

# MARKET ANNOUNCEMENT

## Net Tangible Asset Backing – 31 July 2020

Month Ending:	% Change	31 July 2020 Consolidated	30 June 2020 Consolidated
Net tangible assets (NTA) (before tax)		\$2.08m	\$1.777m
<b>Pre-Tax NTA Backing per share</b>	+17.29%	<b>\$0.1329</b>	\$0.1136
Net tangible assets (after tax)		\$2.08m	\$1.777m
<b>Post-Tax NTA Backing per share</b>	+17.29%	<b>\$0.1329</b>	\$0.1136
Based on total issued share capital		<b>15,649,228</b>	15,649,228

The NTA position comprises the following items:

<b>Net Tangible Assets</b>	Current Month \$'millions	Previous Month \$'millions
Investment in listed Associated Entity:		
(a) Shares in Bentley Capital Limited (ASX:BEL)	0.331	0.170
Investments in other listed securities:		
(a) Shares in Strike Resources Limited (ASX:SRK)	0.580	0.450
Investment in property (held for development/resale)	1.100	1.100
Net cash/receivables/payables/other assets/provisions	0.069	0.057
<b>Pre-Tax NTA</b>	<b>2.080</b>	1.777
Tax Provisions:		
(a) Prior year tax	-	-
(b) Current year tax	-	-
(c) Net deferred tax asset / (liability)	-	-
<b>Post-Tax NTA</b>	<b>2.080</b>	1.777

Orion has valued its 10 million shareholding in Strike Resources Limited (ASX:SRK) based on the \$0.058 last bid price as at 31 July (30 June: \$0.045). Bentley notes that Strike's current bid price was \$0.075 (as at 13 August 2020).



**Notes:**

- (1) The Company's investment in Bentley Capital Limited (ASX:**BEL**), an Associated Entity (i.e. in which the Company has a greater than 20% interest), is accounted for under the equity method in the consolidated financial statements. Under the equity method, the carrying amount of such investment is cost plus a share of the Associate Entity's net profit or loss (after tax) for the financial year to month end as provided to the Company by such Associated Entity. Refer also Note 23 (Investments in Associates) on pages 39 and 40 of the Company's 2019 Annual Report for further details in this regard.

Under the equity method of accounting for Associate entities, the Company's carrying value of its investment in BEL is reduced from historical cost as a consequence of the Company's accumulated recognition of BEL's net losses. The Company is not required to carry the BEL investment at a negative value (ie. below Nil) and if BEL should generate net profits in the future (after reducing the carrying value to Nil), the Company will recognise a share of BEL's net profits in this regard under the equity method, which will permit the Company to start recognising a positive carrying value for BEL.

Accordingly, as at 31 July 2020, the Company's 20,513,783 shares (26.95% interest) (30 June 2020: 20,513,783 shares and 26.95%) in BEL have a \$0.331m carrying value; this compares with BEL's last bid price on ASX of \$0.038 per share (\$0.779m) and BEL's after-tax NTA backing of \$0.0763 per share (\$1.565m)<sup>1</sup>, as at month end.

- (2) The fair value of investments in ASX-listed Strike Resources Limited (ASX:**SRK**) comprise 10,000,000 shares (30 June 2020: 10,000,000 shares) with a value of \$0.058 per share (based on the closing bid price as at 31 July 2020) (30 June 2020: \$0.045).
- (3) The fair value of investments in other listed securities is based on each security's last bid price on market at month end.
- (4) Investment in property (held for resale) was valued by an independent qualified valuer (a Certified Valuer and Associate Member of the Australian Property Institute) as at 30 June 2019.
- (5) Tax Provision Item (c) includes where applicable, a provision for income tax on net unrealised gains on the Company's investments in securities and its share of Associated Entities' after-tax net profit for the month (deferred tax liability) and the recognition of future income tax benefits on net unrealised losses on the Company's investments in securities and its share of Associated Entities' after-tax net loss for the month (deferred tax asset). Refer also Note 6 (Tax) on pages 25 to 26 of the Company's 2019 Annual Report for further details in this regard.

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<sup>1</sup> Refer BEL's ASX Announcement dated 14 August 2020: NTA Backing as at 31 July 2020