ORO VERDE LIMITED

ABN 84 083 646 477

HALF YEAR FINANCIAL REPORT

31 December 2013

ORO VERDE LIMITED
HALF YEAR FINANCIAL REPORT 31 December 2013

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Competent Persons Statement

The information contained in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Dr Brad Farrell, BSc Hons Eco Geol, MSc, PhD who is a Fellow of the Australasian Institute of Mining and Metallurgy, a Chartered Professional Geologist of that body, a Member of the Mineral Industry Consultants Association and the Consultants Society of the Australian Institute of Mining and Metallurgy. Dr Farrell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves“ (the JORC Code). Dr Farrell consents to the inclusion in the report of the foregoing matters based on his information in the form and context in which it appears. He is the Technical Director and a substantial shareholder of Oro Verde Limited.

Corporate Directory

ABN: 84 083 646 477

Directors

W G Martinick	Executive Chairman and Managing Director
B L Farrell	Technical Director
G R O'Dea	Non-Executive Director
D H Ward	Non-Executive Director

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
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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

Directors' Report

The Directors present their report together with the consolidated financial report for the six months ended 31 December 2013 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
G R O'Dea
D H Ward

REVIEW OF OPERATIONS

During the period the Company continued its evaluation of the Timon and San Pedro Projects located in the Late Eocene to Oligocene Giant Porphyry Copper Belt of Chile which targets porphyry copper deposits and the Alma Project located in the Coastal Cordillera Copper Belt of Chile which targets iron oxide, copper, gold ("IOCG") deposits. All projects are located in areas of good infrastructure and access. Exploration in the period was directed to the Timon Project.

Timon Project

The 50km^2 Timon Project is located 75km southeast of the city of Copiapo, in Region 3 of Chile. Since its acquisition in early June 2013, the Company has completed detailed geological mapping, geochemical and geophysical (Induced Polarisation ("IP") and magnetic) surveys which has led to a Reverse Circulation ("RC") drilling program being carried out in October-November 2013.

The RC drilling program (5 holes for 2,344m) principally targeted varying geophysical characteristics of the large (1km wide by 3.5km long, open at 800m depth) IP geophysical anomaly. The majority of the holes drilled were, in part, coincident with peak stream sediment copper values in the encompassing stream sediment copper anomaly. The Company announced to Shareholders on 28 January 2014 that assay results from all holes (with the exception of check analyses) had been received.

Strong alteration (argillisation, pervasive silicification), with extensive disseminated pyrite and trace copper sulphide mineralisation, in part in classic quartz stockwork, was noted over large drill widths (200m to 300m) in both the tuffs and andesites and in particular diorite porphyry intruding the flat lying tuffs and andesites. No significant zone of secondary Cu enrichment was noted in the holes drilled. Visual logging of the drill holes has however noted significant and important mineralogical differences in the primary zone with pyrite and copper sulphide minerals, principally chalcopyrite, between and within holes. Notwithstanding this, minor copper mineralised intercepts are only present in the 5 holes drilled to date, with the peak copper value recorded in hole RCT-05, 4m of 0.100% Cu over the interval 156 to 160m.

In summary, the present status of Timon is still work in progress. Drilling remains broad spaced and was targeted on a very wide spaced IP grid, with east-west lines in places 1.4km apart. This drilling has proved the geological and geophysical model of the presence of a large, dominantly pyrite mineralised, porphyry system intruding tuffs and andesites on Timon ridge. Whilst the concentrations of copper mineralisation encountered in the 5 holes are low, results are sufficiently encouraging, taking into account the skeletal nature of the drilled IP grid and observed mineralogy, to warrant consideration of infill IP geophysics and further drilling, once the Company has a better understanding of the geology of the target. Consequently, the Company is undertaking in the next six months further in-house and external independent evaluations of all drill results in relation to the geophysical, geochemical and surface sampling data gathered to date.

Alma Project

The 36km^2 Alma Project is located in the Coastal Cordillera, 40km east of the coastal city of Taltal in Region 2 of Chile. The region near Alma is affected by the Atacama Fault Zone system that contains significant IOCG deposits related to the development of the Jurassic-Lower Cretaceous magmatic arc coring the Cordillera. The project area itself lies within the central portion of the Lower Cretaceous Cerro del Pingo Batholith, a major igneous body, 110km long and up to 40km wide, composed of a number of stocks of diverse composition, ranging from diorites to granites with associated copper-gold, copper-gold-iron and iron mineralisation.

The Alma project is targeting a north-west trending, 2km by 3km, unexplored aeromagnetic anomaly which possibly represents a large IOCG deposit at depth associated with the Atacama Fault Zone system, a similar setting to the huge Manto Verde copper mine, 85km south of Alma.

During the period the Company completed a detailed ground magnetic survey (186 line km of continuous magnetic profiling on 100m line spacing), first pass reconnaissance mapping and geochemical sampling programs (stream sediments and rock samples) of the project area. A zone of alteration, mostly covered by colluvium and caliche, on the structurally disturbed western flank of a 2km by 1km magnetic intrusive body, is now the primary target. This alteration zone, prospective for hosting copper mineralisation, will be evaluated during 2014 by a program of MMI geochemistry with IP geophysical lines to detect buried sulphide mineralisation for early drilling.

San Pedro Project

The exploration target at San Pedro was a buried, mineralised intrusive in a partly exposed caldera feature within an inlier of altered Late Cretaceous to Palaeocene age red sandstones and conglomerates intruded by intrusive breccias which have been exposed by erosion of overlying younger Upper Miocene to Pliocene volcanic cover. Copper mineralisation is present within the caldera feature, mainly in the north, as a 1 to 2m wide polymetallic vein trending east southeast for 600m. The strong hydrothermal alteration affecting the rocks underlying the project area, especially over the 1km by 1.5km area of the inlier is evident in satellite imagery.

Detailed stream sediment geochemistry and ground magnetic coverage (99 line km of continuous magnetic profiling on 100m line spacing) was carried out over the area. As the magnetic data in particular, did not find any direct evidence of a mineralised intrusive system to 800m to 1,000m depth, the project was relinquished.

New Project Development

The Company continues to evaluate further new mineral exploration and development opportunities in Chile.

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 2013. The written auditor's independence declaration is attached at page 19 and forms part of this Directors' report.

Signed in accordance with a resolution of directors.

W G Martinick
Executive Chairman
Perth 28 February 2014

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

FOR THE HALF-YEAR ENDED 31 December 2013

	Note	CONSOLIDATED	
		31 December 2013 $	**31 December 2012 $**
Continuing operations			
Interest income		8,602	37,476
Depreciation		(1,315)	(1,413)
Salaries and wages		(346,603)	(313,720)
Directors' Fees		(105,000)	(114,450)
Travel and accommodation		(38,311)	(37,009)
Promotion		(8,050)	(260)
Consultants		(108,300)	(111,300)
Insurance		(8,052)	(9,515)
Legal fees		(99,749)	(49,520)
Administration expenses		(15,618)	(14,089)
Other		(98,893)	(83,492)
Exploration expense		(363,106)	(617,536)
Share based payments		(7,700)	-
Impairment in investments	3	-	(1,186,508)
Provision against receivable		(56,761)	(124,673)
Share of net loss of associate accounted for using the equity method		-	(6,316)
Profit /(Loss) from continuing operations before Income tax		(1,248,856)	(2,632,325)
Income tax credit/(expense)		-	-
Profit /(Loss) from continuing operations after income tax		(1,248,856)	(2,632,325)
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	323
Exchange differences in translating foreign controlled entities		(27,259)	(5,395)
Other comprehensive income net of tax		(21,613)	(5,072)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,270,469)	(2,637,397)
Earnings per share for loss attributable to the ordinary equity holder of the parent:			
Basic earnings per share (cents per share)		(0.82)	(3.01)
Diluted earnings per share (cents per share)		(0.82)	(3.01)

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

Consolidated Statement of Financial Position

AS at 31 December 2013

	Note	CONSOLIDATED 31 December 2013 $	30 June 2013 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	792,370	720,458
Receivables		29,780	16,157
Other		11,569	5,742
Total Current Assets		833,719	742,357
Non-current Assets			
Investments accounted for using the equity method	5	-	-
Available for sale financial assets	6	27,293	21,647
Property, plant and equipment		6,021	7,685
Exploration & Evaluation expenditure		206,745	267,101
Total Non-current Assets		240,059	296,433
TOTAL ASSETS		1,073,778	1,038,790
LIABILITIES			
Current Liabilities			
Payables		107,457	176,132
Provisions		46,417	48,852
Total Current Liabilities		153,874	224,984
TOTAL LIABILITIES		153,874	224,984
NET ASSETS		919,904	813,806
EQUITY			
Contributed equity	8	17,700,271	16,331,404
Reserves		4,266,343	4,280,256
Accumulated losses		(21,046,710)	(19,797,854)
TOTAL EQUITY		919,904	813,806

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 2013

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

CONSOLIDATED

	Ordinary shares	Convertible notes Reserve	Available for sale Assets Reserve	Share option Reserve	Foreign Currency Translation Reserve	Accumulated losses	Total
	$	$	$	$	$	$	$
At 1 July 2012	16,331,404	136,403	(3,732)	4,071,394	53,641	(15,263,896)	5,325,214
Loss for the period	-	-	-	-	-	(2,632,325)	(2,632,325)
Other comprehensive loss	-	-	323	-	(5,395)	-	(5,072)
Total comprehensive loss for the period	-	-	323	-	(5,395)	(2,632,325)	(2,637,397)
Transactions with owners in their capacity as owners							
Shares issued during the period	-	-	-	-	-	-	-
At 31 December 2012	16,331,404	136,403	(3,409)	4,071,394	48,246	(17,896,221)	2,687,817

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

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	CONSOLIDATED 31 December 2013 $	 31 December 2012 $
Cash flows from operating activities			
Payments to suppliers and employees		(885,318)	(821,615)
Exploration expenditure		(418,921)	(631,473)
Interest received		8,602	37,476
Net cash flows used in operating activities		(1,295,637)	(1,415,612)
Cash flows from investing activities			
Purchase of plant and equipment		-	(87)
Purchase of mineral property		-	(18,115)
Net cash flows from investing activities		-	(18,202)
Cash flows from financing activities			
Proceeds from application for shares, net of transaction costs		1,384,707	-
Net cash flows from financing activities		1,384,707	-
Net increase/(decrease) in cash and cash equivalents		89,070	(1,433,814)
Cash and cash equivalents at beginning of period		720,458	3,207,391
Effect of exchange rate changes on cash and cash equivalents		(17,158)	(5,395)
Cash and cash equivalents at end of period	4	792,370	1,768,182

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

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2013

1 BASIS OF PREPARATION

These general purpose financial statements for the interim half year reporting period ended 31 December 2013 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 2013 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 2013 of $1,248,856 (2012: $2,632,325) and experienced net cash outflows from operating activities of $1,295,637 (2012: $1,415,612). At 31 December 2013, the Group had net current assets of $679,845 (30 June 2013: $517,373).

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 2013, except for the adoption of new standards and interpretations as of 1 July 2013, noted below:

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2013

1 BASIS OF PREPARATION (Cont'd)

(b) Accounting Policies (Cont'd)

- AASB 10 *Consolidated Financial Statements*

AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation – Special Purpose Entities*.

The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.

The adoption of AASB 10 had no effect on the financial position or performance of the Company.

Refer to note 1(c) below for the revised wording of the accounting policy for consolidation.

- AASB 11 *Joint Arrangements*

AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly- controlled Entities – Nonmonetary Contributions by Venturers*.

AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.

The adoption of AASB 11 had no effect on the financial position or performance of the Company.

- AASB 12 *Disclosure of Interests in Other Entities*

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures requirements have been introduced regarding the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.

The adoption of AASB 12 had no material impact on the financial statements of the Company.

- AASB 13 *Fair value measurement*

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.

AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

The adoption of AASB 13 had no effect on the financial position or performance of the Company.

Although this standard does not change the accounting policies on fair value measurement, the directors have determined that additional accounting policies providing a general description of fair value measurement and each level of the fair value hierarchy, as set out in note 1(d), should be incorporated in the financial statements.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2013

1 BASIS OF PREPARATION (Cont'd)

(b) Accounting Policies (Cont'd)

- AASB 119 *Employee Benefits*

The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.

The adoption of AASB 119 did not have material effect on the financial position or performance of the Company.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(c) Principles of Consolidation

The parent entity and its subsidiaries are collectively referred to as the "Group". The parent of this Group is Oro Verde Limited. Entities (including structured entities) over which the parent (or the Group) directly or indirectly exercises control are called 'subsidiaries". The consolidated financial statements incorporate the assets, liabilities and results of all subsidiaries. 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 over the entity. A list of the Group's subsidiaries is provided in Note 7.

The assets, liabilities and results of subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group companies are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are referred to as 'non-controlling interests'. The Group recognises any non-controlling interests in subsidiaries on a case-by-case basis either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

(d) Fair Value Assets and Liabilities

The Group measures some of 'the assets and liabilities it holds at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard (for the respective accounting policies of such assets and liabilities, refer to the latest annual financial statements). 'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing buyers and sellers operating in a market. "Market' is taken to mean either a market with the greatest volume and level at activity for such asset or liability, or a market that maximises the receipts from the sale of' an asset or minimises the payment made to transfer a liability after taking into account transaction costs and transport costs.

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Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2013

1 BASIS OF PREPARATION (Cont'd)

(d) Fair Value Assets and Liabilities (Cont'd)

Valuation techniques

The Group selects and uses one or more valuation techniques to measure the fair values of a particular asset or liability. The Group selects a valuation technique that Is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions).and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered "observable", whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered "unobservable".

Fair value hierarchy

The Group adopts a 'fair value hierarchy" to categorise the fair value measurements derived from the valuation techniques into three levels (as described below). The purpose of this classification is to indicate the relative subjectivity of the fair values derived. This classification is made by prioritising the inputs used in each valuation technique on the basis of the extent to which such inputs are observable.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2013

1 BASIS OF PREPARATION (Cont'd)

(d) Fair Value Assets and Liabilities (Cont'd)

Level 1	Level 2	Level 3
Level 1 fair values are considered to be the best indication (and therefore the most reliable evidence) of fair value. Inputs used to measure Level 1 fair values are unadjusted quoted prices for identical assets /liabilities in active markets (eg Australian Securities Exchange) where transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.	Inputs used to measure Level 2 fair values are inputs (other than quoted prices included in Level 1) that are observable either directly or indirectly. Level 2 inputs include: - quoted prices for similar assets/liabilities in active markets; - quoted prices for similar or identical assets/liabilities in non-active markets; - foreign exchange rates; - market interest rates; - yield curves observable at commonly quoted intervals; - implied volatilities; and - credit spreads.	Level 3 fair values use unobservable inputs specific to the particular asset or liability because observable inputs are not available for such asset or liability.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (ie transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

2 OPERATING SEGMENT

The Group has based its operating segment on the 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 2013 year the Company conducted its activities across two geographic locations, being Australia and Chile. During the 2012 year the Company conducted its activities across three geographic locations, Australia, Chile and Mauritania.

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Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2013

2 OPERATING SEGMENT (Cont'd)

31 Dec 2013	Australia	Chile	Mauritania	Total
	$	$	$	$
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)
31 Dec 2012				
Revenues	37,476	-	-	37,476
Loss	(409,617)	(2,222,708)	-	2,632,325
Non-current assets	23,930	68,271	900,000	992,201
Total assets	1,746,484	142,369	900,000	2,788,853
Total liabilities	(70,465)	(30,571)	-	(101,036)

3 SIGNIFICANT COMPONENTS OF LOSS AND OTHER COMPREHENSIVE INCOME

	31 December 2013 $	31 December 2012 $
Loss for the half year includes the following items that are unusual because of their nature, size or incidence:		
Impairment of Investments (refer note 5)	-	(1,186,508)
Other Comprehensive Income:		
Available for sale financial assets		
Gain (loss) arising during the year	5,646	323
Exchange difference in translating foreign controlled entities	(27,259)	(5,395)

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:

Cash at bank and in hand	758,869	1,734,681
Short-term deposits	33,501	33,501
	792,370	1,768,182

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Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2013

5. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Shares in associate	-	-
Movements in carrying amounts		
Carrying amount at the beginning of the financial period	-	1,192,824
Additions	-	-
Provision for impairment	-	(1,192,824)
Carrying amount at the end of the financial year	-	-

For the period ended 31 December 2012 shares in associate represents an investment in an unlisted company, Minera Chuminga ("Chumi"), a Chilean based company that held the mineral licences for the Chuminga project, a project in which the Group initially acquired a 20% interest. The Group had an option to acquire the balance it did not own, however that option expired in December 2012.

In 2012 the directors assessed the Company as having no value. Accordingly a provision for impairment of the full book value of $1,192,824 was made.

Early in 2013 operational management of Chumi reverted to its 80% shareholder after Oro Verde chose not to exercise its option increase its ownership to 100%. During the second half of 2013 the 80% owner failed to renew the underlying tenements of the Chumi project and, as a consequence, Oro Verde gained 100% ownership of Chumi, changed its company status and renamed it Oro Mining SpA. Oro Mining's sole assets are tax losses and VAT credits which may be offset against future mining activities, should they occur.

The results of Oro Mining SpA are now consolidated into the financial statements of Oro Verde Limited. Refer to note 7.

6 AVAILABLE FOR SALE FINANCIAL ASSETS

	31 December 2012 $	30 June 2012 $
Listed shares at fair value – Level 1 (i)		
China Africa Resources plc	27,293	21,647
Total available-for-sale assets	27,293	21,647

During the half year, the balance movement was as follows:

Opening balance 1 July 2013	21,647
Purchases	-
Sales	-
Fair value adjustment to reserve	5,646
Closing balance 31 December 2013	27,293

(i) Fair value is determined by reference to quoted prices in an active market – Level 1.

ORO VERDE LIMITED
HALF YEAR FINANCIAL REPORT 31 DECEMBER 2013

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2013

7 INTERESTS IN SUBSIDIARIES

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's country of incorporation or registration is also its principal place of business.

	Principal Place of Business	Ownership Interest held by the Group		Proportion of Non-controlling Interests	
		31 Dec 2013	30 June 2013	31 Dec 2013	30 June 2013
E – Resources Pty Ltd and its subsidiary	Australia	100%	100%	-	-
Ghazal Minerals Limited	Australia	100%	100%	-	-
Green Mining Limitada	Chile	100%	100%	-	-
and its subsidiary Oro Mining SpA	Chile	100%	20%	-	80%

Subsidiaries' financial statements used in the preparation of these consolidated financial statements have also been prepared at the same reporting date as the Group's financial statements.

8 SHARE CAPITAL

	Shares	$
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**
Balance at 1 July 2012	**87,582,417**	**16,331,404**
Movement during the period	-	-
Balance at 31 December 2012	**87,582,417**	**16,331,404**

9 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.

10 COMMITMENTS AND CONTINGENT LIABILITIES

There has been no change in Commitments and Contingent Liabilities since the end of the last annual reporting period.

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 2013 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
Executive Chairman
Perth, 28 February 2014

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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HEWITT TURNER & GELEVITIS

BUSINESS DEVELOPMENT CONSULTANTS

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Asset Protection
Audit Assurance
Taxation Advisors
Strategic Planning
Accounting Services
Management Consultancy

PRINCIPALS

Timothy Turner
B.BUS (ACC), FCPA, FTIA
Registered Company Auditor

Vick Gelevitis
B.BUS (ACC), FCPA, NTAA, FTIA

Darryl Rodrigues
B.Sc, B.BUS (ACC), CPA

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 2013 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 28th day of February 2014.

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 2013, 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 2013 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 2013 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 2013 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 $1,248,856 for the six months ended 31 December 2013, experienced net cash outflows from operating activities of $1,295,637 and as at 31 December 2013 has net current assets of $679,845. 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 28th day of February 2014.

HEWITT TURNER & GELEVITIS
AUDIT ASSURANCE DIVISION

TIMOTHY TURNER
REGISTERED COMPANY AUDITOR