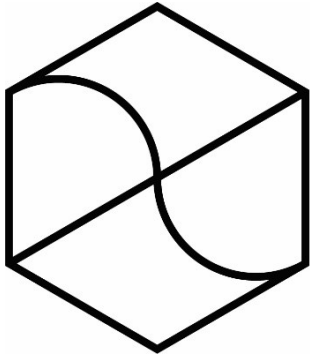




OREXPLORE
TECHNOLOGIES

Appendix 4D

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Consolidated Interim Financial Report

For the half-year end 30 June 2023

OREXPLORE TECHNOLOGIES LIMITED
APPENDIX 4D
HALF-YEAR REPORT

Reporting Period

Current period:	Half-year ended 30 June 2023
Previous corresponding period:	Half-year ended 30 June 2022

Results for Announcement to the Market

	30 June 2023	30 June 2022	Change Up/(Down)	
	\$000	\$000	\$000	%
Revenue from ordinary activities	1,486	237	1,249	527%
Loss after tax from ordinary activities	(4,683)	(3,705)	(978)	(26%)
Loss after tax attributable to members	(4,683)	(3,705)	(978)	(26%)

Dividends and Dividend Reinvestment Plans

No dividend has been proposed or declared in respect of the half-years ended 30 June 2023 and 30 June 2022 and there were no dividend reinvestment plans in operation during the current period.

Control Gained / Lost Over Entities

On 26 May 2023 Orexplare Technologies Limited (the “**Company**”) acquired 100% of the ordinary shares in Orexplare Chile SpA, a company registered in Chile. Orexplare Chile SpA did not make a material contribution to the Company’s result from ordinary activities during the half-year ended 30 June 2023.

Net Tangible Assets per Share

	30 June 2023	30 June 2022
	cents	cents
Net tangible assets (NTA) ¹ per share	4.0	12.1

¹ NTA excludes intangible assets and right-of-use assets.

Audit review

This report is based on the interim consolidated financial statements for the half-year ended 30 June 2023 which have been reviewed by Grant Thornton Audit Pty Ltd. The auditor’s review report includes an emphasis of matter in respect to a material uncertainty related to going concern.

Other

Additional information supporting the Appendix 4D disclosure requirements and a comparison of performance against previous periods can be found in the accompanying Directors’ report and the interim consolidated financial statements for the half-year ended 30 June 2023.



OREXPLORE
TECHNOLOGIES



2023

Consolidated Interim Financial Report

For the half year end 30 June 2023

OREXPLORE TECHNOLOGIES LIMITED
ABN 98 645 505 406

CONSOLIDATED INTERIM FINANCIAL REPORT CONTENTS

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CONSOLIDATED INTERIM FINANCIAL REPORT CORPORATE DIRECTORY

DIRECTORS

Alan Bye	Non-executive chairman
Brett Giroud	Managing director
Kent Swick	Non-executive director
Stuart Carmichael	Non-executive director
Stefan Sädbom	Non-executive director
Will Randall	Non-executive director

COMPANY SECRETARY

Frank Campagna

REGISTERED AND PRINCIPAL OFFICE

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Bassendean WA 6054
Phone: +61 8 9469 2900
Website: www.orexplorer.com
Email: info@orexplorer.com

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Level 5, 191 St Georges Terrace
Perth WA 6000
Phone (within Australia): 1300 288 664
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Email: hello@automic.com.au
Website: www.automic.com.au

STOCK EXCHANGE LISTING

Australian Securities Exchange (ASX: OXT)

SOLICITORS

Hamilton Locke
Level 27, 152-158 St Georges Terrace
Perth WA 6000

AUDITOR

Grant Thornton Audit Pty Ltd
Level 43, 152-158 St Georges Terrace
Perth WA 6000

BANKER

National Australia Bank Ltd

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2023

The Directors present their report together with the Consolidated Interim Financial Report of Orexlore Technologies Limited ("**the Company**" or "**Orexlore**") and its controlled entities ("**the Group**") for the six months ended 30 June 2023 and the auditor's review report thereon. The use of the words **Company** and **Group** are interchangeable for the purposes of this report.

DIRECTORS AND COMPANY SECRETARY

Unless otherwise indicated, the Directors and Company Secretary during the whole of the financial half-year and up to the date of this report are:

- Alan Bye – Chairman, Non-executive Director
- Brett Giroud – Managing Director
- Kent Swick – Non-executive Director
- Stuart Carmichael – Non-executive Director
- Stefan Sädbom – Non-executive Director
- Will Randall – Non-executive Director (appointed 20 January 2023)
- Frank Campagna – Company Secretary

PRINCIPAL ACTIVITIES

The principal activity of the Group during the half-year was the research, development, sale, and provision of core scanning services using its proprietary GeoCore X10® hardware product and its associated interface software Orexlore Insight®. The GeoCore X10® is a transportable X-ray rock mass scanning technology (XRF and CT) that digitises drill core creating a three-dimensional data set that facilitates "through the rock" analysis of features such as internal structures, texture, elemental detections, and density.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the period under review, the Group took up a 100% interest in Orexlore Chile SpA, a newly established company registered in Chile. Orexlore has opened an office and small laboratory facility in Santiago, Chile as part of its expansion into the South American region.

There have been no other significant changes in the state of affairs of the Group during the financial period not otherwise disclosed in this report or the financial statements.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

The table below sets out the operational performance of the Company for the half year ended 30 June 2023 ("**H1FY23**").

	H1FY23 \$'000	H2FY22 \$'000	H1FY22 \$000	Change H1FY23 & H2FY22 %	Change H1FY23 & H1FY22 %
Revenue	1,486	975	237	52.4%	527%
EBITDA ¹	(3,797)	(6,056)	(2,999)	(37.3%)	26.6%
Loss after tax	(4,683)	(6,771)	(3,705)	(30.8%)	26.4%
Loss per share (cents)	(4.52)	(6.53)	(3.59)	(30.8%)	25.9%
Capital expenditure	625	440	707	42.0%	(11.6%)

1. Earnings before interest, tax, depreciation and amortisation ("EBITDA") is categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 - *Disclosing non-IFRS financial information*.

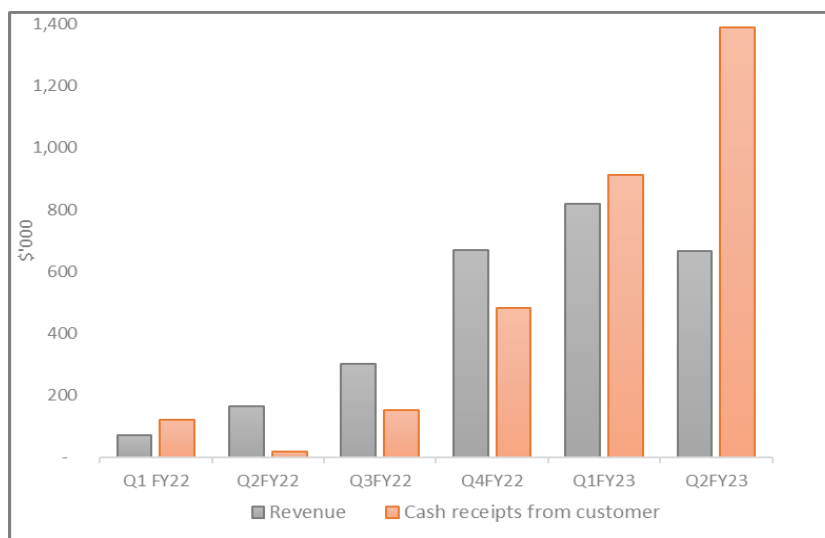
Revenue earned from service contracts with customers increased significantly during H1FY23 with total revenue recognised during the half-year period under review being 23% above the full year FY22 result. Revenue increases are discussed further below.

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2023

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE (Continued)

Revenue and sales

The chart below shows total revenue and total cash receipts from customers by quarter since the Company was listed on ASX in January 2022.



Revenue increased by 52% as compared with H2FY22. This increase in revenue was driven by the Company's on-site scanning and analysis contract with BHP / OZ Minerals in South Australia, which had commenced during the last quarter of the previous financial year and was operational throughout the half-year period under review. Under this contract, the Company has scanned nearly 20,000m of new and historical drill core to advance the customer's orebody knowledge and accelerate the evaluation of available mining and operations options.

This first major field-deployment for the Company has been pivotal to build operational capability and capacity and refine and advance Orexplora's solution delivery model in preparation for scaling of the business.

In addition, revenue was also earned from a number of lab-based scanning projects undertaken across the half-year period under review. This included engagements across the critical mineral sector in both Australia and in the Company's Stockholm laboratory.

In May 2023, the Company secured its first contract in Chile, an engagement to deliver scanning and analysis of approximately 3,000m for Gold Fields Salares Norte copper-gold mine site. Preparations for this contract commenced during the second quarter with the contract services to be delivered during H2FY23. The total contract value is \$430,000.

Subsequent to the 30 June 2023 period end, the Company has also been awarded an on-site scanning contract with BHP's Carrapateena operating mine in South Australia and deployed its mobile field scanning and technology platform to site during August 2023. Under this purchase order for approximately \$1.55 million, the Company will deliver multiple orebody knowledge solutions to the customer.

Expenditure and operating result

Employee benefit expenses have increased by approximately \$560k as compared with the previous half year. This overall increase has been driven by additional contractual staff employed at the Company's on-site operations in South Australia and by other limited headcount increases to expand Company geo-science and data science capability. Wherever possible and taking into consideration the Company's current level of development, it utilises fixed term and casual staff for specific projects to retain overall flexibility in operational capacity.

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2023

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE (Continued)

The Company recorded a loss before tax of \$4.68 million for the half year under review, an approximately \$2.09 million improvement on H2FY22, which had included \$2.88 million of abandoned development costs on a specific development project which had previously been capitalised. When compared with H1FY22, the overall loss incurred has increased by \$978k. This reflects the significant growth in the operational capacity of the Company, including costs relating to expanding its suite of solutions, and its geo-science and data science teams. In addition, the Company incurred costs related to the establishment of its presence in South America, which it expects to be a significant source of future growth of the Company.

The loss per share for H1FY23 was 4.52 cents per share.

Financial Position and Cash Flow

Net assets at 30 June 2023 were \$7.50 million (31 December 2022: \$12.21 million). This included cash held of \$3.05 million.

The Company continues to have no interest-bearing debt on its balance sheet with non-current liabilities being predominantly in relation to leases for premises in Perth and Stockholm.

Capital expenditure for H1FY23 was \$625k. During this period, the Company expanded its fleet of Geocore X10® scanning machines available for commercial use by 3 machines which includes 2 newly manufactured units as well the upgrade of a machine previously used for research purposes only. In addition, and to support future field deployments in South America, an additional field deployment container was manufactured in Santiago during the period. The Group continues to balance the size of its Geocore X10® scanning fleet with its pipeline of potential future contracts in order to manage its cash resources prudently.

Net operating cash outflows for H1FY23 were \$3.10 million and were approximately \$60k lower than for the corresponding half-year period in FY22. Cash receipts from customers for H1FY23 were \$2.30 million and includes \$327k of receipts in advance which are disclosed as contract liabilities in the balance sheet at 30 June 2023.

EVENTS SUBSEQUENT TO REPORTING DATE

During August 2023, the Company received a purchase order for approximately \$1.55 million to provide on-site scanning and analysis services at BHP's Carrapateena operating mine in South Australia. Orexlore has deployed 3 GeoCore X10® scanning units to the site during August 2023. The contract will commence immediately and run to approximately the end of the first quarter of 2024.

There has been no other matter or circumstance that has arisen after the end of the financial period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

DIVIDENDS

No dividends have been paid, declared or recommended since the start of the period.

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2023

ROUNDING OFF

The parent entity is a Company of the kind specified in ASIC Corporation Legislative Instrument 2016/191. In accordance with that class order, amounts contained in the interim consolidated financial statements have been rounded to the nearest thousand dollars (\$'000) unless specifically stated otherwise.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration required under Section 307C of the Corporation's Act 2001 (Cth) is set out on page 7 and forms part of the Directors' Report for the six months ended 30 June 2023.

This report is signed in accordance with a resolution of the Board of Directors.

On behalf of the directors:



Alan Bye
Chairman
Dated: 30 August 2023

Auditor's Independence Declaration

To the Directors of Orexplre Technologies Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Orexplre Technologies Ltd for the half-year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance
Perth, 30 August 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2023

		30 June 2023 \$000	30 June 2022 \$000
	Note		
Revenue from contracts with customers	4	1,486	237
Other income	4	77	36
Employee benefits expense		(3,077)	(2,008)
Share-based payments		(59)	(62)
Depreciation and amortisation expense		(852)	(699)
Other operating expenses		(2,224)	(1,202)
Finance costs		(34)	(7)
Loss before income tax expense		(4,683)	(3,705)
Income tax		-	-
Loss after income tax		(4,683)	(3,705)
OTHER COMPREHENSIVE LOSS			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(89)	(724)
Other comprehensive income for the period net of tax		(89)	(724)
Total comprehensive loss for the period		(4,772)	(4,429)
Basic and diluted loss per share (cents)	5	(4.52)	(3.59)

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2023

		30 June 2023 \$000	31 Dec 2022 \$000
	Note		
CURRENT ASSETS			
Cash and cash equivalents	6	3,056	7,039
Trade and other receivables		214	642
Inventories	7	1,208	1,181
Prepayments		148	192
Total current assets		4,626	9,054
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,002	1,772
Right-of-use assets	9	797	923
Intangible assets	10	2,542	2,826
Total non-current assets		5,341	5,521
TOTAL ASSETS		9,967	14,575
CURRENT LIABILITIES			
Trade and other payables		766	1,034
Contract liabilities		327	-
Provisions		534	363
Lease liabilities		429	389
Total current liabilities		2,056	1,786
NON-CURRENT LIABILITIES			
Provisions		11	5
Lease liabilities		405	576
Total non-current liabilities		416	581
TOTAL LIABILITIES		2,472	2,367
NET ASSETS		7,495	12,208
EQUITY			
Issued capital	11	39,153	39,153
Foreign exchange reserve		(905)	(816)
Share-based payments reserve		1,317	1,258
Accumulated losses		(32,070)	(27,387)
TOTAL EQUITY		7,495	12,208

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	Issued Capital \$000	Foreign Exchange Reserve \$000	Share- Based Payments Reserve \$000	Accumu- lated Losses \$000	Total Equity \$000
Balance at 1 January 2023		39,153	(816)	1,258	(27,387)	12,208
Total comprehensive income for the period:						
Loss for the period		-	-	-	(4,683)	(4,683)
Other comprehensive loss for the period		-	(89)	-	-	(89)
Transactions with owners, recorded directly in equity:						
Share-based payment transactions		-	-	59	-	59
Balance at 30 June 2023		39,153	(905)	1,317	(32,070)	7,495
Balance at 1 January 2022		36,716	(18)	1,137	(16,911)	20,924
Total comprehensive income for the period:						
Loss for the period		-	-	-	(3,705)	(3,705)
Other comprehensive loss for the period		-	(724)	-	-	(724)
Transactions with owners, recorded directly in equity:						
Share-based payment transactions		-	-	62	-	62
Contributed equity		2,437	-	-	-	2,437
Balance at 30 June 2022		39,153	(742)	1,199	(20,616)	18,994

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	Note	30 June 2023 \$000	30 June 2022 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,301	129
Receipts of government grants		14	-
Payments to suppliers and employees		(5,492)	(3,289)
Net interest received		77	-
Net cash used in operating activities		(3,100)	(3,160)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(605)	(312)
Payments for development costs and other intangible assets		(20)	(395)
Net cash used in investing activities		(625)	(707)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	2,437
Transaction costs related to capital raising		-	(634)
Repayment of lease liabilities		(223)	(173)
Net cash (used in) / provided by financing activities		(223)	1,630
Net decrease in cash held		(3,948)	(2,237)
Cash at the beginning of the period		7,039	12,644
Effects of exchange rate movements on cash		(35)	226
Cash at the end of the period		3,056	10,633

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2023

1. GENERAL INFORMATION

1.1 Reporting entity

Orexplora Technologies Limited (the “Company” or “Orexplora”) is a public company listed on the Australian Securities Exchange (“ASX”). Orexplore Technologies Limited and its subsidiaries (together referred to as the “Group”) operate in Perth Australia, Stockholm Sweden and Santiago Chile. The consolidated interim financial report of the Company as at and for the six months ended 30 June 2023 comprises the Company and its subsidiaries and was authorised for issue in accordance with a resolution of the directors on 31 August 2023.

The address for the Company’s registered office and principal place of business is 75 McDonald Crescent, Bassendean, Western Australia, 6054, Australia.

The principal activities of the Group are the research, development, sale, and provision of core scanning services using its proprietary GeoCore X10® hardware product and its associated interface software Orexplore Insight®. The GeoCore X10® is a transportable X-ray rock mass scanning technology (XRF and CT) that digitises drill core creating a three-dimensional data set that facilitates “through the rock” analysis of features such as internal structures, texture, elemental detections, and density.

The consolidated annual financial report of the Group as at and for the year ended 31 December 2022 is available upon request from the Company’s registered office or at www.orexplore.com.

1.2 Basis of preparation

The consolidated interim financial report is a general-purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth).

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2022. The consolidated interim financial report does not include all the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 31 December 2022, and any public announcements made by the Group during the half-year ended 30 June 2023 in accordance with continuous disclosure obligations under the Corporations Act 2001 and ASX listing rules.

The Company is of the kind referred to in ASIC Corporations (*Rounding in Financials / Directors’ Report*) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

1.3 Going Concern

The interim financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

During the half-year, the Group recorded a net loss after tax of \$4,683,000 and had net cash outflows from operating activities of \$3,099,000. At balance date the Group had working capital of \$2,570,000 and held cash of \$3,059,000.

The Company’s ability to continue as a going concern and to pay its debts as and when they fall due is dependent on it generating additional revenues from its operations, managing all costs in line with management’s forecasts and raising further capital. Management have prepared a cash flow forecast on this basis which indicates that the Group will have sufficient cash flows to meet minimum operating overheads and committed expenditure requirements for the 12 month period from the date of signing the financial report if they are successful in these actions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2023

The Directors believe that the Group will continue as a going concern, after consideration of the following factors:

- regular review of management accounts and cash flow forecasts, incorporating expected cash inflows from sales and collection of trade receivables;
- close management of both its operating costs and corporate overheads;
- continued growth of the sales pipeline and confidence in achieving further sales growth;
- ability to defer the timing of certain expenditure included in its forecasts (if required); and
- the Company raising funds through an equity capital raise or through alternative funding options.

The financial report has therefore been prepared on a going concern basis. Should the Group be unable to achieve successful outcomes in relation to each of the matters referred to above, there is a material uncertainty whether the Group will be able to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

1.4 Significant accounting policies

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

1.5 New and amended standards

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

There are no standards, amendments to standards and interpretations which are not yet effective and have been identified as those which may materially impact the Group in the period of initial application.

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are consistent with those of the previous financial year and corresponding interim reporting period and are set out in the consolidated annual financial report of the Group as at and for the year ended 31 December 2022.

3. SEGMENT INFORMATION

The Group has considered the nature and operations of the business and determined that there were no separately distinguishable reporting segments during the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2023

4. REVENUE AND OTHER INCOME

	30 June 2023 \$000	30 June 2022 \$000
Revenue		
Revenue from contracts with customers	1,486	237
Total Revenue	1,486	237
Other Income		
Interest received	63	23
Government grants	14	-
Other income	-	13
Total Other Income	77	36
Disaggregation of revenue		
The disaggregation of revenue from contracts with customers is as follows:		
Geographical regions based on location of operations		
Europe	16	9
Australia	1,470	228
Total Revenue	1,486	237
Geographical regions based on location of customers		
Europe	16	9
Australia	1,470	237
Total Revenue	1,486	237
Major Services		
Mineral analysis services	1,486	237
Timing of Revenue Recognition		
Revenue recognised at point in time	1,486	237

5. BASIC AND DILUTED LOSS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

	30 June 2023 \$000	30 June 2022 \$000
Loss used to calculate basic and diluted loss per share:		
Net loss after tax	4,683	3,705
	No.	No.
Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted loss per share ¹	103,664,196	103,340,102
Basic loss per share (cents)	4.52	3.59
Diluted loss per share (cents)¹	4.52	3.59

¹ The weighted average number of performance rights not included in diluted earnings per share calculation for 2023 were 8,351,588 (2022: 8,293,136). The performance rights are excluded as they are contingently issuable securities. There is no dilutive effect of outstanding performance rights as the Company made a loss after tax and the performance rights are contingently issued securities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2023

6. CASH AND CASH EQUIVALENTS

	30 June 2023 \$000	31 Dec 2022 \$000
Cash at bank and on hand	3,056	7,039

Cash and cash equivalents comprise cash balances and deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

7. INVENTORIES

	30 June 2023 \$000	31 Dec 2022 \$000
Consumables and raw materials	1,208	1,181
Allowance for obsolescence	-	-
Total Inventories	1,208	1,181

The Group maintains an inventory of parts and spares for use in Research and Development activities, construction of mineral analysis machines and for rendering of mineral analysis services.

An on-going review is conducted in order to ascertain whether items are obsolete or damaged, and if so determined, the carrying amount of the item is written down to its net realisable value.

8. PROPERTY, PLANT AND EQUIPMENT

	30 June 2023 \$000	31 Dec 2022 \$000
Plant and equipment		
Cost	3,791	3,362
Disposal	-	(147)
Accumulated depreciation	(1,999)	(1,682)
Net carrying value - plant and equipment	1,792	1,533
Leasehold Improvements		
Cost	256	257
Less accumulated depreciation	(240)	(233)
Net carrying value - leasehold Improvements	16	24
Office furniture and equipment		
Cost	711	689
Less accumulated depreciation	(517)	(474)
Net carrying value - furniture and equipment	194	215
Total net carrying value	2,002	1,772

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2023

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Plant and equipment \$000	Leasehold Improve- ments \$000	Office furniture and equipment \$000	Total \$000
Half-year ended 30 June 2023:				
Net carrying value at 1 January 2023	1,533	24	215	1,772
Additions	579	-	26	605
Foreign exchange rate difference	(1)	-	(2)	(3)
Depreciation expense	(319)	(8)	(45)	(372)
Net carrying value at 30 June 2023	1,792	16	194	2,002

9. RIGHT-OF-USE ASSETS

	30 June 2023 \$000	31 Dec 2022 \$000
Office and lab premises		
Cost	2,481	2,413
Accumulated depreciation	(1,684)	(1,490)
Net carrying value – office and lab premises	797	923

	Office and lab premises \$000
Half-year ended 30 June 2023:	
Net carrying value at 1 January 2023	923
Lease modifications	88
Foreign exchange rate difference	(5)
Depreciation expense	(209)
Net carrying value at 30 June 2023	797

Short-term leases with lease terms of less than 12 months are not recognised as right-of-use assets and lease liabilities, as permitted by AASB 16. The Group recorded short-term lease expenses of \$7,000 during the period (2022: nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2023

10. INTANGIBLE ASSETS

	30 June 2023 \$000	31 Dec 2022 \$000
Patents and trademarks		
Cost	302	285
Accumulated depreciation	(193)	(175)
Net carrying value – patents and trademarks	109	110
Development assets (amortising)		
Gross carrying value at cost	5,479	5,550
Less accumulated depreciation	(3,046)	(2,834)
Net carrying value - development assets (amortising)	2,433	2,716
Development assets (non-amortising)		
Gross carrying value at cost	-	2,842
Less costs abandoned	-	(2,842)
Net carrying value - development assets (non-amortising)	-	-
Total net carrying value	2,542	2,826

	Patents and trademarks \$000	Dev assets (amortising) \$000	Dev assets (non- amortising) \$000	Total \$000
Half-year ended 30 June 2023:				
Net carrying value at 1 January 2023	110	2,716	-	2,826
Additions	20	-	-	20
Foreign exchange rate difference	(1)	(32)	-	(33)
Amortisation expense	(20)	(251)	-	(271)
Net carrying value at 30 June 2023	109	2,433	-	2,542

Intangible assets relate to development undertaken to develop the Group's mineral scanning technology and machines.

Non-amortising development assets pertain to intangible assets in the development phase. Amortising development assets pertain to assets that are completed and ready for use. Intangible assets transfer from the non-amortising class of asset to the amortising class of asset once constructed to the point of completion. All intangible assets are considered to have a finite useful life.

At 30 June 2023, the carrying value of non-amortising development assets was nil (31 December 2022: nil).

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, the consolidated entity is able to use or sell the asset, the consolidated entity has sufficient resources and intent to complete the development and its costs can be measured reliably.

The Company currently has development assets available for use and these are tested for impairment when there are indicators of impairment. The Company has tested such available for use development assets for impairment at balance date in accordance with the valuation methodology referenced in its accounting policies.

Once available for use, capitalised development costs are amortised over the period of their expected life.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2023

11. ISSUED CAPITAL

	30 June 2023		31 Dec 2022	
	No.	\$000	No.	\$000
Ordinary shares - fully paid	103,664,196	39,153	103,664,196	39,153

There were no movements in ordinary share capital during the period.

All shares are ordinary fully paid shares and carry one vote per share and the right to dividends. The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

12. SHARE-BASED PAYMENTS RESERVES

	30 June 2023 \$000	31 Dec 2022 \$000
Share-based payments reserve	1,317	1,258

	\$000
Half-year ended 30 June 2023:	
Balance at 1 January 2023	1,258
Share-based payments expense	59
Balance at 30 June 2023	1,317

Employee incentive plans

The Group had previously established an Incentive Performance Rights Plan under which rights were granted at no cost to participants on 22 December 2021 and which will convert into ordinary shares on achieving the required performance and service conditions.

On 1 October 2022, amendments to the Corporations Act were introduced, simplifying the regulatory process for incentivising participants under employee share schemes (**ESS**). *Division 1A* was introduced into *Part 7.12 of the Corporations Act*, providing a separate regime for the making of offers in connection with an ESS. This new regulatory regime replaced the relief afforded by ASIC Class Order 14/1000.

In order to ensure that the Company is able to rely on the relief provided by the new regulatory regime, the Company adopted a new ESS that makes reference to the new regulatory regime and includes the changes that came into effect on 1 October 2022. The Orexpro Technologies Limited Employee Securities Incentive Plan was adopted by Shareholders on 30 May 2023 and performance rights were subsequently granted under this new plan as noted below.

A summary of the movements of performance rights on issue is as follows:

	No.
Opening balance at 1 January 2023	8,293,136
Performance rights granted	
Series 4	5,289,935
Vested and exercised	-
Forfeited	-
Expired	-
Closing balance at 30 June 2023	13,583,071

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2023

12. SHARE-BASED PAYMENTS RESERVES (Continued)

During the period, no performance rights were exercised or lapsed and there has been no alteration of the terms and conditions of performance rights since their grant date. The terms and conditions of performance rights granted during the period are as follows:

Performance Rights series	Grant date	Number granted	Value per right on grant date	Total value on grant date (\$)	Vesting date and conditions
Series 4	29/06/2023	5,289,935	1.72 cents per performance right	\$91,215	Vest 100% on 28 February 2025 upon the 20-day VWAP equalling or exceeding \$0.20 at any time before 28 February 2025 as long as the participant is still employed by the Company on 28 February 2025.

VWAP – volume weighted average share price

The fair value of the performance rights issued during the period was determined as follows:

Share price per share	\$0.06
Share price volatility	68.93%
Interest rate	3.368%
Dividend yield	N/A
Methodology	Monte Carlo

The Share price reflects Fair Value as per assessment by an independent and external valuer who determined the amount in accordance with Appendix A of AASB 2. The valuation methodology applied is a binomial model, which has been tailored specifically for use in valuing employee rights and is an amended Black, Scholes, Merton methodology with a 100,000 iteration Monte Carlo extrapolation.

The share price volatility is the historical volatility of returns on the Company's shares from commencement of trading on ASX on 21 January 2022. No dividend yield has been factored into the valuation of the performance rights in line with the Group's strategy during its initial growth phase.

13. CONSOLIDATED ENTITIES

Details of the Group entities are as follows:

Name	Country of Incorporation	Date of Incorporation	Functional currency	Financial year end
Orexplora Technologies Limited	Australia	29 Oct. 2020	Australian Dollar	31 December
Orexplora AB	Sweden	26 July 2010	Swedish Krona	31 December
Orexplora Australia Pty Ltd	Australia	24 Oct. 2017	Australian Dollar	31 December
Orexplora SpA	Chile	5 Oct 2022	Chilean Pesos	31 December
Orexplora Canada Inc	Canada	23 Oct. 2018	Canadian Dollar	31 December
Orexplora USA Inc	USA	23 Oct. 2018	US Dollar	31 December

During the period, 100% of the ordinary shares of Orexplore Chile SpA were acquired.

The principal place of business is the same as the "country of incorporation" for each entity.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2023

14. CONTINGENT LIABILITIES AND COMMITMENTS

	30 June 2023 \$000	31 Dec 2022 \$000
Bank guarantee	39	39

A bank guarantee facility is in place for an amount of \$39,490 in order to secure the property leased by Orexplora Australia Pty Ltd and is secured by a term deposit of the same amount.

15. EVENTS OCCURRING AFTER THE REPORTING PERIOD

During August 2023, the Company received a purchase order for approximately \$1.55 million to provide on-site scanning and analysis services at BHP's Carrapateena operating mine in South Australia. Orexplora has deployed 3 GeoCore X10® scanning units to the site during August 2023. The contract will commence immediately and run to approximately the end of the first quarter of 2024.

There has been no other matter or circumstance that has arisen after the end of the financial period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

CONSOLIDATED INTERIM FINANCIAL REPORT DIRECTORS DECLARATION

In the opinion of the Directors of Orexplora Technologies Limited:

- (a) the financial statements and notes of the Company and its subsidiaries (collectively “**the Group**”) are in accordance with the *Corporations Act 2001* (Cth), including:
- i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the period ended on that date; and
 - ii. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (Cth); and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors by the Managing Director and the Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 for the period ended 30 June 2023.

Signed in accordance with a resolution of the Directors:



Alan Bye
Chairman
30 August 2023

Independent Auditor's Review Report

To the Members of Orexplre Technologies Ltd

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Orexplre Technologies Ltd (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 30 June 2023, and the condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

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

- a. giving a true and fair view of Orexplre Technologies Ltd's financial position as at 30 June 2023 and of its performance for the half year ended on that date; and
- b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

Material uncertainty related to going concern

We draw attention to Note 1.3 in the financial statements, which indicates that the Group incurred a net loss of \$4,683,000 during the half year ended 30 June 2023, and as of that date, the Group's operating cash outflows totalled \$3,099,000. As stated in Note 1.3, these events or conditions, along with other matters as set forth in Note 1.3, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



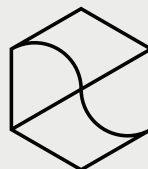
L A Stella
Partner – Audit & Assurance

Perth, 30 August 2023

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