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**ORECORP**  
LIMITED

**INTERIM FINANCIAL  
REPORT FOR THE  
HALF-YEAR ENDED  
31 DECEMBER 2023**

**ABN 24 147 917 299**

## CORPORATE DIRECTORY

### Directors

Mr Matthew Yates – Executive Chairman  
Mr Hendrik Diederichs – CEO & Managing Director  
Mr Alastair Morrison – Non-Executive Director  
Mr Michael Klessens – Non-Executive Director  
Mr Michael Davis – Non-Executive Director

### Company Secretary

Ms Jessica O'Hara

### Registered and Principal Office

Suite 22, Level 1, 513 Hay Street  
Subiaco WA 6008  
PO Box 2152  
Subiaco WA 6904

### Contact Details

[www.orecorp.com.au](http://www.orecorp.com.au)  
Telephone: +61 8 9381 9997  
Fax: +61 8 9381 9996

### Share Registry

Automic Pty Ltd  
Level 5, 191 St Georges Terrace  
Perth WA 6000  
Telephone: 1300 288 664  
International: +61 8 9698 5414

### Stock Exchange Listing

Australian Securities Exchange ('ASX')  
Level 40, Central Park  
152 – 158 St Georges Terrace  
Perth WA 6000

ASX Code: ORR – Ordinary Shares

### Solicitors

Allen & Overy LLP  
Level 12, Exchange Plaza  
2 The Esplanade  
Perth WA 6000

### Auditor

Deloitte Touche Tohmatsu  
Level 9, Tower 2, Brookfield Place  
123 St Georges Terrace  
Perth WA 6000

### Bankers

Westpac Limited  
Level 4, Tower 2, Brookfield Place  
123 St Georges Terrace  
Perth WA 6000

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## 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 half-year ended 31 December 2023 (**Consolidated Entity** or **Group**).

### Directors

The names of the directors in office during the half-year and until the date of this report are:

Mr Matthew Yates	Executive Chairman
Mr Hendrik Diederichs	Chief Executive Officer & Managing Director
Mr Michael Davis	Non-Executive Director
Mr Alastair Morrison	Non-Executive Director
Mr Michael Klessens	Non-Executive Director

All Directors held their office from 1 July 2023 until the date of this report.

### Principal Activities

OreCorp is a mineral development company listed on the Australian Securities Exchange (**ASX**) under the code ORR. OreCorp's key project is the advanced multi-million ounce Nyanzaga Gold Project (**Nyanzaga** or **Project**) in northwest Tanzania. A Definitive Feasibility Study (**DFS**) has been completed outlining a high margin, low cost gold producer with a production profile of 242 koz per annum over 10 years<sup>1</sup>.

### Review of Operations and Activities

#### Nyanzaga Gold Project - Tanzania

##### Overview

Nyanzaga is in the Archean Greenstones of the Lake Victoria Goldfields, northwest Tanzania (**Figure 1**). The Project comprises Special Mining Licence (**SML**) 653/2021 (23.4km<sup>2</sup>) and a further 9 granted prospecting licences and one prospecting licence application covering 164km<sup>2</sup> (**Figure 2**).

The DFS expects Nyanzaga to deliver an average gold production of 234 koz pa over a 10.7 year Life of Mine (**LOM**), with >242 koz pa (average) for the first 10 years peaking at 295 koz pa in Year 6 delivering a total of approximately 2.5 Moz of gold produced over the LOM.<sup>2</sup> Key permits are in place and development is progressing.

The SML for Nyanzaga is held by Sotta Mining Corporation (**SMCL**), a joint venture company in which OreCorp holds an 84% interest through its wholly owned subsidiary, Nyanzaga Mining Company Limited (**NMCL**). The Treasury Registrar of the Government of Tanzania (**GoT**) holds the 16% free carried interest of the GoT in accordance with the Tanzanian Mining Act, CAP 123.

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<sup>1</sup> Cautionary Statement - based on a gold price of US\$1,750/oz. Refer OreCorp ASX announcement dated 22 August 2022 ("Nyanzaga DFS Delivers Robust Results"). The production target referred to in the DFS and in this report comprises 92% Probable Ore Reserves and 8% Inferred Mineral Resources. 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 Mineral Resources or that the production target itself will be realised.

<sup>2</sup> Refer Cautionary Statement regarding production target above.



Figure 1: Lake Victoria Goldfields, Tanzania

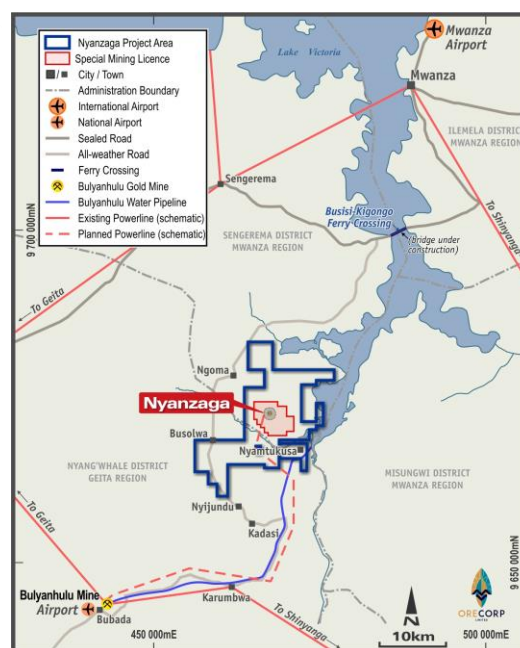


Figure 2: Nyanzaga Project Licences

## Project Development

SMCL awarded Early Contractor Involvement (ECI) contracts, for the development of Nyanzaga, to both Ausenco Services Pty Ltd (Ausenco) and DRA Global Limited (DRA) in the first half of 2023. The ECI process was completed in September 2023, confirming no capital cost increase from the DFS, within the scope of the ECI process, and cost savings identified for the ECI/EPCM scope, equating to an overall Project cost saving of between 4% to 6% compared to the DFS pre-production capital cost estimate. Completion of the ECI process included an executable EPCM contract from both Ausenco and DRA.

The Company also progressed the following key activities in relation to the development of Nyanzaga during the period:

- Adjudication of resettlement housing tenders with the aim of housing construction to commence in early 2024.
- Purchased replacement land parcels for resettlement houses and other related services.
- Received approval from the Mining Commission to award the resettlement housing tenders to the preferred contractors. Detailed contract clauses have been negotiated with the preferred contractors. Cleared lake access at the proposed water abstraction point.
- Reviewed the site access road design, including Ngoma town bypass.
- Engaged with Tanzanian and international contractors for major works packages, including civil works, SMP works and electrical works.

## Resettlement Action Plan (RAP)

Following completion of the placement to Silvercorp Metals Inc (Silvercorp) in August 2023, the Group received \$28.2 million, which has prompted significant progress in the execution of compensation agreements and enabled the commencement of compensation payments to Project-affected persons. Approximately 92% of the agreements have been fully executed with US\$7.6 million (A\$11.6 million) in compensation payments made in the six months to 31 December 2023. A total of 390 notices to vacate have been issued as at 31 December 2023.

Preparation continues for resettlement of communities currently within the SML boundary. Mining Commission approval has been received for resettlement housing tenders to preferred contractors and detailed contract clauses have been negotiated with those contractors. Site layout of replacement housing and associated application for building permits have commenced. Housing construction is planned to commence in 2024.

## Directors' Report (Continued)

### Corporate

On 6 August 2023, the Company and Silvercorp announced the signing of the Scheme Implementation Deed, whereby Silvercorp will acquire all the fully-paid ordinary shares of the Company not held by Silvercorp or its associates, pursuant to an Australian scheme of arrangement, subject to the satisfaction of various conditions (**Scheme**). Under the Scheme, OreCorp shareholders were to receive \$0.15 in cash and 0.0967 of a Silvercorp common share for each OreCorp share held.

On 23 November 2023, Silvercorp and the Company agreed to amend the Scheme to increase the cash consideration from \$0.15 to \$0.19, whilst retaining the Silvercorp scrip consideration of 0.0967 of a Silvercorp common share, for each OreCorp share held.

On 27 November 2023, Perseus Mining Limited (**Perseus**) announced to the market that it had acquired 19.9% of the Company's ordinary shares and did not intend to submit a change of control transaction in competition to the Scheme and, further, that Perseus intended to vote against the Scheme at the Scheme meeting originally scheduled to be held in December 2023 (and later postponed to January 2024).

On 27 December 2023, the Company announced that it had mutually agreed with Silvercorp to terminate the Scheme. Concurrently, OreCorp and Silvercorp announced the signing of the Bid Implementation Deed, whereby Silvercorp offers to acquire all the fully-paid ordinary shares of the Company not held by Silvercorp or its associates, by way of an off-market takeover subject only to a 50.1% minimum acceptance condition (and other customary conditions). The consideration offered to OreCorp shareholders was the same as proposed under the amended Scheme, that is \$0.19 in cash and 0.0967 of a Silvercorp common share for each OreCorp share held.

Silvercorp lodged its original Bidder's Statement on 27 December 2023, later replaced by its replacement Bidder's Statement on 16 January 2024 which was despatched to all OreCorp shareholders. The Silvercorp Offer opened for acceptance on 16 January 2024 and is currently scheduled to close on 22 March 2024, unless extended.

On 22 January 2024, Perseus announced its intention to make an off-market takeover offer for all of the fully-paid ordinary shares of the Company not held by Perseus or its associates, also subject to a 50.1% minimum acceptance condition and other customary conditions. The consideration offered to OreCorp shareholders under the Perseus takeover offer is \$0.55 cash per OreCorp share. Perseus lodged its original Bidder's Statement on 29 January 2024, later replaced by its replacement Bidder's Statement on 16 February 2024, which was despatched to all OreCorp shareholders. The Perseus Offer opened for acceptance on 19 February 2024 and is currently scheduled to close on 19 April 2024, unless extended. The Perseus takeover offer remains subject to the approval of the Tanzanian Fair Competition Commission (**FCC**), whereas the FCC has already provided its approval with respect to the Silvercorp takeover offer.

### Operating Results and Financial Position

The operating loss of the Consolidated Entity for the half-year ended 31 December 2023 was \$41,695,801 (2022: \$10,257,320). This loss is largely attributable to the Consolidated Entity's accounting policy of expensing exploration and evaluation expenditure incurred by the Group subsequent to the initial acquisition of the rights to explore and up to the final investment decision. Exploration and evaluation expenditure increased to \$33,581,742 in the six months to 31 December 2023 (2022: \$7,282,418) due to commencement of resettlement activities, noted above, and requisite compensation payments.

Corporate and administration costs increased from the previous period due to higher Corporate staff costs. Business development costs of \$2,983,865 were incurred in the six month period to 31 December 2023 in relation to progressing the Silvercorp transaction (2022: nil).

Cash and cash equivalents were \$14,939,092 as at 31 December 2023 (30 June 2023: \$13,462,027).

## Directors' Report (Continued)

### Business Development

The Group is currently focussed on completing the corporate transactions on foot.

### Business Strategy and Prospects

The Group is currently focussed on completing the corporate transactions on foot.

### Significant Changes in the State of Affairs

Other than the corporate transactions, noted above, there have been no significant changes in the state of affairs of the Group.

### Events After the Reporting Period

The Tanzanian Revenue Authority (**TRA**) issued a notice of audit findings to OreCorp's wholly owned subsidiary, OreCorp Tanzania Limited (**OTL**), to which OTL responded, following input from OTL's professional tax advisors in Tanzania, with detailed explanations, supporting documentation and reference to relevant Tanzanian tax legislation. OTL believes that there is no basis for these findings and will continue to object to the findings made by the TRA. In order to formally object to the findings, a deposit of \$586,624 was required to be paid in January 2024, which has been provided for as at 31 December 2023.

Other than TRA notice of audit findings and the developments in the corporate transactions subsequent to 31 December 2023, noted above, there have been no significant post-balance date events.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 20, which forms part of the Directors' Report.

This report is made in accordance with a resolution of the directors made pursuant to section 306(3) of the *Corporations Act 2001*.

For and on behalf of the Directors



**HENDRIK DIEDERICHS**

**Chief Executive Officer & Managing Director**

14 March 2024

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Half-Year Ended 31 December	
		2023 A\$	2022 A\$
Interest income		342,299	212,833
Foreign exchange loss		(827,977)	(63,292)
Corporate and administration costs	2	(4,057,892)	(3,124,443)
Exploration and evaluation costs	2	(33,581,742)	(7,282,418)
Business development costs		(2,983,865)	-
Movement in provision for Tanzanian taxes	6	(586,624)	-
<b>Loss before tax from continuing operations</b>		<b>(41,695,801)</b>	<b>(10,257,320)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(41,695,801)</b>	<b>(10,257,320)</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences arising on translation of foreign operations		809,641	144,983
Other comprehensive income for the period		809,641	144,983
<b>Total comprehensive loss for the period, net of income tax</b>		<b>(40,886,160)</b>	<b>(10,112,337)</b>
<b>Loss attributable to:</b>			
- Members of the parent		(36,683,429)	(10,036,438)
- Non-controlling interest		(5,012,372)	(220,882)
		(41,695,801)	(10,257,320)
<b>Total comprehensive loss attributable to:</b>			
- Members of the parent		(35,679,871)	(9,887,839)
- Non-controlling interest		(5,206,289)	(224,498)
		(40,886,160)	(10,112,337)
<b>Earnings per share</b>			
From continuing operations			
- Basic and diluted loss per share (cents per share)		(8.09)	(2.52)

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



## Condensed Consolidated Statement of Financial Position

	Note	As at 31 December 2023 A\$	As at 30 June 2023 A\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		14,939,092	13,462,027
Trade and other receivables	3	978,289	361,753
Other current assets		145,074	271,906
<b>Total Current Assets</b>		<b>16,062,455</b>	<b>14,095,686</b>
<b>Non-current Assets</b>			
Plant and equipment	4	826,024	631,885
Right-of-use assets		104,589	40,021
Exploration and evaluation assets	5	18,641,700	18,968,070
<b>Total Non-current Assets</b>		<b>19,572,313</b>	<b>19,639,976</b>
<b>TOTAL ASSETS</b>		<b>35,634,768</b>	<b>33,735,662</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		2,433,316	2,850,777
Lease liabilities		106,017	43,159
Provisions	6	12,526,075	478,756
<b>Total Current Liabilities</b>		<b>15,065,408</b>	<b>3,372,692</b>
<b>Non-current Liabilities</b>			
Provisions	6	2,613,753	59,410
<b>Total Non-current Liabilities</b>		<b>2,613,753</b>	<b>59,410</b>
<b>TOTAL LIABILITIES</b>		<b>17,679,161</b>	<b>3,432,102</b>
<b>NET ASSETS</b>		<b>17,955,607</b>	<b>30,303,560</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Issued capital	7	165,296,300	137,193,571
Reserves		3,915,563	2,485,485
Accumulated losses		(145,392,202)	(108,717,731)
<b>Equity attributable to equity holders of the Company</b>		<b>23,819,661</b>	<b>30,961,325</b>
Non-controlling interest		(5,864,054)	(657,765)
<b>TOTAL EQUITY</b>		<b>17,955,607</b>	<b>30,303,560</b>

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

## Condensed Consolidated Statement of Changes in Equity

	Issued Capital A\$	Share Based Payments Reserve A\$	Foreign Currency Translation Reserve A\$	Accumulated Losses A\$	Attributable to owners of the parent A\$	Non-controlling interest A\$	Total Equity A\$
<b>Balance at 1 July 2023</b>	<b>137,193,571</b>	<b>1,894,152</b>	<b>591,333</b>	<b>(108,717,731)</b>	<b>30,961,325</b>	<b>(657,765)</b>	<b>30,303,560</b>
Net loss for the period	-	-	-	(36,683,429)	(36,683,429)	(5,012,372)	(41,695,801)
<b>Other comprehensive income</b>							
Exchange differences arising on translation of foreign operations	-	-	1,003,558	-	1,003,558	(193,917)	809,641
Total comprehensive income/(loss) for the period	-	-	1,003,558	(36,683,429)	(35,679,871)	(5,206,289)	(40,886,160)
<b>Transactions with owners, recorded directly in equity</b>							
Share placement, net of costs	28,102,729	-	-	-	28,102,729	-	28,102,729
Value of forfeited performance rights taken to accumulated losses	-	(8,958)	-	8,958	-	-	-
Share based payment expense	-	435,478	-	-	435,478	-	430,102
Total transactions with owners	28,102,729	426,520	-	8,958	435,478	-	430,102
<b>Balance at 31 December 2023</b>	<b>165,296,300</b>	<b>2,320,672</b>	<b>1,594,891</b>	<b>(145,392,202)</b>	<b>23,819,661</b>	<b>(5,864,054)</b>	<b>17,955,607</b>
<b>Balance at 1 July 2022</b>	<b>136,727,471</b>	<b>1,786,537</b>	<b>(94,524)</b>	<b>(89,717,258)</b>	<b>48,702,226</b>	<b>5</b>	<b>48,702,231</b>
Net loss for the period	-	-	-	(10,036,438)	(10,036,438)	(220,882)	(10,257,320)
<b>Other comprehensive income</b>							
Exchange differences arising on translation of foreign operations	-	-	148,599	-	148,599	(3,616)	144,983
Total comprehensive income/(loss) for the period	-	-	148,599	(10,036,438)	(9,887,839)	(224,498)	(10,112,337)
<b>Transactions with owners, recorded directly in equity</b>							
Transfer of unlisted options from reserves to issued capital	466,100	(466,100)	-	-	-	-	-
Value of expired options taken to accumulated losses	-	(247,500)	-	247,500	-	-	-
Share based payment expense	-	356,631	-	-	356,631	-	356,631
Total transactions with owners	466,100	(356,969)	-	247,500	356,631	-	356,631
<b>Balance at 31 December 2022</b>	<b>137,193,571</b>	<b>1,429,568</b>	<b>54,075</b>	<b>(99,506,196)</b>	<b>39,171,018</b>	<b>(224,493)</b>	<b>38,946,525</b>

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

## Condensed Consolidated Statement of Cash Flows

	Note	Half-Year Ended 31 December	
		2023 A\$	2022 A\$
<b>Cash flows from operating activities</b>			
Interest received		329,353	179,044
Interest and other costs of finance paid		(280,800)	(3,277)
Payments to suppliers and employees		(26,465,254)	(10,643,850)
<b>Net cash outflow from operating activities</b>		<b>(26,416,701)</b>	<b>(10,468,083)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(387,851)	(57,591)
<b>Net cash outflow from investing activities</b>		<b>(387,851)</b>	<b>(57,591)</b>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities		(66,945)	(56,545)
Proceeds from issue of shares	7	28,164,534	-
Payments for share issue transaction costs		(61,805)	-
<b>Net cash inflow / (outflow) from financing activities</b>		<b>28,035,784</b>	<b>(56,545)</b>
<b>Net increase / (decrease) in cash and cash equivalents held</b>		<b>1,231,232</b>	<b>(10,582,219)</b>
Foreign exchange movement on cash and cash equivalents		245,833	(98,403)
<b>Cash and cash equivalents at the beginning of the financial period</b>		<b>13,462,027</b>	<b>31,883,298</b>
<b>Cash and cash equivalents at the end of the financial period</b>		<b>14,939,092</b>	<b>21,202,676</b>

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

# Notes to and Forming Part of the Financial Statements

## 1. General Information

### Reporting entity

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

The Group's principal place of business is Suite 22, Level 1, 513 Hay Street, Subiaco, Perth, Western Australia. The nature of the operations and principal activities of the Group are described in the Review of Operations and Activities on pages 1 to 4.

### Statement of compliance

The interim financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The interim financial report of the Group for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the Directors on 14 March 2024.

### Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The consolidated interim financial report is presented in Australian dollars, which is the Company's functional currency, unless otherwise stated.

### Going concern

The interim financial 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.

During the six-month period ending 31 December 2023, the Group incurred a net loss after tax of \$41,695,801 (31 December 2022: \$10,257,320) and experienced net cash outflows from operating and investing activities of \$26,804,552 (31 December 2022: \$10,525,674). As at 31 December 2023 the Group had net assets of \$17,955,607 (30 June 2023: \$30,303,560) and net current assets of \$997,047 (30 June 2023: \$10,722,994). As at 31 December 2023, the Group had a cash balance of \$14,939,092 (30 June 2023: \$13,462,027).

The Group's cash flow forecast indicates that it will be required to raise additional funding of up to \$26 million, progressively from June 2024, to meet the Group's expected cash outflows and stated objectives in the period ending 31 March 2025. The forecast assumes maintaining non-discretionary expenditure, whilst finalising the corporate transaction or determining future options for development of Nyanzaga, and the settlement of current liabilities in relation to resettlement compensation, as disclosed in note 6. The forecast does not include any payments in respect of the uncertain tax position, beyond the liability disclosed in note 6, and payments in relation to contingent liabilities as disclosed in note 12. The cash flow forecast does not assume that a final investment decision is made in relation to Nyanzaga in that period. The cash flow forecast will be updated should a final investment decision be progressed.

The Company is currently subject to two takeover offers, from Silvercorp and Perseus. Upon completion of either transaction the Directors expect that the Group will be supported by existing cash and funding available to the acquiring entity, through debt or equity. In the event that neither of the takeover offers complete, the Directors are confident additional funding could be secured through the issue of equity, debt or a combination of these.

## Notes to and Forming Part of the Financial Statements (continued)

Should the Group not secure additional funding from the sources outlined above, there is a material uncertainty as to whether the Group will be able to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the interim financial report. The interim financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

### Summary of significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2023. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### *(a) New and Revised Standards, Interpretations and Amendments*

In the current period, the Group has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2023. These did not have any significant impact on the Group's financial statements.

#### *(b) Issued Standards and Interpretations Not Early Adopted*

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 reporting period ended 31 December 2023. These are not expected to have any significant impact on the Group's financial statements.

#### *(c) Accounting Estimates, Judgements and Assumptions*

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Recoverability of VAT receivables (Note 3);
- Recoverability of exploration and evaluation assets (Note 5);
- Estimation for Tanzanian income tax assessment (Note 6);
- Estimation of provision for resettlement (Note 6); and
- Estimation of contingent liability (Note 12).

## Notes to and Forming Part of the Financial Statements (continued)

### 2. Expenses

Included within expenses attributable to Corporate and Administration costs and Exploration and Evaluation costs in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are the following:

	Half-Year Ended 31 December	
	2023	2022
	A\$	A\$
Depreciation of plant and equipment	179,757	129,101
Amortisation of right-of-use assets	65,237	54,219
Provision for non-recovery of VAT receivables	5,333	578,704
Staff costs	5,071,580	2,775,876
Resettlement and compensation costs	27,509,980	-
Professional fees	1,990,968	611,440
Interest expense on lease liabilities	10,896	2,573

Staff costs is comprised of the following:

	Half-Year Ended 31 December	
	2023	2022
	A\$	A\$
Short-term employment benefits	4,451,392	2,282,706
Post-employment benefits	79,764	112,396
Movement in annual leave provision	85,213	12,678
Movement in long service leave provision	19,733	11,465
Share-based payments	435,478	356,631
	5,071,580	2,775,876

### 3. Trade and Other Receivables

As at	31 December	30 June
	2023	2023
	A\$	A\$
Value Added Tax (VAT) receivable	3,616,612	3,289,938
Provision for non-recovery of VAT receivables	(2,919,516)	(3,084,626)
Other receivables	281,193	156,441
	978,289	361,753

The Group has a US\$2.5 million (30 June 2023: US\$2.2 million) VAT receivable in Tanzania, of which US\$2.0 million (30 June 2023: US\$2.0 million) was incurred by OreCorp Tanzania Limited (OTL). Although the Group retains an enforceable right to receive VAT incurred by OTL, a provision has been made for its non-recovery, due to uncertainty over whether refund will be made and to its timing.

## Notes to and Forming Part of the Financial Statements (continued)

### 4. Plant and Equipment

As at	31 December 2023 A\$	30 June 2023 A\$
Cost	1,902,795	1,553,226
Accumulated depreciation	(1,076,771)	(921,341)
<b>Net carrying amount</b>	<b>826,024</b>	<b>631,885</b>
<i>Reconciliation</i>		
Carrying amount at beginning of period	631,885	602,906
Additions	381,531	311,080
Disposals	(372)	(29,473)
Depreciation charge for the period	(179,757)	(272,702)
Foreign exchange movement on property, plant and equipment	(7,263)	20,074
<b>Carrying amount at end of period, net of accumulated depreciation</b>	<b>826,024</b>	<b>631,885</b>

### 5. Exploration and Evaluation Assets

As at	31 December 2023 A\$	30 June 2023 A\$
Nyanzaga Project, Tanzania	18,641,700	18,968,070
<b>Net carrying amount</b>	<b>18,641,700</b>	<b>18,968,070</b>
<i>Reconciliation</i>		
Carrying amount at the beginning of the period	18,968,070	18,138,900
Foreign exchange movement	(326,370)	829,170
<b>Carrying amount at the end of period</b>	<b>18,641,700</b>	<b>18,968,070</b>

In December 2021, the Nyanzaga Special Mining Lease (SML) was granted to Sotta Mining Corporation Limited (SMCL), the company in which OreCorp's subsidiary, Nyanzaga Mining Company Limited (NMCL) holds an 84% interest and the Government of Tanzania holds a 16% free carried interest. The SML was granted for an initial term of fifteen years.

The Company's accounting policy is to expense all Exploration and Evaluation expenditure incurred, subsequent to acquisition of the rights to explore, up to a final investment decision. Accordingly, the only movement in the six-month period relates to the FX revaluation of the US\$ balance held in NMCL.

## Notes to and Forming Part of the Financial Statements (continued)

### 6. Provisions

As at	31 December 2023 A\$	30 June 2023 A\$
<b>Current</b>		
Annual leave provision	506,214	478,756
Provision for resettlement activities <sup>(i)</sup>	11,433,237	-
Provision for Tanzanian taxes <sup>(ii)</sup>	586,624	-
<b>Total current provisions</b>	<b>12,526,075</b>	<b>478,756</b>
<b>Non-current</b>		
Provision for resettlement activities <sup>(i)</sup>	2,534,610	-
Long service leave provision	79,143	59,410
<b>Total non-current provisions</b>	<b>2,613,753</b>	<b>59,410</b>

#### i. Provision for resettlement activities

In August 2023, the Company issued 70,411,334 fully paid ordinary shares at an issue price of \$0.40 per share to Silvercorp, for aggregate proceeds of \$28,164,534. Receipt of placement funds prompted the execution of compensation agreements with affected households in the Nyanzaga Project area and enabled the commencement of compensation payments. Whilst 92% of compensation payments have been completed, there exists an obligation for the construction of replacement housing under the executed compensation agreements. An estimation as to the expected cost of the obligation has been made and provided for in these interim financial statements. The estimate includes a contingency of 15% relating to replacement housing obligations, in line with the methodology used in the Nyanzaga Definitive Feasibility Study.

The executed compensation agreements do not specify a timeline in which replacement housing will be completed and, so, an estimation of the timing of cashflows associated with the construction of replacement housing has been made, resulting in \$2,534,610 being classified as non-current.

#### ii. Provision for Tanzanian taxes

OreCorp Tanzania Limited (OTL), a wholly owned subsidiary of OreCorp, has been subject to a tax audit undertaken by the Tanzanian Revenue Authority (TRA) for the years of income 2016 – 2021. The TRA issued Notices of Assessment of approximately TZSh 31.1 billion (\$17.9million) in unpaid taxes and interest. The audit findings referred to corporate income taxes, VAT, stamp duty and withholding taxes. OTL lodged objections to these findings, following input from their professional tax advisors in Tanzania, with detailed explanations, supporting documentation and reference to relevant Tanzanian tax legislation. OTL believes that there is no basis for these findings and will continue to vigorously defend its position. In order to formally object to the findings, a deposit of \$586,624 was paid in January 2024, which was provided for as at 31 December 2023. The outcome of the appeals process is unknown and therefore uncertainty remains as to the probability, timing and amount of any future outflow of resources. Other than the amount mentioned above no provision has been made in these financial statements as the Group does not consider that there is any probable payment in relation to these additional amounts.



## Notes to and Forming Part of the Financial Statements (continued)

### 7. Issued Capital

As at	31 December 2023 A\$	30 June 2023 A\$
<b>Ordinary share capital:</b>		
Issued and fully paid	<b>165,296,300</b>	137,193,571

Date	Number of Shares	Issue Price (A\$)	A\$
<b>1 July 2022</b>	<b>398,997,558</b>		<b>136,727,471</b>
Balance of share-based payment reserve taken to issued capital for options exercised	-	-	466,100
<b>30 June 2023</b>	<b>398,997,558</b>		<b>137,193,571</b>
Share placement	70,411,334	0.40	28,164,534
Placement costs	-	-	(61,805)
<b>31 December 2023</b>	<b>469,408,892</b>		<b>165,296,300</b>

During the period, the Company issued 70,411,334 fully paid ordinary shares at an issue price of \$0.40 per share, for aggregate proceeds of \$28,164,534, to Silvercorp.

### 8. Share based payments

Share-based payment expense recorded by the Group during the six-month period to 31 December 2023 was \$435,478 (six-month period to 31 December 2022: \$356,631). All share-based payments were accounted for as equity-settled share-based payment transactions. During the six-month period to 31 December 2023, the Company had the following movements and closing balances in its unlisted securities:

Unlisted options	Opening	Issued	Exercised	Lapsed or Expired	Closing
Unlisted options at \$0.9066 expiring 25 November 2024	1,150,000	-	-	-	<b>1,150,000</b>
Unlisted options at \$0.9906 expiring 25 November 2024	2,575,257	-	-	-	<b>2,575,257</b>

Performance rights	Opening	Issued	Exercised	Lapsed or Expired	Closing
Unlisted performance rights expiring 22 November 2026	1,562,106	-	-	-	<b>1,562,106</b>
Unlisted performance rights expiring 27 August 2027	2,525,000	-	-	(75,000)	<b>2,450,000</b>

No unlisted options or performance rights were issued during the six-month period to 31 December 2023.

## Notes to and Forming Part of the Financial Statements (continued)

### 9. 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, being mineral exploration, and in one geographical segment, being Africa. The Consolidated Entity does not have revenues from external customers nor inter-segment revenues.

### 10. Controlled Entities

All controlled entities are included in the condensed consolidated interim 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.

Name of Controlled Entity	Place of Incorporation	% of Shares Held 31 December 2023	% of Shares Held 30 June 2023
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 REE Pty Ltd	Australia	100%	100%
OreCorp Nyanzaga Pty Ltd	Australia	100%	100%
OreCorp Nyanzaga (UK) Limited	UK	100%	100%
Nyanzaga Mining Company Limited	Tanzania	100%	100%
Sotta Mining Corporation Limited	Tanzania	84%	84%

### 11. Commitments

As a condition of retaining the current rights to tenure to exploration tenements, the Group is required to pay an annual rental charge and meet minimum expenditure requirements for each tenement. These obligations are not provided for in the interim financial report and are at the sole discretion of the Group. Minimum expenditure requirements for the current licence period are as per the following:

As at	31 December 2023 \$	31 December 2022 \$
<b>Commitments for exploration expenditure</b>		
Not longer than 1 year	505,346	316,240
Longer than 1 year and shorter than 5 years	2,053,888	891,668
Longer than 5 years	4,643,917	1,713,514
	<b>7,203,151</b>	<b>2,921,422</b>

The SML for Nyanzaga was granted in December 2021 for an initial period of fifteen years. The amounts included in the table above represent annual rent costs. Minimum expenditure requirements for SML's are not stipulated in the mining regulations.

## Notes to and Forming Part of the Financial Statements (continued)

### 12. Contingent Liabilities

The Group's Tanzanian subsidiaries have been named as defendants in legal proceedings relating to the resettlement activities being undertaken in Tanzania, including claims for compensation based on unspecified pieces of land, alleged value of certain trees and plants and compensation for the elevated landforms (being the hills). The value of compensation sought under these claims, in excess of the amount provided for under the provision for resettlement (note 6), is TZSh 32.6 billion (\$18.8 million). During the resettlement process, the Group has complied with all Government of Tanzania directives, including in relation to compensation not being payable for elevated landforms, which formed the basis for calculation of the provision for resettlement. The legal proceedings are at an early stage and the Group intends to work with the Government of Tanzania to the extent necessary to defend any such claims. The Group's legal advisors have advised it is too early to determine if the claims have merit, or any potential outcome and accordingly no provision has been made in these financial statements for the excess compensation sought.

### 13. Events After the Reporting Period

Other than the notices of TRA Assessment (note 6), and developments in the corporate transactions subsequent to 31 December 2023, noted above, there have been no significant post-balance date events.

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## Directors' Declaration

In accordance with a resolution of the Directors of OreCorp Limited:

The Directors declare that:

- (a) 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; and
- (b) in the Directors' opinion, the attached interim financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of Consolidated Entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date.

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

On behalf of the Board



**HENDRIK DIEDERICHS**

**Chief Executive Officer & Managing Director**

14 March 2024

## Independent Auditor's Review Report to the members of OreCorp Limited

### Conclusion

We have reviewed the half-year financial report of OreCorp Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Half-year Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the interim financial report which indicates that the Group incurred net losses of \$41,695,801 (31 December 2022: \$10,257,320), and experienced net cash outflows from operating and investing activities of \$26,804,552 (31 December 2022: \$10,525,674) during the period ended 31 December 2023. These conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## *Directors' Responsibilities 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.



DELOITTE TOUCHE TOHMATSU



**Penelope Pink**  
Partner  
Chartered Accountants  
Perth, 14 March 2024

The Board of Directors  
OreCorp Limited  
Suite 22, Level 1  
513 Hay Street  
Subiaco WA 6008

14 March 2024

Dear Board Members,

### Auditor's Independence Declaration to 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 review of the half-year financial report of OreCorp Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully,



DELOITTE TOUCHE TOHMATSU



**Penelope Pink**  
Partner  
Chartered Accountants

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