

For personal use only



ORION
EQUITIES LIMITED

A.B.N. 77 000 742 843

2024

ANNUAL REPORT

CONTENTS

Overview of Performance	2
Directors' Report	4
Remuneration Report	13
Auditor's Independence Declaration	18
Consolidated Statement of Profit or Loss and Other Comprehensive Income	19
Consolidated Statement of Financial Position	20
Consolidated Statement of Changes in Equity	21
Consolidated Statement of Cash Flows	22
Notes to the Consolidated Financial Statements	23
Consolidated Entity Disclosure Statement	39
Directors' Declaration	40
Independent Auditor's Report	41
Additional ASX Information	46

Orion's 2024**Corporate Governance Statement**

can be found at the following URL on the Company's website:
[www://orionequities.com.au/corporate-governance](http://www.orionequities.com.au/corporate-governance)

Visit www.orionequities.com.au for:

- Market Announcements
- Financial Reports
- Corporate Governance
- NTA Backing History
- Forms
- Email subscription

CORPORATE DIRECTORY**BOARD**

Farooq Khan	Executive Chairman
Victor Ho	Executive Director
Yaqoob Khan	Non-Executive Director

COMPANY SECRETARY

Victor Ho

PRINCIPAL AND REGISTERED OFFICE

Suite 1, Level 1
680 Murray Street
West Perth, Western Australia 6005
Telephone: (08) 9214 9797
Facsimile: (08) 9214 9701
Email: info@orionequities.com.au
Website: www.orionequities.com.au

AUDITORS

In.Corp Audit & Assurance Pty Ltd
(formerly Rothsay Audit & Assurance Pty Ltd)
Level 1, Lincoln House
4 Ventnor Avenue
West Perth, Western Australia 6005
Website: <https://australia.incorp.asia>

STOCK EXCHANGE

Australian Securities Exchange
Perth, Western Australia
Website: www.asx.com.au

ASX CODE

OEQ

SHARE REGISTRY

Automic
Level 5, 126 Phillip Street
Sydney, New South Wales 2000

GPO Box 5193
Sydney NSW 2001

Local Telephone: 1300 288 664
Telephone: +61 2 9698 5414
Email: hello@automicgroup.com.au
Website: www.automic.com.au

Investor Portal:<https://investor.automic.com.au>

OVERVIEW OF PERFORMANCE

	2024	2023
Orion Consolidated Entity	\$	\$
Total revenues	62,445	258,196
Iron ore royalty entitlement termination payment	5,000,000	-
Impairment reversal on revaluation of property held for development or resale	-	100,000
Net loss on financial assets	(200,000)	(500,000)
Share of Associate entity's loss	-	(651,552)
Expenses:		
Personnel expenses	(390,508)	(10,229)
Corporate expenses	(29,149)	(31,230)
Other expenses	(27,137)	(30,935)
Profit/(Loss) before tax	4,415,651	(865,750)
Income tax expense	(1,411,526)	-
Profit/(Loss) attributable to members of the Company	3,004,125	(865,750)
Basic and diluted earnings/(loss) per share (cents)	19.20	(5.53)
Pre-tax NTA backing per share	\$0.43	\$0.14
Post-tax NTA backing per share	\$0.34	\$0.14

Orion has booked a \$5 million (gross) income on the termination of the Orion Royalty¹ in relation to the Paulsens East Iron Ore Project.² Orion initially received \$2 million in January 2024³, with an additional \$3 million deferred until 30 June 2024, which was received on 4 July 2024.⁴

Orion's \$0.65 million expenses for the year is principally attributable to its:

- \$0.20 million unrealised net loss in its investment in Strike Resources Limited (ASX:SRK), which declined in price from 6 to 4 cents per share during the year; and
- \$0.39 million Personnel expenses, which includes \$0.275 million in back-pay to Directors (for the financial years ended 30 June 2022 and 2023), who had previously voluntarily agreed to suspend payment of their salaries/fees to assist the Company with management of its cash position.

Orion notes that it accounts for Bentley Capital Limited (ASX:BEL) as an Associate entity, which means that Orion is required to recognise a share of BEL's net gain or loss in respect of a financial period based on Orion's (26.95% as at 30 June 2024) shareholding interest in BEL (this is known as the equity method of accounting for an associate entity). As a result the Company's carrying value of its investment in BEL has been reduced from cost to nil – as a consequence of the Company's accumulated recognition of BEL's net losses. This compares with BEL's closing bid price on ASX of 2 cents per share as at 30 June 2024 (valuing Orion's investment at \$0.41m) and BEL's after-tax NTA value of 1.8 cents per share as at 30 June 2024 (valuing Orion's investment based on BEL's NTA backing at \$0.37m).

The Company is not required to carry the BEL investment at a negative value (i.e.. below Nil) and if BEL should generate net profits in the future, the Company will recognise a share of BEL's net profits under the equity method, which will permit the Company to recognise a positive carrying value for BEL.

1 Refer to the following ASX announcements: Orion's announcement dated 23 September 2005: CXL Retains a 25% Free Carried Interest in NT Uranium Tenements, Strike's announcement dated 20 September 2005: Acquisition of Uranium Tenements and Strike's announcement dated 11 August 2008: Acquisition of Outstanding Interests in Berau Coal and Paulsens East Iron Ore Projects.

2 Refer OEQ ASX Announcement dated 3 January 2024: \$5 Million Receivable on Termination of Iron Ore Royalty Entitlement

3 Refer OEQ ASX Announcement dated 8 March 2024: \$2 Million Received on Termination of Iron Ore Royalty Entitlement

4 Refer OEQ ASX Announcement dated 4 July 2024: \$3 Million Deferred Payment Received on Termination of Iron Ore Royalty Entitlement

OVERVIEW OF PERFORMANCE

Orion and BEL's financial performance is primarily dependent on the share price performance of Strike Resources Limited (ASX:SRK) (in which Orion has 10 million shares and Bentley has 56.7 million shares).

The SRK share price has traded within a range of 2.7 cents (on 20 August 2024) to 7.9 cents (on 13 July 2023) since 1 July 2023, with a bid price of 4 cents (as at 30 June 2024) and a current bid price of 3.3 cents (as at 11 October 2024).

Notwithstanding the accounting carrying value of the investments of the Company as outlined herein, it is noted that the market value of these share investments as at balance date are as follows:

Investment	Shareholding	ASX Market Value ⁵	
		30 June 2024	30 June 2023
Bentley Capital Limited (ASX:BEL)	20,513,783	\$410,276	\$964,148
Strike Resources Limited (ASX:SRK)	10,000,000	\$400,000	\$600,000
	Total	\$810,276	\$1,564,148

Further information about Bentley is outlined in Bentley's 30 June 2024 Annual Report.

Please refer to the Directors' Report and Financial Report for further information on a review of Orion's operations and the financial position and performance of Orion for the financial year ended 30 June 2024.

5 Based on closing bid price on ASX

For personal use only

DIRECTORS' REPORT

The Directors present their report on Orion Equities Limited ABN 77 000 742 843 (**OEQ** or the **Company**) and its controlled entities (**Orion** or the **Consolidated Entity**) for the financial year ended 30 June 2024 (**Balance Date**).

Orion Equities Limited is a public company limited by shares that was incorporated in New South Wales and has been listed on the Australian Securities Exchange (**ASX**) since November 1970 (ASX Code: OEQ).

PRINCIPAL ACTIVITIES

OEQ is a listed investment company (**LIC**).

NET TANGIBLE ASSET BACKING (NTA)

	2024	2023
	\$	\$
Consolidated Entity		
Net tangible assets (before tax)	6,666,873	2,251,222
Pre-Tax NTA Backing per share	0.426	0.144
Less deferred tax assets and tax liabilities	(1,411,526)	-
Net tangible assets (after tax)	5,255,347	2,251,222
Post-Tax NTA Backing per share	0.336	0.144
Based on total issued share capital	15,649,228	15,649,228

FINANCIAL POSITION

	2024	2023
	\$	\$
Consolidated Entity		
Cash and cash equivalents	1,458,343	136,406
Financial assets at fair value through profit and loss	400,000	600,000
Investment in Associate entity (BEL)	-	-
Property held for development or resale	1,850,000	1,850,000
Receivables	3,236,583	166,058
Other assets	858	1,155
Total Assets	6,945,784	2,753,619
Other payables and liabilities	(1,690,437)	(502,397)
Net Assets	5,255,347	2,251,222
Issued capital	18,808,028	18,808,028
Profits Reserve	10,584,537	6,987,584
Accumulated losses	(24,137,218)	(23,544,390)
Total Equity	5,255,347	2,251,222

DIRECTORS' REPORT

OPERATING RESULTS

Consolidated Entity	2024	2023
	\$	\$
Total revenues	62,445	258,196
Iron ore royalty entitlement termination payment	5,000,000	-
Impairment reversal on revaluation of property held for development or resale	-	100,000
Net loss on financial assets	(200,000)	(500,000)
Share of Associate entity's loss	-	(651,552)
Other Expenses		
Personnel expenses	(390,508)	(10,229)
Corporate expenses	(29,149)	(31,230)
Other expenses	(27,137)	(30,935)
Profit/(Loss) before tax	4,415,651	(865,750)
Income tax expense	(1,411,526)	-
Profit/(Loss) attributable to members of the Company	3,004,125	(865,750)

Orion has booked a \$5 million (gross) income on the termination of the Orion Royalty¹ in relation to the Paulsens East Iron Ore Project.² Orion initially received \$2 million in January 2024³, with an additional \$3 million deferred until 30 June 2024, which was received on 4 July 2024.⁴

Orion's \$0.65 million expenses for the year is principally attributable to its:

- \$0.20 million unrealised net loss in its investment in Strike Resources Limited (ASX:SRK), which declined in price from 6 to 4 cents per share during the year; and
- \$0.39 million Personnel expenses, which includes \$0.275 million in back-pay to Directors (for the financial years ended 30 June 2022 and 2023), who had previously voluntarily agreed to suspend payment of their salaries/fees to assist the Company with management of its cash position.

Orion notes that it accounts for Bentley Capital Limited (ASX:BEL) as an Associate entity, which means that Orion is required to recognise a share of BEL's net gain or loss in respect of a financial period based on Orion's (26.95% as at 30 June 2024) shareholding interest in BEL (this is known as the equity method of accounting for an associate entity). As a result, the Company's carrying value of its investment in BEL has been reduced from cost to nil – as a consequence of the Company's accumulated recognition of BEL's net losses. This compares with BEL's closing bid price on ASX of 2 cents per share as at 30 June 2024 (valuing Orion's investment at \$0.41m) and BEL's after-tax NTA value of 1.8 cents per share as at 30 June 2024 (valuing Orion's investment based on BEL's NTA backing at \$0.37m).

The Company is not required to carry the BEL investment at a negative value (i.e. below Nil) and if BEL should generate net profits in the future, the Company will recognise a share of BEL's net profits under the equity method, which will permit the Company to recognise a positive carrying value for BEL.

Orion and BEL's financial performance is primarily dependent on the share price performance of Strike Resources Limited (ASX:SRK) (in which Orion has 10 million shares and Bentley has 56.7 million shares).

1 Refer to the following ASX announcements: Orion's announcement dated 23 September 2005: CXL Retains a 25% Free Carried Interest in NT Uranium Tenements, Strike's announcement dated 20 September 2005: Acquisition of Uranium Tenements and Strike's announcement dated 11 August 2008: Acquisition of Outstanding Interests in Berau Coal and Paulsens East Iron Ore Projects.

2 Refer OEQ ASX Announcement dated 3 January 2024: \$5 Million Receivable on Termination of Iron Ore Royalty Entitlement

3 Refer OEQ ASX Announcement dated 8 March 2024: \$2 Million Received on Termination of Iron Ore Royalty Entitlement

4 Refer OEQ ASX Announcement dated 4 July 2024: \$3 Million Deferred Payment Received on Termination of Iron Ore Royalty Entitlement

DIRECTORS' REPORT

The SRK share price has traded within a range of 3.3 cents (on 15 February 2024) to 7.9 cents (on 13 July 2023) in the past 12 months, with a bid price of 4 cents (as at 30 June 2024) and a current price of 3 cents (as at 27 August 2024).

EARNINGS/(LOSS) PER SHARE

Consolidated Entity	2024	2023
Basic and diluted earnings/(loss) per share (cents)	19.20	(5.53)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted loss per share	15,649,228	15,649,228

DIVIDENDS

The Directors have not declared a dividend in respect of the financial year ended 30 June 2024.

As at 30 June 2024, the Company had:

- \$5.91 million in its Profits Reserve account; and
- \$3.09 million Franking Credits.

SECURITIES ON ISSUE

At the Balance Date (and currently), the Company had 15,649,228 shares on issue (2023: 15,649,228).

All such shares are listed on ASX. The Company does not have other securities on issue.

REVIEW OF OPERATIONS

(a) Portfolio Details as at 30 June 2024

Asset Weighting

Consolidated Entity	% of Net Assets	
	2024	2023
Australian equities	8%	27%
Property held for development and resale	35%	82%
Net tax liabilities (current year and deferred tax assets/liabilities)	(27)%	-
Net cash/other assets and provisions	84%	(9)%
TOTAL	100%	100%

Major Holdings in Securities Portfolio

Equities	Fair Value \$'m	% of Net Assets	ASX Code	Industry Sector Exposures
Bentley Capital Limited	0.41	8%	BEL	Diversified
Strike Resources Limited	0.40	8%	SRK	Materials
TOTAL	0.81	16%		

DIRECTORS' REPORT

(b) Bentley Capital Limited (ASX:BEL)

As at 30 June 2024 and currently, Orion holds 20,513,783 Bentley shares (26.95%) (2023: 20,513,783 shares (26.95%)).

Bentley Capital Limited (**Bentley**) is a listed investment company (LIC) with a current exposure to Australian equities.

Shareholders are advised to refer to Bentley's 30 June 2024 Full Year Report, 31 December 2023 Half Year Report and monthly NTA disclosures for further information about the status and affairs of the company.

Information concerning Bentley may be viewed from its website: www.bel.com.au

Bentley's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "BEL".

(c) Strike Resources Limited (ASX:SRK)

As at 30 June 2024 and currently, Orion holds 10,000,000 Strike shares (3.52%) (2023: 10,000,000 shares; 3.52%) while Associate entity, Bentley, holds 56,739,857 Strike shares (19.996%) (2023: 53,689,857 shares; 19.996%). Therefore, Orion has a deemed relevant interest in 66,739,857 Strike shares (23.52%).

The SRK share price has traded within a range of 3.3 cents (on 15 February 2024) to 7.9 cents (on 13 July 2023) in the past 12 months, with a bid price of 4 cents (as at 30 June 2024) and a current price of 3 cents (as at 27 August 2024).

Strike is an ASX listed resource company which owns the high grade Apurimac Iron Ore Project in Peru where it has exported "Apurimac Premium Lump" DSO product of ~65% Fe. Strike also has a 27.7% (31.01 million shares) interest in Lithium Energy Limited (ASX:LEL), which was spun-out of Strike under a \$9 Million IPO in May 2021.⁵

On 8 March 2024⁶, after the receipt of shareholder approval⁷, Strike completed the sale of its Paulsens East Iron Ore Project (located in Western Australia) (**Paulsens East**) in consideration of \$20.5 million cash, which sale proceeds was also used to discharge a \$11.26 million loan borrowed to finance Strike's iron ore operations at Paulsens East.

Post the sale of Paulsens East, Strike is focussed on the advancement of its Apurimac Iron Ore Project in Peru (**Apurimac**).⁸

Further information about Strike's resource projects and activities are contained in the company's ASX releases, including as follows:

- 31 July 2024: Quarterly Reports – 30 June 2024;
- 30 April 2024: Quarterly Reports – 31 March 2024; and
- 14 March 2024: Half Year Report – 31 December 2023.

Information concerning Strike may be viewed from its website: www.strikeresources.com.au.

⁵ Based on SRK ASX announcement dated 31 July 2024: Quarterly Reports – 30 June 2024

⁶ Refer SRK ASX Announcements dated 8 March 2024: Completion of Disposal of Paulsens East Iron Ore Project and 3 January 2024: Proposed Divestment of Paulsens East Iron Ore Project and

⁷ Refer SRK ASX Announcement dated 6 March 2024: Results of General Meeting and SRK Notice of General Meeting, Explanatory Statement and Proxy Form dated and released on ASX 5 February 2024

⁸ Refer SRK ASX Announcements dated 31 July 2024: Quarterly Reports – 30 June 2024 and 5 July 2024: Company Update

For personal use only

DIRECTORS' REPORT

Strike's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX: "SRK".

Strike is also the largest shareholder of Lithium Energy Limited (ASX:LEL) with 31,010,000 shares (27.69%) (2023: 31,410,000; 30.49%). Lithium Energy was spun out of Strike via a \$9 million (at \$0.20 per share) initial public offering (IPO) in in May 2021.⁹

The LEL share price has traded within a range of 29 cents (on 14 February 2024) to \$0.95 (on 4 July 2023) in the past 12 months, with a bid price of 37 cents (as at 30 June 2024) and a current price of 35 cents (as at 27 August 2024).

Lithium Energy Limited is an ASX listed battery minerals company which is developing its flagship Solaroz Lithium Brine Project in Argentina and the Burke and Corella Graphite Projects in Queensland. The Solaroz Lithium Project (LEL:90%) comprises 12,000 hectares of highly prospective lithium mineral concessions (where a JORC Indicated and Inferred Mineral Resource of lithium has been delineated¹⁰) located strategically within the Salar de Olaroz Basin in South America's "Lithium Triangle" in north-west Argentina. Prior to the announced sale of the Solaroz Project (settlement pending)¹¹, Lithium Energy had completed a Scoping Study on Solaroz and had been investigating the development of a 20/40ktpa lithium carbonate equivalent (LCE) production facility using conventional evaporation ponds; Lithium Energy has also been evaluating direct-lithium extraction (DLE) technologies. The Burke and Corella Graphite Projects (LEL:100%) in Queensland, Australia, contains high grade JORC Indicated and Inferred Mineral Resources of graphite.¹²

On 3 April 2024, Lithium Energy and NOVONIX Limited (ASX:NVX) announced the merger of their adjoining Burke and Mt Dromedary Queensland Natural Graphite Deposits into Lithium Energy subsidiary, Axon Graphite Limited (Proposed ASX Code: AXG) (**Axon Graphite** or **AXG**), which will undertake a \$15 Million to \$25 Million IPO and seek admission to ASX as a dedicated vertically-integrated mine to battery anode material product manufacturing company.¹³

On 30 April 2024, Lithium Energy announced the sale of its interest in the Solaroz Project to a subsidiary of CNGR Advanced Materials Co Ltd for US\$63 Million (~A\$97 Million¹⁴) cash; completion is subject to the satisfaction (or waiver, as applicable) of a number of conditions precedent, including receipt of Lithium Energy shareholder approval (which was attained on 8 March 2024¹⁵), receipt of regulatory approvals (in China¹⁶ and Argentina, as required) and receipt of environmental and concession related approvals relating to Solaroz.¹⁷

Pending completion of the sale of Solaroz, Lithium Energy will focus on advancing the Axon Graphite IPO and securing the relevant approvals required to satisfy applicable conditions relating to the sale of Solaroz.¹⁸

9 Refer LEL ASX Announcement released on 17 May 2021: Prospectus

10 Refer LEL ASX announcement dated 29 June 2023: Significant Maiden JORC Lithium Resource of 3.3Mt LCE at Solaroz Project in Argentina

11 Refer LEL's ASX Announcement dated 30 April 2024: Sale of Solaroz Lithium Project for A\$97 Million

12 Based on LEL ASX announcement released on 31 July 2024: Quarterly Reports – 30 June 2024

13 Refer LEL ASX Announcement dated 3 April 2024: Merger of Lithium Energy and NOVONIX Natural Graphite Assets and Proposed Axon Graphite Limited Spin-Out and IPO

14 Based on an exchange rate of A\$1.00 : US\$0.65

15 Refer LEL ASX Announcement dated 8 August 2024: Results of General Meeting and LEL Notice of General Meeting, Explanatory Statement and Proxy Form dated and released on ASX on 3 July 2024

16 Refer LEL ASX Announcement dated 3 June 2024: Chinese Regulatory Approvals Secured by CNGR to Acquire Solaroz Lithium Project

17 Refer LEL ASX Announcements dated 8 August 2024: Shareholders Approve Sale of Interests in Solaroz Lithium Brine Project and 30 April 2024: Sale of Solaroz Lithium Project for A\$97 Million

18 Refer LEL ASX Announcement dated 8 August 2024: Shareholders Approve Sale of Interests in Solaroz Lithium Brine Project

DIRECTORS' REPORT

Further information about Lithium Energy's resource projects and activities are contained in their ASX releases, including as follows:

- 31 July 2024: Quarterly Report – 30 June 2024;
- 30 April 2024: Quarterly Reports – 31 March 2024; and
- 4 March 2024: Half Year Report – 31 December 2023.

Information concerning Lithium Energy may be viewed from its website: www.lithiumenergy.com.au.

Lithium Energy's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "LEL"

(d) \$5 Million Income from Termination of Iron Ore Royalty Entitlement¹⁹

As part of Strike's sale of its Paulsens East Iron Ore Project²⁰, the buyer had requested the cancellation of the Orion Royalty² that was payable to CXM Pty Ltd (**CXM**) for iron ore produced from Paulsens East (with CXM being a wholly-owned subsidiary of Orion) and CXM had agreed to do so (under the sale agreement) on the following terms (at completion of the agreement):

- CXM agreed to terminate and provide releases to the purchaser of Paulsens East under the Orion Royalty; and
- The purchaser agreed to pay \$2 million (with a further \$3 million payment deferred to 30 June 2024) to CXM as consideration for the termination of the Orion Royalty.

The entitlement under the Orion Royalty stems from Orion's sale of a portfolio of tenements (including the Paulsens East tenements) to Strike in September 2005.² CXM had received \$206,661 in royalty payments from Strike to date (during the 2022/2023 financial year).

Completion of the sale agreement occurred on 8 March 2024⁷ after receipt of Strike shareholder approval⁸.

(e) Other Assets

Orion owns a property held for redevelopment or sale (currently rented out) located in Mandurah, Western Australia.

(f) Material Business Risk

Risks facing the Company can be divided into the broad categories of operations, market and compliance risks.

Operations risk refers to risks arising from day-to-day operational activities which may result in direct or indirect loss from inadequate or failed internal processes, people or systems or external events. The Company has clear accounting and internal control systems to manage risks to the accuracy of financial information and other financial risks. The Executive Chairman and Executive Director (also the Company Secretary) have delegated responsibility from the Board for identification of operations risks generally, for putting processes in place to mitigate them and monitoring compliance with those processes.

¹⁹ Refer OEQ ASX Announcement dated 3 January 2024: \$5 Million Receivable on Termination of Iron Ore Royalty Entitlement

²⁰ Refer SRK ASX Announcements dated 8 March 2024: Completion of Disposal of Paulsens East Iron Ore Project and 3 January 2024: Proposed Divestment of Paulsens East Iron Ore Project and

DIRECTORS' REPORT

Market risk encompasses risks to the Company's performance from changes in equity prices, interest rates, currency exchange rates, capital markets and economic conditions generally. Management represents the first line in managing this risk, under the supervision of the Board. The Board retains final responsibility to assess the Company's exposure to these risks and set the strategic direction for managing them.

Compliance risk is the risk of failure to comply with all applicable legal and regulatory requirements and industry standards and the corresponding impact on the Company's business, reputation and financial condition. The Company's compliance risk management strategy ensures compliance with key legislation affecting the Company's activities. The Company Secretary has oversight responsibility for managing the Company's compliance risk. The Company Secretary take external legal and other professional advice as necessary. Comprehensive advice is taken from appropriate external professionals when establishing an operation in a new country and standing relationships are maintained with relevant external advisers, whose brief includes alerting the Company to material changes in law and government policy.

The Company also has policies on responsible business practices and ethical behaviour including a Statement of Values, Board Charter, Code of Conduct, Continuous Disclosure Policy, Anti-Bribery and Anti-Corruption Policy, Whistleblower Policy, Share Trading Policy and its Corporate Governance Statement (which is updated and released on ASX annually) to maintain confidence in the Company's integrity and ensure legal compliance.

The Company's approach to risk management is not stationary; it evolves constantly in response to developments in operations and changing market conditions.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of Orion that occurred during the financial year not otherwise disclosed in this Directors' Report or the financial statements.

FUTURE DEVELOPMENTS

Orion intends to continue its investment activities in future years. The results of these investment activities depend upon the performance of the underlying companies and securities in which Orion invests. The investments' performances depend on many economic factors and also industry and company specific issues. In the opinion of the Directors, it is not possible or appropriate to make a prediction on the future course of markets, the performance of Orion's investments or the forecast of the likely results of Orion's activities.

ENVIRONMENTAL REGULATION

Orion is not subject to any particular or significant environmental regulation under Australian Commonwealth or State legislation.

DIRECTORS' REPORT

BOARD OF DIRECTORS

Information concerning Directors in office during or since the financial year:

Farooq Khan	Executive Chairman
<i>Appointed</i>	23 October 2006
<i>Qualifications</i>	BJuris, LLB (Western Australia)
<i>Experience</i>	Farooq Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in shares</i>	2,000 shares – directly ²¹
<i>Special Responsibilities</i>	Chairman of the Board and the Investment Committee
<i>Other current directorships in listed entities</i>	(1) Executive Chairman and Managing Director of Queste Communications Ltd (ASX:QUE) (since 10 March 1998) (2) Executive Chairman of Bentley Capital Limited (ASX:BEL) (director since 2 December 2003) (3) Executive Chairman (appointed 18 December 2015) of Strike Resources Limited (ASX:SRK) (Director since 1 October 2015) (4) Executive Director of Lithium Energy Limited (ASX:LEL) (since 14 January 2021)
<i>Former directorships in other listed entities in past 3 years</i>	-

Yaqoob Khan	Non-Executive Director
<i>Appointed</i>	5 November 1999
<i>Qualifications</i>	BCom (Western Australia), Master of Science in Industrial Administration (Carnegie Mellon)
<i>Experience</i>	Mr Khan holds a Master's degree in Business and has worked as a senior executive responsible for product marketing, costing systems and production management. Mr Khan has been involved in the structuring and ASX listing of a number of public companies and in subsequent executive management. Mr Khan brings considerable international experience in corporate finance and the strategic analysis of listed investments.
<i>Relevant interest in shares</i>	55,229 shares – directly ²²
<i>Special Responsibilities</i>	None
<i>Other current directorships in listed entities</i>	Non-Executive Director of Queste Communications Ltd (ASX:QUE) (since 10 March 1998)
<i>Former directorships in other listed entities in past 3 years</i>	None

²¹ Refer to Orion's ASX announcement dated 20 November 2014: Change in Directors Interest Notice

²² Refer to Orion's ASX announcement dated 30 March 2022: Change of Directors Interest Notice – Y Khan

DIRECTORS' REPORT

Victor P. H. Ho	Executive Director and Company Secretary
<i>Appointed</i>	Executive Director since 4 July 2003; Company Secretary since 2 August 2000
<i>Qualifications</i>	BCom, LLB (Western Australia), CTA
<i>Experience</i>	<p>Victor Ho has been in Executive roles with a number of ASX-listed companies across the investments, resources and technology sectors over the past 24+ years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm.</p> <p>Mr Ho has been actively involved in the executive management of listed resources companies, the investment management of listed investment companies (as an Executive Director and/or a member of the Investment Committee), the structuring and execution of a number of corporate, M&A and international joint venture (in South America (Peru, Chile and Argentina), Indonesia and the Middle East (Saudi Arabia and Oman)) transactions, capital raisings, resources project (debt) financing, spin-outs/demergers and IPO's/re-listings on ASX and capital management initiatives and has extensive experience in public company administration, corporations law, ASIC/ASX compliance and investor/shareholder relations.</p>
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	Member of the Investment Committee
<i>Other positions held in listed entities</i>	<p>(1) Executive Director and Company Secretary of Queste Communications Ltd (ASX:QUE) (Director since 3 April 2013; Company Secretary since 30 August 2000)</p> <p>(2) Company Secretary of Bentley Capital Limited (ASX:BEL) (since 5 February 2004)</p> <p>(3) Executive Director and Company Secretary of Strike Resources Limited (ASX:SRK) (Director since 24 January 2014 and Company Secretary since 1 October 2015)</p> <p>(4) Company Secretary of Lithium Energy Limited (ASX:LEL) (since 14 January 2021)</p>
<i>Former positions in other listed entities in past 3 years</i>	-

DIRECTORS' MEETINGS

The following table sets out the numbers of meetings of the Company's Directors held during the financial year (including Directors' circulatory resolutions), and the numbers of meetings attended by each Director of the Company:

Name of Director	Meetings Attended	Maximum Possible Meetings
Farooq Khan	10	10
Victor Ho	10	10
Yaqoob Khan	10	10

Board Committees

During the financial year and as at the date of this Directors' Report, the Company did not have separate designated Audit or Remuneration Committees. In the opinion of the Directors, in view of the size of the Board and nature and scale of Orion's activities, matters typically dealt with by an Audit or Remuneration Committee are dealt with by the full Board.

REMUNERATION REPORT

This report details the nature and amount of remuneration for each Director and Company Executive (being a company secretary or senior manager) (**Key Management Personnel**) of Orion.

The information provided under headings (1) to (5) below has been audited for compliance with section 300A of the *Corporations Act 2001 (Cth)* as required under section 308(3C).

(1) Remuneration Policy

The Board determines the remuneration structure of all Key Management Personnel having regard to the Company's strategic objectives, scale and scope of operations and other relevant factors, including experience and qualifications, length of service, the duties and accountability of Key Management Personnel, the frequency of Board meetings, market practice (including available data concerning remuneration paid by other listed companies and in particular, companies of comparable size and nature) and the objective of maintaining a balanced Board which has appropriate expertise and experience, at a reasonable cost to the Company.

Corporate Governance Principles: The Company's Corporate Governance Statement (**CGS**) also addresses matters pertaining to the Board, Senior Management and Remuneration. The latest version of the CGS may be downloaded from the Company's website: www.orionequities.com.au/corporate-governance.

Fixed Cash Short-Term Employment Benefits: The Key Management Personnel of the Company are paid a fixed amount per annum plus applicable employer superannuation contributions. The Non-Executive Directors of the Company are paid a maximum aggregate base remuneration per annum inclusive of employer superannuation contributions where applicable, to be divided as the Board determines appropriate.

The Board has determined the following fixed cash remuneration for current Key Management Personnel during the year as follows:

Executive Directors

- (1) Mr Farooq Khan (Executive Chairman) - a base salary of \$220,369 per annum inclusive of employer superannuation contributions (which Mr Khan has voluntarily agreed to reduce to \$75,000 with effect from 1 July 2021); and
- (2) Mr Victor Ho (Executive Director and Company Secretary) - a base salary of \$105,013 per annum inclusive of employer superannuation contributions (which Mr Ho has voluntarily agreed to reduce to \$50,000 with effect from 1 July 2021).

Non – Executive Director

- (3) Mr Yaqoob Khan (Non-Executive Director) - a base fee of \$25,000 per annum.

Key Management Personnel can also opt to "salary sacrifice" their cash fees/salary and have them paid wholly or partly as further employer superannuation contributions or benefits exempt from fringe benefits tax.

Special Exertions and Reimbursements: Pursuant to the Company's Constitution, each Director is entitled to receive:

- (a) Payment for reimbursement of all travelling, hotel and other expenses reasonably incurred by a Director for the purpose of attending meetings of the Board or otherwise in and about the business of the Company; and
- (b) In respect of Non-Executive Directors, payment for the performance of extra services or the making of special exertions for the benefit of the Company (at the request of and with the concurrence of the Board).

Short-Term Benefits: The Company does not have any short-term incentive (**STI**) cash bonus schemes (or equivalent) in place for Key Management Personnel.

Long Term Benefits: The Company does not have any long-term incentive (**LTI**) cash bonus schemes (or equivalent) in place for Key Management Personnel.

REMUNERATION REPORT

Equity Based Benefits: The Company does not presently have any equity (shares or options) based remuneration arrangements for any personnel pursuant to any executive or employee share or option plan or otherwise.

Post-Employment Benefits: The Company does not presently provide retirement benefits to Key Management Personnel. Other than compulsory superannuation contribution and early termination benefits disclosed in 'Service Agreement' below, Key Management Personnel also have no right to termination payments save for payment of accrued unused annual and long service leave (where applicable) (these accrued employee entitlements are not applicable in respect of Non-Executive Directors). The Company notes that shareholder approval is required where a Company proposes to make a "termination payment" (for example, a payment in lieu of notice, a payment for a post-employment restraint and payments made as a result of the automatic or accelerated vesting of share based payments) in excess of one year's "base salary" (defined as the average base salary over the previous 3 years) to a director or any person who holds a managerial or executive office.

Service Agreements: The Company does not presently have formal service agreements or employment agreements with any Key Management Personnel.

Performance-Related Benefits and Financial Performance of Company: The Company does not presently provide short- or long-term incentive/performance-based benefits related to the Company's performance to Key Management Personnel, including payment of cash bonuses. The current remuneration of Key Management Personnel is fixed, is not dependent on the satisfaction of a performance condition and is unrelated to the Company's performance.

The Board does not believe that it is appropriate at this time to implement an equity-based benefit scheme or a performance related/variable component to Key Management Personnel remuneration or remuneration generally linked to the Company's performance but reserves the right to implement these remuneration measures if appropriate in the future (subject to prior shareholder approval where applicable).

In considering the Company's performance and its effects on shareholder wealth, Directors have had regard to the data set out below for the latest financial year and the previous four financial years.

	2024	2023	2022	2021	2020
Profit/(Loss) before income tax (\$)	4,415,651	(865,750)	(3,936,782)	5,280,477	(790,139)
Basic earnings/(loss) per share (cents)	19.20	(5.53)	(25.16)	33.74	(5.05)
Dividends paid (\$)	-	-	-	-	-
VWAP share price on ASX for financial year (\$)	0.14	0.11	0.29	0.20	0.07
Closing bid share price as at 30 June (\$)	0.13	0.07	0.24	0.27	0.055

(2) Details of Remuneration of Key Management Personnel

Details of the nature and amount of each element of remuneration of each Key Management Personnel paid or payable by the Company during the financial year are as follows:

2024	Key Management Personnel	Performance related %	Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	Total \$
			Cash, salary and commissions \$	Non-cash benefit \$	Superannuation \$	Long service leave \$	Shares and Options \$	
Executive Directors:								
	Farooq Khan	-	225,000 ^(A)	-	24,750	-	-	249,750
	Victor Ho	-	150,000 ^(B)	-	16,500	-	-	166,500
Non-Executive Director:								
	Yaqoob Khan	-	50,000 ^(C)	-	-	-	-	50,000

(A) Includes \$150,000 salaries in respect of the 2023 and 2022 financial years

(B) Includes \$100,000 salaries in respect of the 2023 and 2022 financial years

(C) Includes \$25,000 fees in respect of the 2023 financial year

REMUNERATION REPORT

2023	Key Management Personnel	Performance related %	Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity Based	Total
			Cash, salary and commissions \$	Non-cash benefit \$	Superannuation \$	Long service leave \$	Shares and Options \$	
Executive Directors:								
	Farooq Khan	-	-(D)	-	-	-	-	-
	Victor Ho	-	-(D)	-	-	-	-	-
Non-Executive Director:								
	Yaqoob Khan	-	-(E)	-	-	-	-	-

(D) Farooq Khan and Victor Ho had voluntarily agreed to suspend their salaries in respect of the 2023 and 2022 financial years

(E) Yaqoob Khan had voluntarily agreed to suspend his fees in respect of the 2023 financial year

Victor Ho is also Company Secretary of the Company.

(3) Other Benefits Provided to Key Management Personnel

No Key Management Personnel has during or since the end of the 30 June 2024 financial year, received or become entitled to receive a benefit, other than a remuneration benefit as disclosed above, by reason of a contract made by the Company or a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

(4) Engagement of Remuneration Consultants

The Company has not engaged any remuneration consultants to provide remuneration recommendations in relation to Key Management Personnel during the year. The Board has established a policy for engaging external Key Management Personnel remuneration consultants which includes, inter alia, that the Non-Executive Directors on the Remuneration Committee be responsible for approving all engagements of and executing contracts to engage remuneration consultants and for receiving remuneration recommendations from remuneration consultants regarding Key Management Personnel. Furthermore, the Company has a policy that remuneration advice provided by remuneration consultants be quarantined from Management where applicable.

(5) Shares held by Key Management Personnel

The number of ordinary shares in the Company held by Key Management Personnel is set out below:

Key Management Personnel	Balance at 30 June 2023	Additions	Received as part of remuneration	Disposals	Balance at 30 June 2024
Executive Directors:					
Farooq Khan	2,000	-	-	-	2,000
Victor Ho	-	-	-	-	-
Non-Executive Director:					
Yaqoob Khan	55,229	-	-	-	55,229

Note: The disclosures of shareholdings above are in accordance with the accounting standards which require disclosure of shares held directly, indirectly or beneficially by each key management person, a close member of the family of that person, or an entity over which either of these persons have, directly or indirectly, control, joint control or significant influence (as defined under Accounting Standard AASB 124 Related Party Disclosures).

(6) Voting and Comments on Remuneration Report at 2023 AGM

At the Company's most recent (2023) AGM, a resolution to adopt the prior year (2023) Remuneration Report was passed on a poll (called by the Chair) 92% of votes in favour of adopting the Remuneration Report.²⁸ No comments were made on the Remuneration Report that was considered at the AGM.

This concludes the audited Remuneration Report.

²⁸ Refer Orion's ASX announcement dated 16 November 2023: Results of 2023 Annual General Meeting

DIRECTORS' REPORT

DIRECTORS' DEEDS

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the Corporations Act), the Company has also entered into a deed with each of the Directors to regulate certain matters between the Company and each Director, both during the time the Director holds office and after the Director ceases to be an officer of the Company, including the following matters:

- (a) The Company's obligation to indemnify a Director for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the Corporations Act); and
- (b) Subject to the terms of the deed and the Corporations Act, the Company may advance monies to the Director to meet any costs or expenses of the Director incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of any legal proceedings brought against the Director.

LEGAL PROCEEDINGS ON BEHALF OF CONSOLIDATED ENTITY

No person has applied for leave of a court to bring proceedings on behalf of Orion or intervene in any proceedings to which Orion is a party for the purpose of taking responsibility on behalf of Orion for all or any part of such proceedings. Orion was not a party to any such proceedings during and since the financial year.

AUDITOR

Details of the amounts paid or payable by the Company to the Auditor for audit and non-audit services provided during the financial year are set out below:

Auditor	Audit & Review Fees \$	Non-Audit Services \$	Total \$
In.Corp Audit & Assurance Pty Ltd	13,200	-	13,200

On 15 January 2024, Rothsay Audit & Assurance Pty Ltd ABN 14 129 769 151 changed its name to In.Corp Audit & Assurance Pty Ltd.

In.Corp Audit & Assurance Pty Ltd continues in office in accordance with section 327C of the *Corporations Act 2001 (Cth)*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001 (Cth)* forms part of this Directors Report and is set out on page 18. This relates to the Independent Auditor's Report, where the Auditor states that they have issued an independence declaration.

DIRECTORS' REPORT

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matters or circumstances at the date of this Directors' Report, other than those referred to in this Directors' Report (in particular, in the Review of Operations) or the financial statements or notes thereto (in particular Note 24), that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

Signed for and on behalf of the Directors in accordance with a resolution of the Board,



Farooq Khan
Executive Chairman



Victor Ho
Executive Director and
Company Secretary

29 August 2024

For personal use only

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

To the directors of Orion Equities Limited:

As lead auditor of the audit of Orion Equities Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Orion Equities Limited and the entities it controlled during the year.

In.Corp Audit & Assurance Pty Ltd



Volha Romanchik
Director

29 August 2024

In.Corp Audit & Assurance Pty Ltd
ABN 14 129 769 151

Level 1
6-10 O'Connell Street
SYDNEY NSW 2000

Suite 11, Level 1
4 Ventnor Avenue
WEST PERTH WA 6005

GPO BOX 542
SYDNEY NSW 2001

T +61 2 8999 1199
E team@incorpadvisory.au
W incorpadvisory.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue	2	81,232	51,535
Other			
Other income		4,981,213	206,661
Impairment reversal on revaluation of property held for development or resale		-	100,000
TOTAL REVENUE AND INCOME		5,062,445	358,196
EXPENSES	3		
Share of Associate entity's net loss		-	(651,552)
Net loss on financial assets at fair value through profit or loss		(200,000)	(500,000)
Land operation expenses		(9,649)	(9,712)
Personnel expenses		(390,508)	(10,229)
Occupancy expenses		(463)	(7,288)
Corporate expenses		(29,149)	(31,230)
Communication expenses		(478)	(722)
Finance expenses		(151)	(224)
Administration expenses		(16,396)	(12,989)
LOSS BEFORE TAX		4,415,651	(865,750)
Income tax	5	(1,411,526)	-
LOSS AFTER INCOME TAX		3,004,125	(865,750)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income, after tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,004,125	(865,750)
LOSS PER SHARE FOR THE LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted earnings/(loss) per share (cents)	6	19.20	(5.53)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

	Note	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	7	1,458,343	136,406
Financial assets at fair value through profit or loss	8	400,000	600,000
Loan to controlling entity	21(a)	236,583	165,403
Receivables	11	3,000,000	655
TOTAL CURRENT ASSETS		5,094,926	902,464
NON-CURRENT ASSETS			
Property held for development or resale	12	1,850,000	1,850,000
Investment in Associate entity	20	-	-
Property, plant and equipment		858	1,155
TOTAL NON-CURRENT ASSETS		1,850,858	1,851,155
TOTAL ASSETS		6,945,784	2,753,619
CURRENT LIABILITIES			
Payables	13	241,359	106,328
Provisions	14	1,449,078	122,613
TOTAL CURRENT LIABILITIES		1,690,437	228,941
NON-CURRENT LIABILITIES			
Payables	13	-	273,456
TOTAL LIABILITIES		1,690,437	502,397
NET ASSETS		5,255,347	2,251,222
EQUITY			
Issued capital	15	18,808,028	18,808,028
Profits reserve	16	10,584,537	6,987,584
Accumulated losses		(24,137,218)	(23,544,390)
TOTAL EQUITY		5,255,347	2,251,222

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2022		18,808,028	6,654,468	(22,345,524)	3,116,972
Loss for the year		-	-	(865,750)	(865,750)
Profits reserve transfer	16	-	333,116	(333,116)	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	333,116	(1,198,866)	(865,750)
BALANCE AT 30 JUNE 2023		18,808,028	6,987,584	(23,544,390)	2,251,222
BALANCE AT 1 JULY 2023		18,808,028	6,987,584	(23,544,390)	2,251,222
Profit for the year		-	-	3,004,125	3,004,125
Profits reserve transfer	16	-	3,596,953	(3,596,953)	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	3,596,953	(592,828)	3,004,125
BALANCE AT 30 JUNE 2024		18,808,028	10,584,537	(24,137,218)	5,255,347

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		37,700	37,700
Iron ore royalty entitlement termination payment		2,000,000	-
Other income		-	206,661
Interest received		23,415	1,061
Payments to suppliers and employees		(688,114)	(67,041)
NET CASH PROVIDED BY OPERATING ACTIVITIES	7	1,373,001	178,381
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan to controlling entity	21(a)	(60,200)	(66,420)
Loan repayment from controlling entity	21(a)	9,136	10,940
Dividends paid		-	(135)
NET CASH USED IN FINANCING ACTIVITIES		(51,064)	(55,615)
NET INCREASE IN CASH HELD		1,321,937	122,766
Cash and cash equivalents at beginning of financial year		136,406	13,640
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	7	1,458,343	136,406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

1. ABOUT THIS REPORT

1.1 Background

This financial report covers the consolidated financial statements of the consolidated entity consisting of Orion Equities Limited (ASX:OEQ) (the **Company** or **OEQ**), its subsidiaries and investments in associates (the **Consolidated Entity** or **Orion**). The financial report is presented in the Australian currency.

Orion Equities Limited is a company limited by shares, incorporated in New South Wales, Australia and whose shares are publicly traded on the Australian Securities Exchange (**ASX**).

These financial statements have been prepared on a streamlined basis where key information is grouped together for ease of understanding and readability. The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Consolidated Entity.

Information is considered material and relevant if, for example:

- (a) the amount in question is significant because of its size or nature;
- (b) it is important for understanding the results of the Consolidated Entity;
- (c) it helps to explain the impact of significant changes in the Consolidated Entity's business – for example, acquisitions; or
- (d) it relates to an aspect of the Consolidated Entity's operations that is important to its future performance.

The notes are organised into the following sections:

- (a) **Key Performance:** Provides a breakdown of the key individual line items in the profit and loss that the Directors consider most relevant to understanding performance and shareholder returns for the year:

Notes

2	Revenue
3	Expenses
4	Segment information
5	Tax
6	Earnings/(Loss) per share

- (b) **Financial Risk Management:** Provides information about the Consolidated Entity's exposure and management of various financial risks and explains how these affect the Consolidated Entity's financial position and performance:

Notes

7	Cash and cash equivalents
8	Financial assets at fair value through profit or loss
9	Financial risk management
10	Fair value measurement of financial instruments

- (c) **Other Assets and Liabilities:** Provides information on other balance sheet assets and liabilities that do not materially affect performance or give rise to material financial risk:

Notes

11	Receivables
12	Property held for resale
13	Payables
14	Provisions

- (d) **Capital Structure:** This section outlines how the Consolidated Entity manages its capital structure and related financing costs, as well as capital adequacy and reserves. It also provides details on the dividends paid by the Company:

Notes

15	Issued capital
16	Profits reserve
17	Capital risk management

- (e) **Consolidated Entity Structure:** Provides details and disclosures relating to the parent entity of the Consolidated Entity, controlled entities, investments in associates and any acquisitions and/or disposals of businesses in the year. Disclosure on related parties is also provided in the section:

Notes

18	Parent entity information
19	Investment in controlled entities
20	Investment in associate entity
21	Related party transactions

- (f) **Other:** Provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements however, are not considered significant in understanding the financial performance or position of the Consolidated Entity:

Notes

22	Auditor's' remuneration
23	Contingencies
24	Events occurring after the reporting period

Significant and other accounting policies that summarise the measurement basis used and presentation policies and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

1.2. Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001 (Cth)*, as appropriate for for-profit entities.

Compliance with IFRS

The consolidated financial statements of the Consolidated Entity also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

Reporting Basis and Conventions

The financial report has been prepared on an accrual and going concern basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

1.3. New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not mandatory have not been early adopted. These are not expected to have a material impact on the Consolidated Entity's financial statements.

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

2. REVENUE

The consolidated profit/(loss) before income tax includes the following items of revenue:

	2024	2023
Revenue	\$	\$
Rental revenue	37,700	37,700
Interest revenue	43,532	13,835
	<u>81,232</u>	<u>51,535</u>
Other income		
Iron ore royalty entitlement termination payment	5,000,000	-
Tenement royalties	(18,787)	206,661
Impairment reversal on revaluation of property held for development or resale	-	100,000
	<u>5,062,445</u>	<u>358,196</u>

3. EXPENSES

The consolidated profit/(loss) before income tax includes the following items of expenses:

Share of Associate entity's net loss	-	651,552
Net loss on financial assets at fair value through profit or loss	200,000	500,000
Land operations	9,649	9,712
Personnel expenses		
Salaries, fees and employee benefits	349,258	10,229
Superannuation	41,250	-
Occupancy expenses	463	7,288
Finance expenses	151	224
Communication expenses	478	722
Corporate expenses		
ASX and CHESS fees	18,179	20,705
ASIC fees	6,060	6,288
Share registry	3,811	3,217
Other corporate expenses	1,099	1,020
Administration expenses		
Depreciation	297	473
Reversal of provision of realisation costs	-	(4,039)
Other administration expenses	16,099	16,555
	<u>646,794</u>	<u>1,223,946</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

4. SEGMENT INFORMATION

	Investments	Corporate	Total
	\$	\$	\$
2024			
Segment revenues			
Revenue	37,700	43,532	81,232
Other income	4,981,213	-	4,981,213
Total segment revenues	5,018,913	43,532	5,062,445
Net loss on financial assets at fair value through profit or loss	200,000	-	200,000
Personnel expenses	-	390,508	390,508
Finance expenses	-	151	151
Administration expenses	-	16,099	16,099
Depreciation expense	-	297	297
Other expenses	9,649	30,090	39,739
Total segment profit/(loss)	4,809,264	(393,613)	4,415,651
Segment assets			
Cash and cash equivalents	-	1,458,343	1,458,343
Financial assets	400,000	-	400,000
Receivables	3,000,000	236,583	3,236,583
Property held for development or resale	1,850,000	-	1,850,000
Property, plant and equipment	-	858	858
Total segment assets	5,250,000	1,695,784	6,945,784
2023			
Segment revenues			
Revenue	37,700	13,835	51,535
Other income	306,661	-	306,661
Total segment revenues	344,361	13,835	358,196
Share of Associate entity's net loss	651,552	-	651,552
Net loss on financial assets at fair value through profit or loss	500,000	-	500,000
Personnel expenses	-	10,229	10,229
Finance expenses	-	224	224
Administration expenses	-	12,515	12,515
Depreciation expense	-	473	473
Other expenses	9,712	39,241	48,953
Total segment loss	(816,903)	(48,847)	(865,750)
Segment assets			
Cash and cash equivalents	-	136,406	136,406
Financial assets	600,000	-	600,000
Property held for development or resale	655	165,403	166,058
Investment in Associate entity	1,850,000	-	1,850,000
Other assets	-	1,155	1,155
Total segment assets	2,450,655	302,964	2,753,619

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

4. SEGMENT INFORMATION (continued)

Accounting policy

The operating segments are reported in a manner consistent with the internal reporting provided to the "Chief Operating Decision Maker" (CODM). The Consolidated Entity's CODM is the Board of Directors who are responsible for allocating resources and assessing performance of the operating segments.

The Board has considered the business and geographical perspectives of the operating results and determined that the Consolidated Entity operates only within Australia, with the main segment being Investments. Corporate items are mainly comprised of corporate assets, office expenses and income tax assets and liabilities.

Description of segments

- (a) Investments comprise of equity investments of companies listed on the Australian Securities Exchange (ASX) and liquid financial assets; and
- (b) Corporate items are mainly comprised of corporate assets, office expenses and income tax assets and liabilities.

Liabilities

Liabilities are not reported to the CODM by segment. All liabilities are assessed at a consolidated entity level.

5. TAX

	2024	2023
	\$	\$
The components of tax expense/(benefit) comprise:		
Current tax	1,411,526	-
Deferred tax	-	-
	1,411,526	-
(a) The prima facie tax on operating profit/(loss) before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on operating profit/(loss) before income tax at 30% (2023: 30%)	1,324,695	(259,725)
Adjust tax effect of:		
Non-deductible expenses	86,831	190,002
Share of net loss of Associate	-	195,466
Tax losses utilised	-	(125,743)
Income tax attributable to entity	1,411,526	-
(b) Unrecognised deferred tax balances		
Unrecognised deferred tax asset - revenue losses	2,250,516	3,611,456
Unrecognised deferred tax asset - capital losses	341,540	341,540
	2,592,056	3,952,996

Critical accounting judgement and estimate

The above deferred tax assets have not been recognised in respect of the above items because it is not probable that future taxable profit will be available against which the Consolidated Entity can utilise the benefits. Revenue and capital tax losses are subject to relevant statutory tests.

The income tax expense includes a provision for income tax expense of \$1.5 million in respect of the total gross consideration received (\$2 million) and receivable (\$3 million (refer Note 11)) by CXM Pty Ltd on the termination of a royalty in relation to the Paulsens East Iron Ore Project. The Consolidated Entity will review this income tax position vis a vis the utilisation of available carried forward tax losses of \$12.6 million as part of the finalisation of its income tax return for the year ended 30 June 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. TAX (continued)

Tax Consolidation

The head entity, Orion Equities Limited and its controlled entities have formed a tax consolidated group with effect from 29 June 2004. The members of the tax consolidation group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets (as appropriate) arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements within the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the group. Any differences between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each taxing jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses (if applicable).

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each taxing jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The amount of deferred tax assets brought to account or which may be realised in the future, is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

6. EARNINGS/(LOSS) PER SHARE

	2024	2023
	\$	\$
Basic and diluted earnings/(loss) per share (cents)	<u>19.20</u>	<u>(5.53)</u>

The following represents the loss and weighted average number of shares used in the loss per share calculations:

Net profit/(loss) after income tax (\$)	3,004,125	(865,750)
	Number of Shares	
Weighted average number of ordinary shares	15,649,228	15,649,228

The Consolidated Entity has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic earnings/(loss) per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

7. CASH AND CASH EQUIVALENTS	2024	2023
	\$	\$
Cash at bank	<u>1,458,343</u>	<u>136,406</u>
Reconciliation of operating loss after income tax to net cash used in operating activities		
Profit/(Loss) after income tax	3,004,125	(865,750)
Add non-cash items:		
Depreciation	297	473
Net loss on financial assets at fair value through profit or loss	200,000	500,000
Impairment reversal on revaluation of property held for development or resale	-	(100,000)
Share of Associate entity's loss	-	651,552
Changes in Assets and Liabilities:		
Receivables	(3,019,462)	(13,428)
Payables	(138,424)	5,534
Provisions	1,326,465	-
	<u>1,373,001</u>	<u>178,381</u>
8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Listed securities at fair value	<u>400,000</u>	<u>600,000</u>

Accounting policy

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, financial assets at fair value through profit and loss acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 9: Financial Instruments will recognise its realised and unrealised gains and losses arising from changes in the fair value of these assets are included in Profit or Loss in the period in which they arise.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date which is the current bid price. The fair value of the unlisted managed funds is determined from unit price information provided by investment manager. The Consolidated Entity's investment portfolio is accounted for as "financial assets at fair value through profit and loss" and is carried at fair value.

9. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist of deposits with banks, accounts receivable and payable, investments in listed securities, and other unlisted securities. The principal activity of the Consolidated Entity is the management of its investments (Financial Assets at Fair Value through Profit and Loss) (refer Note 8). The Consolidated Entity's investments are subject to market (which includes interest rate and price risk), credit and liquidity risks.

The Board of Directors is responsible for the overall internal control framework (which includes risk management) but no cost-effective internal control system will preclude all errors and irregularities. The system is based, in part, on the appointment of suitably qualified management personnel. The effectiveness of the system is continually reviewed by management and at least annually by the Board.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

9. FINANCIAL RISK MANAGEMENT (continued)

The financial receivables and payables of the Consolidated Entity in the table below are due or payable within 30 days. The financial investments are held for trading and are realised at the discretion of the Board of Directors.

The Consolidated Entity holds the following financial assets and liabilities:

	Note	2024 \$	2023 \$
Cash and cash equivalents	7	1,458,343	136,406
Financial assets at fair value through profit or loss	8	400,000	600,000
		1,858,343	736,406
Payables	13	(241,359)	(106,328)
Net financial assets		1,616,984	630,078

(a) Market risk

Market risk is the risk that the fair value and/or future cash flows from a financial instrument will fluctuate as a result of changes in market factors. Market risk comprises of price risk from fluctuations in the fair value of equities and interest rate risk from fluctuations in market interest rates.

(i) Price risk

The Consolidated Entity is exposed to equity securities price risk. This arises from investments held by the Consolidated Entity and classified in the Statement of Financial Position at fair value through profit or loss. The Consolidated Entity is not exposed to commodity price risk, save where this has an indirect impact via market risk and equity securities price risk.

The value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market. By its nature as an investment company, the Consolidated Entity will always be subject to market risk as it invests its capital in securities that are not risk free - the market price of these securities can and will fluctuate. The Consolidated Entity does not manage this risk through entering into derivative contracts, futures, options or swaps.

Equity price risk is minimised through ensuring that investment activities are undertaken in accordance with Board established mandate limits and investment strategies.

The Consolidated Entity has performed a sensitivity analysis on its exposure to market price risk at Balance Date. The analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. The ASX All Ordinaries Accumulation Index was utilised as the benchmark for the unlisted and listed share investments which are financial assets available-for-sale or at fair value through profit or loss.

ASX All Ordinaries Accumulation Index	Impact on post-tax profit		Impact on other components of equity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Increase 15%	(307)	(23,221)	(307)	(23,221)
Decrease 15%	307	23,221	307	23,221

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing instruments. The weighted average interest rate for the year for the table below is 4.19% (2023: 4.01%). The revenue exposure is immaterial in terms of the possible impact on profit or loss or total equity.

	2024	2023
	\$	\$
Cash at bank	1,458,343	136,406

(b) Credit risk

Credit risk refers to the risk that a counterparty under a financial instrument will default (in whole or in part) on its contractual obligations resulting in financial loss to the Consolidated Entity. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, including outstanding receivables and committed transactions. Concentrations of credit risk are minimised primarily by undertaking appropriate due diligence on potential investments, carrying out all market transactions through approved brokers, settling non-market transactions with the involvement of suitably qualified legal and accounting personnel (both internal and external), and obtaining sufficient collateral or other security (where appropriate) as a means of mitigating the risk of financial loss from defaults. The Consolidated Entity's business activities do not necessitate the requirement for collateral as a means of mitigating the risk of financial loss from defaults.

The credit quality of the financial assets are neither past due nor impaired and can be assessed by reference to external credit ratings (if available with Standard & Poor's) or to historical information about counterparty default rates. The maximum exposure to credit risk at Balance Date is the carrying amount of the financial assets as summarised below:

	2024	2023
	\$	\$
Cash and Cash Equivalents		
AA-	1,458,193	136,406

The Consolidated Entity measures credit risk on a fair value basis. The carrying amount of financial assets recorded in the financial statements, net any provision for losses, represents the Consolidated Entity's maximum exposure to credit risk.

(c) Liquidity Risk

Liquidity risk is the risk that the Consolidated Entity will encounter difficulty in meeting obligations associated with financial liabilities. The Consolidated Entity has no borrowings. The Consolidated Entity's non-cash investments can be realised to meet trade and other payables arising in the normal course of business. The financial liabilities disclosed in the above table have a maturity obligation of not more than 30 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

AASB 13 (Fair Value Measurement) requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets at fair value through profit or loss:	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Listed securities at fair value				
2024	400,000	-	-	400,000
2023	600,000	-	-	600,000

There have been no transfers between the levels of the fair value hierarchy during the financial year.

(a) Valuation techniques

The fair value of the listed securities traded in active markets is based on closing bid prices at the end of the reporting period. These investments are included in Level 1.

The fair value of any assets that are not traded in an active market are determined using certain valuation techniques. The valuation techniques maximise the use of observable market data where it is available, or independent valuation and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(b) Fair values of other financial assets and liabilities

		2024 \$	2023 \$
Cash and cash equivalents	7	1,458,343	136,406
Loan to controlling entity	21(a)	236,583	165,403
Current Receivables	11	3,000,000	655
Current payables	13	(241,359)	(106,328)
		4,453,567	196,136

Due to their short-term nature, the carrying amounts of cash, current receivables and current payables is assumed to approximate their fair value.

11. RECEIVABLES

	2024 \$	2023 \$
Iron ore royalty entitlement termination payment	3,000,000	-
Other receivables	-	655
	3,000,000	655

The Consolidated Entity received the \$3 million iron ore royalty entitlement termination payment on 3 July 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

12. PROPERTY HELD FOR RESALE

	2024	2023
	\$	\$
Property held for resale	3,797,339	3,797,339
Impairment of property	(1,947,339)	(1,947,339)
	<u>1,850,000</u>	<u>1,850,000</u>

Accounting policy

The carrying value of Property held for resale is based on the Directors' judgement, having regard to the most recent independent valuation report dated 30 June 2023 and an assessment of current pertinent real estate market conditions. The Directors are of the view that the property is not impaired as at balance date.

Property held for resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development are expensed. Profits are brought to account on the signing of an unconditional contract of sale.

13. PAYABLES

	2024	2023
	\$	\$
Current		
Trade payables	2,539	39,758
Other payables and accrued expenses	238,820	66,570
	<u>241,359</u>	<u>106,328</u>
Non-current		
Accrued Directors' fees and entitlements	-	273,456
	<u>-</u>	<u>273,456</u>

Risk exposure

The Consolidated Entity's exposure to risks arising from current payables is set out in Note 9.

14. PROVISIONS

	2024	2023
	\$	\$
Employee benefits - annual leave	1,520	50,739
Employee benefits - long service leave	29,440	65,282
Provision for income tax	1,411,526	-
Provision for dividends	6,592	6,592
	<u>1,449,078</u>	<u>122,613</u>

(a) Amounts not expected to be settled within 12 months

The provision for annual leave and long service leave is presented as current since the Consolidated Entity does not have an unconditional right to defer settlement for any of these employee benefits. Long service leave covers all unconditional entitlements where employees have completed the required period of service and also where employees are entitled to pro-rata payments in certain circumstances.

Based on past experience, the employees have never taken the full amount of long service leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months:

	2024	2023
	\$	\$
Leave obligations expected to be settled after 12 months	<u>29,440</u>	<u>65,282</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

14. PROVISIONS (continued)

(b) Provision for income tax

The provision for income tax relates to the provision for income tax expense for the year ended 30 June 2024 - this includes a provision for income tax expense of \$1.5 million in respect of the total gross consideration received (\$2 million) and receivable (\$3 million (refer Note 11)) by CXM Pty Ltd on the termination of a royalty in relation to the Paulsens East Iron Ore Project (refer also Note 5).

15. ISSUED CAPITAL

	2024	2023
	\$	\$
15,649,228 Fully paid ordinary shares (2023: 15,649,228)	18,808,028	18,808,028

No movement in issued capital in the current financial year.

16. PROFITS RESERVE

Opening balance	6,987,584	6,654,468
Profits reserve transfer	3,596,953	333,116
Closing balance	10,584,537	6,987,584

Profits reserve

An increase in the Profits Reserve will arise when the Company or its subsidiaries generates a net profit (after tax) for a relevant financial period (i.e. half year or full year) which the Board determines to credit to the company's Profits Reserve. Dividends may be paid out of (and debited from) a company's Profits Reserve, from time to time.

17. CAPITAL RISK MANAGEMENT

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure balancing the interests of all shareholders.

The Board will consider capital management initiatives as is appropriate and in the best interests of the Company and shareholders from time to time, including undertaking capital raisings, share buy-backs, capital reductions and the payment of dividends.

The Consolidated Entity has no external borrowings. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

18. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Orion Equities Limited, as at 30 June 2024.

	2024	2023
	\$	\$
Statement of profit or loss and other comprehensive income		
Loss for the year	(1,146,699)	(855,016)
Other comprehensive income	-	-
Total comprehensive loss for the year	(1,146,699)	(855,016)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

18. PARENT ENTITY INFORMATION (continued)

Statement of financial position	2024	2023
Assets	\$	\$
Cash and cash equivalents	1,457,815	23,940
Financial assets at fair value through profit or loss	400,000	600,000
Investment in Associate entity (market value)	410,276	964,148
Loan to controlling entity	236,583	165,403
Loans to controlled entities/(Loan from controlled entities)	(631,004)	
Provision/(reversal of provision) for impairment	(485,098)	
Net loans to/(from) controlled entities	(1,116,102)	1,003,622
Other asset	858	1,810
Total assets	1,389,430	2,758,923
Liabilities		
Current liabilities	237,956	375,688
Non-current liabilities	37,551	122,613
Total liabilities	275,507	498,301
Net assets	1,113,923	2,260,622
Issued capital	18,808,028	18,808,028
Profits Reserve	5,907,609	5,907,609
Accumulated losses	(23,601,714)	(22,455,015)
Equity	1,113,923	2,260,622

Loans to controlled entities are in relation to amounts advanced to subsidiary companies, Silver Sands Developments Pty Ltd and CXM Pty Ltd, at the Balance Date. A provision for impairment is recognised where the balance of the loan exceeds the net assets of the relevant subsidiary company, at the Balance Date. No interest is charged on outstanding balances. During the year, CXM received a \$2 million iron ore royalty entitlement termination payment - these funds were transferred to the Company, fully discharging the loan owed by CXM (including the reversal of previous years' impairment) and resulting in the Company owing a net amount to CXM.

19. INVESTMENT IN CONTROLLED ENTITIES

Subsidiaries	Incorporated	Ownership Interest	
		2024	2023
		%	%
Silver Sands Developments Pty Ltd	Australia	100	100
CXM Pty Ltd	Australia	100	100

Accounting policy

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

All controlled entities have a June financial year-end. All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

19. INVESTMENT IN CONTROLLED ENTITIES (continued)

Changes in Ownership Interests

When the Consolidated Entity ceases to have control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Consolidated Entity has directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

20. INVESTMENT IN ASSOCIATE ENTITY

	Ownership Interest		2024	2023
	2024	2023	\$	\$
Bentley Capital Limited (ASX:BEL)	26.95%	26.95%	-	2,981,394
Movements in carrying amounts				
Opening balance			-	651,552
Share of net profit/(loss) after tax			-	(651,552)
Closing balance			-	-
Fair value (at market price on ASX) of investment in Associate entity			410,276	964,148
Net asset value of investment			369,398	920,087
Summarised statement of profit or loss and other comprehensive income				
Revenue			4,898	2,469
Expenses			(2,043,468)	(3,583,981)
Loss before income tax			(2,038,570)	(3,581,512)
Income tax expense			-	-
Loss after income tax			(2,038,570)	(3,581,512)
Other comprehensive income			-	-
Total comprehensive income			(2,038,570)	(3,581,512)
Summarised statement of financial position				
Current assets			2,542,887	4,508,246
Non-current assets			745	268,929
Total assets			2,543,632	4,777,175
Current liabilities			1,172,775	1,362,676
Total liabilities			1,172,775	1,362,676
Net assets			1,370,857	3,414,499

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

21. RELATED PARTY TRANSACTIONS

(a) Loan to Controlling Entity

Queste Communications Ltd (ASX : QUE) is deemed to have control of the Consolidated Entity as it holds 59.86% (9,367,653 shares) (2023: 59.86% and 9,367,653 shares) of the Company's total issued share capital.

The Company and QUE have entered into a Loan Agreement for the Company to advance up to \$400,000 to QUE. The loan is unsecured and matures on 31 December 2025 (unless extended by agreement of the parties) and accrues interest at 10% pa. During the financial year, the Company advanced \$60,200 and received \$9,136 repayments from QUE and earned interest income of \$20,117. The outstanding loan balance as at Balance Date is \$236,583 (principal and accrued

(b) Transactions with Related Parties

During the financial year there were transactions between the Company, QUE and Associate Entity, Bentley Capital Limited (ASX:BEL), pursuant to shared office and administration arrangements. There were no outstanding amounts at the Balance Date.

(c) Transactions with key management personnel

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Consolidated Entity's KMP for the year ended 30 June 2024. The total remuneration paid to KMP of the Consolidated Entity during the year is as follows:

	2024	2023
	\$	\$
Directors		
Short-term employment benefits	425,000	-
Post employment benefits	41,250	-
	<u>466,250</u>	<u>-</u>

Short-term employment benefits include payments of Directors' salaries/fees attributable to previous years (which payments were previously suspended with the agreement of the Directors): \$150,000 attributable to the year ended 30 June 2023 and \$125,000 attributable to the year ended 30 June 2022. Further details are in the Remuneration Report.

During the year, the Consolidated Entity generated \$37,700 rental income from a KMP/close family member of a KMP (the KMP being Director, Farooq Khan), pursuant to a standard form residential tenancy agreement in respect of the Property Held for Resale (2023: \$37,700).

22. AUDITOR'S REMUNERATION

During the year the following fees were paid for services provided by the auditor of the parent entity, its related practices and by non-related audit firms:

	2024	2023
	\$	\$
In.Corp Audit & Assurance Pty Ltd		
Audit and review of financial statements	<u>13,200</u>	<u>13,200</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

23. CONTINGENCIES

(a) Directors' Deeds

The Company has entered into Deeds of Indemnity with each of its Directors indemnifying them against liability incurred in discharging their duties as Directors/Officers of the Consolidated Entity. At the end of the financial period, no claims have been made under any such indemnities and accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

24. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) The Consolidated Entity received the \$3 million iron ore royalty entitlement termination payment on 3 July 2024 (which was recognised as a Receivable at Balance Date).

No other matter or circumstance has arisen since the end of the financial year that significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

as at 30 June 2024

Entity name	Entity type	% of Share Capital	Place of Incorporation	Tax Residency	
				Australian or Foreign	Foreign Jurisdiction
Orion Equities Limited	Body corporate	N/A	Australia	Australian	N/A
Silver Sands Developments Pty Ltd	Body corporate	100%	Australia	Australian	N/A
CXM Pty Ltd	Body corporate	100%	Australia	Australian	N/A

Notes:

- (1) The Consolidated Entity Disclosure Statement (**CEDS**) has been prepared in accordance with subsection 295(3A)(a) of the *Corporations Act 2001* (Cth) and includes information for each entity that was part of the Consolidated Entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.
- (2) The percentage of share capital disclosed for bodies corporate included in the CEDS represents the economic interest consolidated in the consolidated financial statements.
- (3) Orion Equities Limited (**OEQ**) (the ultimate holding company of the Consolidated Entity) has formed a tax-consolidated group under Australian taxation law (with effect on 29 June 2004), with OEQ as the head entity and each Australian incorporated entity within the Consolidated Entity as members.
- (4) Section 295 (3A)(vi) of the *Corporation Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**). Foreign incorporated companies can still be considered a tax resident of Australia if their central management and control is in Australia. An entity can be both, an Australian tax resident under the ITAA 1997, and a tax resident in another foreign jurisdiction under the tax law applicable in that jurisdiction.
- (5) The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the Consolidated Entity has applied the following interpretations:
 - (a) The Consolidated Entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 and the advice of independent Australian tax advisers; and
 - (b) Where necessary, the Consolidated Entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.
- (6) Where the entity is not an Australian tax resident but is a foreign tax resident based on the Australian domestic law definition, then each foreign country in which the entity is a tax resident (as determined under the law of foreign jurisdictions) must be disclosed in the CEDS. However, if the entity is an Australian tax resident, this requirement does not apply and no further information needs to be provided about other tax residencies of the entity.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

- (1) The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes as set out on pages 19 to 38 are in accordance with the *Corporations Act 2001 (Cth)* and:
 - (a) comply with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting; and
 - (b) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of their performance for the year ended on that date;
- (2) The Company has included in the notes to the Financial Statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards;
- (3) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (4) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001 (Cth)* by the Executive Chairman (the person who, in the opinion of the Directors, performs the Chief Executive Officer function) and Company Secretary (the person who, in the opinion of the Directors, performs the Chief Financial Officer function); and
- (5) In the Directors' opinion, the Consolidated Entity Disclosure Statement on page 39 is true and correct.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001 (Cth)*.



Farooq Khan
Executive Chairman



Victor Ho
Executive Director and
Company Secretary

29 August 2024

ORION EQUITIES LIMITED
INDEPENDENT AUDITOR'S REPORT

To the members of Orion Equities Limited

Opinion

We have audited the financial report of Orion Equities Limited (“the Company”) and its controlled entities (“the Group”), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors’ declaration.

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

- a) giving a true and fair view of the Group’s financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (“the Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

In.Corp Audit & Assurance Pty Ltd
ABN 14 129 769 151

Level 1
6-10 O’Connell Street
SYDNEY NSW 2000

Suite 11, Level 1
4 Ventnor Avenue
WEST PERTH WA 6005

GPO BOX 542
SYDNEY NSW 2001

T +61 2 8999 1199
E team@incorpadvisory.au
W incorpadvisory.au

ORION EQUITIES LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matters

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

We have determined the following key audit matters to communicate in our report:

Key Audit Matter - Royalty Termination Payment	How our Audit Addressed the Key Audit Matter
<p>CXM Pty Ltd (CXM), a 100% owned subsidiary of the Group, had a royalty agreement with Strike Resources Limited (SRK) for iron ore produced from its Paulsens East project. During the year, SRK sold the project and at the Buyer's request, CXM agreed to terminate the royalty agreement for the total consideration of \$5,000,000.</p> <p>\$2,000,000 of the consideration was received during the year, and \$3,000,000 received on 4 July 2024 subsequently.</p> <p>We consider the royalty termination payment a key audit matter based on its materiality and effect on the financial position of the Group.</p>	<p>In assessing the transaction, our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Review of the terms and conditions of the agreement between the parties to the transaction; • Review of the balances recorded at year end; • Review of the balances received by the Group; and • Review of the tax implications related to the consideration received or receivable. <p>We also reviewed the disclosures included in the financial report and assessed whether it meets the requirements of the Australian Accounting Standards and the <i>Corporations Act 2001</i>.</p>

For personal use only

ORION EQUITIES LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matters (continued)

Key Audit Matter - Director Remuneration	How our Audit Addressed the Key Audit Matter
<p>Executive Directors made a decision to temporarily suspend the payment of their director remuneration effective from 1 July 2021 and until the Group's financial position improved. In the current financial year, the Group received \$2 million consideration related to the termination of its royalty entitlement. This allowed the Group make a repayment of the director remuneration for the period since the beginning of the suspension.</p> <p>We consider Director remuneration a key audit matter based on the materiality of the payment and the disclosure requirements in the Remuneration report under the <i>Corporation Act 2001</i>.</p>	<p>In assessing the payments made to the Directors, our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Review of the Board minutes and resolutions; • Review of the calculation of the director remuneration based on the existing arrangements; • Review of the accounting records and payments made related to the remuneration of the directors; • Review of the amounts payable and accrued at year end; and • We obtained confirmation from key management personnel of amounts paid during the year <p>We also reviewed the disclosures included in the financial report and assessed whether it meets the requirements of the Australian Accounting Standards and the <i>Corporations Act 2001</i>.</p>

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

ORION EQUITIES LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- ii) the financial report (other than consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- iii) the consolidated entity disclosure statement that is true and correct and is free of 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 Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

ORION EQUITIES LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion the remuneration report of Orion Equities Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities for the Remuneration Report

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

In.Corp Audit & Assurance Pty Ltd



Volha Romanchik
Director

29 August 2024

For personal use only

ADDITIONAL ASX INFORMATION

INVESTMENT PORTFOLIO

As at 30 June 2024

Equities	Shares Held	Fair Value ⁽¹⁾		% Net Assets	ASX Code	Industry Sector Exposures
		Cents per share	\$'m			
Bentley Capital Limited	20,513,783	2	0.41	8%	BEL	Diversified
Strike Resources Limited	10,000,000	4	0.40	8%	SRK	Materials
TOTAL			0.81	16%		

As at 30 September 2024

Equities	Shares Held	Fair Value ⁽¹⁾		% Net Assets	ASX Code	Industry Sector Exposures
		Cents per share	\$'m			
Bentley Capital Limited	20,513,783	1	0.21	4%	BEL	Diversified
Strike Resources Limited	10,000,000	3	0.30	6%	SRK	Materials
TOTAL			0.51	10%		

Note:

(1) The Fair Value of listed securities is based on the closing bid price on ASX.

TRANSACTIONS AND BROKERAGE

During the financial year ended 30 June 2024, the Company entered into Nil (2023: Nil) transactions with stockbrokers for the sale or purchase of listed securities and accordingly, incurred no brokerage fees (2023: Nil).

CORPORATE GOVERNANCE STATEMENT

The Company has adopted the Corporate Governance Principles and Recommendations (4th Edition, 27 February 2019) issued by the ASX Corporate Governance Council in respect of the financial year ended 30 June 2024.

Pursuant to ASX Listing Rules 4.7.3 and 4.10.3, the Company's 2024 Corporate Governance Statement (dated on or about 15 October 2024) and ASX Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations) can be found at the following URL on the Company's Internet website: <http://orionequities.com.au/corporate-governance>

VOTING RIGHTS

- At any meeting of the shareholders, each shareholder entitled to vote may vote in person or by proxy or by power of attorney or, in the case of a shareholder which is a corporation, by representative.
- Every person who is present in the capacity of shareholder or the representative of a corporate shareholder shall, on a show of hands, have one vote.
- Every shareholder who is present in person, by proxy, by power of attorney or by corporate representative shall, on a poll, have one vote in respect of every fully paid share held.

ADDITIONAL ASX INFORMATION

as at 11 October 2024

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	39	11,493	0.07%
1,001	-	5,000	62	222,654	1.42%
5,001	-	10,000	40	296,354	1.89%
10,001	-	100,000	57	1,787,152	11.42%
100,001	-	and over	15	13,331,575	85.19%
Total			213	15,649,228	100%

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	3,448	61	61,486	0.39%
3,449	-	over	152	15,587,742	99.61%
Total			213	15,649,228	100%

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 3,448 shares or less, being a value of \$500 or less in total, based upon the Company's last sale price on ASX as at 11 October 2024 of \$0.145 per share.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Total Number of Shares Held	% Voting Power
Queste Communications Ltd (ASX:QUE)	QUE	9,367,653	59.86%
Geoff Wilson, Dynasty Peak Pty Limited and GW Holdings Pty Limited	Dynasty Peak Pty Limited	923,038	5.90%

ADDITIONAL ASX INFORMATION

as at 11 October 2024

TOP TWENTY ORDINARY, FULLY PAID SHAREHOLDERS

RANK	SHAREHOLDER	TOTAL SHARES	% ISSUED CAPITAL
1	QUESTE COMMUNICATIONS LTD	9,367,653	59.86%
2	DYNASTY PEAK PTY LTD	923,038	5.90%
3	MR BOBBY VINCENT LI	616,153	3.94%
4	ACN 139 886 025 PTY LTD	408,464	2.61%
5	NEUTRAL PTY LTD	302,489	1.93%
6	MISS ALICE JANE LI	266,485	1.70%
7	MR DAVID JOHN JEFFREE	251,049	1.60%
8	GA & AM LEAVER INVESTMENTS PTY LTD	199,396	1.27%
9	MS HOON CHOO TAN	197,538	1.26%
10	MR ANTHONY NEALE KILLER & MRS SANDRA MARIE KILLER	195,024	1.25%
11	MRS PENELOPE MARGARET SIEMON	176,355	1.13%
12	MR BRUCE SIEMON	162,177	1.04%
13	MR PAUL GERARD GRAFEN	139,910	0.89%
14	MR SCOTT ALEXANDER RIETHMULLER	125,844	0.80%
15	MR COLIN JOHN VAUGHAN & MRS ROBIN VAUGHAN	100,000	0.64%
16	GIBSON KILLER PTY LTD	83,300	0.53%
17	BNP PARIBAS NOMINEES PTY LTD	74,826	0.48%
18	MR LUKE FREDERICK ATKINS	74,696	0.48%
19	THUNDERDOME PTY LTD	70,000	0.45%
20	MS MORAG HELEN BARRETT	70,000	0.45%
	TOTAL	13,804,397	88.21%

For personal use only



ASX Code: OEQ

Orion Equities Limited
A.B.N. 77 000 742 843

PRINCIPAL & REGISTERED OFFICE:

Suite 1, Level 1
680 Murray Street
West Perth, Western Australia 6005

T | (08) 9214 9797
F | (08) 9214 9701
E | info@orionequities.com.au
W | www.orionequities.com.au

SHARE REGISTRY:

Automic
Level 5, 126 Phillip Street,
Sydney, New South Wales 2000

Local T | 1300 288 664
T | +61 2 9698 5414
E | hello@automicgroup.com.au
W | www.automic.com.au

GPO Box 5193
Sydney NSW 2001

Investor Portal
<https://investor.automic.com.au>