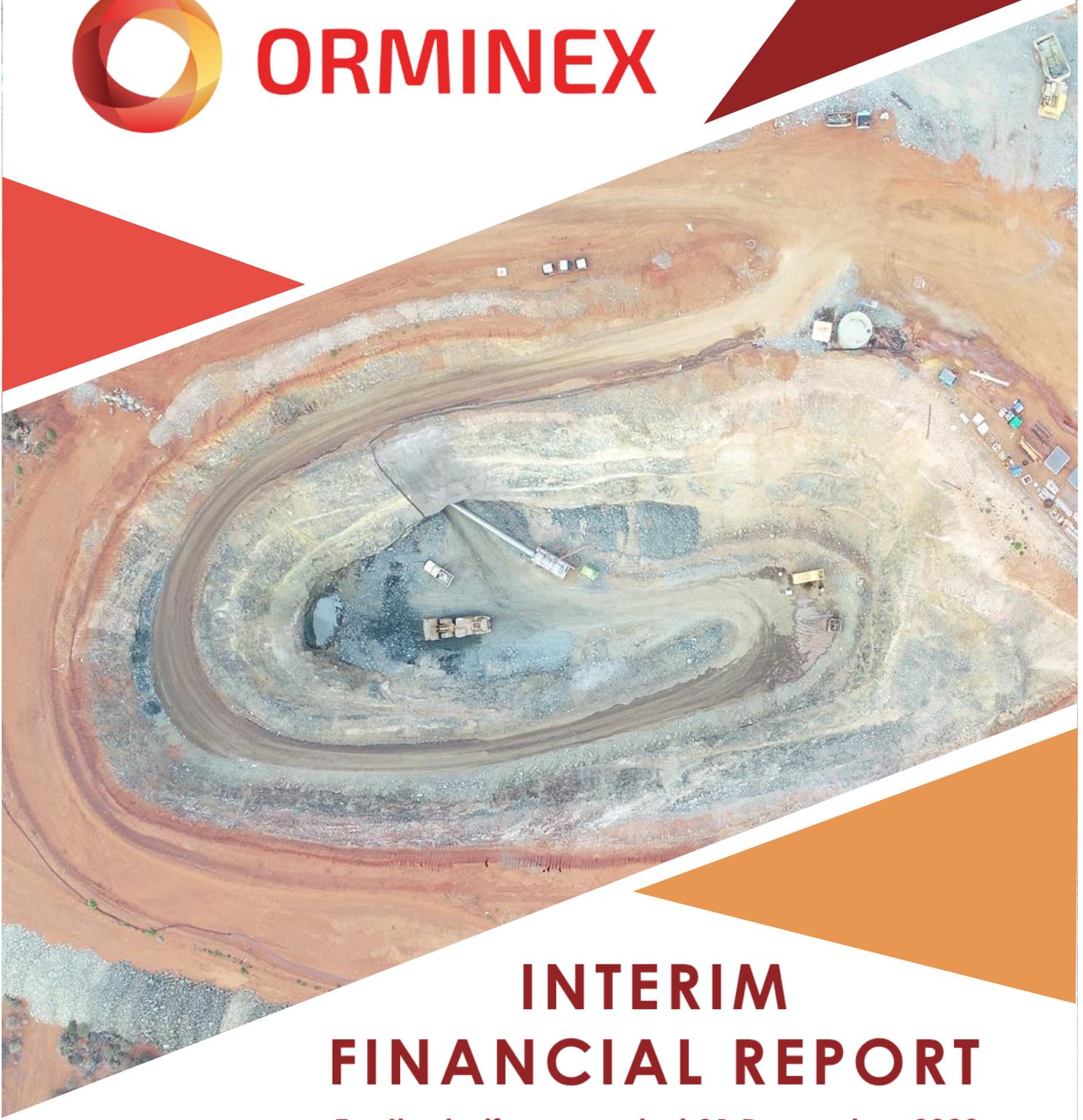




ORMINEX



INTERIM FINANCIAL REPORT

For the half year ended 31 December 2020

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Directors	Dean Hely Michael Foulds Wayne McGrath
Chief Operating Officer	Matthew Nixon (commenced 8 February 2021)
Company secretary	Kelly Moore
Registered office	Suite 5, Level 1, 460 Roberts Road, Subiaco WA 6008
Principal place of business	Suite 5, Level 1, 460 Roberts Road, Subiaco WA 6008
Share register	Automic Registry Services Level 2, 267 St Georges Terrace, Perth WA 6000 Ph Within Australia: 1300 288 664 Ph Outside of Australia: +61 8 9324 2099
Auditor	Moore Australia Level 15 Exchange Tower, 2 The Esplanade, Perth WA 6000
Stock exchange listing	Orminex Limited shares are listed on the Australian Securities Exchange (ASX code: ONX)
Website	www.orminex.com.au

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Orminex Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were Directors of Orminex Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Dean Hely (Non-executive Director - appointed 17 October 2019)

Michael Foulds (Non-executive Director - appointed 9 August 2019)

Wayne McGrath (Non-executive Director - appointed 23 April 2020)

Daryl Henthorn (Non-executive Director) - resigned as Executive Chairman on 12 June 2020 and as Director on 17 July 2020

John Correia (Non-executive Director) - resigned as Director on 17 July 2020

Review of operations

Comet Vale Projects

The Group owns 51% of the high-grade Comet Vale Project through a joint venture with Sand Queen Gold Mines Pty Ltd. The Comet Vale Project comprises a historic open pit and underground gold mine located ~100 km northwest of Kalgoorlie, supporting a highly prospective tenement package.

In July 2020 the 9th processing campaign (Toll 9) from the Comet Vale underground operation was completed and produced reconciled results of 5,254oz recovered from 33,553t of ore at a grade of 5.09g/t and 96% recovery (refer ASX announcement 5 August 2020). These results represented a significant improvement relative to previous campaigns, hinging primarily on the intersection of a 3 – 5m wide ore zone at the northern abutment of the 4.6 level. The Company then proceeded with 6 diamond drill holes intending to confirm and define the continuity of mineralised shoots at depth below the 5.3 level, which were completed in August 2020 and visual observations of the core indicated quartz veining in 4 of the drill holes, albeit at narrow intercept widths not necessarily amenable to underground stoping. Two of the drill holes also encountered significant ground water inflows and subsequently were required to be abandoned (for table of significant intercepts, competent persons' statement and JORC Table 1, refer to ASX announcement 'Comet Vale Exploration Update' released on 11 September 2020. There have been no material changes to the information or results included in the announcement).

Concurrently in September 2020, the Company received notification from alliance partners Mineral Ventures Pty Ltd ('Mineral Ventures') that mining would be suspended at Comet Vale pending a full, collaborative geological and mining review. This review remains ongoing with the intent to define the pathway forward for the underground operation and broader tenement package in H2 of FY21.

A variation to the Working Capital Facility Agreement between the Company and Mineral Ventures was announced in July 2020 (refer to ASX announcement 28 July 2020) in which a repayment plan was entered into to ensure the recoverability of the working capital facility provided by Orminex, requiring Mineral Ventures to pay Orminex \$200,000 within 5 days of the end of every month until the facility is fully repaid. During the December half year the Company received \$1,150,000 in payments from Mineral Ventures.

Penny's Find Gold Mine

Penny's Find is located 50km northeast of Kalgoorlie in Western Australia and comprises a completed open pit with a high grade underground mine opportunity on a granted Mining Lease with pre-requisite mining approvals ahead of commencement of site works well advanced. The underground mine contains a JORC 2012 Mineral Resource Estimate of 248,000t at 7.04g/t Au for 56,000oz with 147,000t at 8.6g/t in the Indicated Category (for table of significant intercepts, competent persons' statement and JORC Table 1, refer Empire Resources Ltd ASX announcement 13 December 2017. There have been no material changes to the information or results included in the announcement).

In November 2020, the Company announced the execution of a binding joint venture term sheet for the sale of 50% of the Penny's Find Gold Mine (M27/156) to Black Mountain Gold Limited, a wholly owned subsidiary of Horizon Minerals Limited, for consideration of \$1,500,000 in cash and the funding of the advancement of Penny's Find to the value of \$1,000,000 with Orminex free carried for the period until the sum of \$1,000,000 has been expended by Black Mountain.

Focus in December was placed on satisfying all necessary conditions to proceed with settlement of the transaction, expected in the March quarter 2021, enabling the commencement of infill diamond drilling and a subsequent updated resource model in second half of FY21.

Indonesian Gold Asset

On 19 August 2020, the Company announced that it had executed a binding framework letter with PT Amman Mineral Internasional ('AMI'), in respect of progressing a transaction for the acquisition of economic interests in all or a substantial part of a significant epithermal gold project asset in Indonesia ('Asset') from AMI (or a related entity) ('Transaction').

AMI is a major Indonesian mining entity which owns the second largest copper and gold mine in Indonesia as well as significant other investments in the resources sector. The Asset is located only 60 kms from the world class Batu Hijau Project located on the island of Sumbawa. The project is advanced with a Feasibility Study due for completion by the vendors in the fourth quarter of this year.

Whilst discussions are in preliminary stage and the valuation of the Asset is to be determined, it is expected that the consideration for the Transaction will be the issue of ordinary shares in the Company and will result in the vendors acquiring a controlling interest in the Company. The Transaction will be subject to completion of satisfactory due diligence, the negotiation of a binding transaction documentation, as well as all required shareholder and regulatory approvals by the parties.

The Board looks forward to working closely with the AMI team and with its corporate representative, Alexander Ramlie (who has extensive experience in managing corporate transactions in the South East Asian market, including through his experience as director of MacMahon Holdings), to progress the Transaction, complete due diligence and negotiate the terms of binding transaction agreement.

An exclusivity period extension until 30 May 2021 has been agreed between the parties in this regard. AMI has also paid to the Company a deposit of \$1 million which will be refundable if the Transaction does not proceed in certain circumstances.

COVID-19

On 30 January 2020, the World Health Organisation declared the coronavirus outbreak ('COVID-19') a "Public Health Emergency of International Concern" and on March 10, 2020, declared COVID-19 a pandemic. The operations of the Company could be negatively impacted by the regional and global outbreak of COVID-19 and may impact the Company's results and its ability to source funding for the next reporting year.

As at the date of this report, the full effect of the outbreak remains uncertain. The effects are likely to be significant but cannot be reliably estimated or quantified. The Company will monitor the ongoing developments and be proactive in mitigating the impact on its operations.

Corporate Update

Financial results and condition

The loss for the Group after providing for income tax amounted to \$362,414 (31 December 2019: profit of \$56,006).

Board and Executive Changes

On 17 July 2020, Mr Daryl Henthorn and Mr John Correia resigned from their positions as Non-Executive Directors of the Company.

Post half-year end, Mr Matthew Nixon was appointed as Chief Operating Officer of the Company.

Summary of results

	Consolidated	
	31 December 2020 \$	31 December 2019 \$
Revenue from ordinary activities	-	542,934
Other income	93,333	282,174
	93,333	825,108
Loss before income tax	(362,414)	56,006
Income tax expense	-	-
Loss attributable to owners	(362,414)	56,006
Other comprehensive loss	-	-

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

On 3 February 2021, the Company issued 405,658 fully paid ordinary shares upon the exercise of options relating to the shares and the receipt of \$12,170 in cash.

On 19 February 2021, the Company issued 1,376,849 fully paid ordinary shares upon the exercise of options relating to the shares and the receipt of \$41,305 in cash.

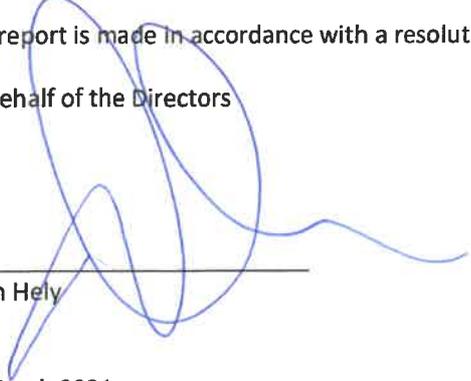
No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Dean Hely

12 March 2021

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ORMINEX LIMITED**

As auditor for the review of Orminex Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements as set out in *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.



SUAN-LEE TAN
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth on the 12th day of March 2021.

Orminex Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020



		Consolidated	
	Note	31 December 2020 \$	31 December 2019 \$
Revenue			
Revenue from gold sales		-	542,934
Milling and treatment costs		-	(173,290)
		-	369,644
Other income	6	93,333	282,174
Expenses			
Professional fees	7	(197,753)	(363,995)
Employee benefits expense		(24,149)	(6,260)
Amortisation - right of use asset		(7,300)	(16,247)
Loss on disposal of assets		(26,597)	-
Listed entity expenses		(30,066)	(47,227)
Travel expenses		-	(2,476)
Stamp duty		(5)	(52,678)
Royalties		(100,000)	(27,214)
Exploration expenditure		(2,153)	-
Other expenses		(63,706)	(77,630)
Finance costs		(4,018)	(2,085)
Profit/(loss) before income tax expense		(362,414)	56,006
Income tax expense		-	-
Profit/(loss) after income tax expense for the half-year attributable to the owners of Orminex Limited		(362,414)	56,006
Other Comprehensive income for the half-year, net of tax		-	-
Total Comprehensive income for the half-year attributable to the owners of Orminex Limited		(362,414)	56,006
		Cents	Cents
Earnings per share for profit/(loss) from continuing operations attributable to the owners of Orminex Limited			
Basic earnings per share		(0.07)	0.01
Diluted earnings per share		(0.07)	0.01

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

		Consolidated	
	Note	31 December 2020 \$	30 June 2020 \$
Assets			
Current assets			
Cash and cash equivalents		2,507,666	1,437,029
Trade and other receivables	8	1,840,008	2,291,839
Other		42,318	85,177
		4,389,992	3,814,045
Non-current assets classified as held for sale	10	353,142	-
Total current assets		4,743,134	3,814,045
Non-current assets			
Trade and other receivables	8	-	701,123
Property, plant and equipment		-	26,597
Right-of-use assets	9	-	62,280
Exploration and evaluation	11	7,899,986	8,158,418
Total non-current assets		7,899,986	8,948,418
Total assets		12,643,120	12,762,463
Liabilities			
Current liabilities			
Trade and other payables	12	578,390	1,208,130
Borrowings	13	25,553	85,177
Lease liabilities	14	-	67,565
Other liabilities	15	1,000,000	-
Total current liabilities		1,603,943	1,360,872
Total liabilities		1,603,943	1,360,872
Net assets		11,039,177	11,401,591
Equity			
Issued capital	16	295,661,554	295,661,554
Accumulated losses		(284,622,377)	(284,259,963)
Total equity		11,039,177	11,401,591

The above statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2019	295,661,554	(283,642,545)	12,019,009
Profit after income tax expense for the half-year	-	56,006	56,006
Other Comprehensive income for the half-year, net of tax	-	-	-
Total Comprehensive income for the half-year	-	56,006	56,006
Balance at 31 December 2019	295,661,554	(283,586,539)	12,075,015

Consolidated	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2020	295,661,554	(284,259,963)	11,401,591
Loss after income tax expense for the half-year	-	(362,414)	(362,414)
Other Comprehensive income for the half-year, net of tax	-	-	-
Total Comprehensive income for the half-year	-	(362,414)	(362,414)
Balance at 31 December 2020	295,661,554	(284,622,377)	11,039,177

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated	
		31 December 2020 \$	31 December 2019 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		-	542,934
Payments to suppliers and employees (inclusive of GST)		(574,940)	(796,402)
		(574,940)	(253,468)
Income taxes paid		(34,513)	-
Interest received		2,412	6,905
Other revenue		39,592	6,000
Refund received relating to prior periods		-	62,818
Net cash used in operating activities		(567,449)	(177,745)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(1,065)
Payments for exploration and evaluation		(504,136)	(85,241)
AMI Deposit	15	1,000,000	-
Net cash from/(used in) investing activities		495,864	(86,306)
Cash flows from financing activities			
Repayment of lease liabilities		(7,778)	(15,525)
Repayment of working capital facility		1,150,000	250,000
Net cash from financing activities		1,142,222	234,475
Net increase/(decrease) in cash and cash equivalents		1,070,637	(29,576)
Cash and cash equivalents at the beginning of the financial half-year		1,437,029	1,529,700
Cash and cash equivalents at the end of the financial half-year		2,507,666	1,500,124

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Orminex Limited as a Group consisting of Orminex Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Orminex Limited's functional and presentation currency.

Orminex Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 5, Level 1, 460 Roberts Road, Subiaco WA 6008

The Group is an Australian gold development and exploration company, with a focus on sourcing, developing and managing stranded, high grade gold assets into production.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 12 March 2021.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of 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.

Note 3. Critical accounting judgements, estimates and assumptions

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements are included as follows:

Fair value measurement

Due to their short-term nature, the carrying amount of the current receivables, current payables and current borrowings are assumed to approximate their fair value. Loans and borrowings are recognised at the fair value of the consideration received, net of transaction costs.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 4. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment being gold exploration and evaluation. The operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Reportable segments disclosed are based on aggregating leases where the evaluation and exploration interests are considered to form a single project. This is indicated by:

- having the same ownership structure;
- exploration being focused on gold; and
- exploration programs targeting the leases as a group, indicated by the use of the same exploration team, shared geological data and knowledge across the leases.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss during the half year ended 31 December 2020.

Note 5. Revenue

Revenue from gold sales was generated in the prior half-year from residual ore from previous open cut mining conducted at Penny's Find that was stockpiled on site. The 3,578t of residual ore was processed resulting in the recovery of 251 gold ounces.

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Revenue from sales		
Revenue from gold sales	-	542,934

Note 6. Other income

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Interest income - working capital facility*	51,329	149,110
Interest income - other	7,031	6,905
Rental income	5,127	6,000
Reimbursements	15,250	120,159
Government stimulus package	14,596	-
Other income	93,333	282,174

* The Company has earned interest on the working capital facility with Mineral Ventures Pty Ltd ("Mineral Ventures") to partially meet initial working capital costs for mining at Comet Vale. The facility incurs interest at 5% per annum on the secured portion and 10% per annum on the unsecured portion. Refer to note 8.

Note 7. Professional fees

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Accountancy and audit cost	48,072	57,168
Consultant fees	76,432	52,130
Directors remuneration	51,900	173,213
Legal fees	21,349	41,134
Recruitment expenses	-	40,350
	197,753	363,995

Note 8. Trade and other receivables

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
<i>Current assets</i>		
Trade receivables	-	8,250
Loan Mineral Ventures Pty Ltd	1,802,452	2,200,000
Other receivables	37,556	83,589
	1,840,008	2,291,839
<i>Non-current assets</i>		
Loan to Mineral Ventures Pty Ltd	-	701,123

Note 8. Trade and other receivables (continued)

The Company maintains a \$3 million unsecured working capital facility with Mineral Ventures to partially meet initial working capital costs for mining at Comet Vale. The facility incurs interest at 5% per annum on the secured portion and 10% per annum on the unsecured portion. Pursuant to the mine management agreement ("MMA") with Mineral Ventures, net proceeds from the Comet Vale gold sales are used to repay the \$3 million loan, in a pro rata arrangement with any return on working capital to Mineral Ventures, less amounts reserved by Mineral Ventures to meet future working capital needs.

During the prior year, the Company commissioned separate independent technical and engineering reports into the Comet Vale project. As announced by the Company on 13 March 2020, these reports concluded, amongst other matters, that there remains a risk that the mining operations will not generate sufficient revenue to recover working capital costs that may be incurred to complete the current mine plan, in the absence of cost reductions and improvements in grade. In light of the above conclusions and the Company's current working capital position, there is an increased risk of potentially not fully recovering the loan, as it remains subject to the future performance of the project and whose cashflows are currently difficult to forecast.

On 28 July 2020, the Company announced a variation to the working capital facility held with Mineral Ventures. Key terms included the repayment of a minimum of \$200,000 each month to the Company, the facility being secured up to \$1,500,000 (relating to two commercial properties in Subiaco WA) and interest accruing at 5% pa on the secured portion and 10% pa on the unsecured portion.

The Company has been repaid \$1,150,000 by Mineral Ventures from net gold proceeds during the period.

Under the general approach to impairment, the Group has assessed there was no impairment to the working capital facility for the half-year.

Note 9. Right-of-use assets

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	-	94,774
Less: Accumulated amortisation	-	(32,494)
	-	62,280

During the half-year, the Group relinquished the lease held of an office space.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Land & Building \$
Balance at 1 July 2020	62,280
Disposals	(54,980)
Amortisation expense	(7,300)
Balance at 31 December 2020	-

Note 10. Non-current assets classified as held for sale

	Consolidated	
	31 December	30 June 2020
	2020	2020
	\$	\$
<i>Non-current assets</i>		
Disposal of 50% Penny's Find Project	353,142	-

On 30 November 2020, the Company announced the execution of a binding joint venture term sheet ('JVTS') for the sale of 50% of the Penny's Find Gold Mine (M27/156) ('Penny's Find') to Black Mountain Gold Limited ('Black Mountain'), a wholly owned subsidiary of Horizon Minerals Limited (ASX: HRZ) ('Horizon').

In order to fast track the further development of Penny's Find, the Company has agreed to enter into a binding JVTS with Black Mountain, with the key acquisition terms being as follows:

- The Company agrees to sell 50% of its right, title and interest in M27/156 and associated miscellaneous and general purpose leases including all related mining information;
- Black Mountain has agreed to pay acquisition consideration of A\$1.5 million in cash and to fund the advancement of Penny's Find to the value of A\$1 million, with Orminex free carried for the period until the sum of A\$1 million has been spent by Black Mountain;
- At the end of the free carry period, all further approved expenditure will be funded on a 50:50 basis; and
- Black Mountain to assume 50% of Orminex's obligations in respect of royalties under its original acquisition agreement for Penny's Find.
- An exclusive right for Horizon to acquire the remaining 50% of the Penny's Find Project at a price and on terms to be agreed towards the end of 2022, following completion of 230,000 tonnes of contracted toll milling.

The settlement of the acquisition is subject to all necessary approvals being obtained and final documentation, which was still being completed as at 31 December 2020.

Note 11. Exploration and evaluation

	Consolidated	
	31 December	30 June 2020
	2020	2020
	\$	\$
Exploration assets		
Opening balance	8,158,418	7,717,164
Exploration expenditure capitalised	94,710	509,550
Write off of capitalised exploration	-	(68,296)
Penny's Find - 50% held for sale	(353,142)	-
Closing balance	7,899,986	8,158,418

The ultimate recovery of the carrying values of the exploration and evaluation expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interest in the tenements. While the decision by the Company's strategic alliance partner, Minerals Ventures, to suspend operations at the Comet Vale Project (as announced 3 September 2020) gives rise to material uncertainty on the recoverability of the Comet Vale Project, the Directors are of the opinion that these assets are recoverable for the amount stated in the financial report.

Note 12. Trade and other payables

	Consolidated	
	31 December	
	2020	30 June 2020
	\$	\$
<i>Current liabilities</i>		
Trade payables	32,016	627,515
Accruals	503,150	518,000
Income tax payable	20,793	60,291
Other payables	22,431	2,324
	<hr/>	<hr/>
	578,390	1,208,130

Note 13. Borrowings

	Consolidated	
	31 December	
	2020	30 June 2020
	\$	\$
<i>Current liabilities</i>		
Loan for insurance funding	25,553	85,177
	<hr/>	<hr/>

Note 14. Lease liabilities

	Consolidated	
	31 December	
	2020	30 June 2020
	\$	\$
<i>Current liabilities</i>		
Lease liability	-	67,565
	<hr/>	<hr/>

	Consolidated	
	31 December	
	2020	30 June 2020
	\$	\$
Movements during the year		
Opening balance	67,565	-
Operating lease commitments disclosed	-	28,463
Changes to extension option assumptions and discounted using incremental borrowing rate at the date of initial application	-	66,311
Payment	(7,778)	(31,379)
Interest charged during the period	4,018	4,170
Disposal of lease	(63,805)	-
	<hr/>	<hr/>
Closing balance	-	67,565

Note 14. Lease liabilities (continued)

	Consolidated	
	31 December	
	2020	30 June 2020
	\$	\$
Amounts recognised in profit or loss		
Leases under AASB 16		
Interest on lease liabilities	4,018	4,170
Amortisation	7,300	32,494
	<u>11,318</u>	<u>36,664</u>

Note 15. Other liabilities

	Consolidated	
	31 December	
	2020	30 June 2020
	\$	\$
<i>Current liabilities</i>		
AMI Transaction Deposit	1,000,000	-

AMI has paid the Company a deposit of \$1 million in respect of progressing a transaction for the acquisition of economic interests in all or a substantial part of a significant epithermal gold project asset in Indonesia. The deposit is refundable if the transaction does not proceed in certain circumstances.

Note 16. Issued capital

	Consolidated			
	31 December		31 December	
	2020	30 June 2020	2020	30 June 2020
	Shares	Shares	\$	\$
Share capital	539,102,168	539,102,168	295,661,554	295,661,554

There is no movement in issued share capital during the period ended 31 December 2020.

Note 17. Options

	Consolidated	
	31 December	
	2020	30 June 2020
Options on issue		
Exercisable at \$0.03 on or before 15 April 2021	9,452,055	9,452,055
On issue at balance date	<u>9,452,055</u>	<u>9,452,055</u>

There are no movements in options on issue during the period ended 31 December 2020.

Note 18. Related party transactions

Parent entity

Orminex Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 20.

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

Transactions with related parties

There were no transactions with related parties during the current and previous financial half-year.

Receivable from and payable to related parties

Mineral Ventures, an entity associated with Mr Michael Foulds and Mr Ross Graham, is due \$35,311 as at 31 December 2020 for works performed in relation to potential project development.

There were no other trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	31 December	
	2020	30 June 2020
	\$	\$
Total receivables:		
Working capital facility to Mineral Ventures*	1,802,452	2,901,123

* Mineral Ventures is company of which Mr Ross Graham and Mr Michael Foulds are shareholders and directors. Refer to note 8 for further details. Mineral Ventures Pty Ltd repaid the Group \$1,150,000 during the year under the Working Capital Facility Agreement. Interest income of \$51,329 has been recognised during the half-year in relation to the facility.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 19. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	31 December	31 December
	2020	2019
	\$	\$
Short-term employee benefits	51,900	173,213

Other key management personnel transactions

A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions to non-key management personnel related companies on an arm's length basis.

Note 19. Key management personnel disclosures (continued)

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

- Michael Foulds is a director, charged the Company for director fees totalling \$30,000 (2019: \$25,000) and this balance is outstanding (2019: \$nil) at half-year end.
- Dean Hely, is a director, charged the Company for director fees totalling \$21,900 (2019: \$8,213) and this balance is outstanding (2019: \$nil) at half-year end.
- Lavan Legal, a firm of which Mr Hely is a director, charged the Company \$22,298 for legal services for the half-year.
- Mineral Ventures Pty Ltd (formerly GBF Mining Pty Ltd), a company of which Mr Ross Graham and Mr Michael Foulds are shareholders and directors, repaid the Company \$1,150,000 during the half year under the Working Capital Facility Agreement.

Note 20. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2020 %	30 June 2020 %
Orminex West Pty Ltd	Australia	100.00%	100.00%
Golden Lode Pty Ltd	Australia	100.00%	100.00%
Orminex Happy Jack Pty Ltd	Australia	100.00%	100.00%
Orminex Penny's Find Pty Ltd	Australia	100.00%	100.00%
Old Pirate Pty Ltd	Australia	100.00%	100.00%
Orminex Cannon Mine Pty Ltd	Australia	100.00%	-

Note 21. Events after the reporting period

On 3 February 2021, the Company issued 405,658 fully paid ordinary shares upon the exercise of options relating to the shares and the receipt of \$12,170 in cash.

On 19 February 2021, the Company issued 1,376,849 fully paid ordinary shares upon the exercise of options relating to the shares and the receipt of \$41,305 in cash.

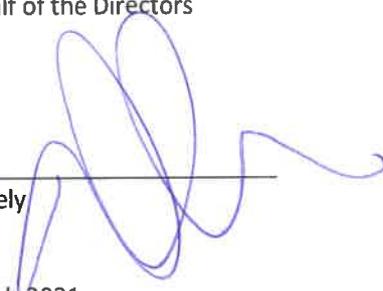
No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Dean Hely

12 March 2021

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ORMINEX LIMITED****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the accompanying half-year financial report of Orminex Limited (the Company) and its controlled entities (the consolidated entity or Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information 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 half-year financial report of the Company is not in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter – Material Uncertainty Related to Carrying Value of Exploration & Evaluation Expenditure

Without modification to our conclusion expressed above, we draw attention to Note 11 of the half year financial report, which indicates a material uncertainty in relation to the recoverability of the Group's capitalised exploration and evaluation expenditure pertaining to the Comet Vale Project. Of the total capitalised costs of \$7.9 million disclosed in Note 11, \$6.2 million relates to Comet Vale. The project is currently in care and maintenance following the announcement by the Company in September 2020 that mining operations at Comet Vale had been suspended.

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 (including Australian Accounting Interpretations) 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 is free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ORMINEX LIMITED (CONTINUED)

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 Standards on Review Engagements ASRE 2410: Review of Interim and Other Financial Reports 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:

- a) giving a true and fair view of the Company's financial position as at 31 December 2020 and 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.

As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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 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.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. 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 provided to the directors as at the time of this auditor's review report.



SUAN-LEE TAN
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 12th day of March 2021.