

MARKET ANNOUNCEMENT

\$5 Million Receivable on Termination of Iron Ore Royalty Entitlement

Orion Equities Limited (ASX:OEQ) (**Orion** or **Company**) refers to the market announcement released by Strike Resources Limited (ASX:SRK) (**Strike**) earlier today whereby Strike announced that it had entered into a Share and Asset Sale Agreement (**Agreement**) with Miracle Iron Holdings Pty Ltd (**Miracle**) for the sale of Strike's Paulsens East Iron Ore Project located in the Pilbara, Western Australia (**Paulsens East**)¹.

Miracle had requested the cancellation of the Orion Royalty² that is payable to CXM Pty Ltd (**CXM**) for iron ore produced from Paulsens East (with CXM being a wholly-owned subsidiary of Orion) and CXM has agreed to do so (under the Agreement) on the following terms (at completion of the Agreement):

- (a) CXM agrees to terminate and provide releases to Miracle (as the purchaser of Paulsens East) under the Orion Royalty; and
- (b) Miracle agrees 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.

Orion will apply the consideration for working capital purposes. The \$5 million cash consideration is equivalent to approximately 32 cents (pre-tax) and 22 cents (post-tax, assuming a tax rate of 30% applies and prior to utilisation of any prior year tax losses) per Orion share based on Orion's 15,649,228 shares on issue. Orion will not recognise this \$5 million as an asset until the Agreement has been completed.

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. CXM has received \$206,661 in royalty payments from Strike to date (during the 2022/2023 financial year).

A summary of the key terms of the Agreement (as it relates to Orion/CXM) is set out below.

Completion of the Agreement is conditional on receipt of Strike shareholder approval under Listing Rule 11.2 and no regulatory step being initiated that could prevent the contemplated transactions (under the Agreement) from proceeding.

1 Refer Strike's ASX announcement dated 2 January 2024: Proposed Divestment of Paulsens East Iron Ore Project.
2 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.



Strike has advised that shareholder approval will be sought at an upcoming general meeting expected to be held in February 2024, with completion (subject to Strike shareholder approval being obtained and the other condition precedent being satisfied) of the Agreement targeted for later in February 2024.

Orion currently holds 10,000,000 Strike shares (3.52%) and will be excluded from voting at the upcoming Strike general meeting to approve the sale of Paulsens East under the Agreement.

Further details about the Agreement and Paulsens East is outlined in Strike's ASX announcement dated 2 January 2024: Proposed Divestment of Paulsens East Iron Ore Project.

Key Terms of the Agreement

Parties	Strike Resources Limited (Strike) (as Vendor), Miracle Iron Holdings Pty Ltd (Miracle) (as Purchaser) Good Importing International Pty Ltd (GII), JE United Ltd (JEL), Strike Finance Pty Ltd (SFPL) and CXM Pty Ltd (CXM) (being a subsidiary of Orion Equities Limited (ASX:OEQ) (Orion))
Condition Precedent	(a) Strike's shareholders approving the proposed transaction under the Agreement, and for the purposes of, ASX Listing Rules 11.1 or 11.2; and (b) No regulatory step being initiated that could prevent the contemplated transactions from proceeding.
Completion	3 business days after satisfaction of Condition Precedent
Sunset Date (for satisfaction of Condition Precedent)	31 March 2024
Ancillary Matters (to occur, simultaneously at Completion)	(a) CXM agrees to terminate and provide releases under the Orion Royalty ² . (b) Miracle agrees 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.
Other	Customary terms and conditions for a transaction of this nature, including customary warranties and indemnities, customary caps and limitations on claims, and customary termination mechanisms.

Overview of Miracle

Miracle Iron Holdings Pty Ltd is a Perth based private company owned by Mr Chuanshui (Frank) Yin (who is the sole director and secretary).

Mr Yin has been active in developing Sino-Australia business ventures in the mining sector and has facilitated a number of negotiations between Chinese and Australian parties in mining development investments and off-take agreements. Mr Yin was also the Director and Chief Executive Officer (2012 - 2018) of Ishine International Resources Limited (former ASX:ISH), a minerals exploration company with gold and copper projects in Western Australia, South Australia and Queensland.

Orion is satisfied in relation to Miracle's financial capacity to complete the transactions contemplated under the Agreement, after having completed due diligence on Miracle and Mr Yin and sighted Miracle's bank account statement showing sufficient funds at call to fund Miracle's payment obligations at completion. Orion notes that Strike has also received a significant A\$2 million deposit (non-refundable in certain circumstances) on execution of the Agreement.

About Strike Resources Limited (ASX:SRK)

Strike Resources Limited (ASX:SRK) is an ASX listed resource company which is developing the Paulsens East Iron Ore Mine in Western Australia – Strike has exported 66,618 tonnes of ~62% Fe Lump DSO (mined from surface detrital material) from Utah Point (Port Hedland) and is developing a 1.8Mtpa export solution out of the Port of Ashburton (Onslow). Strike also owns the high grade Apurimac Iron Ore Project in Peru where it has exported “Apurimac Premium Lump” DSO product of ~65% Fe. Strike has a 31.1m (30%) shareholding in Lithium Energy Limited (ASX:LEL), which was spun-out of Strike under a \$9m IPO in May 2021. Lithium Energy is developing battery minerals related assets - the Solaroz Lithium Brine Project in Argentina and the Burke and Corella Graphite Projects in Queensland.³

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³ Based Strike's ASX announcements