

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Orion Minerals Ltd

ABN

76 098 939 274

Quarter ended ("current quarter")

September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	---	---
1.2	Payments for		
	(a) exploration & evaluation	(1,920)	(1,920)
	(b) development	---	---
	(c) production	---	---
	(d) staff costs	(370)	(370)
	(e) administration and corporate costs	(1,002)	(1,002)
1.3	Dividends received (see note 3)	---	---
1.4	Interest received	23	23
1.5	Interest and other costs of finance paid	---	---
1.6	Income taxes paid	---	---
1.7	Government grants and tax incentives	---	---
1.8	Other (intragroup services & cost recoveries received from associates)	5	5
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(3,264)</b>	<b>(3,264)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	---	---
	(b) tenements	---	---
	(c) property, plant and equipment	---	---
	(d) exploration & evaluation	(1,916)	(1,916)
	(e) investments	---	---
	(f) other non-current assets	---	---

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	---	---
	(b) tenements	---	---
	(c) property, plant and equipment	---	---
	(d) investments	---	---
	(e) other non-current assets	---	---
2.3	Cash flows from loans to other entities	(112)	(112)
2.4	Dividends received (see note 3)	---	---
2.5	Other (provide details if material)	---	---
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,028)</b>	<b>(2,028)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,843	4,843
3.2	Proceeds from issue of convertible debt securities	---	---
3.3	Proceeds from exercise of options	---	---
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(6)	(6)
3.5	Proceeds from borrowings	---	---
3.6	Repayment of borrowings	---	---
3.7	Transaction costs related to loans and borrowings	---	---
3.8	Dividends paid	---	---
3.9	Other (provide details if material)	---	---
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>4,837</b>	<b>4,837</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,288	4,288
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,264)	(3,264)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,028)	(2,028)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,837	4,837

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(283)	(283)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,550</b>	<b>3,550</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,550	4,288
5.2	Call deposits	---	---
5.3	Bank overdrafts	---	---
5.4	Other (provide details)	---	---
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,550</b>	<b>4,288</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	99
6.2	Aggregate amount of payments to related parties and their associates included in item 2	---
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	1,214	1,214
7.2	Credit standby arrangements	---	---
7.3	Other (please specify)	---	---
7.4	<b>Total financing facilities</b>	<b>1,214</b>	<b>1,214</b>
	<b>Note:</b> Amounts above exclude capitalised interest and fees and include movement in exchange rates (where applicable).		
7.5	<b>Unused financing facilities available at quarter end</b>		---
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<b>AASMF Loan</b>		
	On 2 November 2015, Prieska Copper Zinc Mine (Pty) Ltd (a 70% owned subsidiary of Orion) ( <b>PCZM</b> ) and Anglo American sefa Mining Fund ( <b>AASMF</b> ) entered into a ZAR14.25M loan agreement for the further exploration and development of the Prieska Copper-Zinc Project ( <b>Loan</b> ). Under the terms of the Loan, AASMF advanced ZAR14.25M to PCZM. The key terms of the Loan are:		
	<ul style="list-style-type: none"> <li>• Loan amount: ZAR14.25M (~\$1.27M) (on 1 August 2017);</li> <li>• Interest: Prime lending rate in South Africa; and</li> <li>• Security: 29.17% of the shares held in PCZM by Agama Exploration and Mining (Pty) Ltd (a wholly owned subsidiary of Orion), have been pledged as security to AASMF for the performance by PCZM of its obligations in terms of the Loan.</li> </ul>		
	At Quarter end, the Loan balance was \$1.91M (ZAR22.42M) (including capitalised interest). PCZM and AASMF are continuing negotiations to agree and settle a repayment plan in relation to the Loan.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,264)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,916)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(5,180)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,550
8.5	Unused finance facilities available at quarter end (item 7.5)	---
8.6	Total available funding (item 8.4 + item 8.5)	3,550
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>0.7</b>
	<b>Note:</b> Refer to Item 8.8.2 below and Orion's September 2022 Quarterly Activities Report for detail regarding Orion's fund raising initiatives.	
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Orion anticipates that current levels of net operating cash flows will be maintained for the time being, however, outgoings may alter subject to fund raising initiatives (refer Item 8.8.2).	

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

**Answer:** On 21 October 2022, Orion announced that it has entered into a non-binding term sheet with the Industrial Development Corporation of South Africa Limited (**IDC**) for a ZAR250M (~\$A22M) senior secured loan facility (**Convertible Loan**) to fund early mining works and key pre-development activities at the Prieska Copper-Zinc Project. Orion anticipates finalising definitive agreements in the December 2022 Quarter, with funding expected to be available for draw-down during late 2022, subject to fulfilment of conditions precedent standard for such arrangements.

In May 2022, Orion announced that it had signed non-binding term sheets with TF R&S Canada Ltd. and Triple Flag International Ltd. (together **Triple Flag**), for a combined US\$87M secured funding package for PCZM. In addition to a US\$80M Precious Metal Stream, Orion and Triple Flag also entered into a term sheet for a \$A10M early Funding Arrangement, with such funding to be made available to Orion to complete the Early Mining Works BFS and to commence the Dewatering Project. In addition to the completion of due diligence and entering into definitive agreements, the Funding Arrangement draw-down is also conditional on Orion securing an additional \$A20M funding to execute the agreed work focused on the Dewatering Project and the Early Mining Works BFS. Triple Flag has confirmed that the Convertible Loan draw-down will be sufficient for its \$A20M funding condition to be satisfied. Orion and Triple Flag are advancing definitive agreements and anticipate these being finalised in the December 2022 Quarter.

The Convertible Loan, together with the Triple Flag \$A10M early Funding Arrangement, will enable Orion to complete the Early Mining Works BFS and to commission and operate the Dewatering Project.

In September 2022, Orion entered into non-binding term sheets with the IDC and Lulamile Xate regarding the key principles of the funding and Historically Disadvantaged South African (**HDSA**) ownership participation arrangements for New Okiep Mining Company (**NOM**). Orion and the IDC anticipate finalising and executing the definitive agreements for the IDC share acquisition and pre-development funding arrangements in the December 2022 Quarter, with the IDC funding to flow in the same quarter, subject to fulfilment of conditions precedent standard for such arrangements. Orion, the IDC and Lulamile anticipate finalising and executing the definitive agreements for the HDSA ownership arrangements also in the December 2022 Quarter, with the implementation of the HDSA ownership arrangements being conditional on the transfer of the assets from SAFTA to NOM, per the terms and conditions of the SAFTA Asset Acquisition Agreement. The IDC funding of pre-development costs in the amount of ~\$A3.0M (ZAR34.6M) will be advanced to NOM on the same terms as the pre-development funding amount of ZAR44.46M already advanced by Orion to NOM.

Refer to the September 2022 Quarterly Activities Report for further detail.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

**Answer:** On the basis of undertaking funding initiatives as set out in Item 8.8.2, Orion expects to continue its operations and meet its business objectives as planned.

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2022

Authorised by: Board of Directors

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**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**


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**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.