-	17,954	-	-	17,954
Total transactions with owners	15,232,626	17,954	-	-	15,250,580
Balance at 30 June 2016	35,853,166	447,454	117,246	(17,640,342)	18,777,524

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

For the Year Ended 30 June 2015	Issued Capital A\$	Share Based Payments Reserve A\$	Available-for-Sale Investments Reserve A\$	Foreign Currency Translation Reserve A\$	Accumulated Losses A\$	Total Equity A\$
Balance at 1 July 2014	20,620,540	429,500	-	53,405	(13,385,801)	7,717,644
Total comprehensive income for the year:						
Net loss for the year	-	-	-	-	(650,670)	(650,670)
Other comprehensive income:						
Exchange differences arising on translation of foreign operations	-	-	-	75,889	-	75,889
Net fair value gain on available for sale financial assets during the year	-	-	293,171	-	-	293,171
Reclassification of available for sale assets disposed of during the year	-	-	(293,171)	-	-	(293,171)
Income tax relating to components of other comprehensive income	-	-	-	-	-	-
Total other comprehensive income	-	-	-	75,889	-	75,889
Total comprehensive income for the year	-	-	-	75,889	(650,670)	(574,781)
Transactions with owners, recorded directly in equity						
Grant of options	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance at 30 June 2015	20,620,540	429,500	-	129,294	(14,036,471)	7,142,863

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the financial report of the Company, OreCorp Limited and its consolidated entities ('Consolidated Entity' or 'Group') for the year ended 30 June 2016 are stated to assist in a general understanding of the financial report. For the purposes of preparing the consolidated financial statements, the Company is a for profit entity.

OreCorp Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial report of the Company for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the Directors on 12 September 2016.

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASs') and interpretations adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001.

OreCorp Limited is listed on the Australian Securities Exchange.

In the application of AASs management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting 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 financial report has also been prepared on a historical cost basis, except for other financial assets at fair value through profit or loss and available-for-sale investments, which have been measured at fair value.

The financial report is presented in Australian dollars.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (Continued)

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). The financial report, which includes the financial statements and the notes of the Group, also complies with International Financial Reporting Standards ('IFRS').

(c) New and Revised Accounting Standards

In the current year, the Group has applied the amendment to AASBs issued by the Australian Accounting Standards Board (AASB) that is mandatorily effective for an accounting period that begins on or after 1 July 2015, and therefore relevant for the current year end. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below.

AASB 2015-3 <i>Amendments to Australian Accounting Standards – arising from the Withdrawal of AASB 1031 Materiality</i>	This amendment completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.
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Standards and Interpretations affecting the reported results or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2016. These are outlined in the table below:

Standard / Interpretation	Effective for Annual Reporting Periods Beginning on or After	Expected to be Initially Applied in the Financial Year Ending
AASB 9 'Financial Instruments, and the relevant amending standards ⁽¹⁾	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15, AASB 2015-8 'Amendments to Australian Accounting Standards – Effective date of AASB 15' and AASB 2016-3 'Amendments to Australian Accounting Standards – Clarifications to AASB 15'	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 1057 'Application of Australian Accounting Standards' and AASB 2015-9 'Amendments to Australian Accounting Standards – Scope and Application Paragraphs'	1 January 2016	30 June 2017
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' and AASB 2015-10 'Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128'	1 January 2018	30 June 2019
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2016-1 'Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses'	1 January 2017	30 June 2018
AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107'	1 January 2017	30 June 2018
AASB 2016-5 'Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions'	1 January 2018	30 June 2019

At the date of authorisation of the financial statements, no IASB Standards and IFRIC Interpretations (for which Australian equivalent Standards and Interpretations have not yet been issued) were in issue but not yet effective.

The directors note that the impact of the initial application of the standards and interpretations is not yet known or is not reasonably estimable. These standards and interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning on or after the effective date of each pronouncement.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

(Continued)

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of OreCorp Limited ('Company' or 'Parent Entity') as at year end and the results of all subsidiaries for the year then ended. OreCorp Limited and its subsidiaries together are referred to as the Group or the Consolidated Entity.

In February 2013, OreCorp Limited acquired OreCorp Resources Pty Ltd. The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. These consolidated financial statements have been prepared on the basis that the acquisition was effectively a recapitalisation of OreCorp Resources, hence OreCorp Resources acquired OreCorp Limited and not vice versa as the legal documentation shows. The recapitalisation was measured at the fair value of the equity instruments that would have been given by OreCorp Resources to have exactly the same percentage holding in the new structure at the date of the acquisition.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group 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.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries/assets by the Group.

Intercompany transactions and balances, and unrealised gains on transactions between Group companies, are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Where the group acquires an area of interest (through direct purchase or purchase of an entity), expenditure incurred in the acquisition of the area of interest is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition.

Exploration and evaluation expenditure incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred up to the successful completion of definitive feasibility studies. Expenditure in relation to the preparation of definitive feasibility studies is expensed as incurred.

Capitalised exploration is only carried forward if the Company has rights to tenure and the Company expects to recoup the expenditures through successful development or sale.

Capitalised exploration costs are reviewed each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(f) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(g) Income Tax

The income tax expense or income for the period is the tax payable or recoverable on the current period's taxable income or tax loss based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

(Continued)

OreCorp Limited and its 100% owned Australian resident subsidiaries have elected to form a tax consolidated group with effect from the tax year commencing 1 July 2010 and are therefore taxed as a single entity from that date.

(h) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(i) Cash and Cash Equivalents

'Cash and cash equivalents' includes cash on hand, deposits held at call with financial institutions, and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less an allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition. An estimate of doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less impairment.

The effective interest method is a method of calculating the amortised cost of a receivable and of allocating interest income over the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the receivable, or, where appropriate, a shorter period.

(k) Fair Value Estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments.

(l) Property, Plant and Equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 profit or loss during the financial period in which they are incurred.

Plant and equipment are depreciated or amortised on a reducing balance or straight line basis at rates based upon their expected useful lives as follows:

	Life
Plant and equipment	2 – 15 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

(m) Payables

Liabilities for trade creditors and other amounts are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Consolidated Entity. The amounts are unsecured and are usually paid within 30 days.

Payables to related parties are carried at amortised cost.

(n) Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within twelve months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. Employee benefits payable later than one year are measured at the present value of the estimated future cash flows to be made for those benefits. Contributions to defined contribution super plans are expensed when the employees have rendered the services entitling them to the contributions.

(o) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

(Continued)

(p) Dividends

Provision is made for the amount of any dividend declared on or before the end of the year but not distributed at balance date.

(q) Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(r) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- (i) where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(s) Share Based Payments

Share based payments are provided to directors, employees, consultants and other advisors and to acquire assets such as mineral exploration licences.

The fair value of options granted (determined using the Binomial option pricing model) is recognised as an expense or asset, as appropriate with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which option holders become unconditionally entitled to the options.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest.

(t) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Consolidated Entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the available-for-sale investments revaluation reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- b. Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- c. All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. Where a foreign operation is sold or borrowings repaid, a proportionate share of such exchange differences are reclassified to profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(u) Segment Information

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (Continued)

(v) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, as described above, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Exploration and evaluation expenditure

In accordance with accounting policy note 1(e) management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions, including the maintenance of title, ongoing expenditure and prospectivity are made. See note 7 for disclosure of carrying values.

(ii) Share-based payments

The consolidated entity measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they were granted. The fair value of options granted is determined using the Binomial option valuation model, based on the assumptions detailed in note 16.

	Consolidated Year Ended 2016 \$	Year Ended 2015 \$
2. REVENUE AND OTHER INCOME FROM CONTINUING OPERATIONS		
Revenue		
Interest revenue	48,526	73,617
Total Revenue	48,526	73,617
Other income		
Cumulative gain reclassified from equity on disposal of available for sale investment	-	293,171
Foreign exchange gain	235,682	836,452
Total other income	235,682	1,129,623
3. EXPENSES AND LOSSES		
Loss from ordinary activities before income tax expense includes the following specific expenses:		
(a) Other expenses		
Foreign exchange loss	-	1,568
(b) Depreciation and amortisation		
Depreciation of plant and equipment	(80,101)	(64,178)
(c) Impairment expenses		
Impairment of exploration intangible assets	-	(29,081)
(d) Loss on disposal		
Loss on disposal of plant and equipment	-	(39,127)
(e) Share based payment expense		
Share based payments recorded in corporate expenses	(17,954)	-
(f) Employee Benefit Expense ⁽¹⁾		
Salaries and wages	(697,449)	(623,013)
Annual leave provision movement	(22,056)	(3,574)
Superannuation contribution	(84,730)	(78,499)
	(804,235)	(705,086)
(g) Discontinued Operation ⁽²⁾		
Discontinued operation costs for Ethiopian subsidiary	-	(201,293)

Notes

(1) Includes employment costs related to exploration, business development and corporate & administrative costs.

(2) On 12 July 2015, the Company completed the wind up of its Ethiopian subsidiary.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016
(Continued)

	Consolidated	
	Year Ended 2016 \$	Year Ended 2015 \$
4. INCOME TAX		
(a) Recognised in profit or loss		
<i>Current income tax</i>		
Current income tax benefit	(598,623)	(368,105)
<i>Deferred income tax</i>		
Deferred tax assets not recognised	598,623	368,105
Income tax expense reported in the statement of profit or loss	-	-
(b) Recognised directly in equity		
<i>Deferred income tax related to items charged or credited directly to equity</i>		
Transaction costs recognised directly in equity	(23,194)	-
Deferred tax assets not recognised	23,194	-
Income tax expense recognised directly in equity	-	-
(c) Reconciliation between Tax Expense and Accounting Loss before Income Tax		
Accounting loss before income tax	(3,603,871)	(650,670)
At the domestic income tax rate of 30% (2015: 30%)	(1,081,161)	(195,201)
Expenditure not allowable for income tax purposes	420,393	596,687
Deferred tax assets not recognised	615,344	(370,857)
Effect of lower income tax rate in other jurisdictions	45,424	(30,629)
Income tax expense reported in the statement of profit or loss	-	-
(d) Deferred Income Tax		
Deferred income tax at 30 June relates to the following:		
<i>Deferred Tax Liabilities</i>		
Exploration and evaluation assets	10,342	8,724
Accrued interest income	6,078	1,376
Unrealised Foreign exchange movement	207,507	403,542
Property, plant and equipment	15,429	-
Deferred tax assets used to offset deferred tax liabilities	(239,356)	(413,642)
	-	-

	Consolidated	
	Year Ended 2016 \$	Year Ended 2015 \$
<i>Deferred Tax Assets</i>		
Accruals and provisions	32,148	11,731
Business related costs	19,838	30,061
Tax losses available to offset against future taxable income	3,070,851	3,203,059
Deferred tax assets used to offset deferred tax liabilities	(239,356)	(371,900)
Deferred tax assets not recognised	(2,883,481)	(2,872,951)
	-	-

The benefit of deferred tax assets not brought to account will only be brought to account if:

- (i) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- (ii) the conditions for deductibility imposed by tax legislation continue to be complied with; and
- (iii) no changes in tax legislation adversely affect the Consolidated Entity in realising the benefit.

(e) Tax losses

At the reporting date the Group has unrecognised tax losses of \$3,070,851 (2015: \$3,203,181) that are available for offset against future taxable profits. No deferred tax asset has been recognised in respect of the tax losses due to the uncertainty of future profit streams.

(f) Tax Consolidation

OreCorp Limited and its 100% owned Australian resident subsidiaries have elected to form a tax consolidated group.

	Consolidated	
	2016 \$	2015 \$
5. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES		
GST and VAT receivable	112,614	184,701
Accrued interest receivable	20,261	4,587
	132,875	189,288

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016
(Continued)

	Consolidated	
	2016	2015
	\$	\$
6. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT		
<i>Plant and equipment</i>		
Cost	566,702	286,846
Accumulated depreciation	(292,345)	(221,116)
Net carrying amount	274,357	65,730
<i>Reconciliation</i>		
Carrying amount at beginning of year	65,730	185,457
Additions	293,785	-
Disposals	-	(155,494)
Depreciation on disposals	-	83,683
Depreciation charge for the year	(80,101)	(64,178)
Foreign exchange movement on plant and equipment	(5,057)	16,262
Carrying amount at end of year, net of accumulated depreciation and impairment	274,357	65,730

	Consolidated	
	2016	2015
	\$	\$
7. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS		
<i>Exploration & Evaluation Assets</i>		
Nyanzaga JV Project, Tanzania	1,425,923	-
Misasi Project, Tanzania	5,392	-
Cheriton's East Project, Australia	29,082	29,082
Net carrying amount	1,460,397	29,082

	Consolidated	
	2016	2015
	\$	\$
<i>Reconciliation - Exploration & Evaluation Assets</i>		
Carrying amount at beginning of year	29,082	58,163
Add acquisition of exploration and evaluation assets during the period ⁽¹⁾	1,431,315	-
Less provision for impairment ⁽²⁾	-	(29,081)
Carrying amount of Exploration and Evaluation Assets at end of year, net of impairment	1,460,397	29,082

Notes

- (1) During the year, the Company announced that it had entered into a binding joint venture agreement (JV) with Acacia Mining plc to earn an interest in the Nyanzaga Gold Project (Nyanzaga or the Project) in northwest Tanzania. Pursuant to the JV Agreement, in October 2015 the Company made an initial upfront payment of US\$1 million (A\$1,425,923) to Acacia Mining and as a result, earned a 5% interest in the Project.
- (2) During the prior year, there was an impairment loss of \$29,081 charged against the Consolidated Entity's exploration and evaluation assets due to the relinquishment of a substantial portion of the Cheriton's East exploration permit.

	Consolidated	
	2016	2015
	\$	\$
8. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS		
<i>Available-for-sale financial assets</i>		
Listed equity securities at fair value ¹	-	-
Net carrying amount	-	-
<i>Reconciliation</i>		
Cost of acquisition of available-for-sale financial assets	-	(565,916)
Proceeds from sale of available-for-sale financial assets ¹	-	859,087
Gain on disposal of available-for-sale financial assets at end of year¹	-	293,171
Carrying amount of available-for-sale financial assets at end of year	-	-

Notes:

- (1) During the prior year, the Company acquired fully paid ordinary shares in a listed entity. The shares were sold during January and February 2015 for a gain on disposal of approximately \$293,000, increasing the Company's working capital position.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016
(Continued)

	Consolidated	
	2016	2015
	\$	\$
9. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES		
Accrued expenses ⁽¹⁾	46,000	56,000
Trade creditors ⁽¹⁾	253,162	45,784
Withholding taxes payable ⁽¹⁾	-	-
	299,162	101,784

Note

- (1) Payables are non-interest bearing and generally settled on 30 day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

	Consolidated	
	2016	2015
	\$	\$
10. CURRENT LIABILITIES - PROVISIONS		
Annual leave provision	61,158	39,102
	61,158	39,102

	Consolidated	
	2016	2015
	\$	\$
11. ISSUED CAPITAL		
(a) Issued and Paid up Capital		
173,412,820 (2015: 113,412,820) fully paid ordinary shares	35,853,166	20,620,540

(b) Movements in Ordinary Share Capital:

Date	Details	Number of Shares	Issue Price A\$	\$
1 July 2014	Opening Balance	113,412,820		20,620,540
30 June 2015	Closing Balance	113,412,820		20,620,540
1 July 2015	Opening Balance	113,412,820		20,620,540
19 May 2016	Capital Raising	28,353,205	0.27	7,655,365
22 June 2016	Capital Raising	31,646,795	0.27	8,544,635
22 June 2016	Less: Capital Raising Costs	-	-	(967,374)
30 June 2016	Closing Balance	173,412,820	0.27	35,853,166

(c) Rights Attaching to Shares

The rights attaching to fully paid ordinary shares ('Shares') arise from a combination of the Company's Constitution, statute and general law.

Copies of the Company's Constitution are available for inspection during business hours at the Company's registered office. The clauses of the Constitution contain the internal rules of the Company and define matters such as the rights, duties and powers of its shareholders and directors, including provisions to the following effect (when read in conjunction with the Corporations Act 2001):

(i) Shares

The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the directors, subject to the Corporations Act 2001, and any rights attached to any special class of shares.

(ii) Meetings of Members

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is two natural persons, each of whom is or represents different Shareholders who are eligible to vote.

The Company holds annual general meetings in accordance with the Corporations Act 2001.

(iii) Voting

Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

(iv) Changes to the Constitution

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016
(Continued)

		Consolidated	
		2016	2015
		\$	\$
12. RESERVES			
(a) Reserves			
Share Based Payments Reserve:			
Nil (2015: Nil) \$0.2667 Unlisted Options ⁽¹⁾		429,500	429,500
Nil (2015: 1,875,000) \$0.40 Unlisted Options		-	-
2,985,000 \$0.41 Unlisted Options		8,612	-
2,800,000 \$0.45 Unlisted Options		5,104	-
2,750,000 \$0.50 Unlisted Options		4,238	-
		447,454	429,500
Foreign Currency Translation Reserve:			
Currency translation differences		117,246	129,294
Total Reserves		564,700	558,794

Notes:

(1) During the 2014 financial year, all \$0.2667 Unlisted Options expired unexercised.

Share Based Payments Reserve

The share based payments reserve is used to record the grant date fair value of share based payments and other option grants made by the Company.

Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(b) Movements in Share Based Payments Reserve

Date	Details	Number of Listed Options ⁽¹⁾	Number of \$0.267 Unlisted Options ⁽²⁾	Number of \$0.40 Unlisted Options ⁽³⁾	\$
1 Jul 2014	Opening Balance	5,930,692	5,199,999	1,875,000	429,500
7 May 2015	Expiry of options	(5,930,692)	-	-	-
30 Jun 2015	Expiry of options	-	(5,199,999)	-	-
30 Jun 2015	Closing Balance	-	-	1,875,000	429,500

Date	Details	Number of Listed Options ⁽¹⁾	Number of \$0.40 Unlisted Options ⁽³⁾	Number of \$0.41 Unlisted Options ⁽⁴⁾	Number of \$0.45 Unlisted Options ⁽⁵⁾	Number of \$0.50 Unlisted Options ⁽⁶⁾	\$
1 Jul 2015	Opening Balance	-	1,875,000	-	-	-	429,500
30 Mar 2016	Expiry of options	-	(1,875,000)	-	-	-	-
22 Jun 2016	Grant of options ⁽⁷⁾	-	-	2,985,000	2,800,000	2,750,000	17,954
30 Jun 2016	Closing Balance	-	-	2,985,000	2,800,000	2,750,000	447,454

Notes

- (1) 'Listed Options' means listed options with an exercise price of \$0.2667 each, expired 7 May 2015.
- (2) '\$0.2667 Unlisted Options' means options with an exercise price of \$0.2667 each, expired 30 June 2015.
- (3) '\$0.40 Unlisted Options' means options with an exercise price of \$0.40 each, expired 22 March 2016.
- (4) Granted to directors, employee and consultants of the Company as part of its remuneration/incentive arrangements, expiring on 23 June 2019.
- (5) Granted to directors, employee and consultants of the Company as part of its remuneration/incentive arrangements, expiring on 23 June 2019.
- (6) Granted to directors, employee and consultants of the Company as part of its remuneration/incentive arrangements, expiring 31 May 2020.
- (7) Refer to Note 16 for details of share based payments during the year.

(c) Terms and conditions of the Options

The \$0.41, \$0.45 and \$0.50 Unlisted Options ('Options') are granted based upon the following terms and conditions:

- Each Option entitles the holder to subscribe for one Share upon exercise of each Option.
- The Options have exercise prices and expiry dates as follows:
 - \$0.41 Unlisted Options exercisable at \$0.41 each, expiring 23 June 2019.
 - \$0.45 Unlisted Options exercisable at \$0.45 each, expiring 23 June 2019.
 - \$0.50 Unlisted Options exercisable at \$0.50 each, expiring 31 May 2020.
- The Options are exercisable at any time prior to the Expiry Date, subject to the vesting conditions being satisfied (if applicable).
- Shares issued on exercise of the Options rank equally with the then shares of the Company.
- Application will be made by the Company for official quotation (if applicable) of the Shares issued upon the exercise of the Options.
- If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the Listing Rules (if applicable) which apply to the reconstruction at the time of the reconstruction.
- No application for quotation (if applicable) of the Unlisted Options will be made by the Company.
- Subject to the proposed transferee being a party which is within the class of parties in section 708 of the Corporations Act to which disclosure is not required, the Options are transferable.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

(Continued)

(d) Movements in Foreign Currency Translation Reserve

	Consolidated	
	2016	2015
	\$	\$
Balance at beginning of year	129,294	53,405
Currency translation differences	(12,048)	75,889
Balance at end of year	117,246	129,294

	Consolidated	
	2016	2015
	\$	\$
13. ACCUMULATED LOSSES		
Balance at beginning of year	(14,036,471)	(13,385,801)
Net loss	(3,603,871)	(650,670)
Balance at end of year	(17,640,342)	(14,036,471)

(a) Franking Account

In respect to the payment of dividends (if any) by OreCorp in subsequent financial years, no franking credits are currently available, or are likely to become available in the next 12 months.

14. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to Directors and other members of key management personnel of the Company and the Group is set out below:

	Consolidated	
	Year Ended	Year Ended
	2016	2015
	\$	\$
Short-term employee benefits	593,790	583,790
Post-employment benefits	71,210	71,210
Share-based payments	11,799	-
	676,799	655,000

15. RELATED PARTY DISCLOSURES

(a) Transactions with Related Parties in the Group

The Group consists of OreCorp Ltd (the parent entity in the wholly owned group) and its controlled entities (see note 17). Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. There were no other transactions with related parties during the year.

(b) Other Transactions with Related Parties

There were no other transactions with related parties during the year ended 30 June 2016.

16. SHARE BASED PAYMENTS

The following table illustrates the number and weighted average exercise prices ('WAEP') of, and movements in, share options issued as share based payments during the year:

	2016 Number	2016 WAEP	2015 Number	2015 WAEP
Outstanding at beginning of year	1,875,000	\$0.40	7,074,999	\$0.3020
Options expired during the year	(1,875,000)	\$0.40	(5,199,999)	\$0.2667
Options granted during the year	8,535,000	\$0.452	-	-
Options exercised during the year	-	-	-	-
Outstanding at end of year	8,535,000	\$0.452	1,875,000	\$0.40
Exercisable at end of year	8,535,000	\$0.452	1,875,000	\$0.40

The outstanding balance of options issued as share based payments on issue as at 30 June 2016 is represented by:

- 2,985,000 unlisted options at an exercise price of \$0.41 each that expire on 23 June 2019;
- 2,800,000 unlisted options at an exercise price of \$0.45 each that expire on 23 June 2019; and
- 2,750,000 unlisted options at an exercise price of \$0.50 each that expire on 31 May 2020.

The weighted average remaining contractual life of the options outstanding as at 30 June 2016 is 3.3 years (2015: 0.75 years).

The range of exercise prices for options outstanding at the end of the year was \$0.41 - \$0.50.

The weighted average fair value of options granted during the year was \$0.118 (2015: Nil).

The terms and conditions of the options are disclosed in note 12(c).

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Binomial option valuation model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the valuation model used for share options granted by the Company during the year ended 30 June 2016:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

(Continued)

Valuation Model Input	Tranche 1 \$0.41 Options	Tranche 2 \$0.45 Options	Tranche 3 \$0.50 Options
Exercise price	\$0.41	\$0.45	\$0.50
Share price on date of grant	\$0.28	\$0.28	\$0.28
Share price at 30 June 2016	\$0.31	\$0.31	\$0.31
Dividend yield	Nil	Nil	Nil
Volatility	80%	80%	80%
Risk-free interest rate	1.68%	1.68%	1.68%
Grant date	22/06/16	22/06/16	22/06/16
Expiry date	23/06/19	23/06/19	31/05/20
Expected life of option (years)	3.01	3.01	3.94
Number of options granted	2,985,000	2,800,000	2,750,000
Fair value at grant date	\$0.117	\$0.111	\$0.125
Valuation per Tranche	\$349,245	\$310,800	\$343,750
Vesting date	22/06/17	22/12/17	22/06/18
Vesting period (years)	1.0	1.5	2.0
Expensed at 30 June 2016 (pro-rata basis)	Yes	Yes	Yes

There were no share options issued as share based payments in the prior year and none exercised during the current financial year. It is further noted that none of the share options issued during the current financial year as share based payments were forfeited or expired during the year.

The dividend yield reflects the assumption that the current dividend payout will remain unchanged. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The total share based payment expense recorded by the Group during the year was \$17,954 (2015: Nil). All share based payments were accounted for as equity-settled share based payment transactions.

17. CONTROLLED ENTITIES

All controlled entities are included in the consolidated financial statements. The parent entity does not guarantee to pay the deficiency of its controlled entities in the event of a winding up of any controlled entity. The financial year end of the controlled entities is the same as that of the parent entity, except for the Mauritanian entity which is required by local law to use a 31 December year end (note – special purpose IFRS Accounts are maintained for the purposes of the consolidated financial statements).

Name of Controlled Entity	Place of Incorporation	% of Shares Held 2016	% of Shares Held 2015
OreCorp International Pty Ltd	Australia	100%	100%
OreCorp Resources Pty Ltd	Australia	100%	100%
OreCorp Tanzania Ltd	Tanzania	100%	100%
OreCorp Mining Mauritius Ltd	Mauritius	100%	100%
OreCorp Mauritania SARL	Mauritania	100%	100%
OreCorp East Africa Pty Ltd	Australia	-	100%
OreCorp Africa Pty Ltd	Australia	100%	100%
OreCorp REE Pty Ltd	Australia	100%	100%
Silverstone Minerals Pty Ltd	Australia	100%	100%
OreCorp Minerals Plc	Ethiopia	-	100%

Notes:

- (1) OreCorp East Africa Pty Ltd and OreCorp Minerals Plc were formally wound-up and de-registered during the year.

18. INTEREST IN OTHER ENTITIES

Entity	Activity	Interest at 30 June 2016	Interest at 30 June 2015
Nyanzaga Project – Tanzania ⁽¹⁾	Gold Exploration	5% ⁽²⁾	Nil
Akjoujt South Project - Mauritania	Nickel – Copper Exploration	90%	90%

Notes

- (1) During the year, the Company announced that it had entered into a binding earn-in agreement (Agreement) with Acacia Mining plc to earn an interest in the Nyanzaga Gold Project (Nyanzaga or the Project) in northwest Tanzania. Nyanzaga hosts an updated MRE of 29.8Mt @ 3.5g/t gold for 3.3Moz gold. Pursuant to the Agreement, in October 2015 the Company made an initial upfront payment of US\$1 million (A\$1,425,923) to Acacia Mining and as a result, earned a 5% interest in the Project.
- (2) In August 2016, the Company announced the Scoping Study results for the Project and as a result, earned a further 5% interest in the Project to move to a 10% interest.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

(Continued)

	Consolidated	
	2016 \$	2015 \$
19. REMUNERATION OF AUDITORS		
Amounts received or due and receivable by Deloitte Australia for:		
- an audit or review of the financial reports of the Group	29,700	29,500
- other services in relation to the Group	-	-
Amounts received or due and receivable by PwC Tanzania for:		
- an audit or review of the financial reports of OreCorp Tanzania Ltd	10,257	-
- other services in relation to the OreCorp Tanzania Ltd (tax services)	3,556	-
Total Auditors' Remuneration	43,513	29,500

20. SEGMENT INFORMATION

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

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

	Year Ended 2016 cents	Year Ended 2015 cents
21. EARNINGS PER SHARE		
Basic and diluted loss per share (cents per share):		
From continuing operations	(3.05)	(0.39)
From discontinued operations	-	(0.18)
Basic and diluted loss per share (cents per share)	(3.05)	(0.57)

	Year Ended 2016 \$	Year Ended 2015 \$
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net loss used in calculating basic and diluted earnings per share:		
Net loss from continuing operations	(3,603,871)	(449,377)
Net loss from discontinued operations	-	(201,293)
Earnings used in calculations of basic and diluted loss per share	(3,603,871)	(650,670)

	Number of Shares 2016	Number of Shares 2015
Weighted average number of ordinary shares used in calculating basic earnings per share, adjusted to reflect the group restructure	118,064,409	113,412,820
Effect of dilutive securities ⁽¹⁾	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	118,064,409	113,412,820

Note

- (1) Non-dilutive securities: As at balance date, 8,535,000 unlisted options (2015: 1,875,000) which represent 8,535,000 potential ordinary shares (2015: 1,875,000) were not considered dilutive, for the purposes of calculating the loss per share for the year ended 30 June 2016, as they would decrease the loss per share.

Conversions, calls, subscriptions or issues after 30 June 2016

There have been no conversions, calls, subscriptions or issues of shares or options subsequent to balance date, other than as disclosed in Note 27.

	Consolidated	
	2016 \$	2015 \$
22. STATEMENT OF CASH FLOWS		
(a) Reconciliation of Net Loss after Income Tax to Net Cash Outflow from Operating Activities		
Net loss after income tax	(3,603,871)	(650,670)
Adjustment for non-cash income and expense items		
Depreciation	80,101	64,178
Provision for annual leave	22,056	1,052
Share based payments	17,954	-
Impairment of exploration intangible assets	-	29,081
Foreign exchange (gain)/loss attributable to operating activities	(169,705)	(802,441)
Loss on disposal of plant & equipment	-	39,127
Gain on disposal of available-for-sale shares in listed entity	-	(293,171)
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	56,413	111,203
Decrease/(increase) in other current assets	-	25,540
Increase/(decrease) in trade and other payables	197,378	(50,983)
Net cash outflow from operating activities	(3,399,674)	(1,527,084)
(b) Reconciliation of Cash and Cash Equivalents		
Cash at bank and on hand	349,880	984,906
Bank short-term deposits	16,920,335	6,014,743
	17,270,215	6,999,649

(c) Credit Standby Arrangements with Banks

At balance date, the Group had no used or unused financing facilities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

(Continued)

(d) Non-cash Financing and Investment Activities

(i) 30 June 2016

During the year ended 30 June 2016, the Group did not complete any investment transactions that involved the issue of shares as consideration.

(ii) 30 June 2015

During the year ended 30 June 2015, the Group did not complete any investment transactions that involved the issue of shares as consideration.

	2016 \$	2015 \$
23. PARENT ENTITY DISCLOSURES		
(a) Parent Entity – Financial Position		
ASSETS		
Current Assets	17,079,268	6,954,842
Non-current Assets	1,472,913	52,560
TOTAL ASSETS	18,552,181	7,007,402
LIABILITIES		
Current Liabilities	320,980	138,756
Non-current Liabilities	4,619,611	4,619,611
TOTAL LIABILITIES	4,940,591	4,758,367
NET ASSETS	13,611,590	2,249,035
EQUITY		
Issued capital	24,363,109	9,130,483
Reserves	447,454	429,500
Accumulated losses	(11,198,973)	(7,310,948)
TOTAL EQUITY	13,611,590	2,249,035
(b) Parent Entity – Financial Performance		
Loss for the year	(3,888,025)	(382,370)
Other comprehensive income/(loss)	-	-
Loss attributable to members of the parent	(3,888,025)	(382,370)

(c) Guarantees Entered into by the Parent Entity in Relation to the Debts of its Subsidiaries

As at 30 June 2016, the Parent had not entered into any guarantees in relation to the debts of its subsidiaries.

(d) Contingent Liabilities of the Parent Entity

As at 30 June 2016, the Parent did not have any contingent liabilities.

(e) Commitments for the Acquisition of Property, Plant and Equipment by the Parent Entity

As at 30 June 2016, the Parent did not have any commitments for the acquisition of property, plant and equipment.

24. FINANCIAL INSTRUMENTS

(a) Overview

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated	
	2016	2015
	\$	\$
Financial Assets		
Cash and cash equivalents	17,270,215	6,999,649
Other current receivables	132,875	189,288
Total financial assets	17,403,090	7,188,937
Financial Liabilities		
Trade and other payables	299,162	101,784
Total financial liabilities	299,162	101,784

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

(Continued)

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. As at 30 June 2015, the Group has sufficient liquid assets to meet its financial obligations.

(c) Liquidity and Interest Risk Tables

	Weighted Average Effective Interest Rate %	≤ 6 months \$	Total \$
2016			
Group			
Financial Assets			
Non-interest bearing ⁽¹⁾	-	3,404,700	3,404,700
Variable interest rate instruments	1.17	4,702,768	4,702,768
Fixed interest rate instruments	2.13	9,295,622	9,295,622
		17,403,090	17,403,090
Financial Liabilities			
Non-interest bearing	-	299,162	299,162
		299,162	299,162
2015			
Group			
Financial Assets			
Non-interest bearing	-	4,642,398	4,642,398
Variable interest rate instruments	1.71	920,917	920,917
Fixed interest rate instruments	4.73	1,625,622	1,625,622
		7,188,937	7,188,937
Financial Liabilities			
Non-interest bearing	-	101,784	101,784
		101,784	101,784

Notes:

- (1) The majority of the non-interest bearing financial assets are US dollars on deposit, which earn no interest income.

(d) Interest Rate Risk Exposure

The Group's exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate.

These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing.

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Cash flow sensitivity analysis for variable rate instruments

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short-term and long-term interest rates. An increase of 10% in the interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or Loss		Equity	
	10% Increase \$	10% Decrease \$	10% Increase \$	10% Decrease \$
2016				
Group				
Cash and cash equivalents	4,633	(4,633)	4,633	(4,633)
2015				
Group				
Cash and cash equivalents	12,679	(12,679)	12,679	(12,679)

It is noted that the analysis shown above is not representative of the risks faced by the Group throughout the period because interest rates and cash balances have changed significantly during 2016 and 2015.

(e) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash, cash equivalents and financial assets and financial liabilities approximates their carrying value.

(f) Credit Risk Exposure

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables and in the Company includes loans to controlled entities.

The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

(Continued)

	Consolidated	
	2016	2015
	\$	\$
Financial Assets		
Cash and cash equivalents	17,270,215	6,999,649
Trade and other receivables and other financial assets	132,875	189,288
Total financial assets	17,403,090	7,188,937

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The parent entity's cash and cash equivalents are held with the Westpac Bank and Commonwealth Bank, which are Australian banks with an AA credit rating (Standard & Poor's).

The Group does not have any significant customers and accordingly does not have any significant exposure to bad or doubtful debts.

Trade and other receivables includes GST/VAT refunds receivable and accrued interest. Where possible the Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. None of the Group's receivables at 30 June 2016 are past due. No impairment losses have been recognised.

The Company's accounts include receivables from controlled entities for which full provisions for non-recovery have been made. Provision is made against loans to controlled entities where the underlying exploration assets have been fully provided for or written off.

(g) Foreign Currency Risk

The Group also has transactional currency exposures. Such exposure arises from transactions denominated in currencies other than the functional currency of the entity.

The Group currently does not engage in any hedging or derivative transactions to manage foreign currency risk. The Group's exposure to foreign currency risk throughout the current and prior year primarily arose from certain controlled entities of the Company with functional currencies other than AUD having foreign currency exposure in relation to intercompany loans which are denominated in Australian dollars. In the Group accounts, the exchange movements on these loans are taken to the foreign currency translation reserve. As noted above, these loans are fully provided for and accordingly, the carrying value of these loans at balance date is \$nil (2014: \$nil).

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	Assets 2016 \$	Assets 2015 \$
US dollars	3,183,854	4,417,515
Other (Tanzanian and Mauritanian)	45,575	4,681
	3,229,429	4,422,196

Foreign currency sensitivity analysis

A sensitivity of 10% has been selected as this represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Australian dollar strengthens 10% against the relevant currency. For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	Profit or Loss		Equity ⁽¹⁾	
	10% Strengthening \$	10% Weakening \$	10% Strengthening \$	10% Weakening \$
2016				
Group				
Impact of foreign exchange rate movement	334,618	(272,976)	358,825	(293,584)
2015				
Group				
Impact of foreign exchange rate movement	484,288	(396,236)	491,355	(402,018)

⁽¹⁾ The equity movement includes the profit or loss impact of the change as this is reflected in accumulated losses.

It is noted that the analysis shown above is not representative of the risks faced by the Group throughout the year because foreign exchange rates and foreign currency denominated monetary balances have changed during 2016 and 2015.

(h) Commodity risk

The Group is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Group's control. As the Group is currently engaged in exploration and business development activities, no sales of commodity products are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage price risk.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

(Continued)

(i) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares. The Group may also examine new business opportunities, where acquisition/working capital requirements of a new project may involve additional funding in some format.

The Group is not definitively committed to any specific exploration spend on its exploration licences in Africa and will continue to assess ongoing exploration results on the licences, prior to making any decisions on future exploration programs and expenditures.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

25. COMMITMENTS FOR EXPENDITURE

	Consolidated	
	2016 \$	2015 \$
Commitments		
Not longer than 1 year	7,581,221	235,424
Longer than 1 year and not longer than 5 years	32,188	29,732
	7,613,409	265,156

Note

- (1) The majority of the commitments at 30 June 2016 relate to the proposed budget for the completion of the PFS for the Nyanzaga Project, expected to be completed in Q1 2017. Other amounts include the rent for offices in Tanzania and Australia.

26. CONTINGENT LIABILITIES

As at 30 June 2016 and 30 June 2015, the Group did not have any contingent liabilities.

27. SUBSEQUENT EVENTS

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

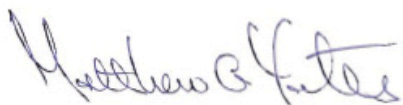
- (i) On 10 August 2016, the Company completed the Scoping Study for the Nyanzaga Project (a full summary of the Scoping Study results is provided above). The Study confirmed the outstanding potential of the Project and its ability to potentially generate robust cash flows. The Board subsequently approved the PFS to commence immediately in mid-August and expects to complete this study in Q1 2017; and
- (ii) On 2 September 2016, the Company granted 1,300,000 unlisted options under the Employee Option Acquisition Plan to key employees.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of OreCorp Limited, I state that:

- (1) In the opinion of the Directors:
 - (a) the financial statements and notes thereto of the Consolidated Entity are 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 2016 and of their performance for the year ended on that date; and
 - (ii) complying with accounting standards and the Corporations Act 2001; and
 - (b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay their debts as and when they become due and payable.
- (2) The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements.
- (3) The Directors have been given a declaration required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

On behalf of the Board



MATTHEW YATES
Chief Executive Officer

12 September 2016

INDEPENDENT AUDITOR'S REPORT



Deloitte Touche Tohmatsu
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Independent Auditor's Report to the members of OreCorp Limited

Report on the Financial Report

We have audited the accompanying financial report of OreCorp Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of 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 as set out on pages 40 to 77.

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 Statements*, that the consolidated financial statements 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 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.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited



Auditor's Independence Declaration

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 OreCorp Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of OreCorp 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 2016 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 consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 30 to 37 of the directors' report for the year ended 30 June 2016. 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.

Opinion

In our opinion the Remuneration Report of OreCorp Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Ian Skelton

Partner

Chartered Accountants

Perth, 12 September 2016

AUDITOR'S INDEPENDENCE DECLARATION



Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Directors
OreCorp Limited
Ground Floor, 516 Hay Street
SUBIACO WA 6008

12 September 2016

Dear Board Members

OreCorp Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of OreCorp Limited.

As lead audit partner for the audit of the financial statements of OreCorp Limited for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Ian Skelton".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in blue ink, appearing to read "Ian Skelton".

Ian Skelton
Partner
Chartered Accountants

CORPORATE GOVERNANCE STATEMENT

OreCorp Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance appropriate for a company of its size and nature of activities. OreCorp Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2016 corporate governance statement is dated as at, and was approved by the board on, 17 October 2016 and reflects the corporate governance practices in place throughout the 2016 financial year. A description of the group's current corporate governance practices is set out in the group's corporate governance statement which can be viewed at <http://www.orecorp.com.au/corporate/corporate-governance>.

ASX ADDITIONAL INFORMATION

The securityholder information set out below was applicable as at 30 September 2016.

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES

The names of the twenty largest holders of listed securities are listed below:

Ordinary Shares		
Name	No of Ordinary Shares Held	Percentage of Issued Shares
J P Morgan Nominees Australia Limited	39,973,678	23.05
Zero Nominees Pty Ltd	12,406,528	7.15
Beacon Exploration Pty Ltd	5,495,704	3.17
METO Pty Ltd <Yates Family A/C>	4,999,874	2.88
Pipestone Capital Inc	4,649,874	2.68
Alastair Donald Morrison <Tongariro Investment A/C>	4,079,420	2.35
Erncon Holdings Limited	3,999,899	2.31
HSBC Custody Nominees (Australia) Limited	3,885,984	2.24
National Nominees Limited	3,222,474	1.86
Hillboi Nominees Pty Ltd	2,499,750	1.44
Spar Nominees Pty Ltd	2,403,259	1.39
Invia Custodian Pty Limited <Orpheus Geoscience S/F A/C>	2,370,370	1.37
Walloon Securities Pty Ltd	2,250,000	1.30
Mr Dean Gerard Clark <D Clark Family A/C>	2,249,949	1.30
Equity Trustees Limited <Lowell Resources Fund A/C>	2,025,925	1.17
Invia Custodian Pty Limited <Snesselk Family A/C>	1,995,370	1.15
BNP Paribas Noms Pty Ltd <DRP>	1,800,374	1.04
Ms Karen Jennifer Pittard <Whitehaven Mansions A/C>	1,749,959	1.01
Piat Corp Pty Ltd	1,580,000	0.91
Mr Nicholas Holman	1,499,962	0.86
Total Top 20	105,138,353	60.63
Others	68,274,467	39.37
Total Ordinary Shares on Issue	173,412,820	100.00%

2. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of shareholders by size of holding:

Distribution	Ordinary Shares	
	Number of Shareholders	Number of Shares
1 - 1,000	27	18,399
1,001 - 5,000	68	214,644
5,001 - 10,000	93	760,883
10,001 - 100,000	341	15,024,023
More than 100,000	149	157,394,871
Totals	678	173,412,820

There were 14 holders of less than a marketable parcel of ordinary shares.

3. VOTING RIGHTS

See note 11 of the Notes to the Financial Statements.

4. SUBSTANTIAL SHAREHOLDERS

As at 30 September 2016, Substantial Shareholder notices have been received from the following shareholders:

Substantial Shareholder	Number of Shares	Percentage of Issued Shares
Australian Super Pty Ltd	13,737,337	7.92%
JP Morgan Chase & Co and its affiliates	13,025,500	7.51%
Westoz Funds Management Pty Ltd	11,400,000	6.57%
Beacon Exploration Pty Ltd and METO Pty Ltd <The Yates Family A/C>	10,495,578	6.05%
Eley Griffiths Group Pty Ltd	9,227,382	5.32%

5. ON-MARKET BUY BACK

There is currently no on-market buyback program for any of OreCorp Limited's listed securities.

6. UNQUOTED SECURITIES

The number of equity securities on issue, and number of holders, for each class of unquoted equity securities are listed below:

Unlisted Options Class	Number of Securities	Number of Holders
Unlisted options at an exercise price of \$0.41 each that expire on 23 June 2019	2,985,000	20
Unlisted options at an exercise price of \$0.45 each that expire on 23 June 2019	2,800,000	13
Unlisted options at an exercise price of \$0.50 each that expire on 31 May 2020	2,750,000	13
Unlisted options at an exercise price of \$0.50 each that expire on 23 June 2019	250,000	1
Unlisted options at an exercise price of \$0.60 each that expire on 23 June 2019	250,000	1
Unlisted options at an exercise price of \$0.70 each that expire on 31 August 2020	250,000	1
Unlisted options at an exercise price of \$0.80 each that expire on 31 December 2021	250,000	1
Unlisted options at an exercise price of \$0.75 each that expire on 23 June 2019	100,000	1
Unlisted options at an exercise price of \$0.85 each that expire on 23 June 2019	100,000	1
Unlisted options at an exercise price of \$0.95 each that expire on 31 May 2020	100,000	1

There were no holders of 20% or more of the equity securities in an unquoted class other than those who were issued their securities under an employee incentive scheme.

7. EXPLORATION INTERESTS

As at 30 September 2016, the Company has an interest in the following licences:

Project	Licence Number	Percentage Interest	Status
Tanzania			
Nyanzaga Project ¹	PL 4830/2007	10%	Granted
	PL 4450/2007	10%	Granted
	PL 5069/2008	10%	Granted
	PL 6493/2010	10%	Granted
	PL 6922/2011	10%	Granted
	PL 7129/2011	10%	Granted
	PL 7476/2011	10%	Granted
	PL 8592/2012	10%	Granted
	PL 8635/2012	10%	Granted
	PL 9016/2013	10%	Granted
	PL 9065/2013	10%	Granted
	PL 9236/2013	10%	Granted
	PL 9237/2013	10%	Granted
	PL 9446/2013	10%	Granted
	PL 9656/2014	10%	Granted
	PL 9661/2014	10%	Granted
	PL 9662/2014	10%	Granted
	PL 9663/2014	10%	Granted
	PL 9664/2014	10%	Granted
	PL 9770/2014	10%	Granted
	PL 9919/2014	10%	Granted
	PL 4730/2007	6%	Under Extension
	PL 7120/2011	6%	Granted
	PL 7121/2011	6%	Granted
	PL 9673/2011	10%	Granted
	PL10911/2016	100%	Granted
	PL 9591/2014	100%	Granted
Mauritania			
Akjoujt South Project	1415B2	90%	Granted
	1416B2	90%	Granted
Australia			
Cheriton's East Project ²	E77/1223	100%	Granted

Notes:

- 1) Pursuant to a whole of company earn-in agreement with Acacia Mining plc, under which the Company has contractual rights to earn beneficial interests in the tenements and, upon completion of a DFS, acquire shares in the direct holding company of the tenements.
- 2) Minimal field work was completed during the year at Cheriton's East.

8. MINERAL RESOURCES STATEMENT

OreCorp Limited (**OreCorp** or the **Company**) has updated its Mineral Resources Estimate (**MRE**) for the twelve month period ended 30 September 2016 (prepared and reported in accordance with JORC 2012) and for this purpose, has completed a review of the MRE for the Nyanzaga Gold Project (**Nyanzaga** or **Project**).

The Company's MRE has been compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code 2012 Edition), Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31. Following the completion and release of the Scoping Study (**Study**) results (refer ASX Announcement dated 10 August 2016), the Mineral Resources for Nyanzaga Project stand at 3.34 Moz. There are no comparative figures as the maiden JORC 2012 MRE was not completed until March 2016.

The Scoping Study, led by Lycopodium Minerals Pty Ltd (ASX: LYL; Lycopodium) of Perth, Western Australia, examined all facets of geology, mining, processing and supporting infrastructure at a US\$1,250/oz gold price. The Study identified the opportunity to incorporate lower grade mineralisation not included in the maiden JORC 2012 MRE released on 31 March 2016. This lower grade mineralisation is included in the updated MRE estimated at 29.8Mt at 3.5g/t gold for 3.34Moz gold, an increase of 566koz (~19%) see **Table 1** below.

OreCorp Limited – Nyanzaga Gold Project – Tanzania			
Mineral Resource Estimate (MRE) as at 30 September 2016			
JORC 2012 Classification	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (Moz)
Measured	2.93	3.77	0.356
Indicated	21.77	3.45	2.416
Sub-Total M & I	24.70	3.49	2.772
Inferred	5.10	3.49	0.572
Total	29.80	3.49	3.344
Reported at a 1.5g/t gold cut-off grade. MRE defined by 3D wireframe interpretation with subcell block modelling. Gold grade estimated using Ordinary Kriging using a 10 x 10 x 10m estimation panel and Uniform Conditioning followed by Localisation to simulate 2.5 x 2.5 x 5m selectivity. Totals may not add up due to appropriate rounding of the MRE.			

Table 1: Nyanzaga Gold Project – Current Mineral Resource Estimate

Note:

On 7 October 2015, the Company announced that it had completed the first stage of its earn-in and JVA with Acacia Mining plc to earn up to a 51% interest in the Nyanzaga Project in the Lake Victoria Goldfields of Tanzania. On 10 August 2016, the Company announced as part of the Scoping Study a Revised JORC MRE of 3.34Moz at 3.5g/t gold for the Nyanzaga Project. Following completion of these milestones, as at 30 September 2016, the Company's interest in the Project is 10%.

The MRE was prepared and updated by independent consultants CSA Global Pty Ltd.

The current MRE model was created by combining the high grade 31 March 2016 MRE model with the surrounding lower grade material. This approach to the MRE was considered optimal to evaluate the potential for a development scenario of an open cut progressing to an underground operation. The model honoured the interpreted lithology and fault boundaries that were treated as separate statistical domains. Grade was estimated using Ordinary Kriging for the high grade domain using a 10m x 10m x 10m estimation panel and Uniform Conditioning followed by a localisation step to simulate the grade and tonnage distribution based on a selective mining unit of 2.5m x 2.5m x 5m for the lower grade domain. The grade and tonnage tabulation for the updated MRE is presented in **Table 2**.

Grade and Tonnage Tabulation Subcelled Model Nyanzaga Gold Project – September 2016				
Gold g/t Cut-off	Tonnage (Million)	Gold g/t	Gold koz	In Situ Dry Bulk Density
2.50	16.9	4.68	2,539	2.84
2.00	22.2	4.09	2,925	2.84
1.50	29.8	3.49	3,344	2.84
1.00	47.0	2.65	4,014	2.85
0.50	92.2	1.70	5,051	2.85

Table 2: Grade and Tonnage Tabulation - Nyanzaga Gold Project

Other than as disclosed above, the Company confirms that there have been no material changes to the MRE since 30 June 2016.

Governance of Resources

The Company engages employees, external consultants and competent persons (as determined pursuant to the JORC 2012 Code) to prepare and calculate estimates of its mineral resources.

Management and the Board review these estimates and underlying assumptions for reasonableness and accuracy. The results of the MRE are then reported in accordance with the requirements of JORC 2012 and other applicable rules (including ASX Listing Rules).

Where material changes occur during the year to a project, including the project's size, title, exploration results or other technical information, previous MRE and market disclosures are reviewed for completeness.

The Company reviews its MRE as at 30 September each year. If a material change has occurred in the assumptions or data used in previously reported mineral resources, where possible a revised MRE will be prepared as part of the annual review process. However, there are circumstance where this may not be possible (e.g. an ongoing drilling programme), in which case a revised MRE will be prepared and reported as soon as practicable.

Mineral Resources Reporting Requirements

As an Australian company with securities listed on the Australian Securities Exchange (**ASX**), OreCorp is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX Listing Rules. Investors should note that it is a requirement of the ASX Listing Rules that the reporting of Mineral Resources in Australia comply with JORC 2012 and that OreCorp's Mineral Resources Statement complies with JORC 2012.

Additional information for the "Annual Mineral Resource Statement for the year ended 30 September 2016" containing additional information on the MRE is available on the OreCorp website at www.orecorp.com.au and lodged with the ASX (refer Announcements dated 31 March and 10 August 2016).

JORC 2012 Competent Persons Statements

The Annual Mineral Resources Statement is based on, and fairly represents, information and supporting documentation prepared by the respective competent persons named below.

The information in this Mineral Resources Statement that relates to “Mineral Resources” is based on information compiled by Mr Malcolm Titley, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Titley is a Principal Consultant with CSA Global (UK). Mr Titley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Titley has approved the Mineral Resources Statement as a whole and consents to its inclusion in the Annual Report in the form and context in which it appears.

DISCLAIMER/FORWARD LOOKING STATEMENTS

Forward Looking Statements

This Report contains statements which may constitute forward-looking information. Such statements are only predictions and are subject to inherent risks, uncertainties and other factors which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors, including but not limited to the risk factors set out in the Scoping Study Results Announcement and OreCorp's prospectus dated 30 January 2013. These documents do not provide an exhaustive list of factors that may affect OreCorp's forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. No representation or warranty, express or implied, is made by the Company that the matters stated in this presentation will be achieved or prove to be correct. Recipients of this presentation must make their own investigations and inquiries regarding all assumptions, risks, uncertainties and contingencies which may affect the future operations of the Company or the Company's securities.

OreCorp disclaims any intent or obligation to update or revise any forward-looking statements whether as a result of new information, estimates or opinions, future events or results or otherwise, unless required to do so by law.

Cautionary Statements

The Scoping Study referred to in this presentation is based on low accuracy level technical and economic assessments (determined to a nominal accuracy +/-35%), and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage; or to provide certainty that the conclusions of the Scoping Study will be realised. 83% of the existing Mineral Resource Estimate (**MRE**) is in the Indicated and Measured categories, with the balance of 17% classified in the Inferred category. There is a low level of geological confidence associated with Inferred mineral resources and there is no certainty that further exploration work will result in the determination of Indicated or Measured Mineral Resources. Furthermore, there is no certainty that further exploration work will result in the conversion of Indicated and Measured Mineral Resources to Ore Reserves, or that the production target itself will be realised.

The consideration of all JORC modifying factors is well advanced, including mining studies, processing and metallurgical studies, registration of the intent to submit an ESIA with the responsible regulator, environmental baseline studies, key inputs into the application for a Special Mining Licence and other key permits required from the government. The Company believes it has a reasonable basis for providing the forward looking statements in this presentation. In addition, the Company believes that it has a reasonable basis to expect it will be able to fund the development of the Nyanzaga Project with its JV partner (Acacia Mining plc). Please refer to the Scoping Study Results Announcement dated 10 August 2016 for further details.

JORC 2012 COMPLIANCE STATEMENTS

Nyanzaga Project

The information in this Report relating to the Nyanzaga Project is extracted from the ASX Announcement dated 10 August 2016 titled 'Scoping Study Confirms Outstanding Potential of Nyanzaga Project & Delivers MRE Upgrade' which is available to view on the Company's website 'orecorp.com.au'.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Scoping Study Results Announcement and, in the case of (i) estimates of Mineral Resources, (ii) Metallurgical Testwork and Results, and (iii) Exploration Results in relation to the Nyanzaga Project (Project Results), that all material assumptions and technical parameters underpinning the Project Results in the Scoping Study Results Announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the Scoping Study Results Announcement.

Akjoujt South Project

The information in this Report relating to the Akjoujt South Project is extracted from the following original ASX Announcements dated; 2 August 2016 titled 'Significant Nickel-Copper Drill Intercepts from Akjoujt South Project, Mauritania', 26 July 2016 titled 'June Quarterly Activities and Cash Flow Report' and 1 July 2016 titled 'Drilling Update and Ground Magnetic Anomalies Identified' which are available to view on the Company's website 'orecorp.com.au'.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX Announcements referred to above and, in the case of Exploration Results, that all material assumptions and technical parameters underpinning the Exploration Results in the original ASX Announcements referred to above continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original ASX Announcements referred to above.



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