



**Orion Minerals Ltd**

**and its Controlled Entities**

**ABN: 76 098 939 274**

**31 December 2023  
Interim Financial Report**

This interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Orion Minerals Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

## Corporate Directory

### BOARD OF DIRECTORS

Mr Denis Waddell (Non-Executive Chairman)  
Mr Errol Smart (Managing Director/CEO)  
Mr Godfrey Gomwe (Non-Executive Director)  
Mr Anothony Lennox (Non-Executive Director)  
Ms Patience Mpofu (Non-Executive Director)  
Mr Mark Palmer (Non-Executive Director)

### COMPANY SECRETARY

Mr Martin Bouwmeester

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 27  
120 Collins Street  
Melbourne, Victoria, 3000  
Telephone: +61 (0)3 8080 7170

### AUDITOR

Mazars Melbourne Assurance Pty Ltd  
Level 5  
600 Bourke Street  
Melbourne, Victoria 3000

### SHARE REGISTRY

Link Market Services Limited  
QV1, Level 2, 250 St Georges Terrace  
Perth, Western Australia 6000  
Telephone: +61 1300 306 089

### STOCK EXCHANGE LISTING

Primary listing:  
Australian Securities Exchange (ASX)  
ASX Code: ORN

Secondary listing:  
JSE Limited (JSE)  
JSE Code: ORN

### JSE SPONSOR

Merchantec Capital  
13<sup>th</sup> Floor, Illovo Point  
68 Melville Road  
Illovo, Sandton 2196

### WEBSITE

[www.orionminerals.com.au](http://www.orionminerals.com.au)

## Directors' Report

The directors present their report together with the consolidated interim financial report for the half year ended 31 December 2023 and the independent auditor's review report thereon.

### DIRECTORS

The names of Orion Minerals Ltd Directors at any time during or since the end of the half year are:

Director	Designation	Appointed
<b>Non-executive</b>		
Mr Denis Waddell	Non-executive Chairman	27 February 2009
Mr Godfrey Gomwe	Non-executive Director	16 April 2019
Mr Anothony Lennox	Non-executive Director	13 December 2023
Ms Patience Mpfu	Non-executive Director	13 December 2023
Mr Mark Palmer	Non-executive Director	31 January 2018
<b>Former non-executive</b>		
Mr Thomas Borman (resigned 10 October 2023)	Non-executive Director	16 April 2019
Mr Philip Kotze (resigned 15 February 2024)	Non-executive Director	5 April 2023
<b>Executive</b>		
Mr Errol Smart	Managing Director	26 November 2012

### CORPORATE STRUCTURE

Orion Minerals Ltd (**Orion** or **Company**) is a public company limited by shares, that is incorporated and domiciled in Australia. The Company has prepared a consolidated interim financial report incorporating the entities that it controlled during the financial reporting period, including those newly acquired (referred to as the **Group**).

### NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the Group during the reporting period were exploration, evaluation and development of base metal, gold and platinum-group element (**PGE**) projects in South Africa (Areachap Belt and Okiep Copper Complex, Northern Cape). The Company also holds interests in the Fraser Range Nickel-Copper and Gold Project in Western Australia and the Walhalla Project in Victoria, Australia. There were no significant changes in the nature of the Group's principal activities during the reporting period.

## Directors' Report (continued)

### OPERATING RESULTS

The Group recorded a loss for the half year of \$5.65 million (31 December 2022: loss of \$7.47 million). The result is driven primarily by contractor and advisor expenses of \$1.30 million, exploration expenditure incurred of \$2.13 million which, under the Group's deferred exploration, evaluation and development policy, did not qualify to be capitalised and was expensed and finance income of \$2.87 million, principally related to interest receivable on the Company's investment in preference shares, issued to the Company (through its subsidiary Agama Exploration & Mining (Pty) Ltd (**Agama**)) by Prieska Resources Pty (Ltd) (**Prieska Resources**).

Net cash used in operating and investing activities for the half year totalled \$11.59 million (31 December 2022: \$7.80 million) and included payments for exploration and evaluation activities of \$6.73 million (31 December 2022: \$5.11 million). The Group continues to focus strongly on the development of its Prieska Copper Zinc Mine in South Africa's Areachap geological terrane, Northern Cape (**PCZM**), Okiep Copper Project, Jacomynspan Project, and exploration within its Areachap Belt projects in South Africa.

Net cash from financing activities totalled \$15.47 million and included proceeds from the issue of ordinary shares of \$2.86 million.

Cash on hand as at 31 December 2023 was \$10.96 million (30 June 2023: \$7.56 million).

The basic loss per share for the Group for the half year was 0.08 cents and diluted loss per share for the Group for the half year was 0.08 cents (31 December 2022: basic loss per share 0.14 cents and diluted loss per share 0.14 cents).

### REVIEW OF OPERATIONS

#### **Executive Summary**

Orion is building a high-quality pipeline of critical metals' assets to supply the demands created by the global clean energy transition. The company has set itself the aspirational corporate objective of achieving first copper sales from its development projects in 2025 and growing copper production of greater than 50Ktpa by the end of the decade.

During the reporting period Orion successfully navigated a pivotal developmental stage. The company has transformed from being a pure explorer and feasibility study executioner to being a mining company actively developing an operational underground mine. The composition of the management and operations teams has been transformed with core mining, engineering, technical services, logistics and administration teams secured and operational contractor teams successfully mobilised to site at Prieska Copper Zinc Mine (PCZM). Trial mining has commenced at the flagship PCZM with copper ore from trial mining currently being stockpiled on surface at PCZM.

Orion reported an updated Mineral Resource Estimate for the +105 Block at PCZM early during the reporting period. This Mineral Resource includes supergene and hypogene sulphides of 1.3m tonnes with a grade of 2.4% Cu and 2.1% Zn with 30,000 tonnes contained Cu and 27,000 tonnes contained Zn. The +105 Block Resource lies above the current water level of 269m and has been identified as an attractive early mining opportunity focussed on the high-grade sulphide mineralisation. This will underpin the Company's near-term mining development.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

Site preparation and site establishment for trial mining of the +105 Block commenced in August 2023. Mining contractors began mobilising to site in September 2023. Importantly, the first funding drawdowns from the combined total A\$33m Industrial Development Corporation (IDC) and Triple Flag funding facilities was completed in early August 2023.

The first development blast occurred in November 2023 and the access ramp reached the +105 Block at 95m level in January 2024. Ore development is continuing to test strike and dip extensions within the +105 Block.

Ore sourced from the trial mining will be used for metallurgical optimisation tests and the detailed design of a modular sulphide concentrator plant. The data and results will feed into the Early Production Plan and revised Life of Mine Feasibility Study, which is on-track for completion in Q3 CY2024.

At the Okiep Copper Project (**OCP**), Orion is finalising the Bankable Feasibility Study for the Flat Mines area, with ongoing review by independent experts appointed by the debt advisor. Land access negotiations were concluded in January 2024 resulting in Orion acquiring a key 12,156ha surface right covering the area which is the focus of the intended initial mining at Flat Mines. Orion is now able to access sites, not previously accessible to undertake a validation drilling program, to verify the historical data that underpinned the Mineral Resource Estimates at the Flat Mines East, North and South deposits and to further de-risk the study. The Flat Mines Feasibility Study is scheduled for completion by Q3 CY2024 after completion of the verification drilling.

At the Jacomynspan Nickel-Copper-Cobalt-PGE Project (**JMP**), planning for a trial mining program to support pilot scale metallurgical test work programs is progressing well. Laboratory scale test work to confirm amenability of the Jacomynspan sulphide concentrate to Metal Vapour Refining Technology, is delivering pleasing results.

The Company strives at all times to achieve a sustainable balance between intense operational effort and maintaining a strong focus on safety, environment and community.

### HEALTH AND SAFETY, ENVIRONMENTAL, SOCIAL AND GOVERNANCE

#### Health and Safety

One minor injury, not resulting in lost time, was reported during the half year period. The hours worked for the 6 months ended 31 December 2023 are shown in Table 1.

**Table 1: Hours worked at Orion's Areachap and Okiep Copper Projects for the reporting period (South Africa).**

Category of Work	Hours Worked
	6 months to December 2023
Exploration	9,155
Surface	24,106
Underground	37,546
Contractors	27,562
<b>Total</b>	<b>98,369</b>

The Lost-Time Injury Frequency Rate (**LTIFR**) per 200,000 hours worked is 0 for the 2023 calendar year. At the end of the reporting period, the Company achieved 1,597 days without a lost time injury (LTI).

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### Community and Stakeholder Engagement

##### AAMEG Award for leadership in ESG

In September 2023, Orion received the Australia-Africa Minerals & Energy Group (**AAMEG**) Emerging ESG Leader Award, which recognises Australian companies performing exemplary ESG work on the African Continent. This is the second time Orion has won this prestigious industry award, having also received the inaugural Emerging ESG Leader Award in 2020.

#### Environmental Management

Making positive contributions to the state of the natural environment, reducing pollution, and ensuring negligible contamination from operational activities are central to Orion's business model and part of our commitment to delivering the highest level of environmental compliance while managing and monitoring the environmental impacts of our activities throughout the mining lifecycle.

There were no environmental incidents recorded during the reporting period.



## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### PRIESKA COPPER ZINC MINE DEVELOPMENT AND EXPLORATION

##### Prieska Copper Zinc Mine Project Overview

Orion's key strategic focus is the objective of bringing forward the start of production at PCZM (Early Production Plan). This translates into earlier revenue generation and potentially reduces the upfront external peak funding requirements by phasing the mine build while retaining the option to scale up to the full-scale BFS-20 project as sufficient funding becomes available.

Leveraging off the information gathered and material assumptions made in the BFS-20, supplemented by additional information obtained from recent drilling campaigns and a planned trial mining exercise, the Early Production Plan will comprise:

- A revised mining sequence to extract the mine's crown pillar (**+105 Block**), which is above the accumulated water level, using underground mining methods. Extraction of the +105 Block was originally planned in the BFS-20 to occur at the end of the mine life using open pit mining with a capital intensive 16 million tonne waste pre-strip requirement. Management recognised that mining the crown pillar at lower throughput using existing underground access will remove the high capital and long lead-time requirement of open pit pre-stripping, and offers the benefit of earlier concentrate sales that can continue while dewatering is undertaken;
- Potential for opportunistic extraction of the large mineralised pillars below 105 Level. These were left behind from previous mining and are located above the accumulated water level. Production from the larger remnant pillars may present an opportunity to supplement the ore sourced from +105 Block if these pillars are proven to be suitably mineralised and the proposed extraction method is proven to be suitable; and
- Commencing with dewatering of the underground workings in Q2 CY2024 using a modular configuration, at one-third of the full-scale pumping rate proposed in the BFS-20 will achieve total dewatering of the Deeps in less than 40 months. This would enable the treatment of hallow mineralisation and development ore from the Deeps in the smaller early mining plant, until development ramp-up allows production from the Deeps at the full 200ktpm rate as per BFS-20.

Trial mining of the +105 Block commenced in Q4 CY2023, with results from this program to provide a vital input for the Early Production Plan and revised Life of Mine Feasibility Study, which is on-track for completion in Q3 CY2024.

#### **RESOURCE EXPANSION AND UPGRADE**

##### **Mineral Resources**

An Independent Mineral Resource update for the +105m Level Crown Pillar Block was completed by Z Star Mineral Resource Consultants in July 2023. The updated Mineral Resource Estimate incorporated all drilling data and an updated geological interpretation.

This work resulted in a 28% increase in tonnage of the +105 Mineral Resource to 2.3Mt at 1.7% Cu and 1.6% Zn including an Indicated Resource of 1.9Mt at 1.82% Cu and 1.70% Zn (refer ASX/JSE release 25 July 2023). The contained copper increased by 41% from 27,000 tonnes to 38,000 tonnes when compared to the January 2019 Mineral Resource Estimate (refer ASX/JSE release 15 January 2019).

## Directors' Report (continued)

## REVIEW OF OPERATIONS (continued)

Table 2: Global Indicated and Inferred Mineral Resource Statement for the +105m Level Resource Block of the Prieska Project.<sup>1</sup>

Classification	Mineralised Zone	Tonnes	Cu (tonnes)	Cu (%)	Zn (tonnes)	Zn (%)
Indicated	HW Oxide	200,000	1,000	0.48	2,000	0.90
	Oxide	490,000	4,000	0.81	4,000	0.73
	Supergene Sulphide	1,100,000	28,000	2.58	22,000	2.06
	Hypogene	120,000	1,000	1.23	4,000	3.78
	<b>Total</b>	<b>1,900,000</b>	<b>34,000</b>	<b>1.82</b>	<b>32,000</b>	<b>1.70</b>
Inferred	HW Oxide	30,000	100	0.4	300	1.0
	Oxide	300,000	3,000	1.0	2,000	0.8
	Supergene Sulphide	60,000	1,000	1.4	300	0.6
	Hypogene	20,000	100	0.8	100	0.4
	<b>Total</b>	<b>400,000</b>	<b>4,000</b>	<b>1.0</b>	<b>3,000</b>	<b>0.8</b>
<b>+105m Level Mineral Resource Total</b>		<b>2,300,000</b>	<b>38,000</b>	<b>1.7</b>	<b>35,000</b>	<b>1.6</b>

**Note:** +105m Level Mineral Resource bottom cut-off = 0.3% Cu. Tonnes are rounded to second significant figure, which may result in rounding errors.

The Total Mineral Resource for Prieska Copper Zinc Mine (PCZM), reported and classified in accordance with the JORC Code (2012), is now 31Mt grading 1.2% Cu and 3.6% Zn.

Table 3: Global Mineral Resource for the combined +105m Level and Deep Sulphide Mineral Resources of the Prieska Copper Zinc Mine.

Resource	Classification	Tonnes	Cu (tonnes)	Cu (%)	Zn (tonnes)	Zn (%)
Deep Sulphide Resource	Indicated	19,000,000	220,000	1.17	670,000	3.60
	Inferred	10,000,000	120,000	1.1	420,000	4.1
+ 105m Level Resource	Indicated	1,900,000	34,000	1.82	32,000	1.70
	Inferred	400,000	4,000	1.0	3,000	0.8
<b>Total</b>	<b>Indicated</b>	<b>20,000,000</b>	<b>250,000</b>	<b>1.23</b>	<b>700,000</b>	<b>3.43</b>
<b>Total</b>	<b>Inferred</b>	<b>11,000,000</b>	<b>120,000</b>	<b>1.1</b>	<b>420,000</b>	<b>4.0</b>
<b>Grand Total</b>		<b>31,000,000</b>	<b>370,000</b>	<b>1.2</b>	<b>1,100,000</b>	<b>3.6</b>

**Notes:** Deep Sulphide Resource bottom cut-off = 4% Equivalent Zn; +105m Level Mineral Resource bottom cut-off = 0.3% Cu.

Tonnes are rounded to second significant figure, which may result in rounding errors.

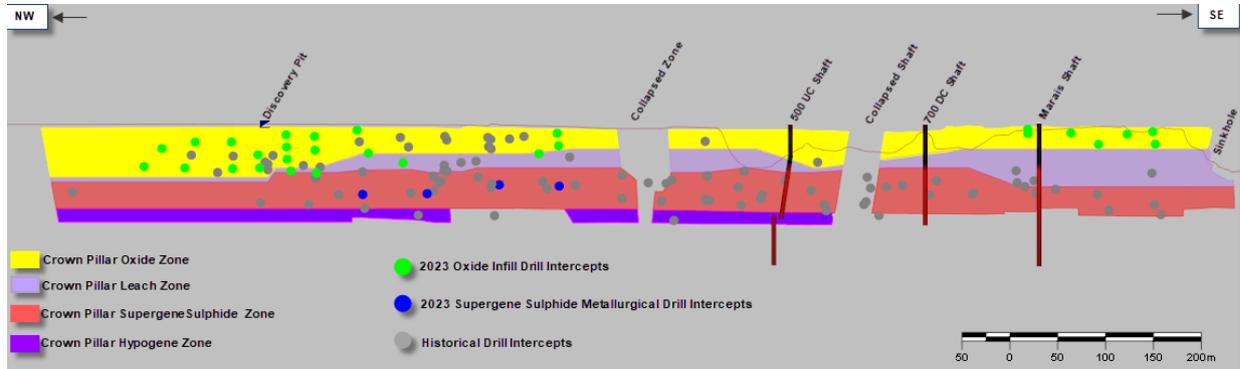
A program of shallow in-fill Reverse Circulation holes was completed in Q3 CY2023. The purpose of the program was to increase the amount of drilling data in the oxide Mineral Resource above the +105 Level supergene sulphide Mineral Resource and to provide material for oxide leach test work purposes.

<sup>1</sup> Mineral Resource reported in ASX release of 25 July 2023: "Prieska Crown Pillar +105 Level Mineral Resource increases to 2.3Mt @ 1.7% Cu and 1.6% Zn ahead of Trial Mining" available to the public on <http://www.orionminerals.com.au/investors/asx-iseannouncements/>. Competent Person Orion's exploration: Mr Paul Matthews. Competent Person: Orion's Mineral Resource: Mr Sean Duggan. Orion confirms it is not aware of any new information or data that materially affects the information included above. For the Mineral Resources, the Company confirms that all material assumptions and technical parameters underpinning the estimates in the ASX release of 25 July 2023 continue to apply and have not materially changed. Orion confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

This could facilitate the evaluation of the open pit oxide mining concept. Twenty-nine holes were drilled totalling 1,277m.



**Figure 1: Longitudinal Section of the Crown Pillar +105 Level Mineral Resource area with existing drill hole coverage and Oxide Infill drill intercepts.**

### Objectives of the Trial Mining Program

The Trial Mining program is designed to fulfil a number of key objectives in order to finalise detailed mine planning and scheduling and to de-risk the start-up of operations. While PCZM is a brownfields site with a wealth of historic information Orion needed to determine that its assumptions are applicable to the +105 Block which had not been mined historically by the previous operator, Anglovaal.

Importantly, the Trial Mining project is being executed in a manner that establishes long term infrastructure, services, and logistics suitable for Life of Mine (LOM) and can seamlessly continue as early production. Capital is therefore being judiciously deployed to optimise mine establishment.

The Trial Mining Program is specifically designed to ascertain key variables and de-risk the project by demonstration of proposed solutions and designs:

#### 1) Primary Services (power, water, ventilation)

While the primary bulk services and infrastructure are available on the brownfields site, the engineering detail, capital costs and installation of key secondary infrastructure to both surface and underground delivery points, needed to be finalised and demonstrated.

#### 2) Geotechnical Appraisal

The detailed geotechnical conditions of both the footwall host rock that will contain access development and the ore horizon, need to be ascertained with high accuracy as the +105 Block is adjacent to areas where the crown pillar had been allowed to collapse by the previous operator and is in places, up-dip of historic mining stopes. This key information could not be determined using drill core alone. The mining method and layout of planned mining voids is materially de-risked by demonstration of these during trial mining. Ore Reserve estimation will be optimised and de-risked with the benefit of trial mining.

#### 3) Short Interval Geological Variability

Inter drillhole geological variability (geometry and mineralisation) within the Mineral Resource needs to be demonstrated to de-risk planning and Reserve Estimation. While there is a lot of experience and anecdotal information available for the unaltered hypogene ore, the partially remobilised supergene ore of the +105 Block needs to be demonstrated to conform to the same expectations.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### 4) Metallurgy

The supergene sulphide ore found in the +105 Block has different flotation characteristics to the hypogene ore that was the focus of historic operations. The Supergene Mineralisation requires modified flotation chemicals, dosages and residence times. Bulk samples of supergene ore extracted from trial mining faces allows suitable pilot testing to optimise concentrator plant design and planning.

#### 5) Human Resources

The ability to recruit a suitably skilled, site resident management and labour team requiring relocations and local housing needed to be addressed. Having a site resident team that is entirely South African with no expat or fly-in-fly-out costs and challenges is a big advantage.

#### 6) Dewatering Methodology

Demonstrating the ability to rather dewater the mine using drilled holes containing large diameter steel pipes and interconnect lower levels sequentially, removes the need for high capital cost early shaft rehabilitation. This has a material impact on capital costs and timelines to execute the program. Being able to commence pumping earlier reduces the pumping rate required with associated reduction in capital costs and complexity.

#### 7) Integrated Tailing Storage Facility (TSF) and Brine Water Storage

Lower required pumping rates and modular/staged start-up of the concentrator plant allows a modular construction of the TSF to be integrated and combined with water treated and surface brine water storage facilities. Lower intensity construction could translate to potential capital savings.

### Critical Focus Items

A number of critical items were addressed in support of trial mining and dewatering at PCZM during the reporting period. These included:

- The Skyjack hoisting platform installed in the Hutchings Shaft has been upgraded and was approved by the DMRE as the second escape from underground;
- A fixed underground refuge chamber has been built and commissioned on the 163 Level. With a mobile refuge chamber also in operation, 50 people are now able to work underground at any time;
- P2 Mining contractor team mobilised in October 2023 and commenced with 143 Level footwall drive loading, draw point loading and 105 Level development;
- Power Plant Electrical Technologies (PPE Technologies) were appointed as electrical EPC contractor for all electrical standards together with surface and underground electrical reticulation installation;
- Designs and plans for the self-build of a 15MVA Eskom grid connection sub-station expansion were approved by Eskom and the procurement of long lead items has commenced targeting connection of 15MVA by June 2024. The primary underground ventilation plan was completed and the required ventilation fans have been procured and installed;
- Ventilation, water, electricity, and compressed air services have been installed at the working faces; and
- A 30,000 litre sample of underground water was sent to Trailblazer Technologies for pilot plant testing of an ion exchange water purification process, with high value fertiliser as by-products. This resulted in confirmation of potential for future mineral recovery from brine waters to produce fertiliser.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### Dewatering

The water depth is at approximately 269m below surface at the end of the reporting period. Primary dewatering will commence once sufficient electrical power becomes available and a water storage facility has been constructed.

The submersible pumps for installation in the main Hutchings Shaft and the multi-stage pumps to be installed on the 178-Level to lift water to surface through large diameter drillholes containing steel piping, have been delivered to site and will be installed in Q1 CY2024.

Different water treatment and purification methods were evaluated based on cost (CAPEX and OPEX intensity), executability, timelines and compliance with the PCZM water use licence specifications. The most suitable solution has proven to be the initial construction of an interim single-lined 13ha water storage facility for dewatering.

Mine dewatering and water treatment is now planned to progress in three phases:

- Phase 1

Focusing on volume reduction through evaporation which will utilise standard evaporation as originally included in the PCZM BFS-20 and approved by the Department of Water in the Integrated Water Use Licence (IWULA). Evaporation and storage of the remaining brine will then take place on a 13ha single-lined impoundment facility located within the footprint of the approved 65ha TSF.

- Phase 2

Reverse Osmosis water treatment will follow, being less time sensitive, and will focus on recovering agricultural use quality water for any host community projects. Concentrated brine will be stored in the planned 9ha effluent storage facility (**ESF**) as approved in the water use license.

- Phase 3

Treatment of concentrated brine stored in the ESF to recover additional agri-water and fertiliser as part of a potential joint venture with parties specialised in this industry and possible inclusion of local partners. This remains an opportunity to be explored in the future.

## Directors' Report (continued)

## REVIEW OF OPERATIONS (continued)

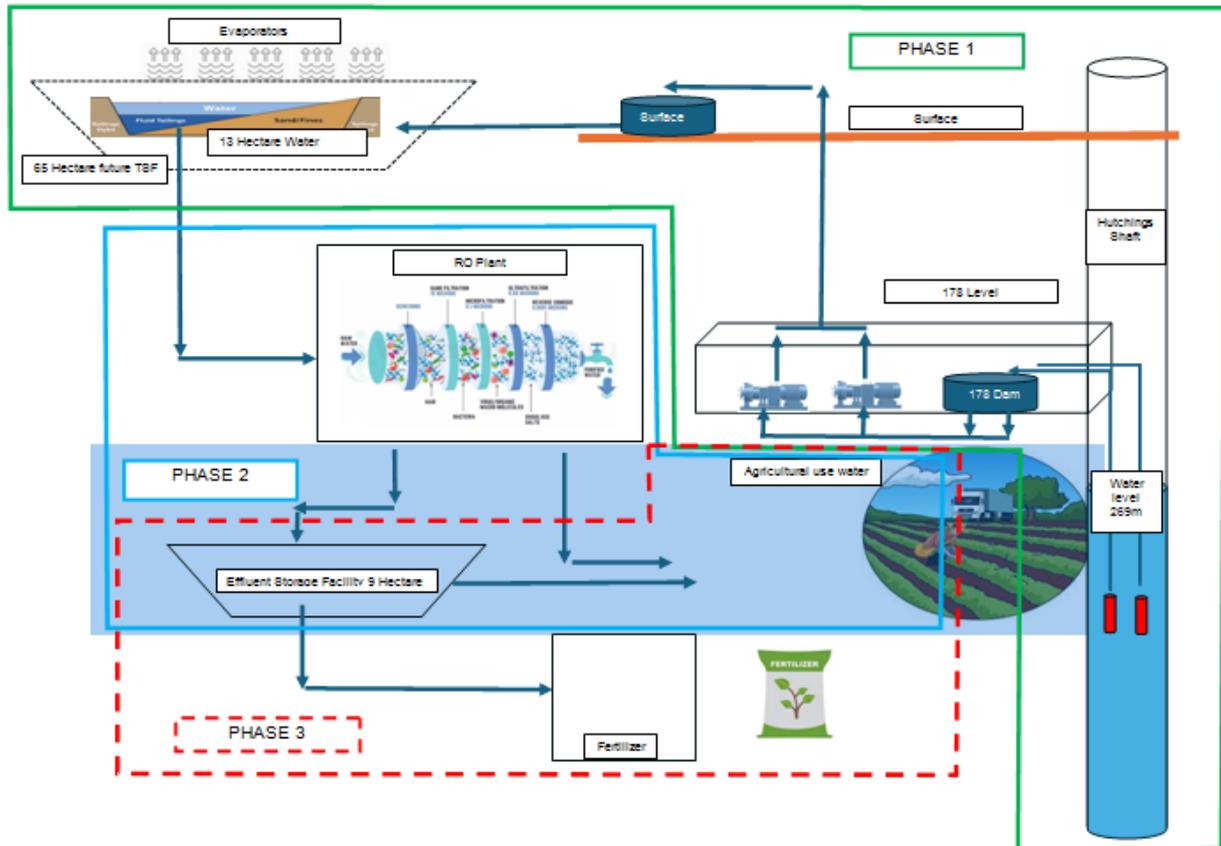


Figure 2: Mine dewatering and water treatment – three phases

Experienced TSF engineering group ECO Elementum Engineering has been contracted to design the 13ha dewatering storage facility. The design will allow for a seamless transition into the future paddocked 65ha TSF treatment plant slurry storage facility once the Processing Plant comes online. The footprint has been optimised for the planned dewatering rates and will make use of evaporators to concentrate the salts in storage. Construction of the storage facility commenced in January 2024.

The early dewatering program is on track to complete installation of dewatering pumping at an initial rate of 100m<sup>3</sup>/hr in Q3 CY2024, building up to 500m<sup>3</sup>/hr by Q4 CY2024. Dewatering will continue at 500m<sup>3</sup>/hr for 40 months once the scheduled 15MVA Eskom power connection and the connection of a dedicated substation to support the dewatering pumps is completed in Q3 CY2024.

### Power Reticulation

The engineering design of the 15MVA electricity supply point sub-station extension was approved by Eskom in October 2023. The 15MVA installation will provide the mine with sufficient power supply for approximately five years until the commissioning of the 200ktpa processing plant and commencement of hoisting from 970 level which will increase demand to 35MVA as per BFS-20 design.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

Construction of the 15MVA sub-station extension by an Eskom approved contractor is scheduled to commence in Q1 CY2024. PCZM has partnered with PPE Technologies (Power Plant Electrical Technologies) for the electrical specifications, procurement, and electrical project management. The 15MVA upgrade is scheduled to be completed late in Q2 CY2024 with surface and underground electrical reticulation currently being installed in readiness for the delivery of the long-lead items. An interim arrangement to increase the currently available electrical supply is now in place, with the construction of an 11kV overhead powerline and installation of transformers and electrical switchgear. Switch-over to the 11kV supply occurred in mid-January 2024.

#### Trial Mining

P2 Mining (P2) (part of Newrak Mining – a company with more than 25 years of contractor mining experience in South Africa) was appointed as mining contractor for the 6-month trial mining period. P2 mobilised to site in late September 2023, with final equipment arriving and being commissioned from early October 2023. Importantly, the P2 team includes Mr Andy Brown the previous Production Manager at Prieska Copper Mines under Anglovaal. Mr Brown also had the responsibility of preparing the Ore Reserves for Prieska Copper Mines under Anglovaal. The inclusion of Mr Brown who has extensive hands-on experience at Prieska, is invaluable for the future mine planning and operations,

The 6-month trial mining covers the following activities:

- Development of a cross-cut ramp in competent footwall formations to access the Crown Pillar Resource. Indicative total development 120m at 4.5m wide x 4.5m high;
- Development of a 'reef drive' on strike in the supergene Resource. Indicative total development of 300m initially at 3.0m x 3.0m and if geotechnical conditions allow increasing to 4.5m x 4.5m drive dimensions;
- Development of 2 x raises up-dip in ore to approximately 36m above reef drive at 2.0m x 2.0m cross-section; and
- Draw point loading of accumulations of mineralised material from draw points on 143 level to gain access to historical open stopes in order to fly drone surveys to accurately map remaining pillar blocks.

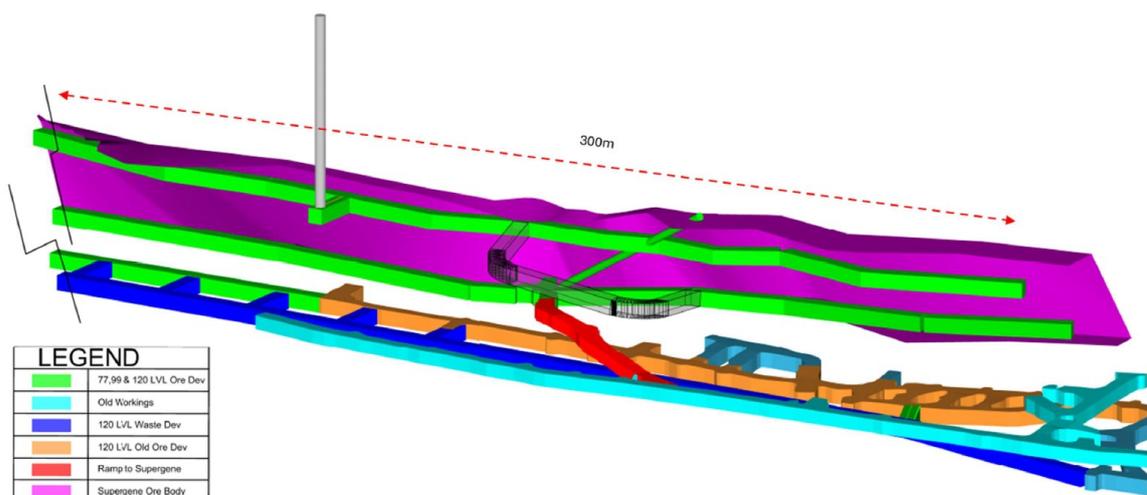


Figure 3: +105 Supergene ore development.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)



**Photos: 143 Level draw point loading and oxides on surface.**

Trial mining kicked off with development drilling and blasting from the existing 105 Level footwall haulage in a ramp to access the +105 Block at 95m elevation.

Drilling and blasting of the development cross-cut ramp started towards the end of November and a total of 68m (at 4.5m wide x 4.5m high) of the planned 95m crosscut ramp was completed by the end of the reporting period. Geotechnical conditions encountered have met or exceeded expectations allowing for planning of larger future development headings and longer drilling rounds enabling more efficient face advance.

Initial teething problems were experienced with low machine availability and inadequate power supply, that resulted in sub optimal progress. These normal start-up problems are being steadily overcome. Machine reliability has improved substantially, and the required underground services are now fully installed and operational.

The +105 Block was intersected at 95m level in early February 2024, allowing the underground rock conditions to be evaluated. The original assumptions regarding development drift dimensions, roof support and mining method are being continually reviewed. Initial observations of geotechnical conditions have been very positive and larger ore development dimensions will now to be trialled for ore development drives.

Footwall haulage loading to access the 143 Level draw points and loading out of the 143 stope draw points is also ongoing. Approximately 4,000 tonnes of mineralised draw point material was loaded and hauled to surface during the December 2023 quarter.

At surface, the material is stockpiled according to geological classification for crushing and sub-sampling in a bulk sampling point that will be commissioned in March 2024. Grade determination is being done with XRF of pulverised samples in the newly constructed mine laboratory. Selected sample pulps will be dispatched to accredited laboratories for ICP analysis.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)



Photo: Mine laboratory.

The trial mining project is testing a conventional load-haul-dump arrangement as well as an alternative underground development method using continuous loaders matched with bi-directional trucks. The learnings and efficiency improvements will feed into the revised mining BFS, draw point sampling results from the 143, 201 and 259 Levels will evaluate both the quality of broken ore remaining in old stopes in the upper areas of the underground workings and map the pillars that remain in situ and evaluate their potential for opportunistic additional mill feed material. The learnings and efficiency improvements from Trial Mining of +105 and draw-point evaluation will feed into the revised mining BFS.

#### Mining Fleet for Trial Mining Phase

The primary mining fleet of vehicles and machinery in use for the trial mining are shown in the table below. The machine selection was based on conservative geotechnical expectations and resultant minimum expected mining dimensions. The positive geotechnical findings of the trial mining are indicating that larger, more efficient machines will be more appropriate in future.

Equipment sizing will be further reviewed after completion of trial mining and optimised machinery specification will be incorporated into the early mining plans and feasibility studies.

Item	Description	Quantity
LHD	Aard 5.t	2
Dump Trucks	14 t low profile Fermel	2
Drill Rig	Sandvik DD321	1
Utility Vehicle	UV120	1
Continuous Loader	ITC120N	1
Bi-directional drive Dump Trucks	20t Paus ITC 10	2

Unfortunately, the fleet of second-hand machines available for the short trial mining exercise have proven to have low availability. Replacement machines have been identified, secured and are mobilising to site.

#### Metallurgical Process Re-evaluation and Early Concentrator Plant Design

Orion continues to engage with various technical and turnkey process plant service providers for the supply of a 30-60ktpm modular process plant to treat ore from the trial mining phase at PCZM. The test work for the design of the process plant is being undertaken on supergene material derived from trial mining.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

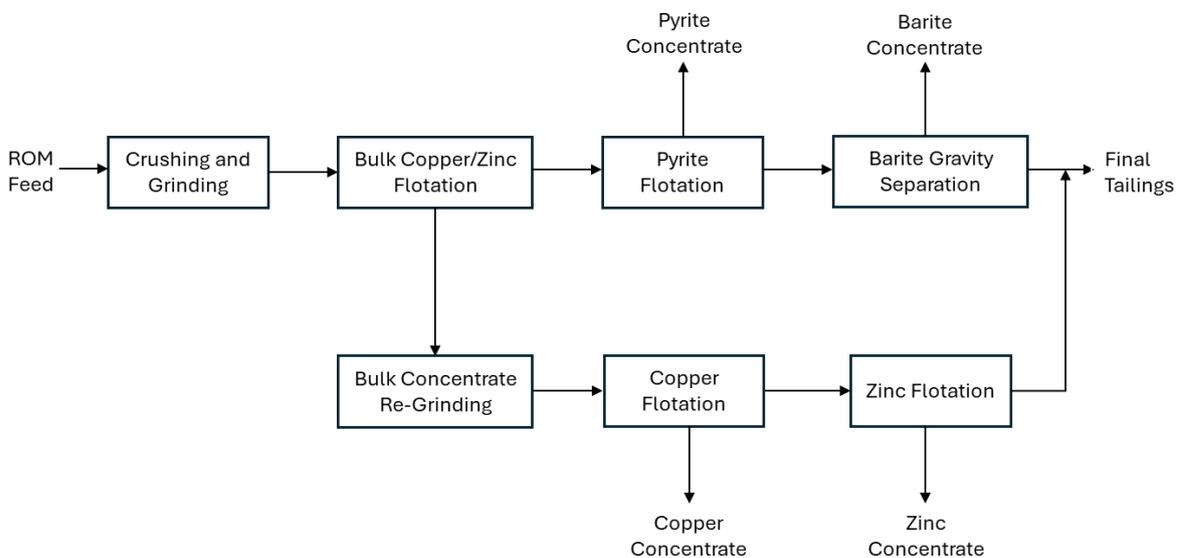
Processing routes developed by Mintek for sulphide copper and zinc ore in 2018 include milling, sequential copper (Cu) flotation, zinc (Zn) flotation and ultra-fine grinding. However, opportunities have been identified to improve on the processing route for the supergene sulphide portions of the deposit (+105 Block) and this is the focus of the current test work.

Mr Bryan Broekman, the previous Chief Metallurgist for Anglovaal Group, who was directly responsible for most of the metallurgical process plant optimisations at Prieska Copper Mines to treat mixed oxide, supergene sulphide and hypogene sulphide ores from 1973 until mine closure in 1991, is assisting Orion in overseeing the supergene flotation test work.

The concentrator plant will be designed to treat the different ore types in separated treatment campaigns from surface stockpile material. Throughput rates will be in the 30-60ktpm range. The next phase of Enprotec and MTEC Engineering test work under the guidance of Bryan Broekman is in progress at Maelgwyn Laboratories in Johannesburg. This is focused on improving and refining the flotation procedures developed during the initial test phases to achieve the required selectivity for saleable concentrates production.

Early indications from ongoing test work indicates a marked improvement in the flotation process for Copper and Zinc selectivity in comparison to the 2018 tests. Test work will continue to assess flotation process improvements to achieve copper and zinc selectivity with maximised recovery for the production of higher quality concentrates.

#### PCZM Oxide Resources



**Figure 4: Current processing flow being optimised with laboratory test work.**

Samples of unexpected oxide mineralisation from the +143 Level draw points, where crown pillar collapse material has reported, have been delivered to CM Solutions Laboratories for characterisation and leach test work. This test work is scheduled for Q1 CY2024.

#### **Water Use Licence**

The Amended Integrated Water Use Licence Application (IWULA) Report for PCZM (prepared by ABS Africa) was reviewed with the Department of Water and Sanitation (DWS) during November 2023. Approval for the amendment, with recommendations from DWS, was received in Q1 CY2024.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### PCZM Community and Stakeholder Engagement

##### AAMEG Award for Leadership in ESG

In September 2023, Orion received the Australia Africa Minerals & Energy Group (AAMEG) Emerging ESG Leader Award which recognises Australian companies performing exemplary ESG work on the African continent.

This year's award recognises Orion's pioneering approach to community involvement in its projects, through its Community Participation Framework, which was developed at PCZM.

The framework, is the culmination of a year-long series of in-person meetings with representatives from local businesses and resident groups. Orion is committed to proactively encouraging host community involvement in its operations through targets of 50% of employment, 30% of the procurement of goods and services, and 40% of sub-contracting opportunities.

As the mine begins its transition to production, Orion has commenced implementing initiatives that will equip the host community and businesses to meet and beat these targets as the mine develops. Orion anticipates that the framework will create the opportunity for local small enterprises to grow as standalone businesses or via joint ventures with larger established suppliers. It is the first of its type among junior mining companies operating in South Africa. The framework is a model for community engagement and participation that will strengthen and stabilise relationships with communities who live close to, and often depend on, the mining operations.

Orion's PCZM Community Participation Framework provides a template that will be implemented in all of Orion's other operational areas as our projects move into development and then production.

Further information about the Community Participation Framework can be accessed via Orion's website, <https://orionminerals.com.au/sustainability/community/>.

##### PCZM surpasses local community employment targets

PCZM proudly achieved 56% host community representation in its labour force at the end of December 2023, with a total of 93 community members out of a total of 166 on-site employees employed at PCZM. Host Community employees come from the communities of Prieska, Marydale, Vanwyksvlei and Niekerkshoop, filling various roles at the operation.

##### Human Resources

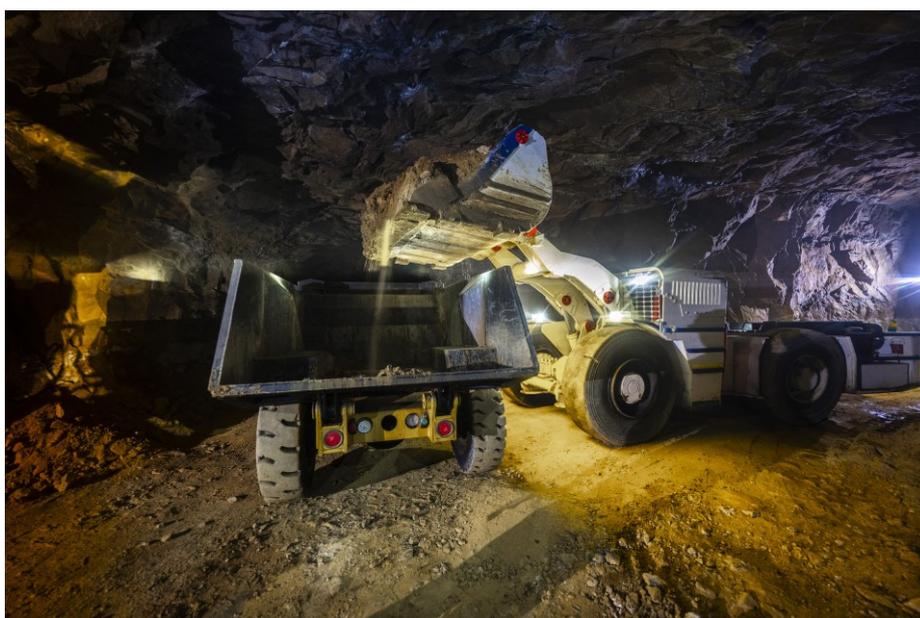
During CY2023, Orion transformed its executive and operational management teams in line with its key objectives. The Orion core management team is now supplemented by a dedicated site resident team which includes qualified senior professionals, a full suite of skilled and experienced mid-management and operators. This team meets all legal requirements of a fully operational underground mine in terms of the Mine Health and Safety Act.

As PCZM commences trial mining and moves towards continuous operations, the permanent team has transitioned from a rotation shift working arrangement to being permanently site-based or residing in the nearby town of Prieska. Orion's strategy remains to integrate PCZM employees within the Prieska community and local economy. Staff are being recruited and relocated from elsewhere in South Africa to become locally resident. This results in disposable incomes being spent within the local economy and benefits the entire host community.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

Given that specialist mining skills are currently not available in the host community, skills transfer from the broader South African Mining labour pool to host community recruits is required. The pioneering team ensures skills transfer and development of host community members to establish a large pool of local staff. Formal training is also carried out at accredited national training facilities with 43 host community members already sent for training at the Murray and Roberts Training Facility Near Johannesburg.



Photos: Bulk sampling plant, sulphide stockpile on surface with headframe & underground development.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### OKIEP COPPER PROJECT

##### Okiep Copper Project Overview

The Okiep Copper Project (**OCP**) located 450km east of PCZM is a significant growth opportunity with the potential to become a second base metal production hub for Orion in the Northern Cape alongside PCZM.

Orion has defined total JORC compliant Mineral Resource Estimates for an initial six deposits at Okiep totalling 11.5Mt grading 1.4% copper for 159,000 tonnes of contained copper (refer ASX/JSE release 29 March 2021). The Company also completed a positive Scoping Study (refer ASX/JSE release 3 May 2021), which demonstrated the economic merit of developing a foundation phase mining operation at OCP while Orion conducts the required work and engineering studies to support its aspiration for achieving a larger mining operation with production at a similar scale to past owners Newmont and Goldfields who produced 30,000 – 50,000 tonnes of copper per annum.

Orion's objective of rapidly expanding the Mineral Resource and LOM at OCP is supported by its acquisition of an extensive historical mining and exploration database held by the O'Okiep Copper Company (and its affiliates) (refer ASX/JSE release 15 February 2021), covering more than 60 years of production and exploration history.



Photo: Drilling in progress at OCP.

##### Okiep Copper Project Development & Exploration

###### Feasibility Study Report

The Flat Mines Project Bankable Feasibility Study (**BFS**) Report was completed and submitted for independent expert (**IE**) review in the Q3 CY2023. The review team examined the reports and supporting documentation to advise Orion where additional work may be required in order to satisfy the requirements of bank and debt financiers. A bulletin recommending areas requiring further clarification in the report and, in some cases, further work, was provided to Orion.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

The bulk of the Study content was accepted, however the IE review team recommended additional validation drilling to confirm the results of Newmont and Goldfields' (the prior owners of the Project Area) drilling that has been used throughout the study. This validation drilling will confirm Resource classification of the project area as defined by the Competent Person that signed off on the Resource Statement. The historical exploration data from work done by Newmont and Goldfields has been validated to satisfaction at Flat Mine North however lack of surface access resulted in the absence of confirmation drilling by Orion in the Flat Mines East and South deposits.

Orion concluded negotiations in January 2024 to access and acquire 12,156ha of land that includes the majority of the Flat Mines Project area.

In consultation with the IE review team, Orion will drill additional diamond drill holes into the Flat Mines East and South deposits to prove the reliability of the legacy exploration data to a standard which would be satisfactory to lenders. This drilling program began in February 2024, and will delay the completion of the BFS to approximately mid Q3 CY2024.

The drilling program into the Flat Mines will provide the opportunity to gather additional data, including geotechnical and metallurgical characteristics of the Flat Mines deposits to confirm the expectation of homogeneity and absence of any negative ore zonation over the extensive intrusive bodies. The Okiep Copper Company, who previously operated more than twenty mines in the district, never noted any metallurgical abnormalities that made treatment of these deposits in the central milling and concentrator facilities problematic.

#### Environmental Management

##### Water Use Licence Application (WULA)

The Integrated Water Use Licence Application (**IWULA**) for the Flat Mines Project was submitted to the Department of Water and Sanitation (**DWS**) early in September 2023, and a certificate of receipt was received. The Application is progressing through the Department and queries and clarifications have been answered as required. Approval of the WULA by DWS is now anticipated in Q2 CY2024.

#### Okiep Project Development

##### Metallurgical Processing Plant

The planned availability of additional drill core from the Flat Mines East deposit has facilitated metallurgical test work to confirm the metallurgical behaviour of ore from the East deposit.

Previously, metallurgical design for South deposit (with very similar mineralogy) has relied upon the forecasting of the metallurgical behaviour of the East Mine based on Orion's own test work and the records of historic metallurgical performance from all mines in the district which were remarkably similar and where ore from various mines in the district were mixed and treated in central processing facilities.

The additional confirmatory test work will commence as soon as samples become available from the diamond drilling program, scheduled to be completed by May 2024.

The capital and operating cost estimates for the Processing Plant will be updated to 2024 values.

##### Mineral Resources

A review of the geological interpretation at Flat Mine North, Flat Mine East and Flat Mine South resulted in an improved definition of the mineralised zones together with an increase in the total Mineral Resources.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

At the end of August 2023, Orion announced that Mineral Resources at Flat Mine North, Flat Mine East and Flat Mine South now total 9.3Mt at 1.3% Cu with 130,000 tonnes of contained copper including a Measured and Indicated Resource of 7.4Mt at 1.4% Cu. In addition, including the previously announced Mineral Resource of 2.5Mt at 1.4% Cu at Flat Mine (Nababeep), Jan Coetzee Mine and Nababeep Kloof Mine brings the total Mineral Resources within the Flat Mines area of the OCP to 12Mt at 1.4% Cu with 160,000 tonnes of contained copper (refer ASX/JSE release 28 August 2023). Data from other historical mines and prospects are currently being modelled, with the potential to deliver further growth and an increase in LOM in the OCP Mineral Resource.

**Table 4: Total Mineral Resource Statement for the Flat Mines Area of the OCP.**

Mine / Prospect	Measured			Indicated			Inferred		
	Tonnes	% Cu	† Cu	Tonnes	% Cu	† Cu	Tonnes	% Cu	† Cu
Flat Mine (Nababeep)	-	-	-	-	-	-	1,000,000	1.4	15,000
Jan Coetzee Mine	-	-	-	-	-	-	1,000,000	1.4	14,000
Nababeep Kloof Mine	-	-	-	-	-	-	500,000	1.2	6,000
Flat Mine North	440,000	1.13	5,000	940,000	1.42	13,000	200,000	1.5	4,000
Flat Mine East	-	-	-	3,400,000	1.37	47,000	1,000,000	1.0	9,000
Flat Mine South	-	-	-	2,600,000	1.35	35,000	800,000	1.6	13,000
<b>Total</b>	<b>440,000</b>	<b>1.13</b>	<b>5,000</b>	<b>6,900,000</b>	<b>1.37</b>	<b>95,000</b>	<b>4,500,000</b>	<b>1.3</b>	<b>61,000</b>

*\*Numbers may not add up due to rounding in accordance with the JORC code guidance.  
Resources are reported at a 0.7% Cu cut-off grade.*

While this initial Resource has been used to support a foundation stage BFS and economic assessment of the OCP, the Company sees outstanding potential to further grow and upgrade the Mineral Resources with in-fill drilling into areas with low drill density as well as drilling potential plunge and strike extensions of the known deposits.

Orion has identified the potential to restore production to historical levels of 30,000- - 50,000 tonnes of copper production per annum. Management have set an aspirational target of achieving this objective within five years.

#### Mine Planning

With the additional drilling to be undertaken in the Flat Mines, the Resource model will be further updated by Z-star (the nominated independent Competent Person). The Mine Layouts will be reviewed to accommodate any changes of geometry, if any, to the block model.

#### Infrastructure

The plans for the provision of power and water to the Flat Mines operations have been finalised and incorporated in the BFS study. No further work in this area is currently required.

Rehabilitation of the Nababeep waste-water-works by the local municipality is in progress, with consultants appointed by the municipality to oversee the work. The required refurbishing works have been put out to tender and the appointment of contractors is imminent.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

A connection point for the construction of power supply from the existing NK Municipality substation has been identified and a servitude application for the 11kV powerlines to the mine site has been submitted as part of the SPLUMA (land use rezoning application) which is in process. Access control booms have been installed at the entry to the Mining Area to control access to the site.

Land Access

Access to the land on which the bulk of the surface mining infrastructure will be located has been secured through an access and purchase agreement with a private land owner and a lease agreement for the LOM with the Nama Khoi Local Municipality (NKM). The Rezoning Application for Mining Use for the NKM area was completed during December 2023 for submission in Q1 CY2024.

New Okiep Exploration Company Permitting

Orion received notice from the DMRE for the addition of five new "copper ore" and "tungsten ore" areas to its existing tenement portfolio. This has increased the Company's tenement holding west, south and east of the central Southern African Tantalum Mining (Pty) Ltd (SAFTA) mining right area (red outlined area, Figure 5) by approximately 30,000ha (grey and orange shaded areas, Figure 5).

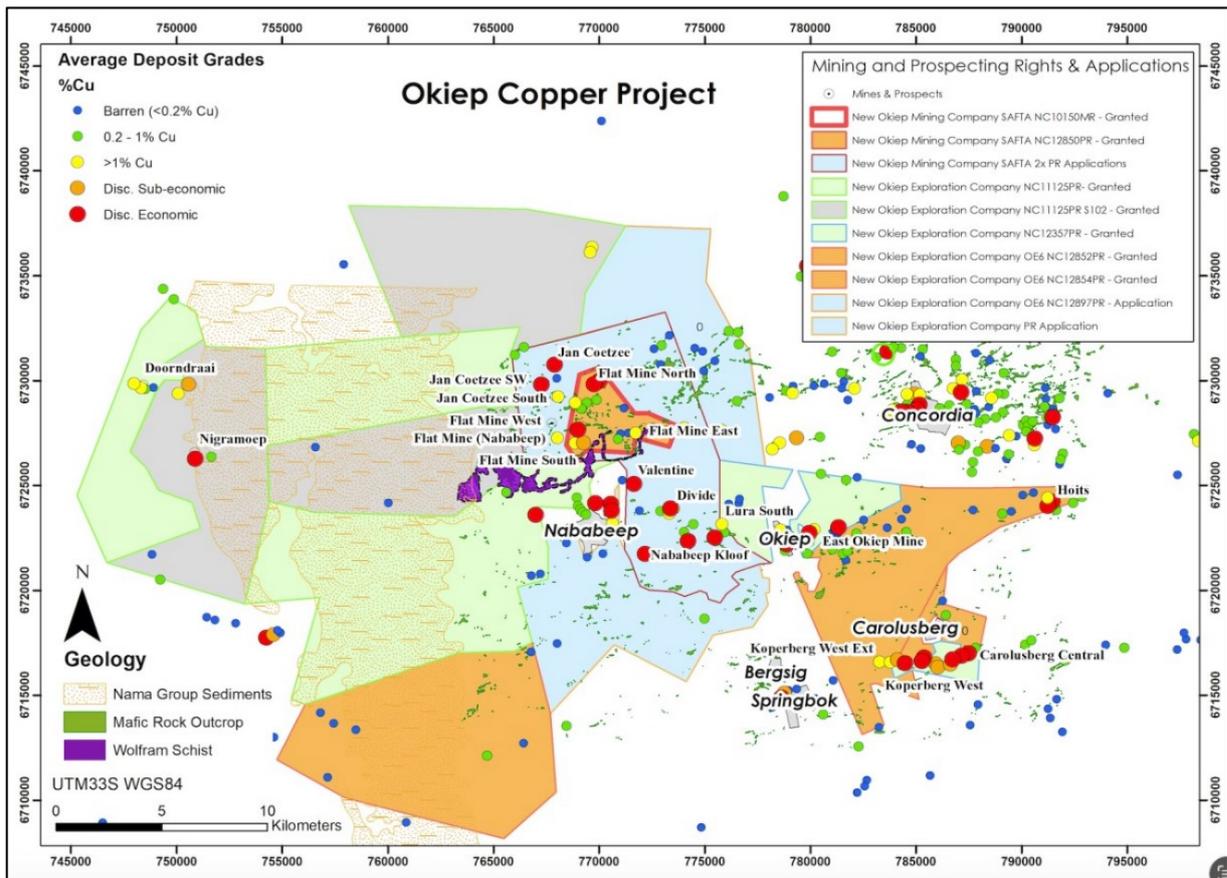


Figure 5: Grey shaded areas showing three new S102 areas, orange areas showing three newly granted prospecting rights.

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## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

Once executed, the grant of these additional areas opens up a number of exciting opportunities for Orion to explore for potential copper and associated minerals to supplement the Flat Mines Project, with several high-priority targets including the very important historical Nigramoep Mine now included in Orion's Mineral Right areas.

There are more than 1000 mineralised bodies mapped on the prospecting area and as many 56 of these have historic drilling into unmined mineralisation that justifies high priority follow up to expand the mineral resource base.

#### **Nama Khoi Community**

##### *First Social and Labour Plan projects underway*

Significant progress was achieved towards the execution of two Flat Mines Social and Labour Plan (SLP) projects during the reporting period. These Local Economic Development projects are focused on animal husbandry and agriculture to ensure that communities have a way to sustain their livelihoods beyond mining.

A dedicated project team was formed, represented by Orion, a Ward Councillor, a Community Development Worker, the Department of Agriculture, two Ward Committee members and the Nama-Khoi Local Economic Development Officer.

A specialised training program focused on vegetable cultivation, was run for 15 community members. Orion plans to expand the training in 2024, by focusing on further education in both vegetable cultivation techniques and egg laying practices.

##### *Orion continues productive engagements with stakeholders*

Orion continues with its efforts to foster trust and strengthen relationships with various stakeholders. During the reporting period, a Stakeholder Engagement Forum meeting was convened to share information with the ward councillors. Orion's partnership with the local radio station, Radio NFM 98.1, was renewed. Radio remains an effective way to communicate and share its development plans with stakeholders in Namaqualand.

#### **JACOMYNSPAN PROJECT AND METAL REFINING**

The Jacomynspan Nickel-Copper-PGE Project (South Africa) (JMP) has the potential to be a significant metals producer and Orion's third strategic future metals project alongside PCZM and OCP.

JMP hosts a Mineral Resource of 65Mt at 0.28% Ni, 0.19% Cu, 0.02% Co, 0.2g/t 2PGE+Au using a cut-off of 0.2% Ni (refer ASX/JSE release 8 March 2018). The Project is located on an executed mining right. The current Mineral Resource extends over less than 1km of strike of a series of outcropping intrusives where wide spaced scout drilling by Anglovaal, Newmont and Orion have shown a combined 7km strike of identical mineralised outcropping or shallow sub-cropping ultramafic intrusive bodies.

Orion sees compelling potential for a large scale, near surface bulk mining operation at JMP, with drilling confirming the presence of shallow sulphide nickel-copper-cobalt-PGE mineralisation within the ultramafic intrusive. This work is being progressed in parallel with a metallurgical test work program to produce battery precursor products and other critical metal micro-powders from JMP ore.

As previously reported, the Namaqua Nickel Mining Right, which was granted by the DMRE in September 2016, was notarially executed with the DMRE in December 2022.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

An application for the extension of the commencement date of mining operations was submitted to the DMRE in December 2023, to allow time to complete ongoing technical studies and a water use licence application.

During the reporting period, work continued to focus on planning for a trial mining exercise to generate a sufficiently sized representative bulk sample to test innovative metallurgical refining/battery pre-cursor production at a pilot scale. Orion maintains an exclusivity agreement with Stratega Metals (Pty) Ltd (Stratega) to undertake amenability test work on a 250kg sample of Ni-Cu-Co-PGE-Au concentrates from the JMP Project after the initial laboratory amenability test work returned promising results.

Work also continued during the reporting period on refining and updating a 2013 feasibility study for the project that forms the basis of the approved mine works plan. The current focus of work is on securing an adequate water supply for mining operations and an application for a water use licence to conduct the trial mining operations.

#### STRATEGA METALS VAPOUR REFINING PROJECT

A series of 20-50gram laboratory tests on chloro-vapour extraction of sulphur and metals commenced during the reporting period to optimise thermodynamic conditions of the metal vapour process. These tests will determine the thermodynamic and kinetic parameters for selective chlorination and extraction, metal gas transfer, distillation, and preparation of the metal concentrate for subsequent carbonylation. The targeted outcome is the optimised refining configuration for production of high value products such as pure elemental sulphur, separated high purity metal products and compounds and metal carbonyl powders.

An Independent Expert Chemical Engineer review to evaluate and validate the outcome of the test results is underway. The next phase of the Amenability Test will consist of a larger sample (500g) and will start after the verification of Stage Gate 1 test results review.

Stratega is continuing to progress discussions with electric vehicle (**EV**) manufacturers which are potential end users of the metal vapour powder products to be produced. One large European EV manufacturer has accepted Stratega onto its accredited supplier listing and has expressed interest in playing a role in the funding of a vertically integrated mine and refinery facility to produce its metal product requirements. Discussions with this and other EV OEMs continue.

#### AREACHAP NEAR MINE EXPLORATION

Areachap is an under-explored belt with multiple copper-zinc and nickel-copper-cobalt-PGE-gold intrusive targets within Orion's tenements. Chief among these are:

- Several high-grade copper-gold targets with historical and recent drill-hole intersections;
- The Kantienpan zinc-copper VMS project where Orion has identified a substantial mineralised deposit and will now progress this project to pre-feasibility level; and
- Lithium, beryllium and Rare Earth Element (REE) opportunities, which are currently being investigated. The Orange River Pegmatite Swarm with notable Li, Coltan and beryllium occurrences traverses the mineral rights held by Orion with several old workings mapped on these pegmatites.

Orion is investigating the potential to joint venture or separately fund this significant earlier stage exploration opportunity. While the focus of Orion's operations lies with mine development of its advanced projects, Orion recognises the potential to secure funding from investors with appetite for exploration stage investment.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

Orion has secured the services of Mr John-Paul Hunt (JP Hunt) as Group Consulting Geologist, to lead the exploration and new business opportunity. JP Hunt was, until recently, the Principal Scientist for SRK based in Johannesburg and has extensive experience in base metal exploration with a focus on geophysics and remote sensing.

No exploration work took place during the reporting period.

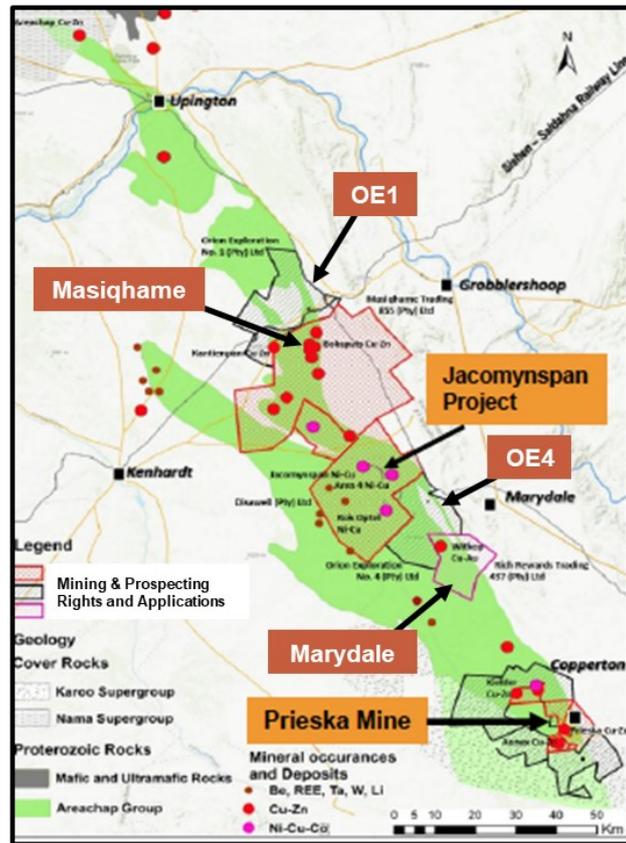


Figure 6: Location of Areachap Projects north of the Prieska Copper Zinc Mine.

## AUSTRALIAN PROJECTS

### Fraser Range - Gold-Nickel-Copper Project (Western Australia)

The Fraser Range Project is a belt-scale project highly prospective for high-value magmatic nickel-copper-cobalt sulphide discoveries. ASX-listed IGO Limited (**IGO**) is the dominant landholder in the Fraser Range and owns the Nova Operation, which is mining and processing the Nova-Bollinger Ni-Cu-Co sulphide deposit which was discovered in 2012.

Orion maintains a sizeable tenement package in the Fraser Range under a joint venture with IGO. In terms of the joint venture, IGO is responsible for the exploration of all the tenements while Orion has a free-carry through to the first Pre-Feasibility Study. This allows Orion to maintain exposure to ongoing exploration and development of the project, without any ongoing financial commitment.

During the reporting period, IGO completed a rehabilitation and tenement reclassification review across all tenements under the JV agreement. Several targets were reviewed in depth for prospectivity and two were identified for additional exploration. IGO intends to complete an additional in-depth review of the targets and prepare an exploration program for the Peninsula and Artemis targets in the Q1 CY2024, while also continuing a desktop review of the tenements.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### Walhalla Gold & Polymetals Project (Victoria)

While the Walhalla-Woods Point District is best known for gold mining, high-grade copper-nickel and PGE mineralisation also occurs within the belt. Both the gold and copper-nickel-PGE mineralisation within this district are hosted within dykes from the Woods Point Dyke Swarm, a series of ultramafic to felsic dykes occurring over a 75km long north-south belt.

No field or exploration work was carried out on the Victoria Project during the reporting period.

### CORPORATE

#### Cash and Finance

Cash on hand as at 31 December 2023 was \$10.96 million.

#### Project Funding

On 17 July 2023, Orion announced that it had taken another important step in advancing the funding strategy for PCZM after satisfying numerous substantive conditions required to commence drawdown on project development funding facilities totalling ~ZAR370 million (~\$30 million), being the IDC ZAR250 million (~\$20 million) Convertible Loan and the Triple Flag \$10 million Funding Arrangement.

Drawdown of the IDC Convertible Loan is in tranches and is pro rata matched by the drawdown requests that Orion makes under the Triple Flag Funding Arrangement. In August 2023, Orion received ~\$13.8 million in cash from the initial drawdown of the IDC Convertible Loan Facility and the Triple Flag early Funding Arrangement.

A summary of the material terms of the IDC Convertible Loan definitive agreement was provided in Appendix 1 of the Company's 8 February 2023 ASX/JSE release and a summary of the material terms of the Triple Flag definitive agreements was provided in Appendix 1 of the 13 December 2022 ASX/JSE release.

#### Options Exercised

During the reporting period, the Company issued 158.3 million ordinary fully paid shares following the exercise of options with an exercise price of \$0.017 and an expiry date of 30 November 2023. Orion's former non-executive director, Mr Thomas Borman, exercised 133.3 million options and Clover Alloys Copper Investments Pty Ltd (**Clover Alloys**) exercised 25 million options, together investing \$2.69 million in the Company.

A total of 3.35 billion unexercised, unlisted options, expired on 30 November 2023. These options and those above were issued as part of the capital raising announced by Orion in March 2023.

#### Board Changes

On 13 December 2023, the Company appointed experienced mining executives Mr Anthony Lennox and Ms Patience Mpofu as non-executive directors of Orion. Their appointments further strengthened the Orion Board, given their extensive skill sets including technical, operational, commercial, ESG and community/stakeholder expertise, particularly as Orion transitions to a producer of future facing metals.

On 10 October 2023, the Company announced Mr Thomas Borman resigned from the Board of Directors to focus on other commitments and business interests. Mr Borman remains a strong supporter of the Company and is a significant shareholder.

## Directors' Report (continued)

### SUBSEQUENT EVENTS AFTER THE BALANCE DATE

There has not arisen in the interval between the end of the half year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods, except for the matters referred to below:

- On 23 January 2024, Orion announced the acquisition of 12,156ha of surface rights at its Okiep Projects including 5,687ha covering the New Okiep Mining Project area. The acquisition clears the way for drilling to provide additional resource classification and geotechnical and metallurgical zonation information for the New Okiep Mining Project.
- On 15 February 2024, Orion announced changes in its Board Composition, which resulted in Mr Philip Kotze stepping down as a Non-Executive Director. Mr Kotze joined the Orion Board as a representative of Clover Alloys Copper Investments Pty Ltd (Clover Alloys), which is a 9.2% shareholder in Orion. Orion is progressing possible funding and transaction opportunities with multiple parties including Clover Alloys, in respect of the Company's various projects. As ongoing discussions with Clover Alloys could put Mr Philip Kotze in a conflicted position, the Orion Board, including Mr Kotze, agreed that it would be preferable if Mr Kotze stepped down from the Orion Board. The Board accepted Mr Kotze's resignation as a director of Orion effective 15 February 2024.

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 28 and forms part of the directors' report for the half year ended 31 December 2023.

Signed in accordance with a resolution of the directors.



Denis Waddell  
**Chairman**

Perth, Western Australia

Date: 13 March 2024

## Auditor's independence declaration to the Directors of Orion Minerals Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



**Mazars Melbourne Assurance Pty Ltd**



**Alexis Aupied**  
Director

Melbourne, 13 March 2024

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

CONTINUING OPERATIONS	Notes	December 2023 \$'000	December 2022 \$'000
Other income	4	183	25
Exploration and evaluation costs expensed	8	(2,546)	(2,207)
Employee expenses		(779)	(698)
Other operational expenses	4	(2,996)	(3,037)
<b>Results from operating activities</b>		<b>(6,318)</b>	<b>(5,917)</b>
<b>Non-operating expenses</b>	4	<b>(902)</b>	<b>(2,989)</b>
Finance income		2,246	1,603
Finance expense		(855)	(169)
<b>Net finance income</b>		<b>1,391</b>	<b>1,434</b>
<b>Loss before income tax</b>		<b>(5,649)</b>	<b>(7,472)</b>
Income tax expense		---	---
<b>Loss from continuing operations attributable to equity holders of the Group</b>		<b>(5,649)</b>	<b>(7,472)</b>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Other comprehensive income			
Foreign currency reserve		136	489
<b>Total other comprehensive income for the period</b>		<b>136</b>	<b>489</b>
<b>Total comprehensive loss for the period</b>		<b>(5,513)</b>	<b>(6,983)</b>
Loss for the period is attributed to:			
Non-controlling interest	13	(1,236)	(891)
Owners of Orion Minerals Ltd		(4,413)	(6,581)
		<b>(5,649)</b>	<b>(7,472)</b>
Total comprehensive loss for the period is attributable to:			
Non-controlling interest	13	(1,236)	(891)
Owners of Orion Minerals Ltd		(4,277)	(6,092)
		<b>(5,513)</b>	<b>(6,983)</b>
<b>LOSS PER SHARE (CENTS PER SHARE)</b>			
Basic loss per share	15	(0.08)	(0.14)
Diluted loss per share	15	(0.08)	(0.14)
Headline loss per share	15	(0.08)	(0.14)
Diluted headline loss per share	15	(0.08)	(0.14)

The notes on pages 33 to 47 are an integral part of this consolidated interim financial report.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

ASSETS	Notes	December 2023 \$'000	June 2023 \$'000
<b>Current assets</b>			
Cash and cash equivalents	3	10,960	7,564
Trade and other receivables		824	294
Rehabilitation bonds	5	322	331
Prepayments		1,295	762
Receivable GRR	10	5,228	---
<b>Total current assets</b>		<b>18,629</b>	<b>8,951</b>
<b>Non-current assets</b>			
Trade and other receivables		90	90
Rehabilitation bonds	5	3,255	2,831
Right of use asset		1,364	1,221
Loans to related parties	6	4,974	4,699
Investment in preference shares	7	26,409	24,973
Plant and equipment		1,624	557
Intangible assets		2,248	---
Deferred exploration, evaluation and development	8	53,519	49,043
<b>Total non-current assets</b>		<b>93,483</b>	<b>83,414</b>
<b>Total assets</b>		<b>112,112</b>	<b>92,365</b>
LIABILITIES	Notes	December 2023 \$'000	June 2023 \$'000
<b>Current liabilities</b>			
Trade and other payables		4,024	2,221
Provisions		254	124
Leases		4	4
<b>Total current liabilities</b>		<b>4,282</b>	<b>2,349</b>
<b>Non-current liabilities</b>			
Provisions		1,891	1,893
Loans	9	11,616	1,981
Leases		1,766	1,516
Contract liability GRR	10	9,726	---
<b>Total non-current liabilities</b>		<b>24,999</b>	<b>5,390</b>
<b>Total liabilities</b>		<b>29,281</b>	<b>7,739</b>
<b>NET ASSETS</b>		<b>82,831</b>	<b>84,626</b>
EQUITY	Notes	December 2023 \$'000	June 2023 \$'000
Equity attributable to equity holders of the Company			
Issued capital	12	210,932	207,625
Accumulated losses		(144,353)	(139,944)
Share based payments reserve	12	3,243	2,837
Foreign currency translation reserve		2,008	1,871
Other reserve		20,482	20,482
Non-controlling interest – subsidiaries	12	(9,481)	(8,245)
<b>Total equity</b>		<b>82,831</b>	<b>84,626</b>

The notes on pages 33 to 47 are an integral part of this consolidated interim financial report.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

	Notes	December 2023 \$'000	December 2022 \$'000
<b>Cash flows from operating activities</b>			
Payments for exploration and evaluation		(2,199)	(2,259)
Payments to suppliers and employees		(4,660)	(2,719)
Interest received		520	60
Interest paid		70	(56)
Other receipts		195	72
<b>Net cash used in operating activities</b>		<b>(6,074)</b>	<b>(4,902)</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(932)	(45)
Payments for exploration and evaluation		(4,599)	(2,855)
Term deposit funds – invested		11	---
Dividends received		---	---
<b>Net cash used in investing activities</b>		<b>(5,520)</b>	<b>(2,900)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		---	4,843
Proceeds from exercise of options		2,862	---
Share issue expenses		---	(6)
Borrowings provided to joint venture operations		(301)	(231)
Proceeds from contract liability GRR		4,028	---
Proceeds from borrowings		8,885	1,888
<b>Net cash from / (used in) financing activities</b>		<b>15,474</b>	<b>6,494</b>
<b>Net decrease in cash and cash equivalents</b>		<b>3,880</b>	<b>(1,308)</b>
Cash and cash equivalents at the beginning of the period		7,564	4,288
Effects of exchange rate on cash at end of reporting period		(486)	(246)
<b>CASH ON HAND AND AT BANK AT PERIOD END</b>	<b>3</b>	<b>10,958</b>	<b>2,734</b>

The notes on pages 33 to 47 are an integral part of this consolidated interim financial report.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

31 December 2023							
	Issued capital	Accumulated losses	Non-controlling interest	Foreign currency translation reserve	Other reserve	Share based payments reserve	Total equity
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Balance at 1 July 2023	207,625	(139,944)	(8,245)	1,871	20,482	2,837	84,626
Loss for the period	---	(4,413)	(1,236)	---	---	---	(5,649)
Other comprehensive income	---	---	---	136	---	---	136
<b>Total comprehensive loss for the period</b>	<b>---</b>	<b>(4,413)</b>	<b>(1,236)</b>	<b>136</b>	<b>---</b>	<b>---</b>	<b>(5,513)</b>
Transactions with owners in their capacity as owners:							
Contributions of equity, net costs	3,307	---	---	---	---	---	3,307
Share-based payments expense	---	---	---	---	---	406	406
Transactions between owners	---	---	---	1	---	---	1
IFRS 9 Capital contribution	---	4	---	---	---	---	4
<b>Total transactions with owners</b>	<b>3,307</b>	<b>4</b>	<b>---</b>	<b>1</b>	<b>---</b>	<b>406</b>	<b>3,718</b>
<b>Balance at 31 December 2023</b>	<b>210,932</b>	<b>(144,353)</b>	<b>(9,481)</b>	<b>2,008</b>	<b>20,482</b>	<b>406</b>	<b>82,831</b>

31 December 2022							
	Issued capital	Accumulated losses	Non-controlling interest	Foreign currency translation reserve	Other reserve	Share based payments reserve	Total equity
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Balance at 1 July 2022	189,755	(127,481)	(4,915)	(24)	19,956	3,606	80,897
Loss for the period	---	(6,581)	(891)	---	---	---	(7,472)
Other comprehensive income	---	---	---	489	---	---	489
<b>Total comprehensive loss for the period</b>	<b>---</b>	<b>(6,581)</b>	<b>(891)</b>	<b>489</b>	<b>---</b>	<b>---</b>	<b>(6,983)</b>
Transactions with owners in their capacity as owners:							
Contributions of equity, net costs	4,943	---	---	---	---	---	4,943
Share-based payments expense	---	---	---	---	---	---	---
Transactions between owners	---	1,943	(1,944)	1	---	---	---
<b>Total transactions with owners</b>	<b>4,943</b>	<b>1,943</b>	<b>(1,944)</b>	<b>1</b>	<b>---</b>	<b>---</b>	<b>4,943</b>
<b>Balance at 31 December 2022</b>	<b>194,698</b>	<b>(132,119)</b>	<b>(7,750)</b>	<b>466</b>	<b>19,956</b>	<b>3,606</b>	<b>78,857</b>

The notes on pages 33 to 47 are an integral part of this consolidated interim financial report.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT****For the half year ended 31 December 2023****1. REPORTING ENTITY**

Orion Minerals Limited (**Company**) is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2023 comprises the Company and its subsidiaries (together referred to as the **Group**).

The consolidated annual financial report of the Group as at and for the year ended 30 June 2023 is available upon request from the Company's registered office or at [www.orionminerals.com.au](http://www.orionminerals.com.au).

**2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in these consolidated interim financial statements are consistent with those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2023. Mandatory accounting standards were adopted by the Group during the period. The adoption of the new accounting standards has had no material impact on the measurements of the Group's assets and liabilities.

**a) Statement of compliance**

The consolidated interim financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with IFRS IAS 34 *Interim Financial Reporting*.

The consolidated interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2023.

This consolidated interim financial report was approved by the Board of Directors on 13 March 2024.

**b) Basis of measurement**

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial report as at and for the year ended 30 June 2023.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**  
**For the half year ended 31 December 2023**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c) Going concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group recorded a net loss of \$5.65M for the half year ended 31 December 2023, and the Group's position as at 31 December 2023 was as follows:

- The Group had cash reserves of \$10.96M and had negative operating cash flows of \$6.07M for the half year ended 31 December 2023;
- The Group had positive working capital at 31 December 2023 of \$16.59M; and
- The Group's main activity is exploration, evaluation and development of base metal, gold and PGE projects in South Africa (Northern Cape Province) and as such it does not have a source of income, rather it is reliant equity raisings and / or debt to fund its activities.

These factors indicate a material uncertainty that may cast significant doubt as to whether the Group will 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 state in the financial report.

Cash on hand as at 31 December 2023 will not be sufficient to fund planned exploration and operational activities during the next twelve months. However, the Directors believe that there are reasonable grounds that the Group will be able to continue as a going concern, after consideration of the following factors:

**Project Funding – Prieska Copper Zinc Mine**

**Triple Flag US\$87M Funding Package**

- In December 2022, Orion signed definitive agreements with Triple Flag Precious Metals Corp. (TSX/NYSE: TFPM) (with its subsidiaries, **Triple Flag**) for a US\$87M (~\$127M) secured funding package for PCZM comprising of a precious metals stream (**Precious Metal Stream**) and an additional early funding arrangement (**Funding Arrangement**).

The Precious Metal Stream is conditional on the mine development being fully funded, finalisation of an executable mine plan to Triple Flag's satisfaction, South African regulatory approvals, and fulfilment of drawdown conditions standard for such arrangements.

The \$10M (~US\$7M) Funding Arrangement, will enable the PCZM to complete the Early Mining Works BFS and Dewatering Project.

Under each of the Precious Metal Stream and the Funding Arrangement, PCZM and other obligors will agree to grant a first ranking security in favour of Triple Flag and the IDC over certain assets and claims related directly and indirectly to the Project, with the security in respect of the Precious Metal Stream to be subordinated to PCZM financiers on terms to be agreed in an intercreditor arrangement that is consistent with the principles set out in the Precious Metal Stream agreement.

A summary of the material terms of the Triple Flag definitive agreements is provided in Appendix 1 of the 13 December 2022 ASX/JSE release.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**  
**For the half year ended 31 December 2023**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**IDC Convertible Loan – Prieska Copper Zinc Mine**

- In February 2023 Orion signed definitive agreements with the IDC for a ZAR250M (~\$22M) senior secured loan facility (**IDC Convertible Loan**) to fund early mining works and key pre-development activities at the PCZM.

Under the terms of the IDC Convertible Loan, the IDC will provide the ZAR250M to PCZM HoldCo (Pty) Ltd (an indirect, wholly-owned subsidiary of Orion), which will be on-lent to PCZM (a majority-owned subsidiary of Orion) on similar terms to fund the completion of the Feasibility Study for the previously-articulated Early Production Plan at PCZM (refer ASX/JSE release 20 January 2022), while also allowing the PCZM to commence dewatering of the existing underground mine – a critical path activity required for the broader long-term development of the project.

A summary of the material terms of the IDC Convertible Loan definitive agreement is provided in Appendix 1 of the 8 February 2023 ASX/JSE release.

The Triple flag AUD10M early Funding Arrangement, together with the IDC Convertible Loan, has enabled Orion to progress works to complete the Early Mining Works BFS and commission and carry out the Dewatering Project. Refer to note 9 for further disclosures.

Along with the Company's ability to successfully raise capital in the past, the Directors are confident of obtaining the continued support of the Company's shareholders and a number of brokers that have supported the Company's previous capital raisings.

Additionally, the Company continues to progress discussions with potential debt and equity providers and potential strategic partners, in relation to funding for the development of the Company's projects. The amount and timing of any funding for operational and exploration plans, is the subject of ongoing review.

Accordingly, the financial statements for the half year ended 31 December 2023 have been prepared on a going concern basis as, in the opinion of the Directors, the Group will be in a position to continue to meet its operating costs and exploration expenditure commitments and pay its debts as and when they fall due for at least twelve months from the date of this report.

However, the Directors recognise that if sufficient additional funding is not raised from the issue of capital or through alternative funding sources, in order to support the Group until the commencement of mining operations, there is a material uncertainty as to whether the going concern basis is appropriate with the result that the Group may relinquish title to certain tenements and may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

**d) Gross Revenue Return Arrangement (GRR)**

Judgement was required in assessing the appropriate accounting treatment for the GRR arrangement as disclosed in note 10, including characterisation of the transaction, whether control has been transferred in the mineral property interest, and whether the related services are distinct from the mineral interest. The assessment considered terms specific to the arrangement to determine what the counterparty was entitled to and the associated risks and rewards attributable to them over the life of the arrangement.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**  
For the half year ended 31 December 2023

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Upon evaluating the transaction, it was determined that the advance payment received were comprised of a disposal of a portion of the Group's mineral interest and an upfront payment received for the implicit obligation of future extraction services that will generate future gross revenue returns.

It is the intention of the Group to satisfy the performance obligation under the arrangement. The obligation will be satisfied through the Group's production and revenue, which will be recognised over the duration of the LOM as the Group delivers the gross revenue return. As the contract is long term in nature, and the Group received a portion of the consideration from Triple Flag at inception of the contract. It has been determined that a portion of the future extraction contains a significant financing component. The Group therefore made a critical estimate of the discount rate at initial recognition of the contract liability that should be applied over the life of the arrangement.

**e) Rounding of amounts**

The Company is of a kind referred to in the Corporations Instrument 2016/191, issued by the Australian Securities and Investment Commission, relation to 'rounding off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars or in certain cases, to the nearest dollar.

**f) New or amended Accounting Standards and Interpretations adopted**

In the period ended 31 December 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting periods beginning on or after 1 July 2023. As a result, there are no new standards since last reporting date of 30 June 2023 that the Group is required to adopt or make retrospective assessment prior to adoption.

**3. CASH AND CASH EQUIVALENTS**

	December 2023 \$'000	June 2023 \$'000
Cash and cash equivalents	7,335	2,941
Short term deposits	3,625	4,623
<b>Total</b>	<b>10,960</b>	<b>7,564</b>

Cash and cash equivalents includes an amount of \$0.12M held by New Okiep Mining Company (Pty) Ltd (**NOM**) (a subsidiary of Orion), from funds received from the IDC Shareholder Loan, as required under the terms of memorandum of incorporation agreement between NOM and the IDC, that is ringfenced for Okiep Copper Project – Flat Mines Project expenditure (refer Note 9).

Further, an amount of \$3.93M held by Prieska Copper Zinc Mine (Pty) Ltd (**PCZM**) (a subsidiary of Orion), from funds received from the IDC and Triple Flag Funding Agreement, as required under the terms of agreement between PCZM HoldCo, IDC and Triple Flag, is ringfenced for the Prieska Copper Zinc Mine Project expenditure (refer Note 9).

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**  
For the half year ended 31 December 2023

**4. REVENUES AND EXPENSES**

Other income	December 2023 \$'000	December 2022 \$'000
Services rendered to associate companies	25	25
Intergroup transactions: Revenue from disbursements	158	---
<b>Total other income</b>	<b>183</b>	<b>25</b>
Other operational expenses	December 2023 \$'000	December 2022 \$'000
Contractor, consultants and advisory	1,303	2,329
Investor and public relations	197	161
Communications and information technology	70	56
Due diligence expenditure	26	---
Depreciation	178	93
Occupancy	21	23
Travel and accommodation	120	133
Directors' fees and employment costs	201	166
Capital raising fee	799	---
Other corporate and administrative	102	76
<b>Total other operational expenses</b>	<b>2,996</b>	<b>3,037</b>
Non-operating (income) / expenses	December 2023 \$'000	December 2022 \$'000
Net foreign exchange loss	525	2,989
Profit of disposal of property, plant & equipment	(29)	---
Share based payments	406	---
<b>Total non-operating expenses</b>	<b>902</b>	<b>2,989</b>

**5. REHABILITATION BONDS**

	December 2023 \$'000	June 2023 \$'000
<b>Current</b>		
Rehabilitation bonds	322	331
<b>Non-current</b>		
Rehabilitation bonds	3,255	2,831
<b>Total</b>	<b>3,577</b>	<b>3,162</b>

Rehabilitation bonds are cash placed on deposit to secure bank guarantees in respect of obligations entered into for environmental performance bonds issued in favour of the relevant government body for projects located in South Africa and Victoria (Australia).

The Group also has environmental obligations for various projects in South Africa, including the Prieska Project. The Group has engaged the services of Centriq Insurance Company Ltd (**Centriq**), a company established to meet the financial provisioning requirements of Mining Rights in South Africa. Funds held by Centriq relate to premium paid to Centriq and represent collateral held by Centriq against guarantees that have been issued. Funds held by Centriq on behalf of the Group are refundable to the Group when the guarantees expire. The bond can be applied by the government body for rehabilitation works should the Group fail to meet regulatory standards for environmental rehabilitation.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**  
For the half year ended 31 December 2023

**6. LOAN TO RELATED PARTIES**

	December 2023 \$'000	June 2023 \$'000
<b>Non-current</b>		
Loan to Prieska Resources – principal	1,226	1,231
Loan to joint venture partners	3,748	3,468
<b>Total</b>	<b>4,974</b>	<b>4,699</b>

Prieska Resources

The Black Economic Empowerment (**BEE**) restructure implemented in September 2019 involved the acquisition by Prieska Resources Pty (Ltd) (**Prieska Resources**) of a 20% interest in the Company's subsidiary, Prieska Copper Zinc Mine (Pty) Ltd (**PCZM**), for a purchase consideration of ZAR142.78M (~\$14.45M). To fund the acquisition, the Company has provided vendor financing comprised of two components, being a loan and preference shares (refer Note 7).

A secured loan (repayable 12 months from closing date of securing Prieska Project financing) with principal totalling ZAR15.29M arose as a result of PCZM delegating a portion of a loan which was owed to the Company by Prieska Resources, in exchange for which PCZM issues ordinary shares to Prieska Resources. The terms of the loan initially included that interest is payable by Prieska Resources at the publicly quoted prime overdraft rate. Subsequently, the terms of the loan have been amended such that:

- all accrued interest up to 30 June 2021 that has been waived by the Company; and
- from 1 July 2021 until the financial closing date of securing Prieska Project financing, the loan shall be interest free, subsequent to which date the loan shall bear interest at prime.

Joint Venture Partners

In September 2017, Area Metals Holdings No3 (Pty) Ltd (an indirect, wholly owned, Orion subsidiary) (**AMH3**) entered into a binding earn-in agreement to acquire earn-in rights over the Jacomynspan Nickel-Copper-PGE Project (South Africa) (**Jacomynspan Project**) from two companies, Disawell (Pty) Ltd and Namaqua Nickel Mining (Pty) Ltd (**Namaqua Disawell Companies**), which hold partly overlapping granted prospecting rights and a mining right, respectively.

During the year ended 30 June 2019, AMH3 reached the next stage earn-in right, which will see its shareholding increase by a further 25% interest making its total interest 50% (subject to, inter alia, certain regulatory approvals). Orion is the manager and operator of the joint venture.

During the reporting period, the Group continued to advance exploration programs on the Jacomynspan Project, expending an additional \$0.27M (excludes effect of foreign exchange rate movement on balance). This expenditure, under the terms of a consolidated shareholders' agreement concluded in September 2017 between, amongst others, the Company, AMH3 and the Namaqua Disawell Companies, is held in a shareholder loan account.

The shareholders continue to discuss the future operational plans of the Jacomynspan Project, as they await the statutory approval for Orion to be issued the shares to achieve 50% shareholding in the Namaqua-Disawell companies following satisfaction of the obligations of the original earn-in agreement. Namaqua-Disawell has submitted its applications to the Department of Mineral Resources and Energy for regulatory approval to issue the additional shares to Orion, resulting in a change of control of the companies holding the mineral rights.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**  
For the half year ended 31 December 2023

**7. INVESTMENT IN PREFERENCE SHARES**

	December 2023 \$'000	June 2023 \$'000
<b>Non-current</b>		
Prieska Resources preference shares – principal	16,041	16,107
Prieska Resources preference shares – interest receivable	10,368	8,866
<b>Total</b>	<b>26,409</b>	<b>24,973</b>

To fund the acquisition by Prieska Resources of a 20% interest in the Company's subsidiary, PCZM, the Company has provided vendor financing comprised of two components, being a loan (refer Note 6) and preference shares. The preference shares issued by Prieska Resources to the Company (through its subsidiary Agama Exploration & Mining (Pty) Ltd (**Agama**)) have the following key terms:

- The preference shares rank in priority to the rights of all other shares of Prieska Resources with respect to the distribution of Prieska Resource's assets, in an amount up to the redemption amount in the event of the liquidation, dissolution or winding up of Prieska Resources, whether voluntary or involuntary, or any other distribution of Prieska Resources, whether for the purpose of winding up its affairs or otherwise;
- The preference shares are redeemable by Prieska Resources at any time after the expiry of a period of 3 years and 1 day after the date of issue of the preference shares, and prior to the 8<sup>th</sup> anniversary of their date of issue at an internal rate of return of 12%; and
- Any preference shares held by the Company (through its subsidiary Agama) after the 8<sup>th</sup> anniversary of their date of issue will be automatically converted pro rata into ordinary shares in Prieska Resources, up to 49% of the shares in Prieska Resources or, subject to compliance with South African laws, an equivalent number of shares in PCZM.

The movement year on year in relation to principal amount is related to impact of foreign exchange rate movement and not additional amounts classified as principal through the issue of additional preference shares.

**8. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

	December 2023 \$'000	June 2023 \$'000
<b>Acquired mineral rights</b>		
Opening cost	14,161	14,161
Exploration and evaluation acquired	---	---
<b>Exploration, evaluation and development</b>	<b>14,161</b>	<b>14,161</b>
<b>Deferred exploration and evaluation expenditure</b>		
Opening cost	34,883	35,612
Effect of foreign exchange on opening balance	(3,848)	(3,847)
Expenditure incurred	10,870	6,863
Exploration expensed	(2,546)	(4,131)
Asset derecognised – written off	---	385
<b>Deferred exploration and evaluation expenditure</b>	<b>39,358</b>	<b>34,883</b>
<b>Net carrying amount at end of period</b>	<b>53,519</b>	<b>49,043</b>

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

For the half year ended 31 December 2023

## 8. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE (continued)

Proceeds received from the partial disposal of the interests in a mineral property as part of the GRR arrangement are credited against the carrying value of that property. When the proceeds exceed the carrying costs, the excess is recorded in the consolidated statements of income in the period the excess is received.

## 9. LOANS

	December 2023 \$'000	June 2023 \$'000
<b>Non-current</b>		
IDC Shareholder loan	11,616	1,981
<b>Total</b>	<b>11,616</b>	<b>1,981</b>

IDC Shareholder loan – Okiep Copper Project

In November 2022, Orion and the Industrial Development Corporation of South Africa Limited (IDC) entered into definitive agreements in terms of which the IDC acquired 43.75% of the issued ordinary shares in New Okiep Mining Company Proprietary Limited (**NOM**) and triggered pre-development funding arrangements for the Flat Mines SAFTA area (**Flat Mines Project**), refer ASX/JSE release 7 September 2022.

Under the terms of the NOM memorandum of incorporation (MOI), the IDC funding of pre-development costs in the aggregate amount of ZAR34.58M will be advanced to NOM as a shareholder loan on the same terms as the pre-development funding amount of ZAR44.46M that Orion had already advanced to NOM, including that the loan is unsecured, interest free until such time as the Flat Mines Project commences commercial production and will be repaid when NOM is in a financial position to make repayment. Pursuant to the definitive agreements having been implemented, the IDC becoming a shareholder in NOM.

In November 2022, the IDC advanced ZAR21.91M (\$1.90M) of its pre-development funding commitment, with a further ZAR12.7 (\$1.04M) advanced in March 2023. The loan has been accounted for in accordance with IFRS 9, the discounted loan value with initial recognition was ZAR23.41M (\$1.99M) and ZAR25.79M (\$2.07M) as at 31 December 2023. The loan is discounted at a rate of Prime lending rate in South Africa. Interest on the loan recognised in the current period of ZAR1.18M (\$0.10M).

As part of the initial recognition, ZAR 11.1M (\$0.9M) was recognised in other reserves of which ZAR4.88M (\$0.4M) relates to non-controlling interest.

IDC Convertible loan – Prieska Copper Zinc Mine

In February 2023, Orion entered into a definitive agreement with the IDC for a ZAR250M (~\$A20M) senior secured convertible loan facility (**Convertible Loan**) to fund early mining works and key pre-development activities at the Prieska Copper Zinc Mine.

The IDC Convertible Loan incurs interest at the South African prime rate +3.5% and is secured. The Convertible Loan does not have a fixed repayment date, however, the IDC does have an option to convert to equity.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**  
For the half year ended 31 December 2023

**9. LOANS (continued)**

In the event that the Early Production Plan BFS results in a positive outcome and a decision is taken to commence with the Early Mining Plan, at the option of the IDC, the Convertible Loan (including capital and accrued interest) can be converted into equity and a shareholder loan in PCZM Holdco Proprietary Limited (a wholly-owned subsidiary of Orion) (**PCZM Holdco**), in proportion to Agama Exploration & Mining Proprietary Limited (a wholly owned subsidiary of Orion) existing shareholder loan claims against PCZM Holdco as at the date of conversion, and utilising a pre-money enterprise value for PCZM of ZAR1.2 billion.

The Convertible Loan is to be secured by first ranking security in favour of the IDC (and Triple Flag) given by PCZM and other obligors over certain of their assets and claims related directly and indirectly to the Prieska Copper Zinc Mine.

**10. CONTRACT LIABILITIES**

	December 2023 \$'000	June 2023 \$'000
<b>Non-current</b>		
Contract liability GRR	9,726	---
<b>Total</b>	<b>9,726</b>	<b>---</b>

The Group entered into a Gross Revenue Return (**GRR**) arrangement with TF R&S Canada Limited (Triple Flag). In terms of the agreement, the Group is to receive an advance payment of \$9.24M (\$10M net of \$0.76M transaction costs) to complete the Feasibility Study for the mining of the crown and remnant pillars down to the 385m level at Prieska Copper Zinc Mine (PCZM) and the simultaneous commissioning and operating of pumping and water treatment facilities, to allow dewatering of the PCZM mine.

It is determined that the advance payment received comprises of a disposal of a portion of the Group's mineral interest and an upfront payment received implicit to the obligation of future extraction services that will generate future gross revenue returns. Once PCZM generates revenue the company will be obligated to pay 0.8% of its gross revenue to Triple Flag.

It is the intention of the Group to satisfy the performance obligation under the arrangement. The obligation will be satisfied through the Group's production and revenue, which will be recognised over the duration of the LOM as the Group delivers the gross revenue return. As the contract is long term in nature, and the Group received a portion of the consideration from Triple Flag at inception of the contract. It has been determined that a portion of the future extraction contains a significant financing component.

The contract liability will be recognised as a non-current liability until such time as when the Group starts extraction services and the obligation to repay 0.8% of its revenue incurs.

As at the date of this report, a total of \$6.81M has been received by the Group from Triple Flag in relation to the GRR with \$4.79M received on 10 August 2023 and \$2.02M received on 8 February 2024, subsequent to the end of the reporting period.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

### For the half year ended 31 December 2023

#### 11. NEW OKIEP MINING COMPANY (NOM) – MINING RIGHT

On 18 September 2023 the company received Section 11 consent from the Department of Mineral Resources & Energy to cede the mining right from Southern African Tantalum Mining (Pty) Ltd (SAFTA) to New Okiep Mining Company (NOM). On 11 December 2023 a cession agreement between SAFTA and NOM was signed in order to register the mining right to NOM and accordingly the company has capitalised the value payable to SAFTA to the mining right. Refer to note 14 for further details of the OCP transaction.

#### 12. ISSUED CAPITAL AND SHARE BASED PAYMENT RESERVE

	December 2023 \$'000	June 2023 \$'000
Ordinary fully paid shares	210,932	207,625
	<b>210,932</b>	<b>207,625</b>

The following movements in issued capital occurred during the period:

	Number of shares	Issue price	\$'000
<b>Ordinary fully paid shares</b>			
Opening balance at 1 July 2023	5,647,048,572		207,625
Share issues:			
Options exercised – 7 August 2023	10,000,000	\$0.017	170
Placement – 7 August 2023	29,652,476	\$0.015	445
Options exercised – 16 November 2023	133,333,332	\$0.017	2,267
Options exercised – 30 November 2023	25,000,000	\$0.017	425
Less: Issue costs	---	---	---
<b>Closing balance as at 31 December 2023</b>	<b>5,845,034,680</b>		<b>210,932</b>

#### Share based payments reserve – movement

The employee share option and share plan reserve is used to record the value of equity benefits provided to employees, consultants and directors as part of their remuneration. The following movements in the share based payments reserve occurred during the period:

	\$'000
Opening balance at 1 July 2022	3,606
Share based payments expense	155
Unlisted share options expired/exercised and transferred to accumulated losses (i)	(924)
<b>Closing balance at 30 June 2023</b>	<b>2,837</b>
Share based payments expense	406
Unlisted share options expired/exercised and transferred to accumulated losses	---
<b>Closing balance at 31 December 2023</b>	<b>3,243</b>

- (i) During the period ended 30 June 2023, previously recognised share based payment transactions for options which had vested but subsequently expired were transferred to accumulated losses.

No options were granted, exercised or expired during the half year ended 31 December 2023 under the Group's Option and Performance Rights Plan.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**  
For the half year ended 31 December 2023

**13. NON-CONTROLLING INTEREST – SUBSIDIARIES**

	December 2023 \$'000	June 2023 \$'000
Opening balance	(8,245)	(4,915)
<u>Movement</u>		
Partial disposal of subsidiary <sup>(a)</sup>	---	(1,944)
Shareholder capital contribution <sup>(b)</sup>	---	409
Accumulated losses	(1,236)	(1,795)
<b>Closing balance</b>	<b>(9,481)</b>	<b>(8,245)</b>

- (a) On 8 November 2022, Orion sold 43.75% of its shareholding in New Okiep Mining Company (Pty) Ltd (**NOM**) to the IDC.
- (b) Upon becoming a shareholder, the IDC advanced ZAR34.58M (~\$3.0M) to NOM, IFRS 9 was applied to the loan received, resulting in a ZAR4.88m (~\$0.41M) Shareholder capital contribution.

The non-controlling interest parties have the following interest in the Group South African subsidiaries:

Prieska Copper Zinc Mine (Pty) Ltd 30% (December 2022: 30%), Vardocube (Pty) Ltd 30% (December 2022: 30%), New Okiep Mining Company (Pty) Ltd 43.75% (December 2022: 43.75%) and Aquila Sky Trading 890 (Pty) Ltd 31.78% (December 2022: 31.78%). Masiqhame Trading 855 (Pty) Ltd 50% (December 2022: 50%) do not participate in the profit/loss and have no impact on the NCI value.

**14. COMMITMENTS – PROJECT RELATED**

Okiep Copper Project

On 2 August 2021, the Company announced that it had exercised a restructured option to directly acquire the mineral rights and other assets held by Southern African Tantalum Mining (Pty) Ltd (**SAFTA**), NababEEP Copper Company (Pty) Ltd (**NCC**) and Bulletrap Copper Co (Pty) Ltd (**BCC**) (collectively the **Target Entities**), rather than acquire the shares in the Target Entities themselves (**OCP Sale Assets**) (**OCP Transaction**).

It is intended that the OCP Sale Assets will be acquired by two newly formed Orion subsidiary companies. New Okiep Mining Company (Pty) Ltd (initially 56.3% owned by Orion and 43.7% owned by IDC (in relation to SAFTA) and New Okiep Exploration Company (Pty) Ltd (initially 100% Orion-owned) (in relation to NCC and BCC) (each a **Purchaser**) will acquire all of the assets of SAFTA, NCC and BCC, respectively, comprising principally their respective mineral rights, mineral data, rehabilitation guarantees, any specified contracts and any other assets identified by the Purchasers (collectively, the **Sale Assets**) (**Okiep Transaction**).

The aggregate purchase consideration payable by the Purchasers to the Target Entities and their shareholders (excluding the IDC) (**Selling Shareholders**) for the Sale Assets is ZAR73.7M (~\$5.9M) (**Purchase Consideration**), to be settled as to ZAR18.4M (~\$1.7M) in cash and ZAR58.1M (~\$5.2M) in Orion Shares (**Consideration Shares**). The issue price of the Consideration Shares will be equal to the 30-day volume weighted average price of the Consideration Shares traded on the ASX and the JSE in the period ending on the date that is the earlier of (i) the closing date of the applicable part of Okiep Transaction; and (ii) 30 days after the date on which the last of specified mineral right is granted in respect of the Target Entity that is the subject of that transaction.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**

For the half year ended 31 December 2023

**14. COMMITMENTS – PROJECT RELATED (continued)**

The Company will pre-pay a portion of the Purchase Consideration (**Pre-Payment**) to the Selling Shareholders with effect from the date that is 90 days after the date on which the last mineral right is granted in respect of the Target Entity that is the subject of that transaction until the closing date of the OCP Transaction concerned. The monthly Pre-Payment amount is ZAR0.35M in respect of the SAFTA transaction and ZAR0.25M in respect of each of the NCC transaction and the BCC transaction. The aggregate of the Pre-Payments is deducted from the Consideration Shares.

**Stratega Metals – Battery Metals Refinery**

The Company has agreed with Stratega Metals amenability test work (**Test Work**) and project definition as outlined in the binding exclusivity agreement signed. As part of this agreement, the Company is committed to funding the next phase of the Test Work for USD0.34M including a contingency of USD13,200. With the next phase of the Test Work in progress, funding will likely be requested by Stratega Metals from the Company in draw downs upon achievement of milestones and as per the agreed schedule.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**  
For the half year ended 31 December 2023

**15. LOSS PER SHARE**

Basic loss per share amounts are calculated by dividing the net loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period (adjusted for the effects of potentially dilutive options and dilutive partly paid contributing shares).

The following reflects the loss and share data used to calculate basic and diluted earnings per share:

**a) Basic and diluted loss per share**

	December 2023 Cents	December 2022 Cents
Loss attributable to owners of the Company	(0.08)	(0.14)
Diluted loss attributable to owners of the Company	(0.08)	(0.14)

**b) Reconciliation of loss used in calculating earnings per share**

	December 2023 \$'000	December 2022 \$'000
Loss from continuing operations attributable to equity holders of the Group	(5,649)	(7,472)
Gain/(Loss) attributable non-controlling interest	1,236	(891)
Loss attributable to owners of the Company	(4,414)	(6,581)

**c) Weighted average number of shares**

	December 2023 Number	December 2022 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (i)	5,681,471,326	4,601,143,312
(i) Shares are anti-dilutive		

**d) Headline loss per share**

	December 2023 \$'000	December 2022 \$'000
Loss before income tax	(4,414)	(6,581)
Impairment of non-current assets reversal	---	---
Plant and equipment written off	---	---
<b>Adjusted earnings</b>	<b>(4,414)</b>	<b>(6,581)</b>

	December 2023 Number	December 2022 Number
Weighted average number of shares	5,681,471,326	4,601,143,312

	December 2023 Cents	December 2022 Cents
Loss per share (cents per share)	(0.08)	(0.14)
Diluted loss per share (cents per share)	(0.08)	(0.14)

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**  
For the half year ended 31 December 2023

**16. SEGMENT REPORTING**

The Group's operating segments are identified and information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's Board of Directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8. Reportable segments disclosed are based on aggregating operating segments where the segments have similar characteristics.

The Group's core activity is mineral exploration, evaluation and development within South Africa and Australia. During the half year to 31 December 2023, the Group has actively undertaken exploration, evaluation and development in South Africa.

Reportable segments are represented as follows:

31 December 2023	Australia	South Africa	Total
	\$'000	\$'000	\$'000
<b>Segment net operating loss after tax</b>	(2,013)	(3,636)	(5,649)
Depreciation	(2)	(176)	(178)
Finance income	193	2,053	2,246
Finance expense	---	(855)	(855)
Exploration expenditure written off and expensed	(538)	(2,008)	(2,546)
<b>Segment non-current assets</b>	<b>20,644</b>	<b>72,839</b>	<b>93,483</b>

31 December 2022	Australia	South Africa	Total
	\$'000	\$'000	\$'000
<b>Segment net operating loss after tax</b>	(2,184)	(5,288)	(7,472)
Depreciation	(2)	(91)	(93)
Finance income	38	1,565	1,603
Finance expense	(4)	(165)	(169)
Exploration expenditure written off and expensed	(434)	(1,773)	(2,207)
<b>Segment non-current assets</b>	<b>11,048</b>	<b>73,745</b>	<b>84,793</b>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**  
**For the half year ended 31 December 2023****17. SUBSEQUENT EVENTS AFTER THE BALANCE DATE**

There has not arisen in the interval between the end of the half year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods, except for the matters referred to below:

- On 23 January 2024, Orion announced the acquisition of 12,156ha of surface rights at its Okiep Projects including 5,687ha covering the New Okiep Mining Project area. The acquisition clears the way for drilling to provide additional resource classification and geotechnical and metallurgical zonation information for the New Okiep Mining Project.
- On 15 February 2024, Orion announced changes in its Board Composition, which resulted in Mr Philip Kotze stepping down as a Non-Executive Director. Mr Kotze joined the Orion Board as a representative of Clover Alloys Copper Investments Pty Ltd (Clover Alloys), which is a 9.2% shareholder in Orion. Orion is progressing possible funding and transaction opportunities with multiple parties including Clover Alloys, in respect of the Company's various projects. As ongoing discussions with Clover Alloys could put Mr Philip Kotze in a conflicted position, the Orion Board, including Mr Kotze, agreed that it would be preferable if Mr Kotze stepped down from the Orion Board. The Board accepted Mr Kotze's resignation as a director of Orion effective 15 February 2024.

**DIRECTORS' DECLARATION**

In the opinion of the directors of Orion Minerals Limited (the **Company**):

1. the interim consolidated financial statements and notes set out on pages 29 to 47, are in accordance with the *Corporations Act 2001* including:
  - (a) giving a true and fair view of the financial position of the Group as at 31 December 2023 and of its performance, as represented by the results of its operations and cash flows for the six month period ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Denis Waddell  
**Chairman**

Perth, Western Australia

13 March 2024

## Independent Auditor's Review Report to the Members of Orion Minerals Limited

### Conclusion

We have reviewed the half-year financial report of Orion Minerals Limited ("Company") and its subsidiaries ("Group"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

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

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

### Basis for Conclusion

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

### Material uncertainty related to going concern

We draw attention to note 2 in the interim financial report, which indicates that the Group incurred a net loss of \$5.65 million during the half year ended 31 December 2023 and, as of that date, the Group had a net cash outflow from operating activities of \$6.07 million. As stated in Note 2, these events, or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### Responsibility of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the 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 Group's ability 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 have no realistic alternative but to do so.

## Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



**Mazars Melbourne Assurance Pty Ltd**



**Alexis Aupied**  
Director

Melbourne, 13 March 2024