

ORO VERDE LIMITED

ABN 84 083 646 477

HALF YEAR FINANCIAL REPORT

31 December 2014

ORO VERDE LIMITED
HALF YEAR FINANCIAL REPORT 31 December 2014

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Competent Person Statement

Information in this report that relates to previously reported Exploration Results and Foreign Resource Estimates have been cross-referenced in this report to the date that they were reported to ASX. Oro Verde Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcement.

ORO VERDE LIMITED

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Corporate Directory

ABN: 84 083 646 477

Directors

W G Martinick	Non-Executive Chairman
B L Farrell	Non-Executive Director
A P Rovira	Non-Executive Director
B D Dickson	Executive Finance Director

Chief Executive Officer

T Woolfe

Company Secretary

B D Dickson

Registered Office and Principal Place of Business

Level 1
30 Richardson Street
West Perth WA 6005
Telephone: 08 9481 2555
Fax: 08 9485 1290

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Auditors

Hewitt, Turner & Gelevitis
Suite 4, 1st Floor
63 Shepperton Road
Victoria Park WA 6100

Bank

National Australia Bank
96 High Street
Fremantle WA 6160

ORO VERDE LIMITED

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Directors' Report

The Directors present their report together with the consolidated financial report for the six months ended 31 December 2014 and the independent review report thereon.

DIRECTORS

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

W G Martinick
 B L Farrell
 A P Rovira (appointed 21 November 2014)
 B D Dickson (appointed 21 November 2014)
 G R O'Dea (retired 21 November 2014)
 D H Ward (retired 21 November 2014)

REVIEW OF OPERATIONS

The last six months has been a period of transformation for Oro Verde Limited ("**Oro Verde**" or "**the Company**"). It changed its focus from Chile to Nicaragua with the acquisition of Goldcap Resources Limited ("**Goldcap**"), a mineral exploration company specifically established to take advantage of emerging opportunities in Central America with a focus on Nicaragua - a safe, stable and democratic country with a strongly growing economy.

Following its decision to focus its activities in Nicaragua, a number of changes were made to Oro Verde's Board and Management effective 21st November 2014:

- Mr Trevor Woolfe was appointed as Chief Executive Officer of Oro Verde.
- Mr Tony Rovira was appointed to the Board as a Non-executive Director.
- Company Secretary, Mr Brett Dickson, joined the Board as an Executive Finance Director.
- Executive Chairman and Managing Director, Dr Wolf Martinick, relinquished his role as Managing Director and moved to Non-executive Chairman.
- Executive Technical Director, Dr Brad Farrell, remains as a Technical Director but in a Non-executive capacity.
- Directors Mr Ross O'Dea and Mr David Ward both retired from the OVL Board.

On 11 November 2014, Oro Verde announced the signing of an Option to Purchase Agreement over the high grade Topacio Gold Project, located in southeastern Nicaragua (Figure 1).

TOPACIO GOLD PROJECT

The 93 km² Topacio Gold Project contains a number of artisanal gold mine workings with the main gold showings of importance consisting of generally east-northeast striking and northwest steeply dipping, one to three metre wide epithermal quartz veins, six of which were mined in the period from 1900 to 1917, with an estimated 160,000 tonnes extracted grading approximately 8 g/t gold and 80 g/t silver.

The project boasts a historical NI 43-101 (Canadian standard, similar to JORC) compliant Inferred Resource of:

2,716,176 tonnes at 3.9 g/t gold, containing 340,345 ounces of gold, at a 1.5 g/t gold cut-off¹

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

¹ Refer to ASX announcement dated 11 November 2014 "High Grade Gold Project Acquired"

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Directors' Report (Cont'd)

Modern exploration by foreign companies during the past 30 years defined consistent high grade gold mineralisation throughout the Topacio vein system. This work, comprising mapping, surface and underground mine sampling, trenching and drilling, produced some excellent gold results.



Figure 1 Major Nicaraguan gold deposits and the location of the Topacio Gold Project

SAN ISIDRO GOLD PROJECT (Nicaragua - 100% OVL)

Oro Verde is the holder of a 2,520 hectare mining concession located adjacent to the 2.4 million ounce La India gold resource (Condor Gold plc) in northwestern Nicaragua (Figure 1). On 21 December 2014, Condor announced a positive PFS for its La India Gold Project.

As reported on 8 August 2014, the San Isidro Gold Project adjoins the eastern boundary of the La India Project. One of Condor's deposits is the historical Cristalito gold mine on which a small, high grade gold deposit has been identified. Hosted within quartz veins and shear zones, this mineralised zone appears to trend northeasterly into the San Isidro property².

Oro Verde is currently finalising its environmental and community requirements prior to a reconnaissance mapping and sampling program anticipated for the first half of 2015.

COUNTRY MANAGER – NICARAGUA

On 22 January 2015, Oro Verde reported that it had successfully attracted a high calibre Nicaraguan mining industry expert to the role of Country Manager³.

Mr David Turner has held roles ranging from Chief Mine Geologist and Exploration Manager through to General Manager and Exploration Director, with companies including BHP Minerals, Kinross Gold, Yamana Gold and more recently overseeing exploration at the operations of HEMCO in the highly productive Golden Triangle (Bonanza) district (Figure 1) in northeast Nicaragua.

² Refer to ASX announcement dated 8 August 2014 "Oro Verde Expands into Nicaragua"

³ Refer to ASX announcement dated 22 January 2015 "Country Manager Appointed in Nicaragua"

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Directors' Report (Cont'd)

Mr Turner brings an intimate understanding of the Nicaraguan mining and exploration system which, along with his fluency in the Spanish language, will be a distinct advantage to the strategy and objectives of Oro Verde.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditors, Hewitt, Turner & Gelevitis to provide the Directors with a written independence declaration in relation to their review of the financial report for the half year ended 31 December 2014. The written auditor's independence declaration is attached at page 18 and forms part of this Directors' report.

Signed in accordance with a resolution of directors.



W G Martinick
Chairman
Perth 12 March 2015

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	CONSOLIDATED	
		31 December 2014 \$	31 December 2013 \$
Continuing operations			
Interest income		6,570	8,602
Salaries and wages		(27,756)	(122,418)
Directors' Fees		-	(105,000)
Travel and accommodation		(74,072)	(30,145)
Promotion		-	(8,050)
Consultants		(77,514)	(108,300)
Insurance		(7,004)	(8,052)
Legal fees		(36,351)	(2,620)
Administration expenses		(76,741)	(4,841)
Other		(25,058)	(51,990)
Share based payments		(41,200)	(7,700)
Impairment of goodwill	8	(654,060)	-
Profit /(Loss) from continuing operations before Income tax		(1,013,186)	(440,514)
Income tax credit/(expense)		-	-
Profit /(Loss) from continuing operations after income tax		(1,013,186)	(440,514)
Profit /Loss from discontinuing operations	9	33,025	(808,342)
Loss for the period		(980,161)	(1,248,856)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Changes to available-for-sale financial assets, net of tax		-	5,646
Exchange differences in translating foreign controlled entities		(10,646)	(27,259)
Other comprehensive income net of tax		(10,646)	(21,613)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(990,807)	(1,270,469)
<i>Earnings per share for loss attributable to the ordinary equity holder of the parent:</i>			
Basic earnings per share (cents per share)		(0.29)	(0.82)
Diluted earnings per share (cents per share)		(0.29)	(0.82)

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

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Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2014

	Note	CONSOLIDATED	
		31 December 2014	30 June 2014
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	4	536,154	334,628
Receivables		10,957	-
Other		11,618	4,639
Total Current Assets		558,729	339,267
Non-current Assets			
Plant and equipment		963	4,762
Exploration & Evaluation expenditure		172,518	-
Total Non-current Assets		173,481	4,762
TOTAL ASSETS		732,210	344,029
LIABILITIES			
Current Liabilities			
Payables		56,296	86,571
Provisions		-	23,077
Total Current Liabilities		56,296	109,648
TOTAL LIABILITIES		56,296	109,648
NET ASSETS		675,914	234,381
EQUITY			
Issued Capital	5	18,987,529	18,250,449
Reserves		4,933,910	4,249,296
Accumulated losses		(23,245,525)	(22,265,364)
TOTAL EQUITY		675,914	234,381

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

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Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

CONSOLIDATED

	Ordinary shares	Convertible notes Reserve	Available for sale Assets Reserve	Share option Reserve	Foreign Currency Translation Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$	\$	\$
At 1 July 2014	18,250,449	136,403	-	4,102,201	10,692	(22,265,364)	234,381
Loss for the period	-	-	-	-	-	(980,161)	(980,161)
Other comprehensive loss	-	-	-	-	(10,646)	-	(10,646)
Total comprehensive loss for the period	-	-	-	-	(10,646)	(980,161)	(990,807)
Transactions with owners in their capacity as owners							
Shares issued during the period	739,000	-	-	-	-	-	739,000
Transaction Costs	(1,920)	-	-	-	-	-	(1,920)
Share based payments	-	-	-	695,260	-	-	695,260
At 31 December 2014	18,987,529	136,403	-	4,797,461	46	(23,245,525)	675,914

CONSOLIDATED

	Ordinary shares	Convertible notes Reserve	Available for sale Assets Reserve	Share option Reserve	Foreign Currency Translation Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$	\$	\$
At 1 July 2013	16,331,404	136,403	(5,646)	4,094,501	54,998	(19,797,854)	813,806
Loss for the period	-	-	-	-	-	(1,248,856)	(1,248,856)
Other comprehensive loss	-	-	5,646	-	(27,259)	-	(21,613)
Total comprehensive loss for the period	-	-	5,646	-	(27,259)	(1,248,856)	(1,270,469)
Transactions with owners in their capacity as owners							
Shares issued during the period	1,428,572	-	-	-	-	-	1,428,572
Transaction Costs	(59,705)	-	-	-	-	-	(59,705)
Share based payments	-	-	-	7,700	-	-	7,700
At 31 December 2013	17,700,271	136,403	-	4,102,201	27,739	(21,046,710)	919,904

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

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Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	CONSOLIDATED	
		31 December 2014 \$	31 December 2013 \$
Cash flows from operating activities			
Payments to suppliers and employees		(378,749)	(885,318)
Exploration expenditure		(11,531)	(418,921)
Interest received		6,567	8,602
Net cash flows used in operating activities		(383,713)	(1,295,637)
Cash flows from investing activities			
Cash acquired through acquisition of subsidiary	8	8,747	-
Purchase of plant and equipment		(963)	-
Cash relinquished on disposal of subsidiary	9	(288)	-
Proceeds from disposal of subsidiary	9	1	-
Net cash flows from investing activities		7,497	-
Cash flows from financing activities			
Proceeds from application for shares, net of transaction costs		617,080	1,384,707
Loan repayments		(40,000)	-
Net cash flows from financing activities		577,080	1,384,707
Net increase/(decrease) in cash and cash equivalents		200,864	89,070
Cash and cash equivalents at beginning of period		334,628	720,458
Effect of exchange rate changes on cash and cash equivalents		662	(17,158)
Cash and cash equivalents at end of period	4	536,154	792,370

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

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Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2014

1 BASIS OF PREPARATION

These general purpose financial statements for the interim half year reporting period ended 31 December 2014 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Oro Verde Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014 together with any public announcements made during the half year.

(a) Going Concern

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

The Group has incurred a net loss after tax for the half year ended 31 December 2014 of \$980,161 (2013: \$1,248,856) and experienced net cash outflows from operating activities of \$383,713 (2013: \$1,295,637). At 31 December 2014, the Group had net current assets of \$502,433 (30 June 2014: \$229,619).

The directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report the directors believe the Group can meet all liabilities as and when they fall due. However the directors recognise that additional funding either through the issue of further shares, convertible notes or a combination of both will be required in the short term. The directors are in the process of seeking additional equity funding.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Company will continue to be successful in securing additional funds through debt or equity issues or partial sale of its mineral properties.

Should the directors not achieve the matters set out above, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and liabilities in the normal course of business.

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

(b) Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2014, except for the adoption of new standards and interpretations as of 1 July 2014, noted below:

ORO VERDE LIMITED

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Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2014

1 BASIS OF PREPARATION (Cont'd)

(b) Accounting Policies (Cont'd)

i. New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period, however, the group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There will be some changes to the disclosures in the 30 June 2015 annual report as a consequence of these amendments.

ii. Impact of standards issued but not yet applied by the entity

AASB 9 Financial Instruments address the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2017 but is available for early adoption. When adopted, the standard will affect the group's accounting for its available-for-sale financial assets (if any), since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from *AASB 139 Financial Instruments: Recognition and Measurement* and have not been changed.

2 OPERATING SEGMENT

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

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

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

During the period the Company conducted its activities across two geographic locations, being Australia and Nicaragua, operations in Chile ceased in June 2014.

31 Dec 2014	Australia	Chile	Nicaragua	Total
	\$	\$	\$	\$
Revenues	6,570	-	-	6,570
Profit/(Loss)	(990,765)	33,025	(22,421)	(980,161)
Non-current assets	-	-	173,481	173,481
Total assets	555,523	-	176,687	732,210
Total liabilities	(56,115)	-	(181)	(56,296)
31 Dec 2013				
Revenues	8,602	-	-	8,602
Loss	(440,515)	(808,341)	-	(1,248,856)
Non-current assets	27,293	212,766	-	240,059
Total assets	782,052	291,726	-	1,073,778
Total liabilities	(127,960)	(25,914)	-	(153,874)

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Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2014

3 SIGNIFICANT COMPONENTS OF LOSS AND OTHER COMPREHENSIVE INCOME

	31 December 2014 \$	31 December 2013 \$
Loss for the half year includes the following items that are unusual because of their nature, size or incidence:		
Impairment of Goodwill (refer note 8)	654,060	-
Other Comprehensive Income:		
Available for sale financial assets		
Gain (loss) arising during the year	-	5,646
Exchange difference in translating foreign controlled entities	(10,646)	(27,259)

4 CASH AND CASH EQUIVALENTS

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

	31 December 2014	30 June 2014
Cash at bank and in hand	502,653	301,127
Short-term deposits	33,501	33,501
	<u>536,154</u>	<u>334,628</u>

5 SHARE CAPITAL

	Shares	\$
Balance at 1 July 2014	267,156,737	18,250,449
Shares issued for Goldcap Resources Pty Ltd (refer note 8)	15,000,000	120,000
Share Placement at \$0.008	77,375,000	619,000
Share issue expenses	-	(1,920)
Balance as at 31 December 2014	359,531,737	18,987,529
Balance at 1 July 2013	87,582,417	16,331,404
Rights Issue at \$0.013	81,533,518	1,059,936
Share Placement at \$0.013	9,895,077	128,636
Share Placement at \$0.016	15,000,000	240,000
Share issue expenses	-	(59,705)
Balance as at 31 December 2013	194,011,012	17,700,271

Movements in unlisted options on issue

	Issued	Lapsed	Total number of options
Balance at the beginning of the year			32,114,459
Exercisable at \$0.01, on or before 30 September 2017	71,000,000	-	71,000,000
Exercisable at \$0.05, on or before 30 September 2019	71,000,000	-	71,000,000
Exercisable at \$0.27, on or before 31 December 2014	-	24,364,459	(24,364,459)
Exercisable at \$0.04, on or before 31 March 2016	-	4,250,000	(4,250,000)
Total number of options outstanding as at 31 December 2014			<u>145,500,000</u>

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Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2014

6 EVENTS AFTER THE BALANCE SHEET DATE

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

7 COMMITMENTS AND CONTINGENT LIABILITIES

During the period the Group entered into an Option to complete a Purchase Agreement ("Agreement") to acquire 100% of the Topacio project over a 3 year period with the following material terms:

- a. The Company will commit to a minimum exploration expenditure of US\$2m spend over 3 years;
- b. There will be US\$40,000 payable to the vendor each six months during the Agreement period;
- c. The Company may exercise its Option to Purchase by making a payment of \$1,500,000 plus, at the Vendors election, either a 2% NSR royalty, a payout of US\$1/oz gold in JORC or NI43-101 compliant resources (measured and indicated);
- d. Should Oro Verde commence mining operation before exercising the Option to Purchase, the Vendor will receive a NSR of 3% until the Option is exercised; and
- e. Oro Verde may withdraw from the Agreement at any time.

There have been no other changes in Commitments and Contingent Liabilities since the end of the last annual reporting period.

8. BUSINESS COMBINATION

On 7 August 2014, Oro Verde Limited acquired 100% of the issued capital of Goldcap Resources Limited, a company focussed on exploration in Nicaragua. Through the acquisition of 100% of the issued capital of Goldcap Resources Limited, the Group has gained control of the company. The purchase was satisfied by the issue of 15,000,000 ordinary shares at a deemed \$0.008, 66,000,000 options exercisable at 1 cent with a life of 3 years and 66,000,000 options exercisable at 5 cents with a life of 5 years.

	\$
Purchase consideration	
Equity issued – shares	120,000
– options	654,060
Total purchase consideration	<u>774,060</u>

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair Value
Cash and cash equivalents	8,747
Exploration projects	161,604
Payables	(50,351)
Goodwill -at cost (i)	654,060
Identifiable assets acquired and liabilities assumed	<u>774,060</u>
 Goodwill - at cost (i)	 654,060
Impairment (i)	(654,060)
Goodwill at written down value	<u>-</u>

(i) The goodwill is attributable to the value of the share options issued which were awarded as an incentive for the vendors of Goldcap Resources Limited to continue to assist in adding value to the Group's activities in Nicaragua.

ORO VERDE LIMITED

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Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2014

8. BUSINESS COMBINATION (Cont'd)

(a) Revenue and profit contribution

The acquired business contributed revenues of nil and a net loss of \$26,122 to the group for the period from 7 August 2014 to 31 December 2014.

If the acquisition had occurred on 1 July 2014, consolidated revenue for the period would be unchanged at \$6,570 and consolidated loss for the period would have been \$981,356. These amounts have been calculated the using the subsidiary's results for the full period.

(b) Acquisition – related costs

There were no acquisition related costs.

9. DISCONTINUED OPERATIONS

(a) Sale of Green Mining Limitada

As a result of the acquisition of Goldcap Resources Limited and the focus on Nicaragua, on 8 August the company reached agreement and sold Green Mining Limitada for US\$1.

(b) Financial Performance and cash flow information.

	31 December 2014	31 December 2013
Revenue	-	-
Expenses	-	(808,341)
Loss before income tax	-	(808,341)
Income tax expense	-	-
Profit/(Loss) after income tax of discontinued operations	-	(808,341)
Gain on sale of the division before income tax	33,025	-
Income tax expense	-	-
Gain on sale of the division after income tax	33,025	-
Profit/(Loss) from discontinued operations	33,025	(808,341)
Net cash in/(outflow) from operating activities	-	(829,871)
Net cash in/(out) flow from Investing activities	(287)	-
Net cash in/(out) flow from financing activities	-	-
Net decrease in cash used by the division	(287)	(829,871)

(c) Details of the sale

Consideration	1	
Less: carrying value of net assets/(liabilities) sold		
Cash	288	-
Plant and equipment	4,762	-
Trade creditors	(10,689)	-
Provision for employee entitlements	(27,385)	-
Net liabilities sold	(33,024)	-
Gain on sale before income tax	33,025	
Income tax expense	-	
Gain on sale after income tax expense	33,025	

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Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2014

10. INTERESTS IN SUBSIDIARIES

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

Name	Country of incorporation	Equity interest	
		2014 %	2013 %
E-Resources Pty Ltd	Australia	100	100
Ghazal Minerals Limited	Australia	100	100
Green Mining Limitada	Chile	-	100
Oro Verde SPA	Chile	-	100
Goldcap Resources Limited	Australia	100	-
Minera San Cristobal SA	Nicaragua	100	-

11. FAIR VALUE MEASUREMENT

The Group does not measure any currently held assets and liabilities on a recurring or non-recurring basis.

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Directors' Declaration

The directors of the company declare that:

- a) the financial statements and notes of the consolidated entity as set out in the accompanying pages are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*
- b) Subject to achievement of the matters described in note 1, in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



W G Martinick
Chairman
Perth, 12 March 2015

ORO VERDE LIMITED
A.B.N. 84 083 646 477

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

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ABN: 78 607 011 001
PO Box 199
Victoria Park
Western Australia 6979

To the Directors of Oro Verde Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2014 there have been no contraventions of:

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

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


HEWITT TURNER & GELEVITIS
Audit Assurance Division


TIMOTHY TURNER
PARTNER

Dated this 12th day of March 2015.

**HEWITT
TURNER &
GELEVITIS**



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Management Consultancy

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Registered Company Auditor

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Hewitt Turner & Gelevitis
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**ORO VERDE LIMITED
A.B.N. 84 083 646 477**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS
OF ORO VERDE LIMITED**

Report on the Half Year Financial Report

We have reviewed the accompanying half-year financial report of Oro Verde Limited and controlled entities (the consolidated entity) which comprises the consolidated condensed statement of financial position as at 31 December 2014, the consolidated condensed statement of profit or loss and comprehensive income, the consolidated condensed statement of changes in equity, the consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Half Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of an Interim Report Performed by the Independent Auditor of the Entity in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half year ended on that date, and complying with Australian Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Oro Verde Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Matters Relating to the Electronic Presentation of the Audited Financial Report

This review report relates to the financial report of Oro Verde Limited and controlled entities for the half year ended 31 December 2014 which may be included on the website of Oro Verde Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ORO VERDE LIMITED (continued)

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and
- (b) complying with AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our conclusion, we draw attention to note 1 to the financial report which indicates that the group incurred a net loss of \$980,161 for the six months ended 31 December 2014, experienced net cash outflows from operating activities of \$383,713 and as at 31 December 2014 has net current assets of \$502,433. These conditions along with other matters as set out in Note 1 to the financial report indicate the existence of a material uncertainty which may cast doubt on the entity's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Signed at Perth this 12th day of March 2015.


HEWITT TURNER & GELEVITIS
AUDIT ASSURANCE DIVISION


TIMOTHY TURNER
REGISTERED COMPANY AUDITOR

HEWITT
TURNER &
GELEVITIS

