



2022

# ANNUAL REPORT

ABN 24 147 917 299



**ORECORP**  
LIMITED

## 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

### Company Secretary

Ms Jessica O’Hara

### Registered and Principal Office

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Perth WA 6000

ASX Code: ORR – Ordinary Shares

### Solicitors

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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

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123 St Georges Terrace  
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*Nyanzaga Project, Tanzania - Site Visit, May 2022*

## Letter from the Chairman

Dear Shareholders,

It is a pleasure to deliver the 2022 and twelfth Annual Report to shareholders in what has been a pivotal year for the Company.

Regrettably, this will be my last Annual Report as Chairman and member of the OreCorp board as I plan to retire at the Annual General Meeting (**AGM**) in November and step away from my board commitments with public companies, moving to spend more time with family.

It has been a pleasure to be part of the OreCorp team and watch the Company grow over the last 10 years from a private company, through to Australian Securities Exchange (**ASX**) listing and its initial projects in Ethiopia and Mauritania, to the acquisition, and now development of the Nyanzaga Gold Project (**Nyanzaga** or the **Project**) in northern Tanzania. Over this time, OreCorp also built a significant land holding in the Eastern Goldfields of WA, with these assets being returned to shareholders via the demerger and in-specie distribution of shares in Solstice Minerals Limited (**Solstice**), which commenced trading on the ASX in May of this year.

The Nyanzaga story has evolved significantly in the past twelve months. At the time of writing the 2021 Annual Report, OreCorp had recently received Cabinet approval for the grant of the Special Mining Licence (**SML**), a key permitting milestone. The Company had also just completed a significant capital raising of \$56 million (before costs) to fund the completion of the Definitive Feasibility Study (**DFS** or **Study**), the Resettlement Action Plan and other pre-development activities at Nyanzaga.

The DFS for Nyanzaga, which was released last month, is an exemplary piece of work by the Company. It has demonstrated the global significance of Nyanzaga as the first new large-scale gold mine in Tanzania in over a decade. The Company is confident that it will be able to raise the required project financing to fund Nyanzaga in the near future as inbound enquiries and interest from debt and equity providers alike has been extremely positive. The mine will provide sustainable opportunities for Tanzania and return substantial benefits to all of our stakeholders.

As I close this chapter of my working life and look forward to a more relaxed future, I will do so knowing that we have delivered on Nyanzaga and that the Company will continue to grow and evolve, focused on an asset that is one of the best undeveloped gold projects in the world.

I wish all the very best for OreCorp, its people and its shareholders and will eagerly watch the ascent of a new mid-tier gold company in the years ahead.

Kind regards,

Craig Williams



*Diamond Drill Rig with Nyanzaga Hill in Background*

## Corporate Overview

### Company Profile

OreCorp is an emerging mineral development company listed on the ASX under the code ORR. OreCorp’s key project is the Nyanzaga Gold Project in northwest Tanzania.

The SML for the Project was granted on 13 December 2021 and Framework and Shareholders Agreements were signed with the Government of Tanzania (**GoT**). The SML was granted to the new joint venture company, Sotta Mining Corporation Limited (**SMCL**), for an initial term of fifteen years. OreCorp holds an 84% interest in SMCL through its wholly owned subsidiary, Nyanzaga Mining Company Limited (**NMCL**). The Treasury Registrar of the GoT holds the 16% free carried interest in SMCL in accordance with the Mining Act [CAP. 123 R.E. 2019].

Subsequent to the grant of the SML, the Company rapidly progressed the DFS and announced the results in August 2022.

### OreCorp’s Vision

OreCorp’s ultimate vision is to be a mid-tier mining company, producing at operating margins that ensure the long-term viability of the Company’s operating assets and deliver superior and sustainable value to its shareholders and other stakeholders through exploration, acquisition, development and mining.

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

### OreCorp’s Values

- Teamwork – collaborating and working safely and responsibly in partnership
- Integrity – acting fairly, honestly, ethically and with consistency
- Caring – valuing diversity and inclusiveness, treating others with respect, dignity and empathy
- Innovation – striving to do better, encouraging innovation and entrepreneurship
- Commitment – giving our all to all that we do
- Achievement – delivering what we say we will



### OreCorp's Mission

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

- Identifying and/or acquiring projects within prospective mineral provinces;
- Exploring in a scientifically rigorous, effective and innovative manner;
- Developing and mining in a cost-effective and innovative manner to realise stakeholder value;
- Utilising all of its resources efficiently and responsibly;
- Conducting its business in an environmentally and socially responsible manner;
- Upholding the Company's strong principles of governance and adherence to Company policies;
- Safeguarding the health and safety of all stakeholders;
- Continuously improving its systems and processes;
- Developing its people and recognising superior performance; and
- Fostering mutually beneficial relationships with all of its stakeholders.

### OreCorp's Future Aims, Objectives and Value Generators

- Actively pursuing Project funding with the goal of reaching a Final Investment Decision for Nyanzaga;
- Tendering of key contracts (including FEED, bulk earthworks and mining contracts);
- Preparation of procurement of long-lead equipment; and
- Preparation for resettlement of communities within the SML boundary.



***OreCorp Limited Staff at Nyanzaga Camp***

### Integrating ESG at OreCorp

Through the delivery of a two-year Environment, Social and Governance (**ESG**) Roadmap, the Group has embarked upon integrating ESG as a foundation for its strategy. In 2022, many of the Group's Australian and Tanzanian Directors and Executives participated in an intensive ESG learning program.

The program, which was conducted by an external expert, presented participants with an overview of the fundamentals of ESG, human rights, Sustainable Development Goals (**SDGs**) and materiality.

Key outcomes of the program included:

- Outputs of a materiality assessment to inform the Group's FY2023 ESG Report and strategy;
- A commitment to integrate the International Council on Mining and Metals' (**ICMM**) Principles and the World Gold Council's Responsible Gold Mining Principles into ESG reporting and strategy;
- Agreement to revise the Group's Statement of Vision, Mission and Values to reflect a heightened ESG emphasis;
- Identification of new policy requirements, including a Human Rights Policy; Environmental Policy; Supply Chain Policy and Community Relations Policy; and
- A commitment to review and where necessary, to amend existing policies to incorporate ESG considerations.

The Group is committed to ESG and looks forward to sharing its progress in its inaugural ESG Report proposed to be released after completion of FY2023.

### 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. We are pleased to report that there were no Lost Time Injuries sustained during the year ended 30 June 2022.

### 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 its 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 the community, flora, fauna, land, air and water. 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 lifecycle;
- 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.

During the year, there were no reportable environmental incidents.

As part of the DFS, the Company engaged international consultants to complete a Greenhouse Gas (**GHG**) assessment for the Project. The assessment included the estimation of GHG emissions for Scope 1 and Scope 2 activities associated with the proposed Project for construction and operational phases. The average operating emissions for the Project are 0.58 t CO<sub>2</sub>e/ounce of gold. Emissions intensity averaged 0.7 t CO<sub>2</sub>e/ounce of gold produced in 2020 by more than 90 leading gold mines globally (S&P Global Market Intelligence, September 2021). The Project is 17% less emissions intensive than the average.

The Company also engaged consultants to complete a decarbonisation study of the Project to identify decarbonisation opportunities. The options range from those which are easily implemented as part of the design phase, through to those requiring technology advancements to make them feasible. The opportunities identified were:

- Small-scale solar applications for offices and housing for lighting and water heating
- Energy efficient lighting
- Optimised ventilation systems
- Replacement of diesel-operated process equipment with electric
- Electric vehicles, or hybrid vehicles
- Hydrogen vehicles and machinery
- Onsite hydrogen generation
- Automated and optimised drilling
- Ore pre-treatment with Microwave or High Voltage Pulse

The viable options will be further explored and incorporated in the design and over the life of the Project. The Company will continue to evaluate evolving technologies.

### Stakeholder Relations

OreCorp seeks to develop and maintain positive, enduring relationships with its host communities in line with the Company's Code of 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 most of its Project staff from the local communities and sources the majority of its supplies from local providers. Since 2016, OreCorp has completed numerous community projects. In the past 12 months, the Company has constructed three classrooms at Ngoma Secondary School and an ablution block at Chikomero Primary School, built and supplied 190 school desks to local Primary Schools and donated supplies to a local health and dispensary centre.

The Company has a plant seedling nursery at site that has supplied over 15,000 tree seedlings to local schools, communities and administrative centres in the Nyang'hwale District since 2016.

In addition, the Company has formed a football team, "OreCorp United" which comprises employees, casuals, tradespeople and volunteers from the local community. This allows staff to relax and enjoy a social activity with the local villages, building the company's positive engagement with the community.



### OreCorp and External Influences

Management have considered the impact of external influences, such as the geopolitical unrest in Europe and the COVID-19 pandemic, on the Group's operations and financial performance and note the Group may be exposed to risks, such as supply chain disruptions, inflation and volatile commodity prices.

In preparing the consolidated financial report, management has considered the impact of COVID-19 and the Russia-Ukraine war on the various balances and accounting estimates in the financial report, including the carrying values of exploration and evaluation assets. Management determined that there was no significant impact on these balances and accounting estimates.

Whilst the Russia-Ukraine war and the COVID-19 pandemic have presented significant challenges throughout the Australian economy and resources sector over the last year, the Company remains well positioned to execute its strategy. There were no material impacts on the Financial Report as at 30 June 2022. The Company will continue to monitor any future consequences due to the potential uncertainty in the medium to long term.



*OreCorp Limited Staff and Visitors, Site Office and Nyanzaga Hill*

## Review of Operations

### Nyanzaga Gold Project - Tanzania

#### Overview

OreCorp recently completed a DFS on the Project, which comprises the Nyanzaga and Kilimani deposits. The DFS confirmed the production rate and concurrent mine development strategy as defined in the 2017 PFS and provides improved project definition and cost estimate accuracy to a level adequate to support a Project development decision.

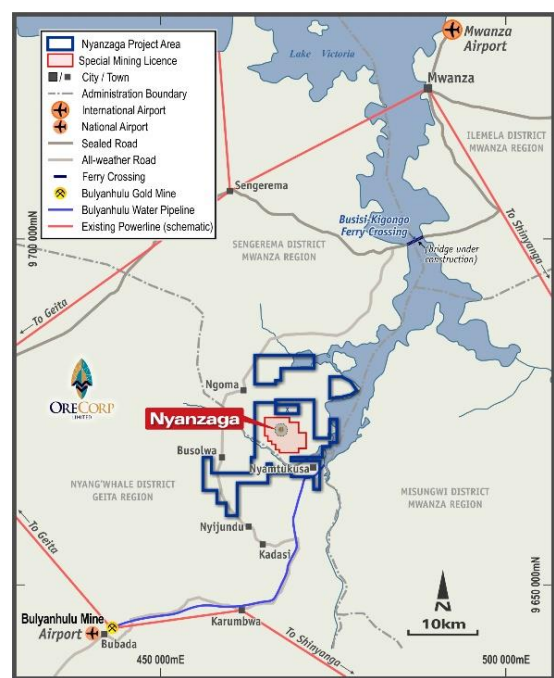
The Project is held by SMCL in which OreCorp holds an 84% interest through its wholly owned subsidiary, NMCL and the GoT holds a 16% free carried interest. The Project comprises SML 653/2021 (23.4km<sup>2</sup>) granted to SMCL on 13 December 2021 and a further 11 granted prospecting licences and one prospecting licence application (137km<sup>2</sup>). The SML is valid for 15 years.

A Framework Agreement and a Shareholders Agreement, each between NMCL and the GoT were signed on 13 December 2021 to confirm the key rights and obligations of the parties, as shareholders of SMCL, with respect to the development and management of the Project.

Nyanzaga is located in north-western Tanzania, south of Lake Victoria within the Sengerema District of the Mwanza Region, refer to **Figure 1**. The Project is accessed from Mwanza via the sealed Mwanza-Geita Highway, crossing Smith Sound by ferry at Busisi, then turning southwest to Ngoma Village, refer to **Figure 2**. A bridge crossing Smith Sound is currently under construction and due for completion in 2024 which will significantly improve access to the Project.



**Figure 1: Lake Victoria Goldfields, Tanzania**



**Figure 2: Nyanzaga Project Licences**

#### Definitive Feasibility Study

Nyanzaga's DFS, led by experienced global engineering firm Lycopodium Minerals Pty Ltd, a subsidiary of Lycopodium Limited (ASX: LYL), detailed all facets of geology, mining, processing, supporting infrastructure and Project execution to a nominal accuracy of  $\pm 15\%$ .

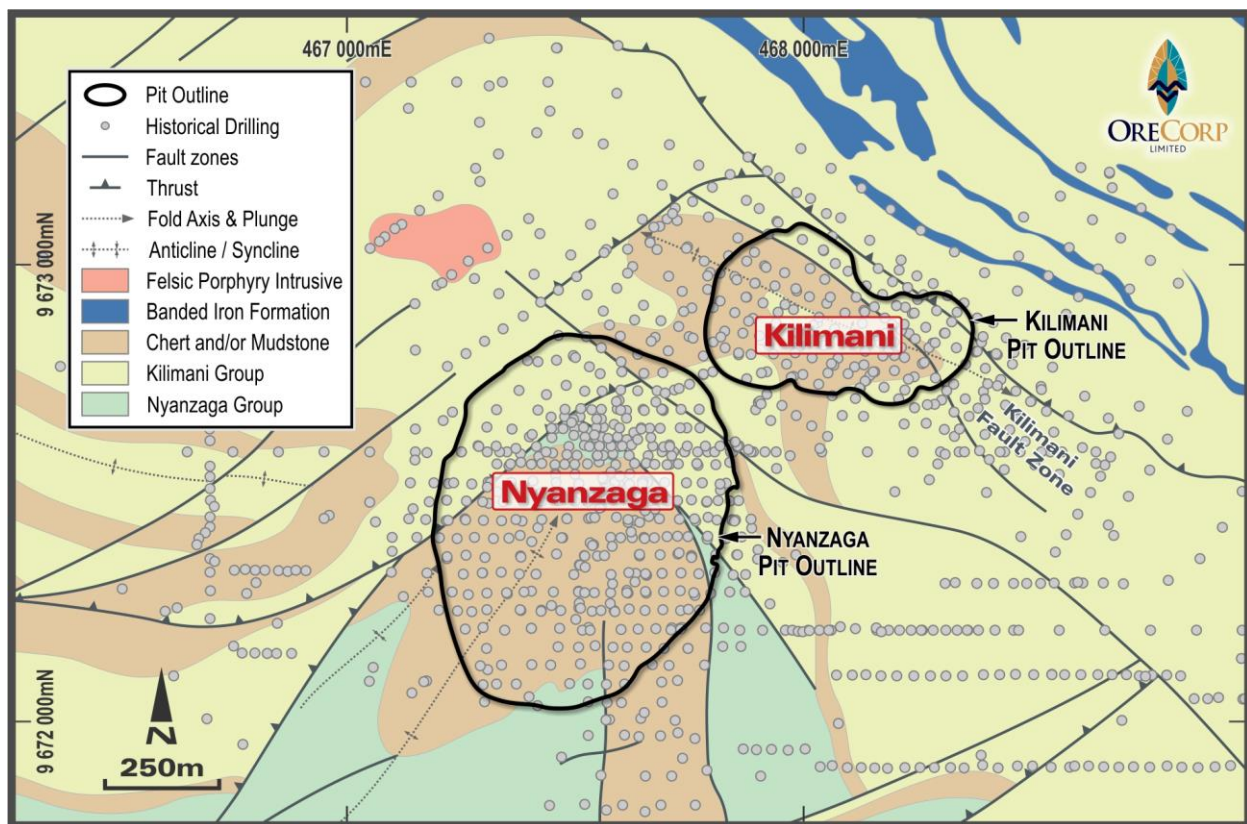
The DFS evaluated the technical and economic viability of various open pit and underground development scenarios and was optimised considering mining, processing and economic factors. The Study delivered an optimal development scenario of 4 Mtpa with concurrent development of both the open pit and underground operations.

The production target<sup>1</sup> of 42.5 Mt @ 2.07 g/t gold for 2.8 Moz comprises a Probable Ore Reserve of 40.08 Mt at 2.02 g/t gold for 2.60 Moz plus Inferred Mineral Resources of 2.39 Mt at 2.98 g/t gold for 0.23 Moz, which were modified using the same factors as the Ore Reserve. Most of the inferred material is associated with the depth extension of the underground (below 700 mRL) and processed in the last three years of production.

The Project is expected to deliver 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. The All-in sustaining cost (AISC) is estimated to be US\$954/oz over the LOM and incorporates the 6% government royalty, 1% inspection fee and a 0.3% service levy (7.3% in total).

**Geology and Mineral Resource Estimate**

The Nyanzaga and Kilimani deposits occur within a sequence of folded Nyanzian sedimentary and volcanic rocks, refer to **Figure 3**. The current interpretation of the Nyanzaga deposit recognises a sequence of cyclic mudstone, sandstone and chert units folded into a northerly plunging anticline. The Kilimani deposit, located 450 m northeast of Nyanzaga, is developed in the fold hinge of an interpreted west-northwest striking double plunging anticline. The bulk of the Kilimani deposit occurs in the heavily weathered zone, within 140 m from surface.



**Figure 3: Nyanzaga - Kilimani Interpreted Geology**

The Nyanzaga and Kilimani Mineral Resource Estimates (MRE) were reported by CSA Global in September 2017 and May 2022, respectively and included additional drilling undertaken by OreCorp, as well as historical drilling undertaken by Barrick Gold and several other entities since the early 1990’s. The total drilling database includes 2,027 drillholes, totalling 269,116m. The two MREs form the basis for the DFS and are supported by extensive interpretive geological and geostatistical work completed by OreCorp and CSA Global geologists. CSA Global considers the data collection techniques to be consistent with good industry practice and suitable for use in the preparation of the MREs in

<sup>1</sup> **Cautionary Statement - The production target referred to in the DFS and 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.**

accordance with the JORC Code (2012 Edition). Adequate quality assurance and quality control (QAQC) supports the integrity of the data used to prepare the MREs.

The MRE for the Nyanzaga deposit is reported at a cut-off grade of 1.5 g/t gold and is classified in accordance with the JORC Code, as reported in **Table 1**.

**Table 1: Nyanzaga Deposit-- Mineral Resource Estimate**

<b>OreCorp Limited – Nyanzaga Deposit, Nyanzaga Project Mineral Resource Estimate as of 12 September 2017</b>			
<b>Classification</b>	<b>Tonnes (Mt)</b>	<b>Gold Grade (g/t)</b>	<b>Gold Metal (Moz)</b>
Measured	4.63	4.96	0.738
Indicated	16.17	3.80	1.977
<b>Sub-Total M &amp; I</b>	<b>20.80</b>	<b>4.06</b>	<b>2.715</b>
Inferred	2.90	3.84	0.358
<b>Total</b>	<b>23.70</b>	<b>4.03</b>	<b>3.072</b>

Reported at a 1.5g/t gold cut-off grade. MRE defined by 3D wireframe interpretation with sub cell block modelling. Gold grade for lower grade sedimentary cycle hosted resources estimated using Uniform Conditioning using a 2.5m x 2.5m x 2.5m SMU. Totals may not add up due to appropriate rounding of the MRE. Assuming gold price of US\$1,250.

The highlights and other significant observations of the Nyanzaga MRE are:

- The orientation and continuity of mineralisation, coupled with the high gold grade, confirms potential for a combined open pit and underground operation;
- The thickness and grade of the resource model allows for the consideration of open pit and underground mining scenarios;
- Mineralisation is open at depth leaving scope for future additional resources to be delineated;
- The Nyanzaga MRE covers a strike length of approximately 600 m, with mineralised widths of individual mineralised zones ranging from 2 to >20 m;
- Sub-vertical faulting, fracturing and brecciation related to the folding and subsequent shearing along the north-east limb of the fold; and
- Competency contrast near the sedimentary cycle boundaries.

The MRE for Kilimani is reported at a cut-off grade of 0.4 g/t Au and is classified in accordance with the JORC Code, as shown in **Table 2**.

**Table 2: Kilimani Deposit – Mineral Resource Estimate**

<b>Kilimani Gold Deposit Mineral Resource Estimate As of 2 May 2022</b>			
<b>Classification</b>	<b>Tonnes (Mt)</b>	<b>Gold Grade (g/t)</b>	<b>Gold Metal (koz)</b>
Indicated	3.4	1.09	119
Inferred	2.9	1.02	94
<b>Total</b>	<b>6.3</b>	<b>1.06</b>	<b>213</b>

Reported at a cut-off grade of 0.40 g/t Au and classified in accordance with the JORC Code (2012 Edition) MRE defined by 3D wireframe interpretation with sub-cell block modelling to honour volumes. Gold grade estimated using Ordinary Kriging using a 5 m x 5 m x 2 m parent cell. Totals may not add up due to appropriate rounding of the MRE (nearest 5,000 t and 1,000 oz Au). Reasonable prospects for eventual economic extraction supported by a conceptual pit optimisation generated using a gold price of US\$1500.

Mining

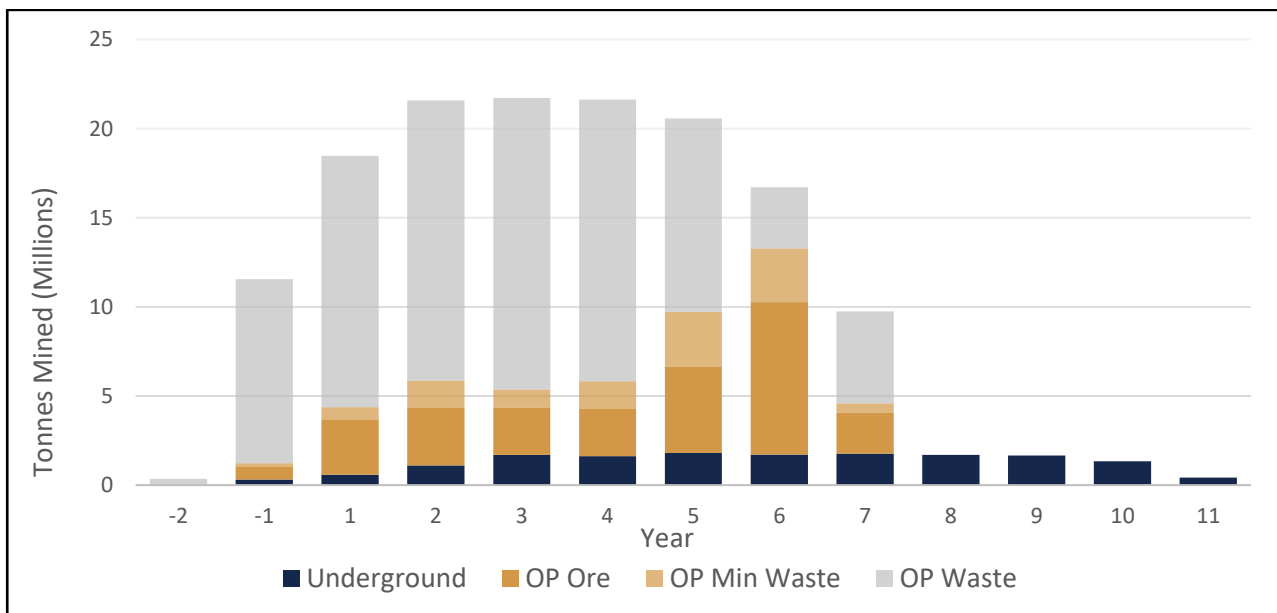
Following completion of the PFS, several options studies were undertaken which included a very large open pit only scenario to mine Nyanzaga and Kilimani. All the studies indicated that the optimum development scenario was the concurrent open pit and underground mining of the Nyanzaga deposit with the underground providing early access to the high-grade areas below 1,025 mRL. The high grade (HG) area between 1,050 mRL and 975 mRL is referred to as the “heart of gold” (HOG).

Ore production, from both the Nyanzaga and Kilimani open pits is expected to average 1.32 g/t gold. The combined open pit strip ratio is 3.7:1 with total material mined from the open pits expected to be 131 Mt comprising 103 Mt waste and 28 Mt ore.

Underground mine development is expected to commence six months earlier than the open pit with a box cut to be developed adjacent to the open pit. The first underground material is expected to be processed in Year 1 and reach full underground production rates of 1.6 Mpta in Year 5. The underground mine is expected to utilise a longhole stoping method with paste backfill.

Underground ore is expected to average a grade of 3.55 g/t gold. A total of 14.39 Mt of ore and 1.41 Mt of waste is expected to be mined from underground.

Refer to **Figure 4** for total material moved from the open pits and underground.



**Figure 4: Total Material Movement**

A stockpiling strategy will be used, preferentially feeding high grade (HG) ore to the process plant, followed by medium grade (MG) ore whilst stockpiling low grade (LG) ore as shown in **Figure 5**. The ore stockpile is expected to reach a maximum size of approximately 10 Mt.

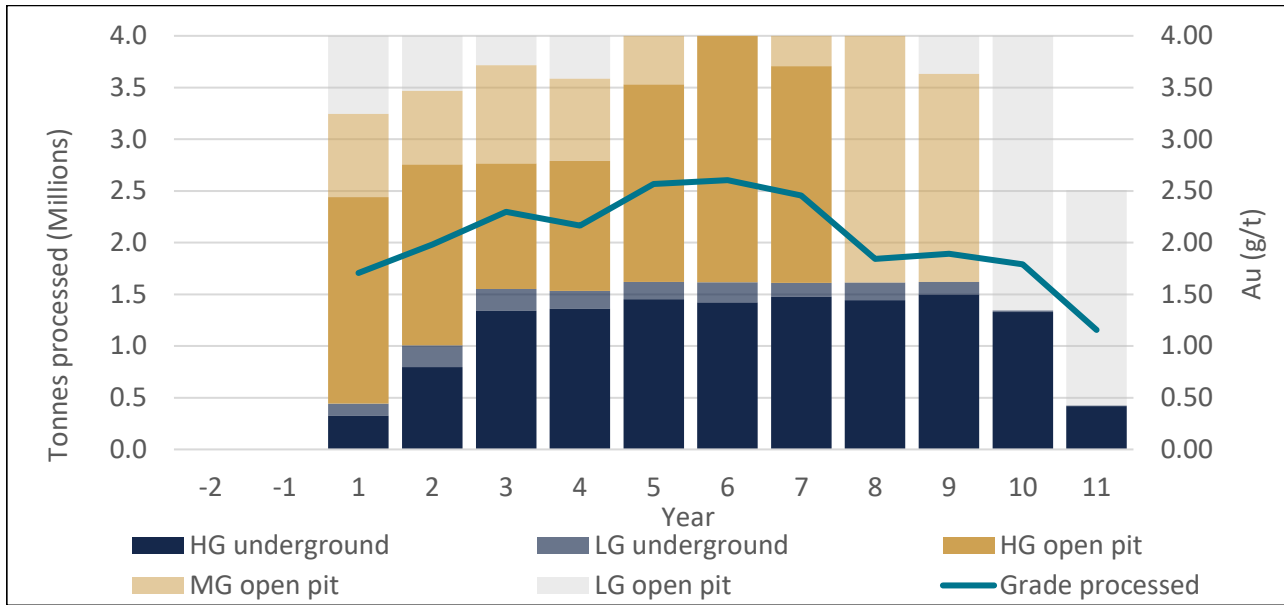


Figure 5: Plant Feed by Ore Source and Grade Bin

The mining schedule targets a process throughput rate of 4.0 Mtpa, comprised of approximately 2.5 Mtpa of open pit ore and 1.5 Mtpa of underground ore.

The production schedule, which includes Ore Reserves and Inferred Mineral Resources, delivers an average annual gold production of 242 koz (first 10 years) and LOM average annual gold production of 234 koz, refer to Figure 6.

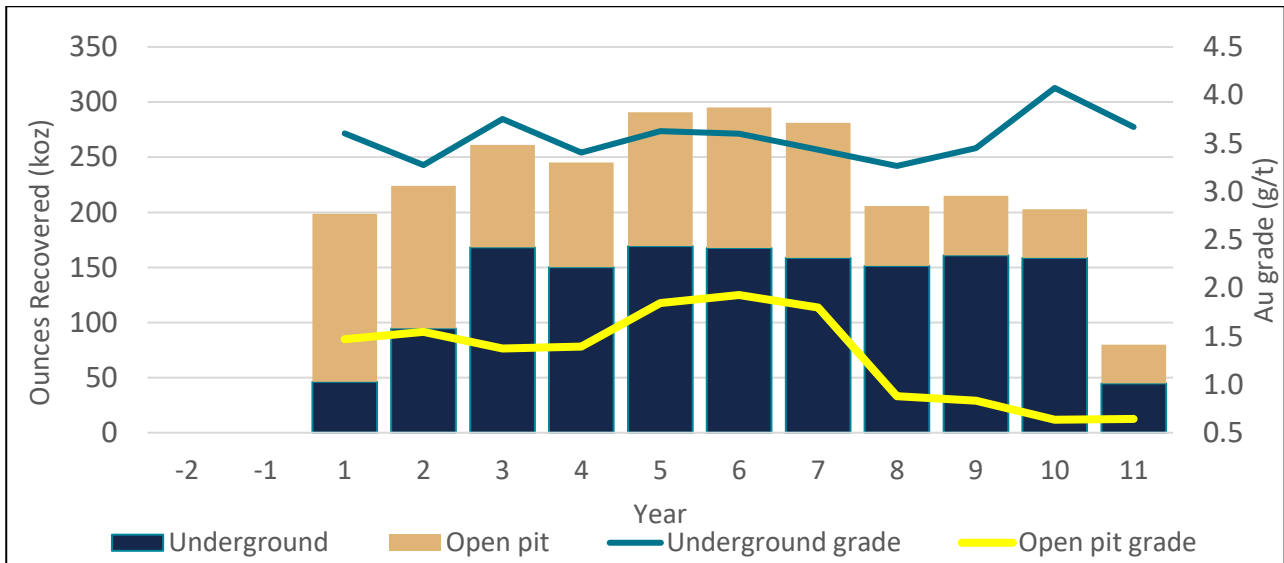


Figure 6: Production Schedule

The classified Ore Reserve estimate for the Project comprises three distinct operations:

- Nyanzaga open pit
- Nyanzaga underground
- Kilimani open pit

The combined Probable Ore Reserve is 40.08 Mt at 2.02 g/t Au for 2.60 Moz. The Competent Person has classified all Measured Resource to a Probable Ore Reserve as no production reconciliation data is available to validate the technical modifying factors used in this study. There is 3.58 Mt of Measured Mineral Resource in the open pit stage designs and

1.59 Mt of Measured Mineral Resource within the underground mine designs that has been classified as a Probable Ore Reserve.

Inferred material from the open pit was not included in the pit optimisation used for selection of the economic shell. A total of 0.46 Mt at 0.8 g/t gold of Inferred material falls within the pit design. The Inferred material is not included in the Ore Reserve, but is included within the production schedule (Table 3).

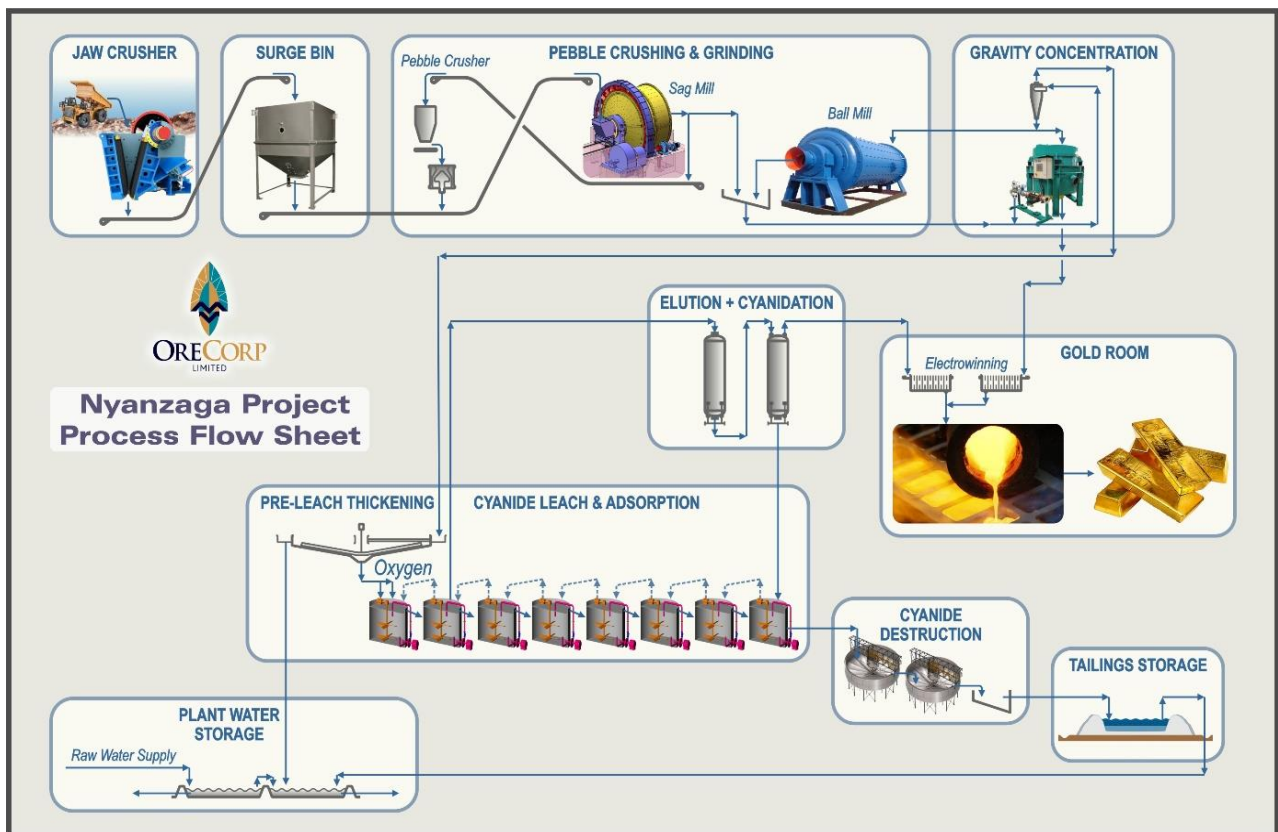
**Table 3: Production Schedule Project Probable Ore Reserve plus Inferred Mineral Resource**

Area	Probable Ore Reserve			Inferred Mineral Resource in Production Schedule			Total Production Schedule*		
	Mt	Gold g/t	Gold Moz	Mt	Gold g/t	Gold Moz	Mt	Gold g/t	Gold Moz
Nyanzaga open pit	25.63	1.35	1.11	0.08	0.88	0.00	25.71	1.35	1.11
Kilimani open pit	2.04	1.05	0.07	0.37	0.82	0.01	2.41	1.01	0.08
Nyanzaga underground	12.42	3.57	1.42	1.97	3.49	0.22	14.39	3.55	1.64
<b>Totals</b>	<b>40.08</b>	<b>2.02</b>	<b>2.60</b>	<b>2.42</b>	<b>2.95</b>	<b>0.23</b>	<b>42.51</b>	<b>2.07</b>	<b>2.83</b>

\*Note – Rounding may cause summation differences. Refer Cautionary Statement on page 80 of this report in relation to production target.

Processing

The process facility is based on a conventional flow sheet design with a primary jaw crusher, feeding a semi-autogenous mill/ball mill configuration and pebble crusher (SABC), and then gravity recovery and CIL processes. The flowsheet utilises conventional proven technology that has been used globally in gold mines for many years. Detailed metallurgical testwork and comminution studies estimated the LOM metallurgical recovery at 88% (P<sub>80</sub> 75µm grind size), consistent with the 2017 PFS.



**Figure 7: Process Flow Sheet for Nyanzaga**

### Capital and Operating Costs

Pre-production capital costs are estimated at US\$474M, which includes a US\$36M contingency (**Table 4**). The change in capital from the 2017 PFS (US\$287M) is largely due to overall cost inflation, that is widespread in the mining industry over the last few years, and the change in mine schedule with underground development to start six months earlier than the open pits (which results in mine development costs being included in capital rather than operating costs). This higher initial capital cost is offset by the earlier gold production.

The pre-production capital cost estimate is based on a contractor mining scenario and therefore excludes capital costs associated with a mining fleet. The DFS estimates a LOM average AISC of US\$954/oz (**Table 5**).

**Table 4: Pre-production Capital Cost Estimate Summary (US\$, Q1, 2022, +15/-5%)**

Main Area	Pre-production Capital US\$M
Treatment Plant	89.2
Reagents and Services	23.8
Infrastructure General	71.5
Mining	110.0
Contractor and Construction Indirects	42.4
Management Costs	31.2
Owner's Project Costs	62.0
Working Capital	3.9
Taxes and Duties	3.7
Contingency	36.1
<b>Project Total</b>	<b>473.8</b>

**Table 5: Overall LOM Operating Cost Estimate (US\$, Q1, 2022, ±15%)**

Item	Cost Centre	US\$M	US\$/t Ore	US\$/oz
Operating Costs	Revenue Costs*	326.2	7.67	130.51
	Mining	1,278.7	30.08	511.54
	Process Plant	483.3	11.37	193.33
	G&A	150.3	3.54	60.13
	<b>Subtotal Operating Cost</b>	<b>2,238.5</b>	<b>52.66</b>	<b>895.51</b>
Sustaining Capital	Mining	88.5	2.08	35.39
	Plant	17.3	0.41	6.93
	General Infrastructure	8.7	0.20	3.47
	Tailings Storage Facility	31.0	0.73	12.41
	<b>Subtotal Sustaining Capital</b>	<b>145.5</b>	<b>3.42</b>	<b>58.20</b>
<b>AISC</b>		<b>2,384.0</b>	<b>56.08</b>	<b>953.71</b>

\* Revenue Costs includes doré transport and refining costs, royalties, and levies.



## Environmental & Social

The Project area is located within Igalula Ward where the primary source of livelihood for most households is subsistence farming, with approximately 12% depending on other sources, including artisanal mining, fishing, salaried employment, general labour, livestock keeping and small trading.

An environmental and social impact assessment (**ESIA**) was undertaken and submitted to the National Environment Management Council (**NEMC**) for approval in late 2017. The ESIA was conducted in compliance with the NEMC requirements and prescribed format. NEMC granted an Environmental Certificate to NMCL for the Project in February 2018. This has subsequently been re-registered and transferred to SMCL.

A resettlement policy framework has been developed as part of the resettlement planning for the Project. In late 2020, a team of independent valuers undertook a market rates research study to determine compensation rates for land, crops, livestock, and buildings. The Government Chief Valuer approved this market rates research report in early 2021 in accordance with the Valuation and Valuers Registration Act, 2016.

To support the Project’s potential application for funding from International Finance Institutions, OreCorp engaged consultants to conduct a review of the ESIA against the Equator Principles and current, relevant, International Finance Corporation (**IFC**) Performance Standards on Environmental and Social Sustainability (IFC, 2012) and World Bank Group standards and guidelines. The gap analysis identified several areas for improvement, which are being addressed and results will be incorporated in a revised ESIA document.

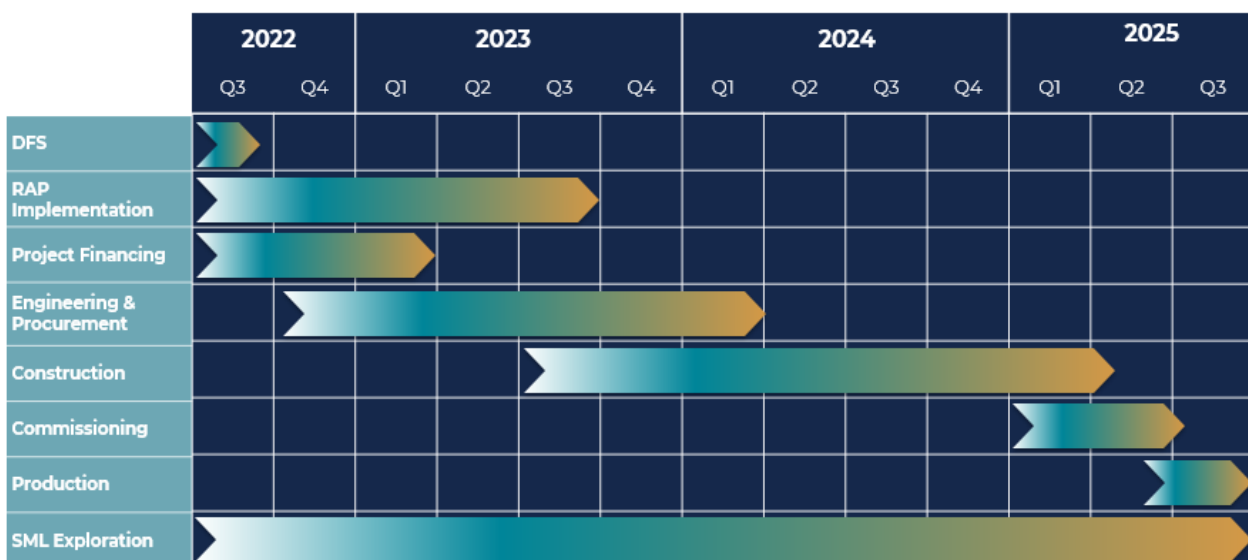
## Project Timeline

The Company has appointed Auramet International LLC as its debt advisors and has commenced engagement, after strong interest, with international banks, Tanzanian banks and other financial institutions.

The Company is progressing with key activities in preparation for the development of Nyanzaga, including but not limited to:

- Actively pursuing Project funding;
- Tendering of key contracts (including Front-End Engineering Design (**FEED**), Bulk Earthworks and Mining Contracts);
- Preparation for procurement of long-lead equipment vendor data; and
- Preparation for resettlement of communities within the SML boundary.

The Directors believe that the positive results of the DFS (subject to a final investment decision) underpin the Company’s strategy of focusing on near-term production to generate an early cash flow, and further demonstrates the potential of the Project to deliver significant returns for stakeholders from a substantial gold operation with competitive costs. **Figure 8** below illustrates the latest Project schedule per the DFS results as of August 2022.



**Figure 8: Project Implementation and Schedule**

SML Exploration

Exploration drilling is currently being completed on several of the targets within the SML boundary proximal to the Nyanzaga and Kilimani Deposits, with the objective of identifying additional shallow, potentially open pittable mineral resources. These targets were previously identified during a geological review in 2020 (Figure 9).

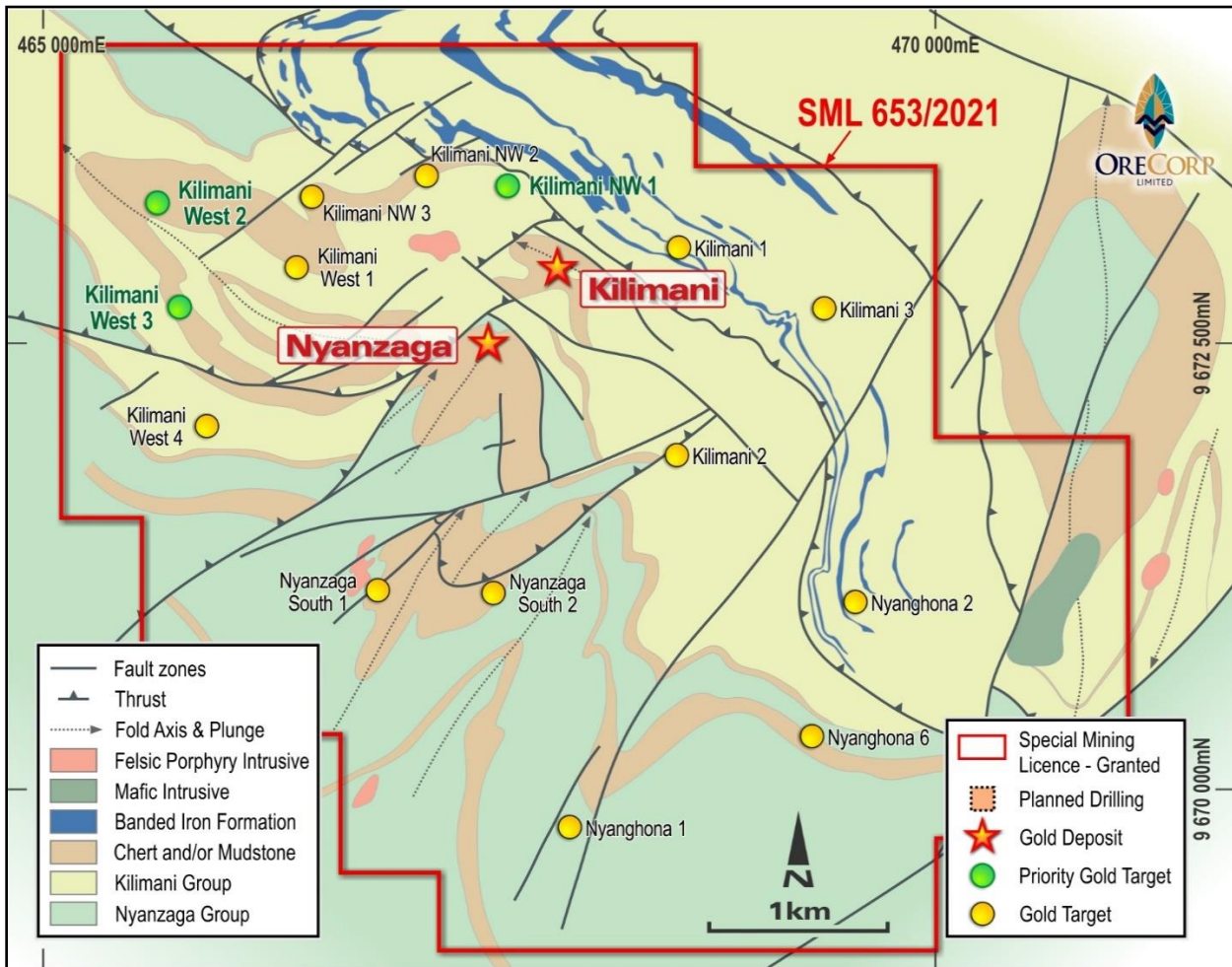


Figure 9: Geology of the Nyanzaga SML Area with Exploration Targets

The Company believes that the additional targets identified have the potential for significant new discoveries within the SML application area and provide further opportunities to enhance the Nyanzaga Project.

Akjoujt South Project - Mauritania

The Akjoujt South Project (ASP) previously comprised three licences, two of which expired in March 2022. The remaining licence expired in August 2022. The Group is in the process of winding up its operations in Mauritania.



## 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 2022 (**Consolidated Entity** or **Group**).

### Directors

The names of the directors in office at any time during the year and until the date of this report 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

All Directors held their office from 1 July 2021 until the date of this report.

### Board of Directors

#### **Mr Craig Williams (Independent Director)**

*Non-Executive Chairman; Member of Audit Committee, Remuneration and Nomination Committee and Risk Committee Qualifications – B.Sc. (Hons)*

Mr Williams is a geologist with over 40 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 (Barrick) for \$7 billion, ending a challenging and exciting 18-year history at Equinox.

Mr Williams was appointed as Director and Chairman of the Company on 27 February 2013. Mr Williams is also a director of Solstice, which listed on ASX on 2 May 2022 after being demerged from OreCorp, and holds a non-executive directorship in Liantown Resources Limited (November 2006 - current) and Minerals 260 Limited (August 2021 – current).

#### **Mr Matthew Yates (Executive Director)**

*Chief Executive Officer & Managing Director Qualifications – B.Sc. (Hons.), MAIG*

Mr Yates is a geologist with over 30 years' industry experience, covering most facets of exploration from generative work to project development. Prior to founding OreCorp, he was the Managing Director of OmegaCorp Limited and then 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 25 years, including resident Exploration Manager in Tanzania for Tanganyika Gold Limited.

Mr Yates was appointed a Director of the Company on 27 February 2013. Mr Yates is also a director of Solstice which listed on ASX on 2 May 2022 after being demerged from OreCorp. During the three-year period to the end of the financial year, Mr Yates was not a director of any other listed companies.

#### **Mr Alastair Morrison (Independent Director)**

*Non-Executive Director; Member of Audit Committee, Risk Committee, Chairman of the Remuneration and Nomination Committee (from July 2021)*

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

Mr Morrison is a geologist with more than 30 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 a portfolio manager for a family office investment fund.

Mr Morrison was appointed a Director of the Company on 27 February 2013. Mr Morrison is also a director of Solstice which listed on ASX on 2 May 2022 after being demerged from OreCorp. During the three-year period to the end of the financial year, Mr Morrison held a non-executive directorship in E2 Metals Limited (February 2019 – May 2021).

**Mr Michael Klessens (Independent Director)**

*Non-Executive Director; Chairman of Audit Committee (Current) and member of the Remuneration and Nomination Committee (Chairman until July 2021)*

*Qualifications – B.Bus, CPA, MAICD*

Mr Klessens is a CPA with over 30 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 where he was responsible for finance, debt and equity financings, treasury and all financial functions of the company and its operations.

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. Mr Klessens is also a director of Solstice, which listed on ASX on 2 May 2022 after being demerged from OreCorp. During the three-year period to the end of the financial year, Mr Klessens was not a director of any other listed companies.

**Mr Robert Rigo (Independent Director)**

*Non-Executive Director; Chairman of Risk Committee and Member of Remuneration and Nomination Committee*

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

Mr Rigo is an engineer with over 40 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 from 2002 - 2011, 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 the Jabal Sayid (underground) Copper Mine in Saudi Arabia initially for Equinox and then Barrick.

Amongst Mr Rigo's roles prior to Equinox, he was the Mill Manager at the 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. Mr Rigo is also a director of Solstice, which listed on ASX on 2 May 2022 after being demerged from OreCorp. During the three-year period to the end of the financial year, Mr Rigo was not a director of any other listed companies.

### Company Secretary

#### **Ms Jessica O'Hara**

*Qualifications – LLB, BCom*

Ms O'Hara is a corporate lawyer with extensive experience advising clients on general corporate law and regulatory/compliance issues. She has previously held senior positions at both Clayton Utz and Allen & Overy and more recently, had experience acting as in-house legal counsel. Ms O'Hara has advised a significant number of ASX-listed clients with operations in Australia and overseas, with specific experience within the mining and resources sectors.

Ms O'Hara joined OreCorp as legal counsel in August 2021 and was appointed joint company secretary on 6 December 2021 (and subsequently became sole company secretary as from 31 January 2022).

### Principal Activities

The principal activities of the Group during the year consisted of mineral exploration for gold. OreCorp's key project is the Nyanzaga Gold Project in northwest Tanzania.

### Dividends

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2022.

### Review of Operations and Activities

A review of the Group's operations during the year ended 30 June 2022 is provided in the section of this report headed 'Review of Operations', which immediately precedes the Director's Report.

#### *Operating Results and Financial Position*

The operating loss of the Consolidated Entity for the year ended 30 June 2022 was \$26,852,817 (2021: \$9,235,308). This loss is largely attributable to the Consolidated Entity's accounting policy of expensing exploration and evaluation expenditure incurred by the Consolidated Entity subsequent to the initial acquisition of the rights to explore and up to the final investment decision, as set out in Note 1 (f).

Corporate and administration costs increased from the previous year due to an increase in the number of personnel required to oversee the increased exploration activities. The total of \$5,857,403 (2021: \$2,575,994) in corporate and administration costs includes \$972,348 for share based payments (2021: \$541,189) which are recognised over the vesting period in accordance with Note 1(s). The operating loss also includes \$5,008,469 loss from discontinued operations relating to the demerger of Solstice in April 2022.

At 30 June 2022, the Consolidated Entity had net assets of \$48.7 million (2021: \$74.1 million) and cash reserves of \$31.9 million (2021: \$66.3 million) with no debt.

### Significant Changes in the State of Affairs

On 2 July 2021, the Company issued the remaining 4,500,000 shares, at an issue price of A\$0.80 per share, to complete the placement of 70,000,000 shares that was announced on 17 June 2021.

The Company issued 4,125,000 fully paid ordinary shares in July 2021, as a result of 4,125,000 unlisted options being exercised.

On 29 July 2021, the Company issued 64,103 fully paid ordinary shares, as part consideration for the acquisition of exploration tenements in Western Australia.

On 30 July 2021, 250,000 unlisted options expired and unexercised.

On 11 August 2021, 201,508 fully paid ordinary shares were issued as consideration for the acquisition of an exploration tenement in WA.

On 9 September 2021, 2,000,000 fully paid ordinary shares were issued to silaTEC Pty Ltd as consideration for an initial 80% interest in an exploration tenement located at Ringlock Dam, Western Australia.

On 22 November 2021, a total of 2,213,538 performance rights expiring 22 November 2026 and subject to vesting conditions were issued to the KMP and employees of the Company under the Company's Long Term Incentive Plan (LTIP).

On 13 December 2021, the SML for Nyanzaga was granted at a signing ceremony and the Framework and Shareholders Agreements were signed. The SML was granted to Sotta Mining Corporation Limited, the joint venture company in which OreCorp's subsidiary, NMCL holds an 84% interest and the GoT holds a 16% free carried interest.

On 24 December 2021, OreCorp made payment to a subsidiary of Barrick Gold Corporation for the acquisition of Nyanzaga to satisfy an outstanding obligation in relation to the acquisition of the Project.

On 17 January 2022, the Company announced its intention to demerge its Western Australian assets. On 7 April 2022, OreCorp shareholders voted in favour of the demerger and on 22 April 2022, the demerger was completed by way of an in-specie distribution. On 2 May 2022, the securities of the demerged former subsidiary, Solstice, commenced trading on ASX.

On 28 January 2022, in preparation for the proposed demerger, OreCorp Resources Pty Ltd sold its legal and beneficial interest in the entire issued share capital of Solstice, being one fully paid ordinary share, to OreCorp for a nominal consideration of \$1.00.

On 17 February 2022, Solstice and OreCorp entered into an amendment to the existing earn-in agreement with Crosspick Resources Pty Ltd (**Crosspick**), providing for OreCorp to issue 1,200,000 fully paid ordinary shares to Crosspick (or its nominee) (**New Shares**). This issue of shares was made as consideration for removal from the earn-in agreement of the contractual obligation to issue 2,000,000 OreCorp fully paid ordinary shares to Crosspick upon OreCorp announcing a JORC 2012 Code compliant mineral resource at the Hobbes Project of at least 500,000oz Au with a lower cut-off of at least 0.5 g/t Au. The New Shares were issued to Crosspick's nominee, Garry Warren Pty Ltd (**Garry Warren**) on 26 April 2022. As part of the amendment, Solstice also agreed for Crosspick to transfer its 20% interest in the Hobbes Project, and its rights and obligations under the earn-in agreement to Garry Warren.

On 18 February 2022, OreCorp issued 1,000,000 fully paid ordinary shares to silaTEC Pty Ltd, in consideration for the acquisition by Solstice's wholly owned subsidiary, GreenCorp Metals Pty Ltd, of the remaining 20% interest in an exploration tenement located at Ringlock Dam, Western Australia.

On 25 May 2022, 1,100,000 \$0.808 unlisted options expired unexercised.

### Business Development

During the year, a number of business and corporate development opportunities were identified and reviewed. These included advanced projects and operating mines. Those which may enhance shareholder value will continue to be pursued.

### Business Strategy and Prospects

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

- progress the Nyanzaga Project, with a focus on actively pursuing Project funding; 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 making the transition from explorer to producer.

These activities are inherently risky, and the Board is unable to provide certainty that any or all of these objectives will 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, no further information has been disclosed.

### Environmental Regulation and Performance

The Group's operations are subject to various environmental laws and regulations in each of the 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.

No instances of environmental non-compliance by an operation were identified during the year.

### Significant Post-Balance Date Events

On 22 August 2022, the Company announced the results of the DFS for Nyanzaga.

On 26 August 2022, a total of 2,200,000 performance rights expiring 26 August 2027 and subject to vesting conditions were issued to the KMP and employees of the Company under the Company's LTIP.

On 2 September 2022, the Company announced that OreCorp's Chairman, Mr Craig Williams, will not stand for re-election at the Annual General Meeting in November 2022.

**Share Options and Rights**

At the date of this report, the Company has on issue 5,189,495 unlisted options with the following exercise prices and expiry dates:

Security Class	Exercise Price	Expiry Date	# of Securities
ORRAB	\$0.9906	25 November 2024	2,939,495
ORRAD	\$0.8486	25 November 2022	1,100,000
ORRAE	\$0.9066	25 November 2024	1,150,000

The Company also has a total of 4,061,284 performance rights on issue with the following terms:

Security Class	Exercise Price	Expiry Date	# of Securities
ORRAR	Nil	22 November 2026	1,861,284
ORRAS	Nil	26 August 2027	2,200,000

During the year, 4,125,000 shares were issued as a result of unlisted options being exercised and a total of 4,465,611 shares were issued as part consideration for the acquisition of WA tenements which were subsequently demerged into Solstice.

**Meetings of Directors**

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2022, and the number of meetings attended by each Director.

Directors	Board Meetings <sup>(i)</sup>		Audit Committee Meetings		Remuneration & Nomination Committee Meetings		Risk Committee Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Craig Williams	9	9	2	2	3	3	1	1
Matthew Yates	9	9	-	-	-	-	-	-
Alastair Morrison	9	9	2	2	2	2	1	1
Michael Klessens	9	9	2	2	3	3	-	-
Robert Rigo	9	9	-	-	3	3	1	1

**Notes**

(i) 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 for the financial year ended 30 June 2022. The information in the Remuneration Report has been prepared in accordance with Section 300A of the Corporations Act 2001 and has been audited as required by Section 308(3C) of the Corporation Act 2001.

The Remuneration Report is set out under the following main headings:

- (A) Details of Key Management Personnel
- (B) External Advice of Remuneration
- (C) Remuneration Policy

- (D) Principles Used to Determine the Nature and Amount of Remuneration
- (E) Remuneration Framework and Link to Performance
- (F) Group Performance
- (G) Details of Remuneration
- (H) Additional Statutory information
- (I) Shareholdings of Key Management Personnel
- (J) Options Issued and Holdings of Key Management Personnel
- (K) Performance Rights Issued and Holdings of Key Management Personnel
- (L) Employment Contracts with Key Management Personnel
- (M) Other Transactions with Key Management Personnel

### *(A) Details of Key Management Personnel*

The Remuneration Report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. For the purpose of this report, the term 'executive' encompasses the CEO and Managing Director and other executives.

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

Mr Craig Williams	Non-Executive Chairman
Mr Matthew Yates	Chief Executive Officer & Managing Director (CEO & MD)
Mr Alastair Morrison	Non-Executive Director
Mr Michael Klessens	Non-Executive Director
Mr Robert Rigo	Non-Executive Director
Ms Tania Cheng	Chief Financial Officer (CFO) - appointed 22 July 2021
Mr Hendrik (Henk) Diederichs	Chief Operating Officer (COO) - appointed 11 October 2021

Unless noted above, all KMP held their position from 1 July 2021 until the date of this report.

Other than the KMPs noted above, there were no other KMP of the Company or Group during the year.

### *(B) External Advice on Remuneration*

During the 2020 financial year, the Board engaged The Reward Practice Pty Ltd (**TRP**) as remuneration consultants to provide remuneration services with respect to external benchmarking and general insights for executive and non-executive remuneration structures. No such services were engaged during the current year.

Under the Corporations Act 2001, remuneration consultants must be engaged by the Non-Executive Directors and reporting of remuneration recommendations (if any) must be made directly to the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee considered the remuneration framework previously determined following the TRP review, together with benchmarking data provided by AON Solutions Australia Ltd's Mining Infrastructure & Engineering Remuneration Report, along with other factors, in making its remuneration decisions.

### *(C) Remuneration Policy*

The Company's remuneration policy is designed to ensure that the level and form of compensation meets best practice in corporate governance principles and achieves certain objectives including:

- Attracting and retaining talented, qualified and effective personnel;
  - Being transparent and easily understood;
  - Comprising an appropriate balance of fixed remuneration and performance-based remuneration;
  - Providing fair and reasonable fixed remuneration relative to the scale of the Group's business;
  - Motivating short-term and long-term performance by linking clearly specified performance targets with the Group's short and long term objectives; and
- Aligning employee interests with those of the Group's shareholders.



### *(D) Principles Used to Determine the Nature and Amount of Remuneration*

The Remuneration and Nomination Committee and ultimately the Board are responsible for determining and reviewing remuneration arrangements for the Directors and senior management. Generally, compensation is provided by the Company to its executive directors and senior management by way of base salary, superannuation, short term incentives (STI) and long-term incentives (LTI). The overall objective is to ensure maximum stakeholder benefit from the retention of a high quality and high performing executive team.

The STI and LTI are dependent upon the achievement of a weighting of corporate and/or individual Key Performance Indicators (KPIs) and are “at risk” depending on successful achievement of the KPIs. The Remuneration and Nomination Committee sets corporate and individual KPIs for the CEO & MD, approves the KPIs for senior management at the start of the financial year and assesses achievement of the KPIs at the completion of the financial year.

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 the competitive 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 continuing to progress key activities in preparation for the development of Nyanzaga, as well as reviewing other mineral resource opportunities. 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 mine development 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.

### *(E) Remuneration Framework and Link to Performance*

#### **Non-Executive Director Remuneration**

In line with corporate governance principles, Non-Executive Directors are remunerated by way of fees and superannuation. Non-Executive directors may, from time to time and subject to obtaining all requisite shareholder approvals, be issued with securities as part of their remuneration where it is considered appropriate to do so as a means of aligning their interests with shareholders. Non-Executive directors do not receive retirement benefits (other than in the form of superannuation) or bonuses, nor do they participate in any incentive programs.

An aggregate cash remuneration of \$500,000 may be applied to pay the Non-Executive Directors of the Company as approved by shareholders at the 27 November 2019 AGM. During the year ended 30 June 2022, the base fee paid to the Non-Executive Directors was \$60,000 inclusive of superannuation and fees paid to the Chairman of the Board were \$110,000. This fee structure is comparable to and has been benchmarked against peer entities with a similar market capitalisation.

Effective from 1 July 2021, any services provided by the Non-Executive Directors that are in addition to those of a non-executive and approved by the Chairman are charged at \$1,600 per day plus applicable GST. During the current financial year, Mr Alastair Morrison was paid \$6,400 for such additional services and Mr Craig Williams charged the Company \$9,600.

#### **Executive Remuneration**

The Board aims to reward its executives and senior management with a level and mix of remuneration commensurate with their position and responsibilities to ensure consistency with the remuneration objectives identified above. The Group has entered into standard contracts of employment with its senior management. Remuneration under these contracts consists of fixed and variable remuneration.

**Fixed Remuneration**

Fixed remuneration is reviewed annually by the Remuneration and Nomination Committee with recommendations made to the Board. This process consists of a review of both the Company's and individual's performance, a comparison of current and proposed remuneration with data attained from industry relevant peers or industry associations and where appropriate, advice or input from external parties.

**Variable Remuneration – STI arrangements**

The objective of the STI program is to link the achievement of the Group's short-term performance objectives with the remuneration received by senior management and employees charged with achieving those measures. STI payments are dependent on the extent to which performance measures are achieved and are "at risk". These measures consist of a variety of criteria focusing in the areas of safety, exploration, development and financial performance. These measures were selected as they represent the key drivers for the short-term success of the business and provide a framework for delivering longer term value. Key features of the STI Plan (STIP) are provided below:

Plan Feature	Details
<b>STIP Objective</b>	The STIP motivates and rewards employees for their contribution to the Company's performance. The STIP is also designed to retain staff over the vesting period of the award.
<b>Alignment with Shareholder Interests</b>	The STIP sets safety, exploration, development and financial targets to enhance shareholder value.
<b>STIP Nature</b>	The award will be settled in cash.
<b>STIP Vesting</b>	The award is to be determined on an annual basis after the financial year has closed and once the Board has assessed the performance of the Company and the individual against the defined KPIs.
<b>STIP Award Opportunity</b>	The award opportunity is up to 40% of fixed remuneration for the CEO & MD and 10%-40% of fixed remuneration for other personnel. The STIP opportunity for KMPs is comprised of 60% Corporate KPIs and 40% Individual KPIs reflecting stretch targets for the current financial year which were selected as they are linked to the Company's future aims, objectives and value generators.
<b>Current Year Award</b>	The Remuneration and Nomination Committee assessed achievement of the KPIs. Of the maximum achievable STIP of \$396,129 for all KMPs, a total of \$269,565 (68%) was achieved during the year. Full details are disclosed in the <i>Details of Remuneration</i> table. No further amounts are payable in respect of the year ended 30 June 2022.
<b>STIP Performance Measures</b>	The Board has set a scorecard to measure the Company's and individual's performance which is broken into the core components that the Board believes are key to delivering the Company's strategy over the year.

**Variable Remuneration – LTI arrangements**

The objective of the LTI program is to reward employees in a manner that aligns remuneration with the creation of shareholder wealth. LTI grants may be delivered in the form of premium exercise priced options or performance rights issued under the Company's Employee Incentive Plan ("the Plan"). Performance rights as outlined in the *Details of Remuneration* table were issued under the plan during the financial year.

The Company's Security Trading policy prohibits speculative trading in the Company's securities or hedging of options granted under the Plan. Prohibited hedging practices include put/call arrangements over "in-the-money" options to hedge against a future drop in share price. The Board considers such hedging to be against the spirit of the Plan and inconsistent with shareholder objectives.

Key features of the LTI Plan (LTIP) are provided below:

Plan Feature	Details
<b>LTIP Objective</b>	The LTIP is intended to incentivise employees for achievement of the Company's long-term objectives and increases in the Company's long-term value.
<b>LTIP Nature</b>	The Plan allows the Board to grant either options or performance rights, which will vest dependent on the achievement of the LTIP performance measures.
<b>LTIP Vesting FY 2022</b>	LTIP securities issued in November 2021 will vest upon: <ul style="list-style-type: none"> <li>(i) the commencement of construction of a mine at any of the Company's mining projects;</li> <li>(ii) the Company becoming a producer through the acquisition by it or another member of the Group of an operating mine; or</li> <li>(iii) the date that is three years after the date on which the options are granted, whichever is earliest.</li> </ul> The LTIP vesting conditions were chosen as they are linked to the Company's future aims and objectives and are aligned with shareholder interests.
<b>Current Year Award</b>	On 22 November 2021, performance rights with an expiry date of 22 November 2026 were granted for no consideration under the LTIP at a fair value each of \$0.6926. None of these performance rights have vested at 30 June 2022.
<b>LTIP Award Opportunity FY 2023</b>	The award opportunity is for up to 500,000 performance rights for the CEO & MD and between 25,000 to 400,000 performance rights for other personnel. FY 2023 LTIP securities will vest upon the later of First Gold Pour at Nyanzaga or three years from date of grant.

#### (F) Group Performance

The remuneration framework detailed above aims to align executive remuneration to the creation of shareholder wealth. The table below shows measures of the Group's earnings and movements in shareholder wealth for the last five financial years. However, these are not necessarily consistent with measures used in determining the variable amounts of remuneration awards to KMPs (detailed above). As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	Year Ended 30 June 2022	Year Ended 30 June 2021	Year Ended 30 June 2020	Year Ended 30 June 2019	Year Ended 30 June 2018
	\$	\$	\$	\$	\$
Interest income	151,700	30,932	35,440	92,095	271,166
Other income	-	230,978	-	-	-
Foreign exchange gain / (loss)	465,469	(1,073,560)	90,144	474,201	885,584
Loss from discontinued operations	(5,008,469)	(890,088)	-	-	-
Loss before tax	(26,852,817)	(9,235,308)	(5,040,533)	(6,473,933)	(6,728,584)
Loss after tax	(26,852,817)	(9,235,308)	(5,040,533)	(6,473,933)	(6,728,584)
Dividends	-	-	-	-	-
Share price	0.40	0.80	0.40	0.22	0.18
Basic and diluted loss per share from continuing operations (cents per share)	(5.5)	(2.6)	(1.9)	(3.0)	(3.9)
Basic and diluted loss per share (cents per share)	(6.8)	(2.9)	(1.9)	(3.0)	(3.9)



(G) Details of 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:

		Cash						Non-Cash			Total (Cash and Non-Cash)	Performance Based	
		Short-term			Post- Employment	Long Service Leave Paid Out	Total Cash Payments	Short-term	Share Based Payments	Total Non- Cash Payments		Short Term Incentive Plan	Long Term Incentive Plan
		Base Salary / Fees	Bonus	Consulting fees	Super- annuation			Movement in Annual Leave Provision	Accounting Valuation <sup>(i)</sup> & <sup>(ii)</sup>				
		\$	\$		\$	\$	\$	\$	\$	\$		%	%
<b>Non-Executive Chairman</b>													
<b>Craig Williams</b>	<b>2022</b>	<b>100,000</b>	<b>-</b>	<b>9,600</b>	<b>11,008</b>	<b>-</b>	<b>120,608</b>	<b>-</b>	<b>124,314</b>	<b>124,314</b>	<b>244,922</b>	<b>-</b>	<b>-</b>
Craig Williams	2021	91,324	-	-	8,676	-	100,000	-	101,022	101,022	201,022	-	-
<b>CEO and Managing Director</b>													
<b>Matthew Yates</b>	<b>2022</b>	<b>485,000</b>	<b>135,703</b>	<b>-</b>	<b>25,647</b>	<b>-</b>	<b>646,350</b>	<b>23,082</b>	<b>185,281</b>	<b>208,363</b>	<b>854,713</b>	<b>15.88%</b>	<b>21.68%</b>
Matthew Yates	2021	375,000	119,200	-	25,000	62,502	581,702	11,493	63,708	75,201	656,903	18.15%	9.70%
<b>Non-Executive Director</b>													
<b>Alastair Morrison</b>	<b>2022</b>	<b>54,545</b>	<b>-</b>	<b>6,400</b>	<b>6,095</b>	<b>-</b>	<b>67,040</b>	<b>-</b>	<b>94,491</b>	<b>94,491</b>	<b>161,531</b>	<b>-</b>	<b>-</b>
Alastair Morrison	2021	45,662	-	-	4,338	-	50,000	-	75,539	75,539	125,539	-	-
<b>Non-Executive Director</b>													
<b>Michael Klessens</b>	<b>2022</b>	<b>54,545</b>	<b>-</b>	<b>-</b>	<b>5,455</b>	<b>-</b>	<b>60,000</b>	<b>-</b>	<b>94,491</b>	<b>94,491</b>	<b>154,491</b>	<b>-</b>	<b>-</b>
Michael Klessens	2021	50,228	-	-	4,772	-	55,000	-	75,539	75,539	130,539	-	-
<b>Non-Executive Director</b>													
<b>Robert Rigo</b>	<b>2022</b>	<b>54,545</b>	<b>-</b>	<b>-</b>	<b>5,455</b>	<b>-</b>	<b>60,000</b>	<b>-</b>	<b>94,491</b>	<b>94,491</b>	<b>154,491</b>	<b>-</b>	<b>-</b>
Robert Rigo	2021	34,247	-	-	15,753	-	50,000	-	75,539	75,539	125,539	-	-
<b>Chief Financial Officer</b>													
<b>Tania Cheng (iii)</b>	<b>2022</b>	<b>300,606</b>	<b>59,659</b>	<b>-</b>	<b>25,400</b>	<b>-</b>	<b>385,665</b>	<b>23,899</b>	<b>75,512</b>	<b>99,411</b>	<b>485,076</b>	<b>12.30%</b>	<b>15.57%</b>
<b>Chief Operating Officer</b>													
<b>Henk Diederichs (iv)</b>	<b>2022</b>	<b>279,167</b>	<b>74,203</b>	<b>-</b>	<b>20,499</b>	<b>-</b>	<b>373,869</b>	<b>13,552</b>	<b>56,460</b>	<b>70,012</b>	<b>443,881</b>	<b>16.72%</b>	<b>12.72%</b>
<b>TOTAL</b>	<b>2022</b>	<b>1,328,408</b>	<b>269,565</b>	<b>16,000</b>	<b>99,559</b>	<b>-</b>	<b>1,713,532</b>	<b>60,533</b>	<b>725,040</b>	<b>785,573</b>	<b>2,499,105</b>		
	2021	596,461	119,200	-	58,539	62,502	836,702	11,493	391,347	402,840	1,239,542		

## Directors' Report (Continued)

### Notes

- (i) The value of incentive securities granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian accounting standards.
- (ii) Details of incentive securities granted as remuneration to each KMP of the Company or Group during the financial year are outlined in further detail separately below.
- (iii) Ms Tania Cheng was appointed Chief Financial Officer (CFO) on 22 July 2021. Before this appointment she was the Group's General Manager - Finance. Amounts shown above include all Ms Cheng's remuneration from the date of her appointment as CFO.
- (iv) Mr Henk Diederichs was appointed on 11 October 2021.

### (H) Additional Statutory information

#### Performance based remuneration granted and forfeited during the year

The table below shows for each KMP how much of their STI cash bonus was awarded and how much was forfeited.

2022	Total opportunity	Awarded (\$)	Awarded (%)	Forfeited %
Matthew Yates	\$194,000	\$135,703	69.95%	30.05%
Tania Cheng	\$90,462 <sup>(i)</sup>	\$59,659	65.95%	34.05%
Henk Diederichs	\$111,667	\$74,203	66.45%	33.55%

(i) From the date of appointment as CFO on 22 July 2021.

#### Loans given to key management personnel

No loans were made to directors or KMP of the Company, including their close family members and entities related to them during the financial year.

### (I) Shareholdings of Key Management Personnel

The aggregate number of 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 2022	Opening Balance at 1 July 2021	Other Changes <sup>(i)</sup>	Held at 30 June 2022
Craig Williams	3,135,815	500,000	3,635,815
Matthew Yates	10,590,998	-	10,590,998
Alastair Morrison	5,137,597	-	5,137,597
Michael Klessens	2,009,365	500,000	2,509,365
Robert Rigo	583,093	500,000	1,083,093
Tania Cheng	79,177	-	79,177
Henk Diederichs	-	250,000	250,000

(i) Exercise of \$0.44 unlisted options expiring 30 July 2021.

### (J) Options Issued and Holdings of Key Management Personnel

Options were granted in previous years to Non-Executive Directors (NEDs) and Employees as detailed in the following table.

The exercise price of each class of unlisted option was adjusted based on the return of capital amount of \$0.0104 per security following completion of the in-specie distribution of shares in Solstice to OreCorp shareholders on 22 April 2022. The share price of OreCorp on 22 April 2022 was \$0.725.

## Directors' Report (Continued)

Class	Expiry Date	Exercise Price before capital reduction	Number	Vesting Date	Exercise price after capital reduction	Difference in fair value before and after reduction
NED - Tranche A (ORRAC)	25 May 2022	\$0.808	1,100,000	25 Nov 2021	\$0.7976	\$2,200
NED - Tranche B (ORRAD)	25 Nov 2022	\$0.859	1,100,000	25 May 2022	\$0.8486	\$3,300
NED - Tranche C (a) (ORRAE)	25 Nov 2024	\$0.917	1,050,000	25 Nov 2022	\$0.9066	\$3,150
NED – Tranche C (b) – asset acquisition (ORRAE)	25 Nov 2024	\$0.917	100,000	17 Dec 2020	\$0.9066	\$300
Employee Incentive Plan (a) (ORRAB)	25 Nov 2024	\$1.001	2,492,592	25 Nov 2023	\$0.9906	\$7,478
Employee Incentive Plan (b)* (ORRAB)	25 Nov 2024	\$1.001	446,903	22 Apr 2022	\$0.9906	\$1,341

\*Upon demerger, certain employees were transferred from OreCorp to Solstice. Their options vested upon cessation of employment with OreCorp.

Other than the exercise price noted above, there has been no alteration to the terms and conditions of the above share-based payment arrangements since the grant date. Other than time-based vesting, there are no other conditions attached to the premium exercise priced unlisted options granted to NEDs.

### Share Options Holdings

The 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 2022	Opening Balance at 1 July 2021 <sup>(i)</sup> #	Options Exercised #	Options Sold #	Options Unexercised and Expired during the year #	Held at 30 June 2022 #	Vested and Exercisable as at 30 June 2022 #
Craig Williams	1,500,000	(500,000)	-	(350,000)	650,000	350,000
Matthew Yates	1,559,603	-	(500,000)	-	1,059,603	-
Alastair Morrison	1,250,000	-	(500,000)	(250,000)	500,000	250,000
Michael Klessens	1,250,000	(500,000)	-	(250,000)	500,000	250,000
Robert Rigo	1,250,000	(500,000)	-	(250,000)	500,000	250,000
Tania Cheng	364,238	-	-	-	364,238	-
Henk Diederichs	250,000	(250,000)	-	-	-	-

(i) As at 22 July 2021 for Ms Cheng and 11 October 2021 for Mr Diederichs.

## Directors' Report (Continued)

### (K) Performance Rights Issued and Holdings of Key Management Personnel

During the year, employees were granted performance rights under the Plan as detailed in the following table:

Grant date	22 November 2021
Expiry date	22 November 2026
Vesting conditions	The Performance Rights will vest upon: <ul style="list-style-type: none"> <li>a) The commencement of construction of a mine at any of the Company's mining projects;</li> <li>b) The Company becoming a producer through the acquisition by it or another member of the Group of an operating mine; or</li> <li>c) The date that is three years after the date on which the performance rights are granted,</li> </ul> whichever is earliest.
Value at grant date	\$0.6926

The performance rights over ordinary shares are granted under the Plan for nil cash consideration and carry no dividend or voting rights. When exercised, each Performance Right will be converted into one ordinary share.

### Performance Rights Holdings

The number of performance rights over ordinary shares of the Company held directly, indirectly or beneficially by KMP at balance date is as follows:

Key Management Person 2022	Opening Balance at 1 July 2021 #	Grant of Performance rights #	Vested and converted #	Held at 30 June 2022 #	Vested as at 30 June 2022 #
Matthew Yates	-	560,208	-	560,208	-
Tania Cheng	-	277,216	-	277,216	-
Henk Diederichs	-	404,274	-	404,274	-

### (L) Employment Contracts with Key Management Personnel

The agreements relating to remuneration and other terms of employment for the CEO & MD and other KMPs are set out below:

	Matthew Yates	Tania Cheng	Henk Diederichs
Base salary <sup>(i)</sup>	\$485,000	\$350,000	\$400,000
Resignation Notice	3 months <sup>(ii)</sup>	3 months	3 months
Termination for cause	None	None	None
Termination without cause	3 months	3 months	3 months
Eligible to receive 'at risk' bonus, share or other incentive plans approved by the Board	Yes	Yes	Yes
Term	No fixed term	No fixed term	No fixed term
STI cash bonus paid July 2022 <sup>(iii)</sup>	\$135,703	\$59,659	\$74,203

(i) Total fixed remuneration per annum is comprised of base salary plus required superannuation guarantee contributions of 10.5% effective 1 July 2022, capped at the maximum Company contribution level.

(ii) In the event of termination by either party in certain limited circumstances, Mr Yates is entitled to 12 months' salary.

(iii) As disclosed in the Details of Remuneration table. Any applicable superannuation guarantee contributions are included in the total superannuation payments shown in that table.

## Directors' Report (Continued)

### *(M) Other Transactions with Key Management Personnel*

The Company has entered into a Transitional Services Agreement with Solstice (in which all directors and Ms Tania Cheng are KMPs) to provide certain services and make available certain systems and infrastructure on a transitional basis to assist Solstice in operating its business following completion of the demerger. During the year, the Group has charged a total of \$100,308 under this agreement.

As noted above, during the current financial year, Mr Craig Williams was paid \$9,600 (plus superannuation) and Mr Alastair Morrison was paid \$6,400 (plus superannuation) for additional services provided under consulting contracts in addition to their roles as a non-executive director.

There were no other transactions with KMP during the 2022 financial year.

### **End of Remuneration Report**

#### 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) or 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 is 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 auditors of the Group:

	Year Ended 30 June 2022	Year Ended 30 June 2021
	\$	\$
<b>Services provided by the Group's auditors</b>		
<b><i>Deloitte Touche Tohmatsu (Australia):</i></b>		
- Audit and review of financial reports	50,325	47,750
- Other audit or review of financial reports	15,500	28,000
<b><i>Pricewaterhouse Coopers (Tanzania) and KPMG (Mauritius):</i></b>		
- Audit and review of financial reports	41,377	22,497
- Other non-audit services (taxation and accounting advice)	47,318	48,940
<b>Total remuneration for auditors</b>	<b>154,520</b>	<b>147,187</b>

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.



## Directors' Report (Continued)

### Auditor's Independence Declaration

The auditor's independence declaration is on page 71 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

A handwritten signature in blue ink, appearing to read 'Matthew Yates'.

**Matthew Yates**

**Chief Executive Officer & Managing Director**

23 September 2022

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

	Notes	Year Ended 30 June	
		2022 A\$	2021 A\$
<b>Interest income</b>		<b>151,700</b>	30,932
<b>Other income</b>	2(a)	-	230,978
Foreign exchange gain/(loss)		<b>465,469</b>	(1,073,560)
Corporate and administration costs		<b>(5,857,403)</b>	(2,575,994)
Exploration and evaluation costs		<b>(16,483,246)</b>	(4,648,001)
Business development costs		<b>(120,868)</b>	(309,575)
<b>Loss before tax from continuing operations</b>		<b>(21,844,348)</b>	(8,345,220)
Income tax expense	3	-	-
<b>Loss after tax from continuing operations</b>		<b>(21,844,348)</b>	(8,345,220)
Loss from discontinued operation	2(f)	<b>(5,008,469)</b>	(890,088)
<b>Loss for the year</b>		<b>(26,852,817)</b>	(9,235,308)
<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		<b>984,906</b>	(515,215)
Other comprehensive income/(loss) for the year		<b>984,906</b>	(515,215)
<b>Total comprehensive loss for the year, net of income tax</b>		<b>(25,867,911)</b>	(9,750,523)
<b>Total comprehensive loss attributable to the ordinary equity holders of the Company</b>		<b>(25,867,911)</b>	(9,750,523)
<b>Total comprehensive loss attributable to non-controlling interests</b>		-	-
<b>Loss per share from continuing operations attributable to the ordinary equity holders of the Company:</b>			
Basic loss per share (cents per share)	21	<b>(5.5)</b>	(2.6)
Diluted loss per share (cents per share)	21	<b>(5.5)</b>	(2.6)
<b>Loss per share attributable to the ordinary equity holders of the Company:</b>			
Basic loss per share (cents per share)	21	<b>(6.8)</b>	(2.9)
Diluted loss per share (cents per share)	21	<b>(6.8)</b>	(2.9)

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

	Note	30 June 2022 A\$	30 June 2021 A\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	22(b)	31,883,298	66,302,250
Trade and other receivables	4	236,445	413,624
<b>Total Current Assets</b>		<b>32,119,743</b>	66,715,874
<b>Non-current Assets</b>			
Plant and equipment	6	602,906	267,468
Right-of-use assets	5	140,153	242,325
Exploration and evaluation assets	7	18,138,900	19,582,047
<b>Total Non-current Assets</b>		<b>18,881,959</b>	20,091,840
<b>TOTAL ASSETS</b>		<b>51,001,702</b>	86,807,714
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	1,757,573	12,165,810
Lease liabilities	5	115,629	105,752
Provisions	9	358,658	321,638
<b>Total Current Liabilities</b>		<b>2,231,860</b>	12,593,200
<b>Non-current Liabilities</b>			
Lease liabilities	5	35,182	147,042
Provisions	10	32,429	17,106
<b>Total Non-current Liabilities</b>		<b>67,611</b>	164,148
<b>TOTAL LIABILITIES</b>		<b>2,299,471</b>	12,757,348
<b>NET ASSETS</b>		<b>48,702,231</b>	74,050,366
<b>EQUITY</b>			
Issued capital	11(a)	136,727,471	132,813,942
Reserves	12	1,692,013	(8,391)
Accumulated losses	13	(89,717,258)	(58,755,185)
<b>Equity attributable to equity holders of the Company</b>		<b>48,702,226</b>	74,050,366
Non-controlling interest	18	5	-
<b>TOTAL EQUITY</b>		<b>48,702,231</b>	74,050,366

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

## Consolidated Statement of Changes in Equity

	Issued Capital A\$	Share-Based Payments Reserve A\$	Foreign Currency Reserve A\$	Non- controlling interest A\$	Accumulated Losses A\$	Total Equity A\$
<b>Balance at 1 July 2021</b>	<b>132,813,942</b>	<b>1,071,039</b>	<b>(1,079,430)</b>	-	<b>(58,755,185)</b>	<b>74,050,366</b>
Net loss for the year	-	-	-	-	<b>(26,852,817)</b>	<b>(26,852,817)</b>
<b>Other comprehensive income</b>						
Exchange differences arising on translation of foreign operations	-	-	<b>984,906</b>	-	-	<b>984,906</b>
Total other comprehensive income	-	-	<b>984,906</b>	-	-	<b>984,906</b>
Total comprehensive income/(loss) for the year	-	-	<b>984,906</b>	-	<b>(26,852,817)</b>	<b>(25,867,911)</b>
<b>Transactions with owners</b>						
Capital raising	<b>3,600,000</b>	-	-	-	-	<b>3,600,000</b>
Exercise of unlisted options	<b>1,815,000</b>	-	-	-	-	<b>1,815,000</b>
Capital raising costs	<b>(213,275)</b>	-	-	-	-	<b>(213,275)</b>
Value of expired options taken to accumulated losses	-	<b>(256,850)</b>	-	-	<b>256,850</b>	-
Securities issued for acquisition of exploration assets	<b>2,846,000</b>	-	-	-	-	<b>2,846,000</b>
In-specie distribution	<b>(4,134,196)</b>	-	-	-	<b>(4,366,106)</b>	<b>(8,500,302)</b>
Issuance of 16% interest to non-controlling interest (Note 18)	-	-	-	<b>5</b>	-	<b>5</b>
Share based payment expense	-	<b>972,348</b>	-	-	-	<b>972,348</b>
Total transactions with owners	<b>3,913,529</b>	<b>715,498</b>	-	<b>5</b>	<b>(4,109,256)</b>	<b>519,776</b>
<b>Balance at 30 June 2022</b>	<b>136,727,471</b>	<b>1,786,537</b>	<b>(94,524)</b>	<b>5</b>	<b>(89,717,258)</b>	<b>48,702,231</b>
<b>Balance at 1 July 2020</b>	<b>81,320,949</b>	<b>501,850</b>	<b>(564,215)</b>	-	<b>(49,519,877)</b>	<b>31,738,707</b>
Net loss for the year	-	-	-	-	<b>(9,235,308)</b>	<b>(9,235,308)</b>
<b>Other comprehensive income</b>						
Exchange differences arising on translation of foreign operations	-	-	<b>(515,215)</b>	-	-	<b>(515,215)</b>
Total other comprehensive loss	-	-	<b>(515,215)</b>	-	-	<b>(515,215)</b>
Total comprehensive loss for the year	-	-	<b>(515,215)</b>	-	<b>(9,235,308)</b>	<b>(9,750,523)</b>
<b>Transactions with owners</b>						
Share placement	52,460,000	-	-	-	-	52,460,000
Capital raising costs	(3,089,090)	-	-	-	-	(3,089,090)
Exercise of unlisted options	99,000	-	-	-	-	99,000
Issue of shares for salary/fees	93,083	-	-	-	-	93,083
Issue of securities for exploration assets	1,930,000	28,000	-	-	-	1,958,000
Share based payment expense	-	541,189	-	-	-	541,189
Total transactions with owners	51,492,993	569,189	-	-	-	52,062,182
<b>Balance at 30 June 2021</b>	<b>132,813,942</b>	<b>1,071,039</b>	<b>(1,079,430)</b>	-	<b>(58,755,185)</b>	<b>74,050,366</b>

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

## Consolidated Statement of Cash Flows

	Note	Year Ended 30 June	
		2022 A\$	2021 A\$
<b>Cash flows from operating activities</b>			
Interest received		151,700	30,932
Receipt of government grants and other tax refunds		-	230,978
Interest and other costs of finance paid		(13,278)	-
Payments to suppliers and employees		(23,221,939)	(7,251,744)
<b>Net cash outflow from operating activities</b>	22(a)	<b>(23,083,517)</b>	(6,989,834)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(746,298)	(216,008)
Purchase of WA exploration and evaluation assets		(118,311)	-
Final payment for the acquisition of Nyanzaga		(11,047,218)	-
Net cash outflow from the demerger of Solstice	2(f)	(5,000,000)	-
<b>Net cash outflow from investing activities</b>		<b>(16,911,827)</b>	(216,008)
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities		(106,323)	(88,549)
Proceeds from issue of shares	11(b)	3,600,000	52,460,000
Proceeds from exercise of options	11(b)	1,815,000	99,000
Payments for share issue transaction costs		(213,275)	(2,689,202)
<b>Net cash inflow from financing activities</b>		<b>5,095,402</b>	49,781,249
<b>Net (decrease)/increase in cash and cash equivalents held</b>		<b>(34,899,942)</b>	42,575,407
Foreign exchange movement on cash and cash equivalents		480,990	(1,073,560)
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>66,302,250</b>	24,800,403
<b>Cash and cash equivalents at the end of the financial year</b>	22(b)	<b>31,883,298</b>	66,302,250

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

## Notes to and Forming Part of the Financial Statements

### 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 2022 are stated to assist in a general understanding of the financial report. For the purposes of preparing the consolidated financial statements, the Group 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 Group for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 23 September 2022.

#### (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.

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.

The financial report is presented in Australian dollars.

#### (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 Standards, Interpretations and Amendments

In the current year, the Group has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised standards, interpretations and amendments has not had a material impact on the Group's financial statements.

### **(d) 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 year ended 30 June 2022. These are not expected to have any significant impact on the Group's financial statements.

### **(e) 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.

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.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### **(f) 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 final investment decision. Expenditure in relation to the activities prior to final investment decision 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.

### (g) Other Income

#### Interest Income

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

#### Government Grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

### (h) 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.

The Group recognises deferred tax assets arising from unused tax losses to the extent that it is probable that future taxable profits of the Group will be available against which the assets can be utilised. The Group assesses the recovery of its unused tax losses and tax credits only in the period in which they arise, and before assumption by the head entity. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability are recognised by the head entity only.

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

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.

### (i) 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 depreciation or 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).

### **(j) 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.

### **(k) Financial Instruments**

#### **(i) Recognition and measurement**

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed immediately.

#### **(ii) Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or at cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted prices in an active market are used to determine fair value where possible. The Group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

#### *Amortised Cost*

Amortised cost amounts are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

#### *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

#### *Fair value through other comprehensive income (FVOCI)*

FVOCI financial assets include any financial assets not included in the above categories.

#### **(iii) Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### **(iv) Expected Credit Losses**

The Group recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

### **(l) Fair Value Estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities classified as fair value through other comprehensive income) 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.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

#### **(m) 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 on a 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(i)).

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

#### **(n) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Group's right-of-use assets relates to office premises which is depreciated over the term of the lease agreements.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 1(i) Impairment of assets.

##### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase

option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**(o) 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, including long service leave, 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.

**(p) 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.

**(q) 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.

**(r) 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.

**(s) Goods and Services Tax (GST) / Value Added Tax (VAT)**

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

- (i) where the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT 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/VAT included.

The net amount of GST/VAT 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/VAT 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.

### **(t) 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 an appropriate 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.

If equity-settled awards are modified, the initial expense continues to be recognised as if the modification had not been made. An additional expense is recognised, if not vested, over the remaining vesting period, or if vested, expensed immediately, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

### **(u) 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 Company's functional 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.

#### **(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.

### (v) 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, being the Board of Directors and executives of the Group, in order to allocate resources to the segment and to assess its performance. See note 17.

### (w) 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) Recoverability of exploration and evaluation assets

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely, from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This requires management to make certain estimates and assumptions as to future events and circumstances, including the maintenance of title, ongoing expenditure and whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available.

If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available. See note 7 for the disclosure on the carrying values of exploration and evaluation assets as at reporting date.

#### (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.

#### (iii) Recoverability of VAT receivables

The Group has VAT receivables relating to its wholly owned subsidiaries in Africa. A portion of the outstanding receivables balance is greater than 12 months as at reporting date.

Management performs a recoverability assessment on the VAT receivable balance in the accounts of its African subsidiaries during the financial year, which includes reviewing the probability of receiving the refunds within a reasonable time period. This assessment resulted in the Group making a full provision for non-refunded VAT receivables in each of the current and prior years.

The Group will continue to perform a recoverability assessment on its VAT receivables at each future reporting date and will consider further adjustments should conditions in Africa allow for the reversal of earlier provisions.

VAT receivables in Africa are audited on a six-monthly basis prior to submission to the relevant authority for refund. Prior to submission, all VAT receivables are reviewed by the Group's in-country tax advisors, who have confirmed that the VAT receivables are in good standing. Notwithstanding that a provision for non-recovery has been made, the Group expects to receive its VAT receivables at some point in the future, as its legal entitlement.

#### (iv) Accounting for Free Carried Interest (FCI)

The Group has assessed the key terms and conditions in which the SML for Nyanzaga was granted and in its application of the relevant accounting standards has recognised the following accounting judgements:

- The issue of shares to the Government of Tanzania in exchange for the issue of the SML has been valued using an indirect approach which has resulted in the determination of the FCI as a share-based payment.
- The FCI has been disclosed as a non-controlling interest in the consolidated statement of financial position and the consolidated statement of changes in equity.

(v) Key estimate: Determining the fair value of Solstice

The fair value of Solstice at the date of demerger, being \$8.50 million, was calculated using the volume weighted average price (VWAP) of Solstice's shares as traded on the ASX over the first five trading days after the listing date (\$0.2125) multiplied by the number of Solstice's shares on initial listing (40,000,000). Determining the fair value of Solstice on this basis was deemed as most appropriate and practical way of reliably estimating the fair value of Solstice since it maximises the use of observable, externally available information. See note 2(f).

	Year Ended 30 June	
	2022 A\$	2021 A\$
<b>2. Other Income, Expenses and Losses</b>		
Loss from ordinary activities includes the following specific income and expenses:		
<b>(a) Other Income</b>		
Government grants – cashflow boost and payroll tax	-	55,000
Refund of GST <sup>(i)</sup>	-	175,978
	-	230,978
<b>(b) Depreciation and amortisation</b>		
Depreciation of plant and equipment	<b>236,499</b>	77,668
Amortisation of right-of-use assets	<b>106,510</b>	98,008
<b>(c) Exploration and Evaluation Expenditure</b>		
Provision for non-recovery of VAT receivables	<b>1,144,803</b>	70,303
<b>(d) Share based payment expense</b>		
Share based payments	<b>972,348</b>	541,189
<b>(e) Employee Benefit Expense <sup>(ii)</sup></b>		
Employee benefit expense (excluding share-based payments (note 2(d)))	<b>3,684,656</b>	2,093,137

#### Notes

- (i) The refund of GST relates to previously unrecovered GST in relation to capital raisings which have been subsequently recovered under the Financial Acquisitions Threshold.
- (ii) Includes employment costs related to exploration, business development and corporate & administrative costs.

#### (f) Discontinued Operation - demerger of Solstice Minerals Limited

On 17 January 2022, OreCorp announced its intention to demerge Solstice from the Group, subject to shareholder and other requisite approvals. The demerger was subsequently approved by shareholders at a General Meeting held on 7 April 2022.

On 22 April 2022, by way of an in-specie distribution, OreCorp completed the demerger of Solstice (a wholly owned subsidiary). The demerger was undertaken to divest OreCorp's interest in the Western Australia exploration assets, comprising the Yarri, Kalgoorlie, Yundamindra and Ponton Projects and is reported in the current period as a discontinued operation.

The fair value of Solstice at the date of demerger was determined to be \$8.50 million calculated using the volume weighted average price (VWAP) of Solstice's shares as traded on the ASX over the first five trading days after the listing date (\$0.2125) multiplied by the number of Solstice's shares on initial listing (40,000,000).

The in-specie distribution is treated as being partly a return of capital to shareholders of \$4,134,196 and partly a demerger dividend which reduces accumulated losses of \$4,366,106. This is calculated by reference to the market value of Solstice's shares and OreCorp's shares post demerger. The demerger dividend is the difference between the fair value and the capital reduction amount of OreCorp's share.

Financial information relating to the discontinued operation for the period to the date of demerger is set out below. The financial performance and cash flow information presented are for the ten months ended 30 April 2022 and the year ended 30 June 2021.

	2022 A\$	2021 A\$
Exploration and evaluation costs	(1,998,817)	(890,088)
Corporate and administration costs	(445,475)	-
Loss before income tax from discontinued operation	(2,444,292)	(890,088)
Income tax expense	-	-
Loss after income tax from discontinued operation	(2,444,292)	(890,088)
Loss on demerger after income tax (refer below)	(2,564,177)	-
Loss from discontinued operation	(5,008,469)	(890,088)
Net cash outflow from operating activities	(2,444,292)	(890,088)
Net cash outflow from investing activities	(5,118,311)	-
Net decrease in cash attributable to Solstice	(7,562,603)	-

Upon completion of the demerger, OreCorp recognised the following result:

	2022 A\$	2021 A\$
Fair value of Solstice	8,500,302	-
Carrying amount of net assets of Solstice demerged	(11,064,479)	-
Loss on demerger before income tax	(2,564,177)	-
Income tax expense	-	-
Loss on demerger after income tax	(2,564,177)	-

The carrying amounts of the assets and liabilities at the date of demerger were:

	2022 A\$
<b>Assets</b>	
Cash	5,000,000
Prepayments	88,094
Exploration and evaluation assets	5,893,170
Plant and equipment	114,053
Total assets	11,095,317
<b>Liabilities</b>	
Leave provisions	(30,838)
Total liabilities	(30,838)
Net carrying amount of asset and liabilities	11,064,479

	Year Ended 30 June	
	2022	2021
	A\$	A\$
<b>3. Income Tax</b>		
<b>(a) Recognised in profit or loss</b>		
<i>Current income tax</i> - Current income tax benefit	-	-
<i>Deferred income tax</i> - Deferred tax assets not recognised	-	-
<b>Income tax expense reported in the statement of profit or loss</b>	-	-
<b>(b) Recognised directly in equity</b>		
<i>Deferred income tax related to items charged or credited directly to equity</i>	-	-
<b>Income tax expense recognised directly in equity</b>	-	-
<b>(c) Reconciliation between Tax Expense and Loss before Income Tax</b>		
Accounting loss before income tax	<b>(26,852,817)</b>	(9,235,308)
At the domestic income tax rate of 25% (2021: 26%)	<b>(6,713,204)</b>	(2,401,180)
Expenditure not deductible for income tax purposes	<b>2,324,220</b>	528,389
Deferred tax assets not recognised	<b>4,762,438</b>	2,024,292
Effect of lower income tax rate in other jurisdictions	<b>(373,454)</b>	(151,501)
<b>Income tax expense reported in the statement of profit or loss</b>	-	-
<b>(d) Deferred Income Tax</b>		
Deferred income tax at 30 June relates to the following:		
<i>Deferred Tax Liabilities</i>		
Right-of-use assets	<b>37,205</b>	65,505
Accrued interest	<b>610</b>	476
Unrealised foreign exchange movement	<b>123,424</b>	118,189
Property, plant and equipment	<b>15,034</b>	15,070
Deferred tax assets used to offset deferred tax liabilities	<b>(176,273)</b>	(199,240)
	-	-
<i>Deferred Tax Assets</i>		
Accruals and provisions	<b>302,876</b>	265,333
Business related costs	<b>323,821</b>	386,883
Other	<b>30,175</b>	154,456
Tax losses available to offset against future taxable income	<b>16,624,263</b>	11,563,275
Deferred tax assets used to offset deferred tax liabilities	<b>(176,273)</b>	(199,240)
Deferred tax assets not recognised	<b>(17,104,862)</b>	(12,170,707)
	-	-

The benefit of deferred tax assets not brought to account will only be recognised 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 \$16,624,263 (2021: \$11,563,275) that are available for offset against future taxable profits. Tax losses in Australia and Tanzania do not expire; in Mauritania, they carry forward for five years. 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. Upon its successful demerger from OreCorp, Solstice ceased to be a member of OreCorp's tax consolidated group and therefore ceased to be party to the tax funding arrangement and tax sharing agreements. Accordingly, all tax losses incurred by Solstice up to the date of demerger remain with OreCorp, and all tax gains or losses incurred by Solstice from the date of demerger will remain with Solstice.

	2022 A\$	2021 A\$
<b>4. Current Assets – Trade and Other Receivables</b>		
GST and VAT receivable <sup>(i)</sup>	<b>2,656,192</b>	1,273,772
Provision for non-recovery of VAT receivables <sup>(i)</sup>	<b>(2,506,748)</b>	(1,194,972)
Other receivables	<b>81,791</b>	216,861
Other assets <sup>(ii)</sup>	<b>5,210</b>	117,963
	<b>236,445</b>	413,624

**Notes**

- (i) The Group continues to fully provide for the VAT receivable balance. At the reporting date, the net GST and VAT receivable carrying value relates solely to the Australian operating entities.
- (ii) In the prior year, the Group had entered into agreements to acquire WA tenements subject to certain conditions being met. At 30 June 2021, as the conditions had not been satisfied, the Company did not have tenure over the tenements and accordingly the costs that were incurred had been recorded as other assets. During the current year, once the Group had acquired the rights to the tenements, the costs were transferred to exploration and evaluation assets. If the agreements had not been finalised, then the related amounts would have been refunded back to the Company.

	2022 A\$	2021 A\$
<b>(a) Reconciliation of provision for non-recovery of VAT receivables</b>		
Opening balance	<b>(1,194,972)</b>	(1,228,097)
Provision for non-recovery of VAT receivables	<b>(1,144,803)</b>	(70,303)
Foreign exchange movement on provision	<b>(166,973)</b>	103,428
	<b>(2,506,748)</b>	(1,194,972)

	2022 A\$	2021 A\$
<b>5. Right-of-Use Assets and Liabilities</b>		
Right-of-use assets	<b>316,334</b>	310,249
Amortisation	<b>(176,181)</b>	(67,924)
<b>Net carrying amount</b>	<b>140,153</b>	242,325
<i>Lease liabilities</i>		
Current	<b>115,629</b>	105,752
Non-current	<b>35,182</b>	147,042
<b>Total Liabilities</b>	<b>150,811</b>	252,794
<b>Amounts recognised in statement of profit or loss and other comprehensive income</b>		
Amortisation charge of right-of-use assets	<b>106,510</b>	98,008
Net finance expenses	<b>13,278</b>	11,578

	2022 A\$	2021 A\$
<b>6. Non-Current Assets – Plant and Equipment</b>		
<i>Plant and Equipment</i>		
Cost	<b>1,363,988</b>	835,828
Accumulated depreciation	<b>(761,082)</b>	(568,360)
<b>Net carrying amount</b>	<b>602,906</b>	267,468
<i>Reconciliation</i>		
Carrying amount at beginning of year	<b>267,468</b>	135,574
Additions	<b>746,298</b>	216,008
Disposals (transfer to Solstice)- refer note 2(f)	<b>(114,053)</b>	-
Disposals (write offs)	<b>(3,178)</b>	-
Depreciation charge for the year	<b>(236,499)</b>	(77,668)
Foreign exchange movement on plant and equipment	<b>(57,130)</b>	(6,446)
<b>Carrying amount at end of year, net of accumulated depreciation</b>	<b>602,906</b>	267,468

	2022 A\$	2021 A\$
<b>7. Non-Current Assets – Exploration and Evaluation Assets</b>		
<i>Exploration &amp; Evaluation Assets</i>		
Nyanzaga Project, Tanzania <sup>(i)</sup>	<b>18,138,900</b>	16,653,188
Eastern Goldfields of Western Australia	-	2,928,859
<b>Net carrying amount</b>	<b>18,138,900</b>	19,582,047
<i>Reconciliation - Exploration &amp; Evaluation Assets</i>		
Carrying amount at the beginning of the year	<b>19,582,047</b>	19,078,830
Add: acquisition of exploration and evaluation assets during the year <sup>(ii)</sup>	<b>2,964,311</b>	2,020,712
Less: exploration and evaluation assets transferred during the year <sup>(iii)</sup>	<b>(5,893,170)</b>	-
Foreign exchange movement on exploration and evaluation assets	<b>1,485,712</b>	(1,517,495)
<b>Carrying amount of Exploration and Evaluation Assets at the end of year</b>	<b>18,138,900</b>	19,582,047

**Notes**

- (i) On 13 December 2021, the SML was granted to Sotta Mining Corporation Limited, the joint venture company in which OreCorp's subsidiary, Nyanzaga Mining Company Limited 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.
- (ii) During the year, the Group acquired additional tenements in the Eastern Goldfields through the issue of shares, payment of cash and execution of royalty deeds.
- (iii) During the year, the Group demerged its Western Australian exploration and evaluation assets with the in-specie distribution of shares in, and ASX listing of, Solstice. Refer to Note 2(f).

	2022 A\$	2021 A\$
<b>8. Current Liabilities – Trade and Other Payables</b>		
Trade and other creditors <sup>(i)</sup>	<b>1,757,573</b>	1,441,156
Other liabilities <sup>(ii)</sup>	-	10,724,654
	<b>1,757,573</b>	12,165,810

**Notes**

- (i) 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.
- (ii) Other liabilities was comprised of the US\$8.05 million balance of consideration for the acquisition of NMCL which was paid in December 2021.

	2022 A\$	2021 A\$
<b>9. Current Liabilities – Provisions</b>		
Annual leave provision	<b>358,658</b>	321,638
	<b>358,658</b>	321,638

	2022 A\$	2021 A\$
<b>10. Non-Current Liabilities – Provisions</b>		
Long service leave provision	32,429	17,106
	<b>32,429</b>	<b>17,106</b>

	2022 A\$	2021 A\$
<b>11. Issued Capital</b>		
<b>(a) Issued and Paid Up Capital</b>		
398,997,558 (30 June 2021: 385,906,947) fully paid ordinary shares	<b>136,727,471</b>	132,813,942

**(b) Movements in Ordinary Share Capital**

Date	Details	Number of Shares	Issue Price A\$	\$
1 July 2020	Opening Balance	316,923,158	-	81,320,949
23 July 2020	Issue of shares in settlement of salary	189,483	0.491	93,083
23 July 2020	Placement shares acquired by the Chairman	200,000	0.300	60,000
23 December 2020	Issue of shares for Exploration Asset	1,000,000	0.680	680,000
31 December 2020	Issue of shares for Exploration Asset	238,096	0.630	150,000
31 December 2020	Issue of shares for Exploration Asset	230,769	0.650	150,000
31 December 2020	Issue of shares for Exploration Asset	1,167,883	0.685	800,000
26 February 2021	Exercise of options	200,000	0.440	88,000
17 May 2021	Exercise of options	25,000	0.440	11,000
17 May 2021	Issue of shares for Exploration Asset	232,558	0.645	150,000
25 June 2021	Share Placement	65,500,000	0.800	52,400,000
	Capital raising costs	-	-	(3,089,090)
<b>30 June 2021</b>	<b>Closing Balance</b>	<b>385,906,947</b>		<b>132,813,942</b>
2 July 2021	Placement shares	4,500,000	0.800	3,600,000
8 July 2021	Exercise of options	3,475,000	0.440	1,529,000
19 July 2021	Exercise of options	400,000	0.440	176,000
29 July 2021	Exercise of options	250,000	0.440	110,000
29 July 2021	Issue of shares for Exploration Asset	64,103	0.780	50,000
11 August 2021	Issue of shares for Exploration Asset	201,508	0.744	150,000
9 September 2021	Issue of shares for Exploration Asset	2,000,000	0.465	930,000
18 February 2022	Issue of shares for Exploration Asset	1,000,000	0.780	780,000
26 April 2022	Issue of shares for Exploration Asset	1,200,000	0.780	936,000
	Capital raising costs	-	-	(213,275)
	Capital reduction (refer note 2(f))	-	-	(4,134,196)
<b>30 June 2022</b>	<b>Closing Balance</b>	<b>398,997,558</b>		<b>136,727,471</b>

**(c) Rights Attaching to Shares**

- (i) Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.
- (ii) On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.
- (iii) Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

	2022 A\$	2021 A\$
<b>12. Reserves</b>		
Share-based payments reserve	<b>1,786,537</b>	1,071,039
Foreign currency translation reserve	<b>(94,524)</b>	(1,079,430)
	<b>1,692,013</b>	(8,391)

**(a) Nature and purpose of reserves****(i) Share-Based Payments Reserve**

The share-based payments reserve is used to recognise the share-based payment expense compensation at the grant date and record the grant date fair value of share-based payments and other option grants made by the Company.

**(ii) 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	Note	Number of Unlisted Options	Number of Performance Rights	A\$
1 July 2020	Opening Balance		4,600,000	-	501,850
25 November 2020	Grant of NED options	(i)	3,250,000	-	-
25 November 2020	Grant of employee options	(ii)	2,558,817	-	-
17 December 2020	Grant of options as consideration for acquisition of exploration tenement	(iii)	100,000	-	28,000
5 February 2021	Grant of employee options	(iv)	1,385,160	-	-
February & May 2021	Exercise of options		(225,000)	-	-
30 June 2021	Share based payments expense		-	-	541,189
<b>30 June 2021</b>	<b>Closing Balance</b>		<b>11,668,977</b>	<b>-</b>	<b>1,071,039</b>
1 July 2021	Opening Balance		11,668,977	-	1,071,039
July 2021	Exercise of options		(4,125,000)	-	-
30 July 2021	Expiry of employee options		(250,000)	-	(35,750)
September 2021	Lapse of conditional right to unlisted options		(705,352)	-	(27,424)
22 November 2021	Grant of performance rights	(v)	-	2,213,538	-
January & April 2022	Lapse of conditional right to unlisted options and performance rights		(299,130)	(352,254)	(16,611)
22 April 2022	Share based payments expense due to capital reduction	(vi)	-	-	9,030
25 May 2022	Expiry of NED options		(1,100,000)	-	(218,900)
30 June 2022	Share based payments expense		-	-	1,005,153
<b>30 June 2022</b>	<b>Closing Balance</b>		<b>5,189,495</b>	<b>1,861,284</b>	<b>1,786,537</b>

**Notes**

- (i) On 25 November 2020, subsequent to shareholder approval the Company granted 3,250,000 unlisted options to its non-executive directors as follows:
- 1,100,000 unlisted options at an exercise price of \$0.8080 that expire on 25 May 2022 at a fair value of \$0.199 per unlisted option with a vesting date of 25 November 2021;
  - 1,100,000 unlisted options at an exercise price of \$0.8590 that expire on 25 November 2022 at a fair value of \$0.222 per unlisted option with a vesting date of 25 May 2022; and
  - 1,050,000 unlisted options at an exercise price of \$0.9170 that expire on 25 November 2024 at a fair value of \$0.317 per unlisted option with a vesting date of 25 November 2022.
- (ii) On 25 November 2020, subsequent to shareholder approval of the Employee Incentive Plan, the Company granted 2,558,817 unlisted options at an exercise price of \$1.001 per unlisted option that expire on 25 November 2024 at a fair value of \$0.302 per unlisted option, under the Employee Incentive Plan to the Company's CEO and Managing Director and the Company's employees.
- (iii) On 17 December 2020, the Company granted 100,000 unlisted options at an exercise price of \$0.9170 per unlisted option that expire on 25 November 2024 at a fair value of \$0.280 per unlisted option, in part consideration for the acquisition of exploration tenements located in the Eastern Goldfields of Western Australia.
- (iv) On 5 February 2021, the Company granted a further 1,385,160 unlisted options at an exercise price of \$1.001 per unlisted option that expire on 25 November 2024 at a fair value of \$0.275 per unlisted option, under the Employee Incentive Plan to the Company's employees.

- (v) On 22 November 2021, the Company granted 2,213,538 unlisted performance rights to employees at nil consideration that expire on 22 November 2026, under the Employee Incentive Plan.
- (vi) On 22 April 2022, upon the completion of the demerger of Solstice, the exercise prices for each class of unlisted options was adjusted based on the return of capital amount of \$0.0104 per security due to the in-specie distribution of shares in Solstice to OreCorp shareholders. The reduction of exercise price of the options granted by OreCorp has increased the fair value of these options. Accordingly, the differences in the fair value before and after the reduction (measured on the date of demerger) has been expensed over the remaining vesting period if not vested, or expensed immediately if the options have vested. Due to the reduction of the options exercise price, share based payment expense of \$9,030 has been recognised in the statement of profit and loss for the year ended 30 June 2022.

### (c) Terms and conditions of the Options

The 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:
  - 4,375,000 unlisted options at an exercise price of \$0.44 each that expire on 30 July 2021.
  - 1,100,000 unlisted options at an exercise price of \$0.8486 after capital reduction (\$0.859 before capital reduction) each that expire on 25 November 2022.
  - 1,150,000 unlisted options at an exercise price of \$0.9066 after capital reduction (\$0.917 before capital reduction) each that expire on 25 November 2024.
  - 5,189,495 unlisted options at an exercise price of \$0.9906 after capital reduction (\$1.001 before capital reduction) each that expire on 25 November 2024.
- 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 will be varied to comply with the Corporations Act 2001 (*Cth*) and 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.
- Options are unable to be transferred prior to vesting, other than with the approval of the Board.

### (d) Terms of Performance Rights

The Unlisted Performance Rights ("Performance Rights") are granted based upon the following terms and conditions:

- The Performance Rights will entitle the holder to acquire one Share once the vesting conditions have been satisfied, and prior to the expiry date.
- The Performance Rights will vest upon:
  - The commencement of construction of a mine at any of the Company's mining projects;
  - The Company becoming a producer through the acquisition by it or another member of the Group of an operating mine; or
  - The date that is three years after the date on which the performance rights are granted, whichever is earliest.
- The Performance Rights will lapse on the expiry date, such date being five years after the date on which the Performance Rights are granted.
- Performance rights may be exercised at any time after they have vested until their lapse or the expiry date.
- The Performance Rights cannot be transferred or disposed prior to vesting without approval of the Board.

**(e) Movements in Foreign Currency Translation Reserve**

	2022 A\$	2021 A\$
Balance at beginning of year	(1,079,430)	(564,215)
Currency translation differences	984,906	(515,215)
<b>Balance at end of year</b>	<b>(94,524)</b>	<b>(1,079,430)</b>

	2022 A\$	2021 A\$
<b>13. Accumulated Losses</b>		
Balance at beginning of year	(58,755,185)	(49,519,877)
Net loss	(26,852,817)	(9,235,308)
Transfer balance of reserve relating to expired options to accumulated losses	256,850	-
In-specie distribution- demerger dividend (refer note 2(f)).	(4,366,106)	-
<b>Balance at end of year</b>	<b>(89,717,258)</b>	<b>(58,755,185)</b>

**(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 in the following table:

	2022 A\$	2021 A\$
Short-term employee benefits	1,613,973	715,661
Movement in annual leave provision	60,533	11,493
Post-employment benefits	99,559	58,539
Long service leave paid out	-	62,502
Share-based payments	725,040	391,347
	<b>2,499,105</b>	<b>1,239,542</b>

**15. Related Party Disclosures****(a) Transactions with Related Parties in the Group**

The Group consists of OreCorp Limited (the parent entity) and its controlled entities (see note 18). 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.

**(b) Transactions with Other Related Parties**

A Transitional Services Agreement (**TSA**) between OreCorp and Solstice has been executed with effect from 22 April 2022. The TSA includes the provision of corporate and administrative services including the recovery of wages and salaries for the Chief Financial Officer and Company Secretary. OreCorp has recovered \$48,591 and \$51,717 relating to May 2022 and June 2022 respectively, for services under the TSA.

There were no transactions with other related parties during the year ended 30 June 2021.



## 16. Share Based Payments

Share-based payment expense recorded by the Group during the year was \$972,348 (2021: \$541,189).

In addition to unlisted options and performance rights granted as share-based payments, shares have been issued as part consideration for the acquisition of exploration and evaluation assets. The shares were valued at fair value on the date of issue.

All share-based payments were accounted for as equity-settled share-based payment transactions.

### (a) Options

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 current and prior year:

	2022 Number	2022 WAEP	2021 Number	2021 WAEP
Outstanding at beginning of year	11,668,977	\$0.440	4,600,000	\$0.440
Options expired/lapsed during the year	(2,354,482)	\$0.847	-	-
Options granted during the year	-	-	7,293,977	\$0.937
Options exercised during the year	(4,125,000)	\$0.440	(225,000)	\$0.440
<b>Outstanding at end of year</b>	<b>5,189,495</b>	<b>\$0.942</b>	11,668,977	\$0.751
<b>Exercisable at end of year</b>	<b>1,646,903</b>	<b>\$0.854</b>	4,375,000	\$0.440

The outstanding balance of options issued as share-based payments as at 30 June 2022 is represented by:

- (i) 1,100,000 unlisted options at an exercise price of \$0.8486 after capital reduction (\$0.859 before capital reduction) each that expire on 25 November 2022;
- (ii) 1,150,000 unlisted options at an exercise price of \$0.9066 after capital reduction (\$0.917 before capital reduction) each that expire on 25 November 2024; and
- (iii) 2,939,495 unlisted options at an exercise price of \$0.9906 after capital reduction (\$1.001 before capital reduction) each that expire on 25 November 2024.

The weighted average remaining contractual life of the options outstanding as at 30 June 2022 is 2.0 years (2021: 2.1 years).

The range of exercise prices for options outstanding at the end of the year was range \$0.8486 - \$0.9906 (2021: \$0.44 - \$1.001).

The weighted average fair value of options granted during the prior year was \$0.257.

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 2021:

Valuation Model Input	\$0.808 Options	\$0.859 Options	\$0.917A Options	\$0.917B Options	\$1.001A Options	\$1.001B Options
Exercise price	\$0.808	\$0.859	\$0.917	\$0.917	\$1.001	\$1.001
Share price on date of grant	\$0.700	\$0.700	\$0.700	\$0.650	\$0.700	\$0.645
Dividend yield	Nil	Nil	Nil	Nil	Nil	Nil
Volatility	70%	70%	70%	70%	70%	70%
Risk-free interest rate	0.30%	0.30%	0.30%	0.24%	0.30%	0.26%
Grant date	25/11/20	25/11/20	25/11/20	17/12/20	25/11/20	05/02/21
Expiry date	25/05/22	25/11/22	25/11/24	25/11/24	25/11/24	25/11/24
Expected life of option (years)	1.50	2.00	4.00	3.94	4.00	3.80
Number of options granted	1,100,000	1,100,000	1,050,000	100,000	2,558,817	1,385,160
Fair value at grant date	\$0.199	\$0.222	\$0.317	\$0.280	\$0.302	\$0.257
Valuation per Tranche	\$218,900	\$244,200	\$360,850	\$28,000	\$772,763	\$355,986
Vesting date	25/11/21	25/05/22	25/11/22	17/12/20	25/11/23	25/11/23

**Notes**

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

On 22 April 2022, upon the completion of the demerger of Solstice, the exercise price for each class of unlisted options was adjusted based on the return of capital amount of \$0.0104 per security due to the in-specie distribution of shares in Solstice to OreCorp shareholders. The reduction of exercise price of the options granted by the Company has increased the fair value of these options. Accordingly, the difference in the fair value before and after the reduction (measured on the date of demerger) has been expensed over the remaining vesting period if not vested, or expensed immediately if the options have vested. Due to the reduction of the option exercise prices, share based expense of \$9,030 has been recognised in the statement of profit and loss for the year ended 30 June 2022

The following table lists the inputs to the valuation model used for share options that were on issued as at the date of the demerger:

Valuation Model Input	\$0.808 Options	\$0.859 Options	\$0.917A Options	\$0.917B Options	\$1.001A Options	\$1.001B Options
Exercise price	\$0.7976	\$0.8486	\$0.9066	\$0.9066	\$0.9066	\$0.9066
Share price on date of demerger	\$0.725	\$0.725	\$0.725	\$0.725	\$0.725	\$0.725
Dividend yield	Nil	Nil	Nil	Nil	Nil	Nil
Volatility	55%	55%	55%	55%	55%	55%
Risk-free interest rate	1.64%	1.64%	2.71%	2.71%	2.71%	2.71%
Grant date	25/11/20	25/11/20	25/11/20	17/12/20	25/11/20	05/02/21
Expiry date	25/05/22	25/11/22	25/11/24	25/11/24	25/11/24	25/11/24
Expected life of option (years)	0.09	0.849	2.597	2.597	2.597	2.597
Number of options granted	1,100,000	1,100,000	1,050,000	100,000	2,558,817	1,385,160
Fair value at grant date	\$0.022	\$0.082	\$0.213	\$0.213	\$0.193	\$0.193
Valuation per Tranche	\$24,200	\$90,200	\$223,650	\$21,300	\$481,070	\$86,252
Vesting date	25/11/21	25/05/22	25/11/22	17/12/20	25/11/23	25/11/23

**Notes**

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

**(b) Performance rights**

The following table illustrates the number, and movements in, performance rights issued as share based payments during the current and prior year:

	2022 Number	2021 Number
Outstanding at beginning of year	-	-
Performance rights granted during the year	<b>2,213,538</b>	-
Performance rights cancelled/lapsed during the year	<b>(352,254)</b>	-
<b>Outstanding at end of year</b>	<b>1,861,284</b>	-

The outstanding balance of performance rights issued as share-based payments as at 30 June 2022 is represented by:

- (i) 1,861,284 performance rights issued to employees at nil consideration that expire on 22 November 2026.

The weighted average remaining contractual life of the performance rights outstanding as at 30 June 2022 is 4.4 years (2021: nil).

The weighted average fair value of performance rights granted during the year was \$0.6926 (2021: nil).

The terms and conditions of the performance rights are disclosed in note 12(d).

**17. 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 makers, being the board of directors and executives of the Group, in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity operates in one operating segment being mineral exploration. The Consolidated Entity has historically operated in two geographical segments; Africa and Western Australia (WA). In April 2022, the Group's WA exploration assets were demerged and thereafter the Consolidated Entity's operations are solely in Africa. The WA activities have been disclosed as a discontinued operation in the current reporting period and accordingly all activities from continuing operations relate to the Consolidated Entity's now sole geographical operating segment of Africa.

**18. 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).

During the year, the Group incorporated SMCL, a new Tanzanian company in which OreCorp's subsidiary, NMCL, holds an 84% interest and the GoT holds a 16% FCI. SMCL was incorporated to receive the SML for Nyanzaga which was issued on 13 December 2021, at the same time that the Framework and Shareholders Agreements were signed with the GoT. The Framework and Shareholders Agreements between NMCL and the GoT specify the key rights and obligations of the parties, as shareholders of SMCL, with respect to the development and management of the Project. 16% of the fair value of the SMCL shares at the date of grant of the SML, has been attributed to the GoT and recorded as a non-controlling interest.

Name of Controlled Entity	Place of Incorporation	% of Shares Held 2022	% of Shares Held 2021
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 Africa Pty Ltd	Australia	100%	100%
OreCorp REE Pty Ltd	Australia	100%	100%
OreCorp Nyanzaga Pty Ltd	Australia	100%	100%
OreCorp Nyanzaga (UK) Limited	UK	100%	100%
GreenCorp Metals Pty Ltd (formerly OreCorp Base Metals Pty Ltd) <sup>(i)</sup>	Australia	-	100%
Solstice Minerals Limited (formerly OreCorp Holdings Pty Ltd) <sup>(i)</sup>	Australia	-	100%
Nyanzaga Mining Company Limited	Tanzania	100%	100%
Sotta Mining Corporation Limited	Tanzania	84%	-

**Notes**

(i) On 22 April 2022, OreCorp completed the demerger of Solstice and its subsidiary GreenCorp. Refer to Note 2(f).

**19. Interest in other entities**

Entity	Activity	Interest at 30 June 2022	Interest at 30 June 2021
Akjoujt South Project – Mauritania	Nickel – Copper Exploration	90%	90%
Hobbes Gold Project – WA <sup>(i)</sup>	Gold Exploration	-	80%
Jericho and Bunjarra Well Projects – WA <sup>(i)</sup>	Gold Exploration	-	95% - 100%

**Notes**

(i) On 22 April 2022, OreCorp completed the demerger of Solstice and its subsidiary GreenCorp. Refer to Note 2(f).

	2022 A\$	2021 A\$
<b>20. Remuneration of Auditors</b>		
Amounts received or due and receivable by Deloitte Touche Tohmatsu (Australia) for:		
- an audit or review of the financial reports of the Group	50,325	47,750
- other audit or review of financial reports <sup>(i)</sup>	15,500	28,000
Amounts paid or due and payable to other auditors for OreCorp's African subsidiaries (PwC Tanzania and KPMG Mauritius):		
- an audit or review of the financial reports of OreCorp's African subsidiaries	41,377	22,497
- non-audit services (taxation and accounting advice)	47,318	48,940
<b>Total Auditors' Remuneration</b>	<b>154,520</b>	<b>147,187</b>

**Notes**

(i) The current year amount includes fees paid in relation to the review of Solstice prior to the demerger as they were incurred while Solstice was a controlled entity. The prior year amount is for fees charged by Deloitte Touche Tohmatsu in relation to the audit of Solstice for services completed prior to the demerger.

	2022 cents	2021 cents
<b>21. Earnings per Share</b>		
Basic and diluted loss per share (cents per share):		
From continuing operations	(5.5)	(2.6)
From discontinued operations	(1.3)	(0.3)
Basic and diluted loss per share (cents per share)	(6.8)	(2.9)

	2022 A\$	2021 A\$
The following reflects the income and share data used in the calculations of basic and diluted loss per share:		
<b>Net loss used in calculating basic and diluted loss per share:</b>		
Net loss from continuing operations	(21,844,348)	(8,345,220)
Net loss from discontinued operations	(5,008,469)	(890,088)
Net loss used in calculations of basic and diluted loss per share	(26,852,817)	(9,235,308)

	2022 Number of Shares	2021 Number of Shares
Weighted average number of ordinary shares used in calculating basic loss per share	396,826,401	319,616,576
Effect of dilutive securities <sup>(i)</sup>	-	-
<b>Adjusted weighted average number of ordinary shares used in calculating diluted loss per share</b>	<b>396,826,401</b>	<b>319,616,576</b>

#### Notes

- (i) Non-dilutive securities: As at balance date, 5,189,495 unlisted options (2021: 11,668,977) and 1,861,284 performance rights (2021: nil) which represent 7,050,779 potential ordinary shares (2021: 11,668,997) were not considered dilutive for the purposes of calculating the loss per share for the year ended 30 June 2022, as they would decrease the loss per share.

There have been no conversions, calls, subscriptions or issues of shares or options subsequent to balance date, other than as disclosed in Note 26.

	2022 A\$	2021 A\$
<b>22. Statement of Cash Flows</b>		
<b>(a) Reconciliation of Net Loss after Income Tax to Net Cash Outflow from Operating Activities</b>		
Net loss after income tax	<b>(26,852,817)</b>	(9,235,308)
<b>Adjustment for non-cash income and expense items</b>		
Depreciation of plant and equipment	<b>236,499</b>	77,668
Amortisation of right-of-use assets	<b>106,510</b>	98,008
Provision for annual leave	<b>37,020</b>	130,512
Provision for long service leave	<b>15,323</b>	(48,603)
Share based payments	<b>972,348</b>	541,189
Expired options taken to accumulated losses	<b>256,850</b>	-
Provision for non-recovery of VAT receivables	<b>1,144,803</b>	70,303
Foreign exchange (gain)/loss attributable to operating activities	<b>(1,025,098)</b>	1,037,027
<b>Changes in working capital</b>		
Decrease/(increase) in trade and other receivables	<b>1,267,753</b>	(412,334)
Increase/(decrease) in trade and other payables	<b>757,292</b>	751,704
<b>Net cash outflow from operating activities</b>	<b>(23,083,517)</b>	(6,989,834)
<b>(b) Reconciliation of Cash and Cash Equivalents</b>		
Cash at bank and on hand	<b>6,332,434</b>	11,177,703
Bank short-term deposits	<b>25,550,864</b>	55,124,547
<b>Cash and cash equivalents at 30 June</b>	<b>31,883,298</b>	66,302,250

**(c) Credit Standby Arrangements with Banks**

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

**(d) Non-cash Financing and Investing Activities**

During the years ended 30 June 2022 and 2021, the Group acquired interests in exploration and evaluation assets for which shares and unlisted options were issued as part of the consideration. The shares were valued at fair value at the date of issue. The options were valued as disclosed in Note 16. Refer to Note 7 for further details.

	2022 A\$	2021 A\$
<b>23. Parent Entity Disclosures</b>		
<b>(a) Parent Entity – Financial Position</b>		
<i>Assets</i>		
Current Assets	<b>32,022,615</b>	66,663,706
Non-Current Assets	<b>1,642,067</b>	1,713,084
<b>Total Assets</b>	<b>33,664,682</b>	68,376,790
<i>Liabilities</i>		
Current Liabilities	<b>1,809,661</b>	1,719,164
Non-Current Liabilities	<b>4,652,040</b>	4,636,717
<b>Total Liabilities</b>	<b>6,461,701</b>	6,355,881
<b>Net Assets</b>	<b>27,202,981</b>	62,020,909
<i>Equity</i>		
Issued Capital	<b>125,237,408</b>	121,323,877
Reserves	<b>1,811,724</b>	977,371
Accumulated Losses	<b>(99,846,151)</b>	(60,280,339)
<b>Total Equity</b>	<b>27,202,981</b>	62,020,909
<b>(b) Parent Entity – Financial Performance</b>		
Loss for the Year	<b>(35,457,207)</b>	(11,059,242)
Other Comprehensive Income/(Loss)	-	-
<b>Loss Attributable to Members of the Parent</b>	<b>(35,457,207)</b>	(11,059,242)

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

As at 30 June 2022 and 2021, the Parent Entity 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 2022 and 2021, the Parent Entity did not have any contingent liabilities. Refer to Note 25 for details of the Group's contingent liabilities.

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

As at 30 June 2022 and 2021, the Parent Entity did not have any commitments for the acquisition of property, plant and equipment. Refer to Note 25 for the details of the Group's commitments.

## 24. Financial Instruments

### (a) Overview

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

	2022 A\$	2021 A\$
<b>Financial Assets</b>		
Cash and cash equivalents	<b>31,883,298</b>	66,302,250
Other current receivables	<b>236,445</b>	413,624
<b>Total financial assets</b>	<b>32,119,743</b>	66,715,874
<b>Financial Liabilities</b>		
Trade and other payables	<b>1,757,573</b>	12,165,810
Lease liabilities	<b>150,811</b>	252,794
<b>Total financial liabilities</b>	<b>1,908,384</b>	12,418,604

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.

### (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 2022, the Group has sufficient liquid assets to meet its financial obligations.



## (c) Liquidity and Interest Risk Tables

	Weighted Average Effective Interest Rate %	Maturity ≤ 6 months \$	Total \$
<b>2022</b>			
<b>Group</b>			
<b>Financial Assets</b>			
Non-interest bearing <sup>(i)</sup>	-	947,367	947,367
Fixed interest rate instruments	0.96%	25,529,633	25,529,633
Variable interest rate instruments	0.10%	5,642,743	5,642,743
<b>Total financial asset</b>		<b>32,119,743</b>	<b>32,119,743</b>
<b>Financial Liabilities</b>			
Trade and other payables		1,757,573	1,757,573
Lease liabilities		150,811	150,811
<b>Total financial liabilities</b>		<b>1,908,384</b>	<b>1,908,384</b>
<b>2021</b>			
<b>Group</b>			
<b>Financial Assets</b>			
Non-interest bearing <sup>(i)</sup>	-	11,591,327	11,591,327
Fixed interest rate instruments	0.27%	53,541,843	53,541,843
Variable interest rate instruments	0.05%	1,582,704	1,582,704
<b>Total financial assets</b>		<b>66,715,874</b>	<b>66,715,874</b>
<b>Financial Liabilities</b>			
Trade and other payables		12,165,810	12,165,810
Lease liabilities		252,794	252,794
<b>Total financial liabilities</b>		<b>12,418,604</b>	<b>12,418,604</b>

**Notes**

- (i) The majority of the non-interest bearing financial assets in the previous year were US Dollars held at-call which earned 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 during the year 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 \$
<b>2022</b>				
<b>Group</b>				
Cash and cash equivalents	15,170	(15,170)	15,170	(15,170)
<b>2021</b>				
<b>Group</b>				
Cash and cash equivalents	3,093	(3,093)	3,093	(3,093)

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 2022 and 2021.

**(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:

	2022 A\$	2021 A\$
<b>Financial Assets</b>		
Cash and cash equivalents	31,883,298	66,302,250
Trade and other receivables and other financial assets	236,445	413,624
<b>Total financial assets</b>	<b>32,119,743</b>	<b>66,715,874</b>

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 National Australia 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.

The trade and other receivables balance is primarily comprised of 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. VAT receivables in Tanzania are audited on a six-monthly basis prior to submission to the Tanzania Revenue Authority for refund. As discussed in note 1(v)(iii), the full amount of the African VAT receivable continues to be provided for.

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 expenditure is being expensed.

**(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 Parent 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 consolidated financial statements, 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 (2021: \$nil).

The carrying amounts of the Group's assets which are denominated in a currency other than the functional currency of the entity as at the end of the reporting period are as follows. The Group did not have a significant balance of monetary liabilities which are denominated in a currency other than the functional currency of the Parent Entity as at the end of the reporting period.

	Assets 2022 A\$	Assets 2021 A\$
US dollars	152,797	10,769,092
Other (Tanzanian and Mauritanian)	78,587	36,797
	<b>231,384</b>	<b>10,805,889</b>

*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 <sup>(i)</sup>	
	10% Strengthening \$	10% Weakening \$	10% Strengthening \$	10% Weakening \$
<b>2022</b>				
<b>Group</b>				
Impact of foreign exchange rate movement	15,600	(12,764)	25,709	(21,035)
<b>2021</b>				
<b>Group</b>				
Impact of foreign exchange rate movement	1,195,264	(977,943)	1,200,654	(982,353)

(i) 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 2022 and 2021.

**(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 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.

**(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 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 and Contingent Liabilities**

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 financial statements and are at the sole discretion of the Group. Minimum expenditure requirements for the current licence period are as per the following:

	2022 \$	2021 \$
<b>Commitments for exploration expenditure</b>		
Not longer than 1 year	263,652	772,181
Longer than 1 year and shorter than 5 years	761,217	1,642,482
Longer than 5 years <sup>(i)</sup>	1,694,898	200,011
	<b>2,719,767</b>	<b>2,614,674</b>

**Note**

(i) The SML for Nyanzaga was granted in December 2021 for an initial period of fifteen years. The amounts included in the table above are represented by the current annual SML area rent costs and minimum tenement expenditures in Tanzania.

**26. Significant Post Balance Date Events.**

On 22 August 2022, the Company announced the results of the DFS for Nyanzaga.

On 26 August 2022, a total of 2,200,000 performance rights expiring 26 August 2027 and subject to vesting conditions were issued to certain KMP and employees of the Company under the Company's LTIP.

On 2 September 2022, the Company announced that its Non-Executive Chairman, Mr Craig Williams, will be retiring at the Company's Annual General Meeting to be held in November 2022.

## 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 2022 and of its 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 its 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 2022.

On behalf of the Board



**Matthew Yates**  
**Chief Executive Officer & Managing Director**

23 September 2022

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

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of OreCorp Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 & 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p><b>Demerger of Solstice Minerals</b></p> <p>As disclosed in Note 2f, OreCorp Limited shareholders approved the demerger of Solstice Minerals Limited (“Solstice”), a dedicated exploration and development company holding the Group’s Western Australian exploration assets, on 7 April 2022.</p> <p>The demerger occurred through a 100% in-specie distribution of Solstice’s shares to the Company’s shareholders on demerger date (22 April 2022).</p> <p>The in-specie distribution is treated as being partly a return of capital to shareholders of \$4,134,196, and partly a demerger dividend which reduces accumulated losses of \$4,366,106.</p> <p>A loss on demerger of \$2,564,177 was recorded in the year within discontinued operations in accordance with AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> (AASB 5).</p> <p>The demerger is a key audit matter as this was a significant transaction with a material financial impact occurring in the year and significant judgements are involved in determining the appropriate accounting for the demerger including but not limited to the fair value of the shares issued on demerger, the carrying value of assets disposed and the substantial transaction costs associated with the transaction.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>obtaining and reviewing the key demerger documents including shareholders’ approvals, board of directors minutes, ASX announcements and intercompany loan equity conversion agreements;</li> <li>determining the appropriateness of the demerger accounting, including the determination of the carrying value of net assets disposed and the fair value of shares distributed to shareholders;</li> <li>on a sample basis, verifying underlying transaction costs;</li> <li>in conjunction with our valuations expert, assessing the methodology used to calculate the fair value of Solstice upon demerger.</li> </ul> <p>We also assessed the adequacy of the disclosures included in Notes 2f to the financial statements.</p>
<p><b>Accounting for Exploration and Evaluation Assets</b></p> <p>As at 30 June 2022, the carrying value of exploration and evaluation assets totals \$18,138,900 including additions of \$2,964,311 and disposals of \$5,893,170 made during the year as disclosed in Note 7.</p> <p>Significant judgement is applied in determining the treatment of exploration and evaluation expenditure including:</p> <ul style="list-style-type: none"> <li>whether the conditions for capitalisation are satisfied;</li> <li>which elements of exploration and evaluation expenditure qualify for capitalisation;</li> <li>the Group’s intentions and ability to proceed with a future work program;</li> <li>the likelihood of licence renewal or extension; and</li> <li>the expected or actual success of resource evaluation and analysis.</li> </ul>	<p>Our procedures associated with exploration and evaluation expenditure incurred during the year included, but were not limited to:</p> <ul style="list-style-type: none"> <li>obtaining an understanding of the relevant controls associated with the capitalisation or expensing of exploration and evaluation expenditure; and</li> <li>testing on a sample basis, exploration and evaluation expenditure to confirm the nature of the costs incurred, and the appropriateness of the classification as asset or expense.</li> </ul> <p>Our procedures associated with assessing the carrying value of exploration and evaluation assets included, but were not limited to:</p> <ul style="list-style-type: none"> <li>obtaining an understanding of the relevant controls associated with the identification of indicators of impairment;</li> <li>evaluating management’s impairment indicator assessment, including whether any of the following events exist at the reporting date which may indicate that exploration and evaluation assets may not be recoverable:</li> </ul>

	<ul style="list-style-type: none"> <li>○ obtaining a schedule of the areas of interest held by the Group and confirming whether the rights to tenure of those areas of interest remained current at balance date;</li> <li>○ holding discussions with management as to the status of ongoing exploration programmes in the respective areas of interest; and</li> <li>○ assessing whether any facts or circumstances existed to suggest impairment testing was required.</li> </ul> <p>We also assessed the appropriateness of the disclosures in Note 7 to the financial statements.</p>
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### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Directors 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 preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 20 to 29 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of OreCorp Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

### *Responsibilities*

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.



DELOITTE TOUCHE TOHMATSU



David Newman

Partner

Chartered Accountants

Perth, 27 September 2022

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

27 September 2022

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 audit of the financial report of OreCorp Limited for the year ended 30 June 2022, 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



**DELOITTE TOUCHE TOHMATSU**



**David Newman**  
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 (4<sup>th</sup> edition) published by the ASX Corporate Governance Council.

The 2022 corporate governance statement is dated as at, and was approved by the board on, 23 September 2022 and reflects the corporate governance practices in place throughout the 2022 financial year. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which has been platformed on ASX Online and can also be viewed at:

<http://www.orecorp.com.au/corporate/corporate-governance>.

## ASX Additional Information

The securityholder information set out below was applicable as at 21 September 2022.

### 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
Citicorp Nominees Pty Limited	53,913,253	13.5%
Federation Mining Pty Ltd	49,648,202	12.4%
Rollason Pty Ltd <Giorgetta Super Plan A/C>	39,136,589	9.8%
HSBC Custody Nominees (Australia) Limited	19,704,060	4.9%
Mutual Investments Pty Ltd <The Mitchell Super Fund A/C>	15,120,554	3.8%
BNP Paribas Nominees Pty Ltd ACF Clearstream	11,202,316	2.8%
Mr Glyn Evans & Mrs Thi Thu Van Evans <GVan Superannuation Plan A/C>	10,842,457	2.7%
Mutual Investments Pty Ltd <Mitchell Family A/C>	6,421,649	1.6%
Precision Opportunities Fund Ltd <Investment A/C>	6,000,000	1.5%
AEGP Super Pty Ltd <AEGP Superannuation Fund A/C>	5,880,477	1.5%
Beacon Exploration Pty Ltd	5,495,704	1.4%
BNP Paribas Noms Pty Ltd <DRP>	5,247,062	1.3%
METO Pty Ltd <Yates Family A/C>	4,999,874	1.3%
National Nominees Limited	4,943,049	1.2%
Mutual Investments Pty Ltd <The Mitchell Super Fund A/C>	4,206,372	1.1%
Alastair Donald Morrison <Tongariro Investment A/C>	4,092,143	1.0%
Zero Nominees Pty Ltd <40118548 A/C>	4,000,000	1.0%
Zero Nominees Pty Ltd <5060066 A/C>	4,000,000	1.0%
Hillboi Nominees Pty Ltd	3,980,000	1.0%
Garry Warren Pty Ltd	3,800,000	1.0%
<b>Total Top 20</b>	<b>262,633,761</b>	<b>65.8%</b>
Others	136,363,797	34.2%
<b>Total Ordinary Shares on Issue</b>	<b>398,997,558</b>	<b>100.00%</b>

## ASX Additional Information (Continued)

### 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	93	41,887
1,001 - 5,000	222	580,022
5,001 - 10,000	143	1,138,633
10,001 - 100,000	529	20,369,168
More than 100,000	236	376,867,848
<b>Totals</b>	<b>1,223</b>	<b>398,997,558</b>

There were 100 holders of less than a marketable parcel of ordinary shares.

### Voting Rights

See note 11 of the Notes to the Financial Statements.

### Substantial Shareholders

As at 21 September 2022, Substantial Shareholder notices have been received from the following shareholders:

Substantial Shareholder	Number of Shares	Percentage of Issued Shares
Federation Mining Pty Ltd	49,648,202	12.4%
WAM Capital Limited	45,137,204	11.3%
Rollason Pty Ltd	39,136,589	9.8%
Mutual Investments Pty Ltd	26,248,575	6.6%

### On-Market Buy Back

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

### 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 \$0.8486 each that expire on 25 November 2022	1,100,000	4
Unlisted options at an exercise price of \$0.9066 each that expire on 25 November 2024	1,150,000	5
Unlisted options at an exercise price of \$0.9906 each that expire on 25 November 2024	2,939,495	9
Unlisted performance rights that expire on 22 November 2026	1,861,284	10
Unlisted performance rights that expire on 26 August 2027	2,200,000	9

## ASX Additional Information (Continued)

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 except for Non-Executive Directors for whom details of their unlisted options can be found in the remuneration report.

### Exploration Interests

As at 21 September 2022, the Company has an interest in the following licences:

Location	Project	Licence/Tenement Number	Registered Holder	Beneficial Interest
Tanzania	Nyanzaga	SML00653/2021	Sotta Mining Corporation Limited	84%
		PL 9656/2014	Nyanzaga Mining Company Limited	100%
		PL 9661/2014	Nyanzaga Mining Company Limited	100%
		PL 9662/2014	Nyanzaga Mining Company Limited	100%
		PL 9663/2014	Nyanzaga Mining Company Limited	100%
		PL 9664/2014	Nyanzaga Mining Company Limited	100%
		PL 9770/2014	Nyanzaga Mining Company Limited	100%
		PL 10911/2016	OreCorp Tanzania Limited	100%
		PL 10877/2016	OreCorp Tanzania Limited	100%
		PL 11186/2018	OreCorp Tanzania Limited	100%
		PL 11873/2022	Sotta Mining Corporation Limited	84%
		PL 11874/2022	Sotta Mining Corporation Limited	84%

### Mineral Resources Statement

The Nyanzaga deposit hosts a Mineral Resource Estimate (MRE) of 23.70Mt at 4.03g/t gold for 3.07Moz gold - see **Table A** below.

The 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.

OreCorp Limited – Nyanzaga Deposit – Tanzania Mineral Resource Estimate as at 12 September 2017			
JORC 2012 Classification	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (Moz)
Measured	4.63	4.96	0.738
Indicated	16.17	3.80	1.977
<b>Sub-Total M &amp; I</b>	<b>20.80</b>	<b>4.06</b>	<b>2.715</b>
Inferred	2.90	3.84	0.358
<b>Total</b>	<b>23.70</b>	<b>4.03</b>	<b>3.072</b>

Reported at a 1.5g/t gold cut-off grade. MRE defined by 3D wireframe interpretation with sub cell block modelling. Gold grade for lower grade sedimentary cycle hosted resources estimated using Uniform Conditioning using a 2.5m x 2.5m x 2.5m SMU. Totals may not add up due to appropriate rounding of the MRE.

**Table A: Nyanzaga Deposit – Current Mineral Resource Estimate**

The grade tonnage tabulation for the Nyanzaga MRE block model is presented in **Table B**.

## ASX Additional Information (Continued)

Grade and Tonnage Tabulation				
Gold g/t Cut-off	Tonnage (Million)	Gold g/t	Gold koz	In-Situ Dry Bulk
2.75	12.9	5.75	2,389	2.83
2.50	14.3	5.46	2,504	2.82
2.25	15.7	5.18	2,609	2.82
2.00	17.3	4.89	2,723	2.81
1.75	19.6	4.54	2,858	2.81
<b>1.50</b>	<b>23.7</b>	<b>4.03</b>	<b>3,072</b>	<b>2.82</b>
1.25	30.3	3.45	3,366	2.82
1.00	45.0	2.69	3,897	2.82
0.75	65.3	2.13	4,469	2.83
0.50	103.7	1.57	5,246	2.83
0.45	91.5	1.50	5,366	2.83

**Table B: Grade and Tonnage Tabulation - Nyanzaga Deposit**

The Kilimani deposit hosts a Mineral Resource Estimate (MRE) of 6.3Mt at 1.06g/t gold for 213koz gold - see **Table C** below. The 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.

Kilimani Gold Deposit - Mineral Resource Estimate As at 02 May 2022			
Classification	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Indicated	3.4	1.09	119
Inferred	2.9	1.02	94
<b>Total</b>	<b>6.3</b>	<b>1.06</b>	<b>213</b>

Reported at a cut-off grade of 0.4 g/t Au and classified in accordance with the JORC Code (2012 Edition). MRE defined by 3D wireframe interpretation with sub-cell block modelling to honour volumes.  
 Gold grade estimated using ordinary kriging in a 5 m x 5 m x 2 m parent cell.  
 Totals may not add up due to appropriate rounding of the MRE (nearest 5,000 t and 1,000 oz Au).  
 Reasonable prospects for eventual economic extraction supported by a conceptual pit shell generated using a gold price of US\$1500.

**Table C: Mineral Resource Estimate, Kilimani Deposit Reported at 0.4 g/t Au cut-off as at 02 May 2022**

The grade tonnage tabulation for the Kilimani MRE block model is presented in **Table D**.

Grade and Tonnage Tabulation			
Gold g/t Cut-off	KTonnage	Gold g/t	Gold koz
1	2,125	1.75	120
0.9	2,665	1.59	136
0.8	3,345	1.44	155
0.7	4,155	1.30	174
0.6	5,010	1.19	192
0.5	5,780	1.11	206
<b>0.4</b>	<b>6,270</b>	<b>1.06</b>	<b>213</b>
0.3	6,485	1.03	215
0.2	6,535	1.03	216
0.1	6,540	1.03	216
0	6,540	1.03	216

**Table D: Grade and Tonnage Tabulation - Kilimani (at a variety of grade cut-offs)**

## ASX Additional Information (Continued)

### Ore Reserve Statement

The classified Ore Reserve estimate for the Project comprises three distinct operations:

- Nyanzaga open pit
- Nyanzaga underground
- Kilimani open pit

The combined Probable Ore Reserve is 40.08 Mt at 2.02 g/t Au for 2.60 Moz as reported in **Table E**.

Area	Probable Ore Reserve	Total Ore Reserve
<b>Nyanzaga open pit</b>		
Ore tonnes (Mt)	25.63	25.63
Gold grade (g/t)	1.35	1.35
Gold contained (Moz)	1.11	1.11
<b>Kilimani open pit</b>		
Ore tonnes (Mt)	2.04	2.04
Gold grade (g/t)	1.05	1.05
Gold contained (Moz)	0.07	0.07
<b>Nyanzaga underground</b>		
Ore tonnes (Mt)	12.42	12.42
Gold grade (g/t)	3.57	3.57
Gold contained (Moz)	1.42	1.42
<b>Total*</b>		
Ore tonnes (Mt)	<b>40.08</b>	<b>40.08</b>
Gold grade (g/t)	<b>2.02</b>	<b>2.02</b>
Gold contained (Moz)	<b>2.6</b>	<b>2.6</b>

\*Note: Rounding may cause summation differences

**Table E: Nyanzaga Ore Reserve by classification (as of June 2022; 100% basis)**

The cut-off grade of the open pits ranged from 0.44 g/t to 0.52 g/t gold, depending on rock type, and the cut-off grade for the underground is 2.0 g/t gold. The Competent Person has classified all Measured Resource to a Probable Ore Reserve as no production reconciliation data is available to validate the technical modifying factors used in this study.

### Comparison with Previous Year

The Company confirms that there have been no material changes to the Nyanzaga Deposit MRE from the previous year.

The Company's Kilimani Mineral Resources as at 2 June 2020 and 2 May 2022, reported in accordance with the 2012 Edition of the JORC Code and Chapter 5 of the ASX Listing Rules is shown in Table F. The Kilimani MRE is 6.27 Mt @ 1.06 g/t Au for 213 koz of gold (compared to the previous reported Inferred only MRE of 5.64 Mt @ 1.21 g/t Au for 220 koz of gold). There has been a significant increase in the confidence in the bulk density analysis, increasing confidence in the tonnage estimate. The Kilimani MRE is now classified as Indicated (55%) and Inferred (45%).



## ASX Additional Information (Continued)

Kilimani Deposit	Mineral Resources as at 2 June 2020			Mineral Resources as at 2 May 2022		
	JORC Classification	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (Koz)	Tonnes (Mt)	Gold Grade (g/t)
Indicated	-	-	-	3.4	1.09	119
Inferred	5.64	1.21	220	2.9	1.02	94
<b>Total</b>	<b>5.64</b>	<b>1.21</b>	<b>220</b>	<b>6.3</b>	<b>1.06</b>	<b>213</b>

*Table F: Comparison of the Kilimani 2020 and 2022 MRE's*

### Governance of Resources

The Company engages employees, external consultants and competent persons (as determined pursuant to the JORC 2012 Code) to assist with the preparation and calculation of estimates for 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 annually each year, for inclusion in the Company's Annual Report. 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 circumstances 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 Statements comply with JORC 2012.

Additional information for the "Nyanzaga Deposit Annual Mineral Resource Statement as at 12 September 2017" the "Kilimani Deposit Annual Mineral Resource Statement as at 2 May 2022" and the "Nyanzaga Ore Reserve Estimate as at June 2022" is available on the OreCorp website at [www.orecorp.com.au](http://www.orecorp.com.au) and lodged with the ASX (refer to the announcements dated 12 September 2017, 5 May 2022 and 22 August 2022 respectively).

### JORC 2012 Competent Persons Statements

The Annual Mineral Resources Statements for Nyanzaga and Kilimani are based on, and fairly represent, information and supporting documentation prepared by the respective competent persons named below.

The information in this report that relates to the Nyanzaga Mineral Resource Estimate is based on, and fairly represents, information and supporting documentation 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 JORC Code (2012 Edition). Mr Titley has approved the Nyanzaga Mineral Resource Estimate as a whole and consents to its inclusion in the report in the form and context in which it appears.

## ASX Additional Information (Continued)

The information in this report that relates to the Kilimani Mineral Resource Estimate is based on, and fairly represents information and supporting documentation reviewed by Mr Anton Geldenhuys, a Competent Person who is a Member of the South African Council for National Scientific Professions (SACNASP). Mr Geldenhuys (Principal Resource Consultant) is an independent consultant with CSA Global and 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 JORC Code (2012 Edition). Mr Geldenhuys has approved the Kilimani Mineral Resource Estimate as a whole and consents to its inclusion in the report in the form and context in which it appears.

The information in this report that relates to the Ore Reserves for the Nyanzaga Project is based on, and fairly represents, information and supporting documentation compiled by Mr Allan Earl, a Competent Person, who is an employee of Snowden Optiro and a Fellow of the Australian Institute of Mining and Metallurgy. Mr Earl 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 JORC Code (2012 Edition). Mr Earl has approved the Ore Reserves for the Nyanzaga Project as a whole and consents to the inclusion in the report in the form and context in which it appears.

## Disclaimer / Forward Looking Information

### Forward Looking Information

This report contains certain forward-looking statements, guidance, forecasts, estimates, prospects and projections in relation to future matters that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events, which as at the date of this report are considered reasonable, but that may or may not eventuate (Forward-Looking Statements). Forward-Looking Statements can generally be identified by the use of forward-looking words such as, 'anticipate', 'estimates' 'will', 'should', 'could', 'may', 'expects', 'plans', 'forecast', 'target' or similar expressions and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs. Indications of, and guidance on future earnings, cash flows, costs, financial position and performance are also Forward-Looking Statements. All of the results of the DFS constitute Forward-Looking Statements, including future production targets, estimates of internal rates of return, net present value, assumed long-term gold price, proposed mining plans and methods, mine life estimates, cashflow forecasts and estimates of capital and operating costs. Statements concerning mineral resource and ore reserve estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralisation that will be encountered if a mineral property is developed.

Persons reading this report are cautioned that such statements are only predictions, and that actual future results or performance may be materially different. Forward-Looking Statements, opinions and estimates included in this report are based on assumptions and contingencies which are subject to change, without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward-Looking Statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-Looking Statements are subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. No representation or warranty, express or implied, is made by OreCorp that any Forward-Looking Statement will be achieved or proved to be correct. Further, OreCorp disclaims any intent or obligations to update or revise any Forward-Looking Statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

### Cautionary Statements

The production target for the Project disclosed in this report comprises 92% Probable Ore Reserves and 8% Inferred Mineral Resources at a long-term gold price of US\$1,500/oz. The production target is based on the Study. Most of the inferred material is associated with the depth extension of the underground (below 700 mRL) and processed in the last three years of production. The inferred material does not have a material effect on the technical and economic viability of the Project. The Mineral Resources and Ore Reserves underpinning the production target were prepared by Competent Persons in accordance with the JORC Code (2012 Edition).

The stated production target is based on the Company's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish further confidence that this target will be met. 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.

The consideration of the application of all JORC modifying factors is well advanced, including mining studies, processing and metallurgical studies, grant of the SML and EC, and lodgement of other key permits required from the government. The Company has concluded it has a reasonable basis for providing the forward-looking statements included in this report and the aforementioned announcements and believes that it has a "reasonable basis" to expect it will be able to fund the development of the Project.

All material assumptions on which the forecast financial information is based, are referred to in the Company's announcement on 22 August 2022.



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