

ORO VERDE LIMITED

ABN 84 083 646 477

HALF YEAR FINANCIAL REPORT

31 December 2017

ORO VERDE LIMITED
HALF YEAR FINANCIAL REPORT 31 December 2017

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ORO VERDE LIMITED

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Corporate Directory

ABN: 84 083 646 477

Directors

W G Martinick	Non-Executive Chairman
B D Dickson	Executive Finance Director
B L Farrell	Non-Executive Director
A P Rovira	Non-Executive Director
T I Woolfe	Managing Director (Resigned 31 December 2017)

Chief Executive Officer

D V Bright

Company Secretary

B D Dickson

Registered Office and Principal Place of Business

Level 1
34 Colin Street
West Perth WA 6005
Telephone: 08 9481 2555
Fax: 08 9485 1290

Share Registry

Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross WA 6153

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Bank

National Australia Bank
96 High Street
Fremantle WA 6160

ORO VERDE LIMITED

HALF YEAR FINANCIAL REPORT 31 DECEMBER 2017

Directors' Report

The Directors present their report together with the consolidated financial report for the six months ended 31 December 2017 and the independent review report thereon.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for the entire period unless otherwise stated.

W G Martinick
 T I Woolfe (resigned 31 December 2017)
 B D Dickson
 B L Farrell
 A P Rovira

REVIEW OF OPERATIONS

TOPACIO (Oro Verde option to acquire 100%)

On 27 February 2015¹, Oro Verde announced the positive completion of due diligence and acceptance of an Option to Purchase Agreement ("the Option") over the high grade Topacio Gold Project, located in southeastern Nicaragua. The project boasts a historical NI 43-101 (Canadian standard, similar to JORC) compliant Inferred Resource of:

2,716,176 tonnes at 3.9 g/t gold, containing 340,345 ounces of gold, at a 1.5 g/t gold cut-off²

National Instrument 43-101 ("NI 43-101") is a national instrument for the Standards of Disclosure for Mineral Projects within Canada and as such this estimate is a foreign estimate and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the foreign estimate as mineral resources in accordance with the JORC code and it is uncertain that following evaluation and/or further exploration work that the foreign estimate will be able to be reported as mineral resources in accordance with the JORC code.

In November 2015, the Company entered into a Farm-In and Joint Venture Agreement (The "Agreement") with Newcrest International Pty Limited, a wholly owned subsidiary of Newcrest Mining Limited to explore for large, high grade epithermal gold deposits on the Topacio Gold Project. After meeting its required minimum expenditure requirement, Newcrest withdrew from the project in August 2018 and Oro Verde assumed exploration control.

In November 2017 the Company reached agreement for a six month extension (from 19 February to 19 August 2018) to the Option to Purchase Agreement to acquire 100% of the Topacio project.

The December half year period was a particularly active one for Oro Verde. Following the withdrawal of former JV partner Newcrest, the Company re-focused its exploration activities on the numerous high grade gold-silver quartz-vein targets close to the existing 340,000 ounce gold (Au) resource in the main Topacio Gold Resource Area in south-eastern Nicaragua (Figures 1) and in November the Company reached agreement for a six month extension (from 19 February to 19 August 2018) to the Option to Purchase Agreement to acquire 100% of the Topacio project.

As a result, in September, the Company commenced its Phase 3 campaign of surface trench-sampling and mapping at Topacio, with continuation of this work representing the principal exploration effort throughout the period. Upon its completion in December, the program had excavated 40 trenches, testing a total of 15 major gold-bearing quartz veins in the area.

With excellent gold results from Phase 3 trench sampling demonstrating that the technique is an efficient and effective way of testing and identifying high grade quartz veins, the Company's principal focus remains the orderly exploration of the Topacio Resource Area, with staged campaigns of trenching followed up by drilling to progressively extend potential gold resources in depth and along strike.

¹ Refer to ASX announcement dated 27 February 2015 "Oro Verde Proceeds to Acquire Topacio Gold Project"

² Refer to ASX announcement dated 11 November 2014 "Acquisition of High Grade Gold Project"

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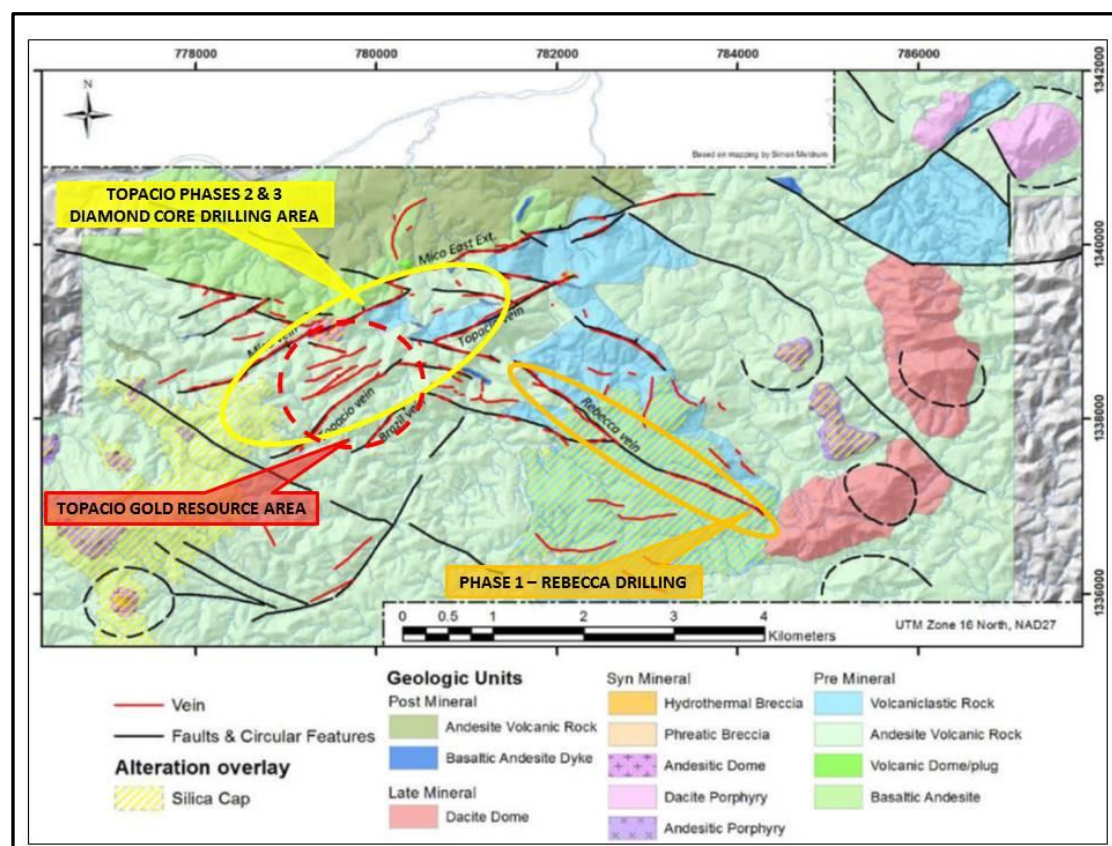


Figure 1 Topacio Gold Project: Phases 1-3 Diamond-core drilling areas

Following the receipt of all information from the phase 3 trenching program the Company the designed a drilling program with the objective to test a number of high gold grade targets defined by this work and previous exploration.

Drilling will be undertaken on 6 major gold-rich quartz veins and is expected to take six to eight weeks to complete from its commencement in early February:

Early Production Opportunities

In addition to the planned resource extension and estimation activities, Oro Verde continues to explore opportunities for small-scale mining and processing, toll treating or selling ore to nearby processing facilities, of which two exist within practicable ore trucking distances. The Company's Nicaraguan-based team has already commenced the process of identifying the permits needed and possible trucking routes to the processing plants.

New Concessions

Over the past two years, three applications have been submitted by Minera San Cristóbal, S.A. (MSC, a 100% owned Nicaraguan subsidiary of Oro Verde) for ground covering the land adjacent to the Topacio Project under the **Iguanas, Galeano and Tigre** applications (Figure 2).

The Nicaraguan Ministry of Mines and Energy (MEM) has accepted these applications and, in late November, the relevant documents were prepared by MEM and delivered by MSC to the Muelle de los Bueyes Municipality in mid-December for local approval.

Should Oro Verde be successful in having all three of its applications approved, the Company's ground position in the Topacio region will increase by approximately 240% from 93km² to 316km².

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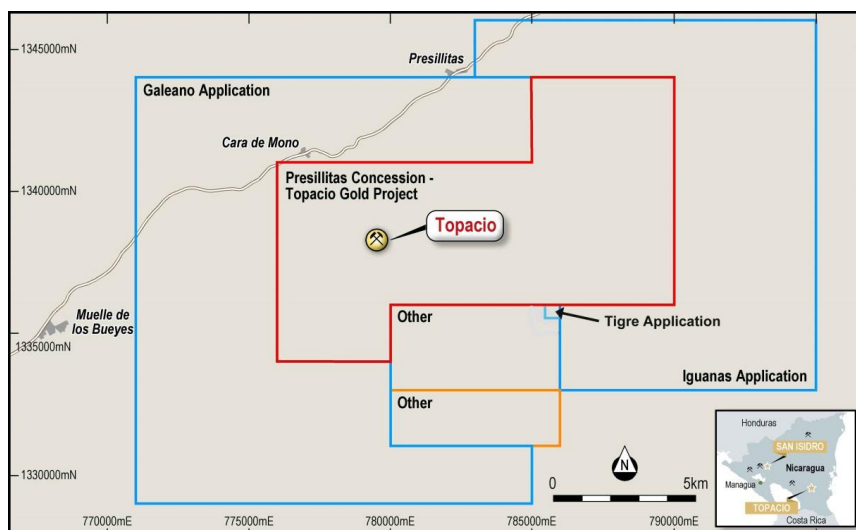


Figure 2 Topacio Project (red) & Iguanas, Galeano and Tigre applications (blue)

SAN ISIDRO GOLD PROJECT (OVL 100%)

The San Isidro Gold Project constitutes a 25km² mining concession in north-western Nicaragua.

During the period, a follow up Phase 2 exploration program designed to investigate a number of targets generated by an initial 400m x 200m soil sampling grid and geological mapping earlier in the year was completed.

This program included a soil-sampling program comprising 96 soil samples in a staggered 200m x 200m infill grid over prospective areas identified by the Phase 1 program. More detailed geological mapping was also undertaken, with a total of 32 rock chip samples collected in areas of interest, typically demonstrating prospective indications of silicification and quartz veining.

Preliminary results for this program were reported to the ASX on 30 October 2017. Results up to **0.54 g/t Au and 0.80 g/t Ag** were returned from the 32 rock chip samples collected during the Phase 2 campaign. Best results were obtained from narrow, massive, white crystalline quartz veins up to 1m in width, and from stock-works hosted by laminated, rhyolite flows in the south-western corner of the San Isidro concession.

CORPORATE

On 1st September Company entered into a bridging loan facility ("Facility") with Inkjar Pty Ltd an entity associated with Dr Bradford Farrell, a director of the Company, providing short term access to up to \$500,000. During the period the Company drew-down \$300,000 on the facility and repaid all amounts due on 3 November 2017.

Oro Verde continues to review gold-silver-copper opportunities in search of quality projects to enhance the existing portfolio. Discussions and reviews are ongoing as the Company aims to add shareholder value through the quality team and connections that it has assembled within Nicaragua and the region.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditors, BDO Audit (WA) Pty Ltd to provide the Directors with a written independence declaration in relation to their review of the financial report for the half year ended 31 December 2017. The written auditor's independence declaration is attached at page 17 and forms part of this Directors' report.

Signed in accordance with a resolution of directors.

W G Martinick
Chairman
Perth 14 March 2018

ORO VERDE LIMITED

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Schedule of Mining Tenements Owned

Common name	Location	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
<i>HEMCO-SID (San Isidro) – 1351</i>	<i>Nicaragua</i>	<i>Owned</i>	<i>100%</i>	<i>100%</i>
<i>Presillitas (Topacio) – 39</i>	<i>Nicaragua</i>	<i>Option</i>	<i>0%</i>	<i>0%</i>
<i>Iguanas</i>	<i>Nicaragua</i>	<i>Application</i>	<i>0%</i>	<i>0%</i>
<i>Galeano</i>	<i>Nicaragua</i>	<i>Application</i>	<i>0%</i>	<i>0%</i>

COMPETENT PERSON STATEMENT

The information in this report that relates to previous Exploration Results for the Topacio project, was prepared and first disclosed under the JORC Code 2012, and has been properly cross-referenced in the text to the date of original announcement to ASX. Oro Verde confirms that it is not aware of any new information or data that materially affects the information included in the original announcements

The information in this document that relates to Historical Mineral Resources is extracted from the report entitled “Acquisition of High Grade Gold Project” created on 11 November 2014 and available to view on www.asx.com. The Company confirms that it is not in possession of any new information or data that materially impacts on the reliability of the estimates in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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 market announcement.

ORO VERDE LIMITED
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Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	CONSOLIDATED 31 December 2017 \$	31 December 2016 \$
Continuing operations			
Interest income		1,181	2,041
Depreciation		(4,359)	(4,334)
Salaries and wages		(238,397)	(254,057)
Directors' fees		(65,000)	(64,999)
Travel and accommodation		(44,346)	(25,175)
Promotion		(9,546)	(6,933)
Consultants		(10,522)	(3,000)
Insurance		(7,943)	(6,915)
Legal fees		(4,913)	(10,784)
Administration expenses		(152,760)	(125,978)
Loss on equipment sale		(36)	-
Share based payments	11	(228,000)	-
Exploration expenses		(473,860)	(603,715)
Exploration expense reimbursement		351,855	565,518
Interest expense		(5,323)	(3,417)
Profit /(Loss) from continuing operations before Income tax		(891,969)	(541,748)
Income tax credit/(expense)		-	-
Profit /(Loss) from continuing operations after income tax		(891,969)	(541,748)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences in translating foreign controlled entities		(123,331)	49,795
Other comprehensive income net of tax		(123,331)	49,795
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,015,300)	(491,953)
<i>Earnings per share for loss attributable to the ordinary equity holder of the parent:</i>			
Basic earnings per share (cents per share)		(0.12)	(0.08)
Diluted earnings per share (cents per share)		(0.12)	(0.08)

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

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Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2017

	Note	CONSOLIDATED	
		31 December 2017	30 June 2017
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	3	776,578	541,656
Receivables		110,947	93,929
Other		12,192	4,637
Total Current Assets		899,717	640,222
Non-current Assets			
Plant and equipment		22,499	26,117
Option deposit	4	96,620	-
Exploration & Evaluation expenditure	4	-	47,827
Total Non-current Assets		119,119	73,944
TOTAL ASSETS		1,018,836	714,166
LIABILITIES			
Current Liabilities			
Payables		135,856	451,739
Total Current Liabilities		135,856	451,739
TOTAL LIABILITIES		135,856	451,739
NET ASSETS		882,980	262,427
EQUITY			
Issued Capital	5	22,895,771	21,487,918
Reserves		4,965,849	4,861,180
Accumulated losses		(26,978,640)	(26,086,671)
TOTAL EQUITY		882,980	262,427

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

ORO VERDE LIMITED

HALF YEAR FINANCIAL REPORT 31 DECEMBER 2017

Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Ordinary shares	Convertible notes Reserve	Share option Reserve	Foreign Currency Translation Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$	\$
At 1 July 2017	21,487,918	136,403	4,810,101	(85,324)	(26,086,671)	262,427
Loss for the period	-	-	-	-	(891,969)	(891,969)
Other comprehensive loss	-	-	-	(123,331)	-	(123,331)
Total comprehensive loss for the period	-	-	-	(123,331)	(891,969)	(1,015,300)
Transactions with owners in their capacity as owners						
Shares issued during the period	1,429,100	-	-	-	-	1,429,100
Transaction Costs	(21,247)	-	-	-	-	(21,247)
Share based payments	-	-	228,000	-	-	228,000
At 31 December 2017	22,895,771	136,403	5,038,101	(208,655)	(26,978,640)	882,980

	Ordinary shares	Convertible notes Reserve	Share option Reserve	Foreign Currency Translation Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$	\$
At 1 July 2016	20,262,385	136,403	4,810,101	(16,897)	(25,173,139)	18,853
Loss for the period	-	-	-	-	(541,748)	(541,748)
Other comprehensive loss	-	-	-	49,795	-	49,795
Total comprehensive loss for the period	-	-	-	49,795	(541,748)	(491,953)
Transactions with owners in their capacity as owners						
Shares issued during the period	1,139,166	-	-	-	-	1,139,166
Transaction Costs	(47,900)	-	-	-	-	(47,900)
Share based payments	-	-	-	-	-	-
At 31 December 2016	21,353,651	136,403	4,810,101	32,898	(25,714,887)	618,166

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

ORO VERDE LIMITED
HALF YEAR FINANCIAL REPORT 31 DECEMBER 2017

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	CONSOLIDATED 31 December 2017 \$	31 December 2016 \$
Cash flows from operating activities			
Payments to suppliers and employees		(637,282)	(491,181)
Exploration expenditure		(477,910)	(603,715)
Interest expense		(5,323)	(3,418)
Reimbursement of exploration expense		124,405	272,509
Interest received		1,181	2,041
Net cash flows used in operating activities		(994,929)	(823,764)
Cash flows from investing activities			
Purchase of mineral project		(48,793)	-
Purchase of plant and equipment		(900)	(1,343)
Net cash flows from investing activities		(49,693)	(1,343)
Cash flows from financing activities			
Proceeds from application for shares, net of transaction costs		1,402,753	885,433
Borrowing proceeds		300,000	100,000
Borrowing repayments		(300,000)	(100,000)
Net cash flows from financing activities		1,402,753	885,433
Net increase/(decrease) in cash and cash equivalents		358,131	60,326
Cash and cash equivalents at beginning of period		541,656	542,591
Effect of exchange rate changes on cash and cash equivalents		(123,209)	74,079
Cash and cash equivalents at end of period	3	776,578	676,996

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

ORO VERDE LIMITED

HALF YEAR FINANCIAL REPORT 31 DECEMBER 2017

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2017

1 BASIS OF PREPARATION

These general purpose financial statements for the interim half year reporting period ended 31 December 2017 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Oro Verde Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2017 together with any public announcements made during the half year.

(a) Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the half year ended 31 December 2017 of \$891,969 (2016: \$541,748) and experienced net cash outflows from operating activities of \$994,929 (2016: \$823,764). At 31 December 2017, the Group had net current assets of \$763,861 (30 June 2017: net current liabilities \$188,483).

These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities as and when they fall due.

The directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report the directors believe the Group can meet all liabilities as and when they fall due. The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Company will continue to be successful in securing additional funds through debt or equity issues or partial sale of its mineral properties, when and if required.

The financial report does not include any adjustments that may be necessary if the Group is unable to continue as a going concern.

(b) Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2017, except for the adoption of new standards and interpretations as of 1 July 2017, noted below:

ORO VERDE LIMITED

HALF YEAR FINANCIAL REPORT 31 DECEMBER 2017

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2017

1 BASIS OF PREPARATION (Cont'd)

(b) Accounting Policies (Cont'd)

i. New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period, however, the group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There will be some changes to the disclosures in the 30 June 2018 annual report as a consequence of these amendments.

2 OPERATING SEGMENT

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

The Group does not have production and is only currently involved in exploration activities. As a consequence, activities in the operating segment are identified by the Board based on the manner in which resources are allocated and the nature of the resources provided.

Based on this criterion, the Board has determined that the Group has one operating segment, being exploration, and the segment operations and results are the same as the Groups results.

During the period the Company conducted its activities across two geographic locations, being Australia and Nicaragua.

31 Dec 2017	Australia	Nicaragua	Total
	\$	\$	\$
Other income	1,181	-	1,181
Profit/(Loss)	(720,543)	(171,426)	(891,969)
Non-current assets	-	119,119	119,119
Total assets	727,572	291,264	1,018,836
Total liabilities	(63,966)	(71,890)	(135,856)

31 Dec 2016	Australia	Nicaragua	Total
	\$	\$	\$
Other income	2,041	-	2,041
Profit/(Loss)	(454,268)	(87,480)	(541,748)

30 June 2017			
Non-current assets	-	82,693	82,693
Total assets	319,248	394,918	714,166
Total liabilities	(124,297)	(327,442)	(451,739)

3 CASH AND CASH EQUIVALENTS

For the purpose of the half-year condensed statement of cash flows, cash and cash equivalents are comprised of the following:

	31 December 2017	30 June 2017
Cash at bank and in hand	743,077	508,155
Short-term deposits	33,501	33,501
	<u>776,578</u>	<u>541,656</u>

ORO VERDE LIMITED

HALF YEAR FINANCIAL REPORT 31 DECEMBER 2017

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2017

	31 December 2017	30 June 2017
4 OPTION DEPOSIT		
Option to acquire Topacio gold project	96,620	-

On 11 November 2014, Oro Verde announced the signing of an Option to Purchase Agreement over the high grade Topacio Gold Project, located in south eastern Nicaragua and, as a result of positive due diligence, on 27 February 2015 the Company announced it had agreed to proceed with the Option to Purchase Agreement. The Company may exercise its Option to Purchase 100% of the project by making a payment of US\$1,500,000, plus at the Vendor's election, either a 2% NSR royalty or a payout of US\$1/oz gold for JORC or NI43-101 compliant resources (measured and indicated).

In November 2017 the Company reached agreement for a six month extension (from 19 February to 19 August 2018) to the Option to Purchase Agreement to acquire 100% of the Topacio project. Upon completion of the payment of the option fee it will be capitalised and form a base cost of capitalised exploration.

During the period these option payments were reclassified from Exploration and Evaluation Expenditure to Option Deposit.

5 SHARE CAPITAL

	Shares	\$
Balance at 1 July 2017	695,196,590	21,487,918
Issued in lieu of directors fees (a) at \$0.0146	349,315	5,100
Options exercise at \$0.01	5,000,000	50,000
Share placement at \$0.008	13,125,000	105,000
Share purchase plan at \$0.008	158,625,000	1,269,000
Share issue expenses	-	(21,247)
Balance as at 31 December 2017	872,295,905	22,895,771
Balance at 1 July 2016	578,784,865	20,262,385
Issued in lieu of directors fees (a)	24,855,650	205,833
Options exercise	9,333,334	93,333
Share placement at \$0.012	70,000,000	840,000
Share issue expenses	-	(47,900)
Balance as at 31 December 2016	682,973,849	21,353,651

(a) During the period 171,750,000 shares were issued at 0.8 cents each and 5,000,000 shares were issued at 1 cent.

Movements in unlisted options on issue

	Awarded	Exercised	Lapsed	Total number of options
Balance at the beginning of the year				125,500,000
Movement	47,000,000	(5,000,000)	(47,500,000)	(5,500,000)
Total Number of options outstanding as at 31 December 2017				120,000,000

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HALF YEAR FINANCIAL REPORT 31 DECEMBER 2017

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2017

6 EVENTS AFTER THE BALANCE SHEET DATE

No matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the group in future financial years.

7 COMMITMENTS AND CONTINGENT LIABILITIES

There have been no changes in Commitments and Contingent Liabilities since the end of the last annual reporting period other than an the Company reaching agreement for a six month extension (from 19 February to 19 August 2018) to the Option to Purchase Agreement to acquire 100% of the Topacio project

8. INTERESTS IN SUBSIDIARIES

The consolidated financial statements include the financial statement of Oro Verde Limited and the subsidiaries listed in the following table

Name	Country of incorporation	Equity interest	
		2017	2016
		%	%
Goldcap Resources Limited	Australia	100	100
Minera San Cristobal SA	Nicaragua	100	100

9. FAIR VALUE MEASUREMENT

The Group does not measure and recognise any assets and liabilities at fair value, though current receivables and payables approximate fair value.

10. RELATED PARTY TRANSACTIONS

During the period the Company entered into a bridging loan facility ("Facility") with Inkjar Pty Ltd an entity associated with Dr Bradford Farrell, a director of the Company. Principal terms of the Facility were:

Amount: Up to \$500,000
 Term: From 1 September to 30 November 2017
 Interest: National Australia Bank business loan base plus 2% calculated daily
 Facility Fee: 1.45% pa of any undrawn amount

During the term the Company drew down \$300,000 of the facility and subsequently repaid it in full on 3 November 2017, including accumulated interest of \$5,323.

11. SHARE BASED PAYMENTS

During the financial period 40,000,000 options exercisable at 1.3 cents on or before 30 November 2020 were issued to directors and 7,000,000 to employees as part of their long-term incentive remuneration. The fair value of these options granted was calculated as 0.485 cents each by using the Black Scholes valuation methodology and applying the following inputs:

	Director	Employee
Weighted average exercise price (cents)	1.30	1.30
Weighted average life of options (years)	3.02	2.96
Weighted average underlying share price (cents)	0.80	.70
Expected share price volatility	120%	120%
Risk free interest rate	1.91%	2.04%

Total expenses arising from share-based payment transactions recognized during the period were \$228,000 (2016: Nil).

ORO VERDE LIMITED

HALF YEAR FINANCIAL REPORT 31 DECEMBER 2017

Directors' Declaration

The directors of the company declare that:

- a) the financial statements and notes of the consolidated entity as set out in the accompanying pages 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 31 December 2017 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*
- b) Subject to achievement of the matters described in note 1, in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



W G Martinick
Chairman
Perth, 14 March 2018

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF ORO VERDE LIMITED

As lead auditor for the review of Oro Verde Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Oro Verde Limited and the entities it controlled during the period.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 14 March 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Oro Verde Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Oro Verde Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Dean Just', written over a faint, stylized 'BDO' logo.

Dean Just

Director

Perth, 14 March 2018