Orion Minerals

Annual Report 2023

Transitioning from explorer to future metals producer

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About this Report

This Annual Report is a summary of the operations, activities and performance of Orion Minerals Limited ABN 76 098 939 274 and its financial position for the year ended 30 June 2023. In this report, unless otherwise stated, references to Orion Minerals, Orion, Company, we, us and our, refer to Orion Minerals Limited. Monetary amounts in this document are reported in Australian dollars (AUD, $), unless otherwise stated.

Forward-looking Statements

This report may include forward-looking statements. Such forward-looking statements:

- Are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Orion, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;
- Involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements; and
- May include, among other things, statements regarding targets, estimates and assumptions in respect of metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

Orion disclaims any intent or obligation to update publicly any forward-looking statements whether as a result of new information, future events or results or otherwise.

The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All forward-looking statements made in this report are qualified by the foregoing cautionary statements. Readers of this report are cautioned that forward-looking statements are not guarantees of future performance and are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

All information in respect of Exploration Results and other technical information should be read in conjunction with the Competent Person Statements in this report (where applicable) and relevant ASX announcements released by Orion.

To the maximum extent permitted by law, Orion and any of its related bodies corporate and affiliates and their officers, employees, agents, associates and advisers:

- Disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions;
- Do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this report, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- Disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

Highlights

The IDC to become a **strategic funding partner** at project level in both the Okiep Copper Project and Prieska Copper Zinc Mine, with pre-development funding agreements reached, providing a total of ZAR 284.58M for Orion's two flagship projects

Awarded the **AAMEG Junior ESG Award** for Enhanced Labour Standards

Health and safety
The Lost-Time Injury Frequency Rate (LTIFR) per 200,000 hours worked is: **Zero**

Triple Flag
US$87 million secured **funding package for PCZM**, comprising of a precious metals stream and additional early funding arrangement

New cornerstone equity partner secured, with **Clover Alloys** investing in Orion at listed group level

Vision and long-term objectives

Unlocking the unique opportunity in the Northern Cape, South Africa to have an **integrated value chain** producing future-facing metals, bringing **high ESG standards** to a province with diverse, **high mineral endowment** and a large existing and rapidly ***growing renewable energy*** footprint.

Orion's Northern Cape mineral portfolio includes mining rights, prospecting rights and applications in progress.

The properties have significant historical mining of: **Cu, Zn, Pb, Au, Ag, W** with notable occurrences and diggings on **Li**, **REE**, **U** and **large virgin deposits** of **Ni-Cu-Co-PGE** that have been identified.

Orion at a Glance

Building a high-quality pipeline of future-facing base metals development and exploration assets to help drive the global green energy revolution.

Values

TRANSFORMATIVE
Striving to be an ethical agent and catalyst for beneficial change in society, including the economic and social well-being and health and safety of our people and host communities.

RESILIENT
Committed to achieving the goals of our business, anticipating and overcoming disruptions and challenges, while embracing change and adaptability as the key tools of success.

AGILE
Committed to proactively and responsively understanding and addressing the goals of our business and stakeholders, nimbly and flexibly recognising and harnessing opportunity and meeting expectations and challenges.

INNOVATIVE
Seeking to adapt, innovate and improve the way we conduct our business, embracing and expanding on good practices, while building and maintaining an industry leadership role across all facets of our business.

SUSTAINABLE
Striving for ethical business excellence and success, being both realistic and ambitious in achieving the goals of the business and stakeholders by adopting a balanced approach to business/economic, environmental and social considerations, and embracing a culture of good governance.

Mission

A – Build a **high-quality and sustainable minerals exploration**, development and production company.

B – Generate **superior returns** for shareholders.

C – Exercise **high standards of ethical conduct** when dealing with all stakeholders.

D – Create an **inspiring workplace**.

E – **Be welcomed** in all communities in which the Company operates.

Key Achievements in 2023

Landmark funding package

Orion commenced the mine development and construction phase at its portfolio of advanced base metals projects in the Northern Cape Province, South Africa, after finalising the key elements of an overarching strategic funding package.

This included an equity funding package, worth up to $73 million, which saw the introduction of privately owned South African mining group Clover Alloys (SA) as a cornerstone investor via a $13 million, two-tranche placement at 1.5 cents per share.

The $13 million placement includes a significant options package and, assuming all options are ultimately exercised, brings the total value of the equity funding package to ~$73 million.

Clover Alloys has extensive experience in the development of modular processing plants to support open pit and underground chrome and PGM mining operations, bringing significant strategic expertise to Orion in the staged development of its key base metal assets.

All substantive conditions were satisfied, allowing initial drawdown of funding facilities totalling ZAR370 million (~$30 million) for trial mining and dewatering to commence at Prieska Copper Zinc Mine. The funding comprises a ZAR250 million (~$20 million) convertible loan facility with the Industrial Development Corporation of South Africa (IDC) and a $10 million early funding arrangement with Triple Flag. Initial drawdown of ~$13.8 million was received in August 2023.

Prieska Copper Zinc Mine

An updated bankable feasibility study (BFS) on the accelerated development strategy at Prieska Copper Zinc Mine (PCZM) has been substantially advanced, focusing on bringing forward mining of ore above water level from shallow underground, ensuring early production and phasing the implementation of the original BFS-20 plan via a staged development strategy.

Experienced South African-based mining contractor appointed for the trial mining of the +105 Level supergene ore to test conventional and alternative underground mining methods with learnings and efficiency improvements to feed into the revised mining feasibility study.

Early dewatering and trial mining underway to provide key input parameters for completion of the updated BFS.

A successful BFS will underpin the drawdown of further funding to expand trial mining into sustainable early production, providing a source of cash flow.

An updated Mineral Resource Estimate was completed for the +105m Level Crown Pillar Block, with an increase in both tonnes and grade to 2.3Mt at 1.7% Cu and 1.6% Zn including an increase in the +105 Indicated Resource to 1.9Mt at 1.82% Cu and 1.70% Zn. The Prieska Copper Zinc Mine Total Mineral Resource has increased to 31Mt, grading 1.2% Cu and 3.6% Zn.

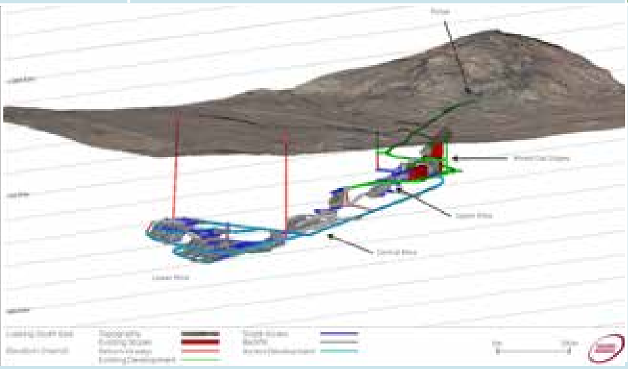
The trial mining phase will also evaluate extraction of potential broken ore in stopes at 143, 201 and 269 Levels and will include bulk sampling of surface waste rock dump to assess the potential for early cash flow opportunities from these.

Innovative electrowinning and ion exchange technology for water treatment of the mine dewatering, with the potential to yield agricultural quality water, agri-minerals, potassium nitrate and ammonium sulphate fertilizer, was investigated.

Okiep Copper Project

A Feasibility Study is well advanced for the Flat Mines Area at Orion's second base metals hub, the Okiep Copper Project, with a tailings storage facility design completed in August 2023.

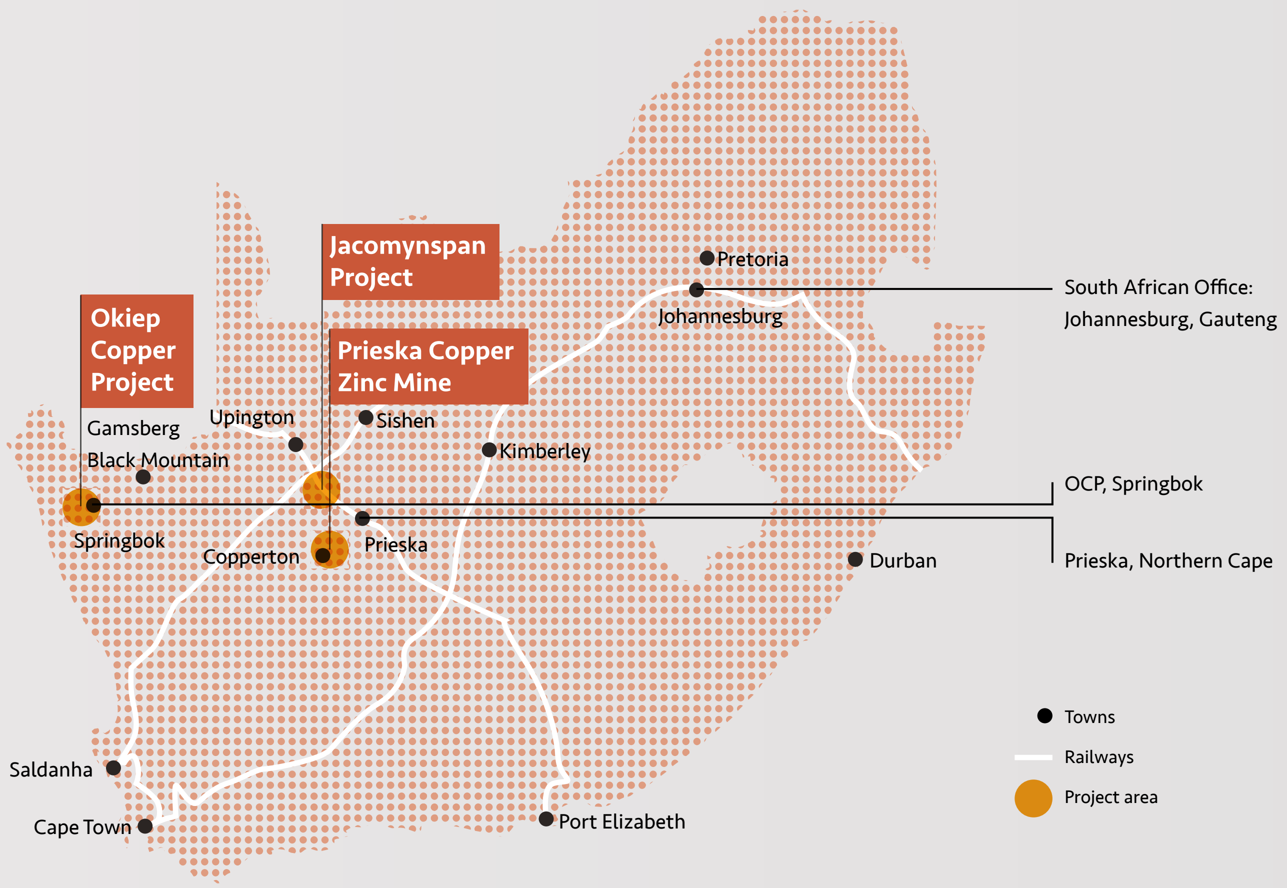
The Mining Right for the Flat Mines Area was granted and executed, paving the way for the commencement of confirmation drilling and metallurgical sampling required to complete the Feasibility Study.

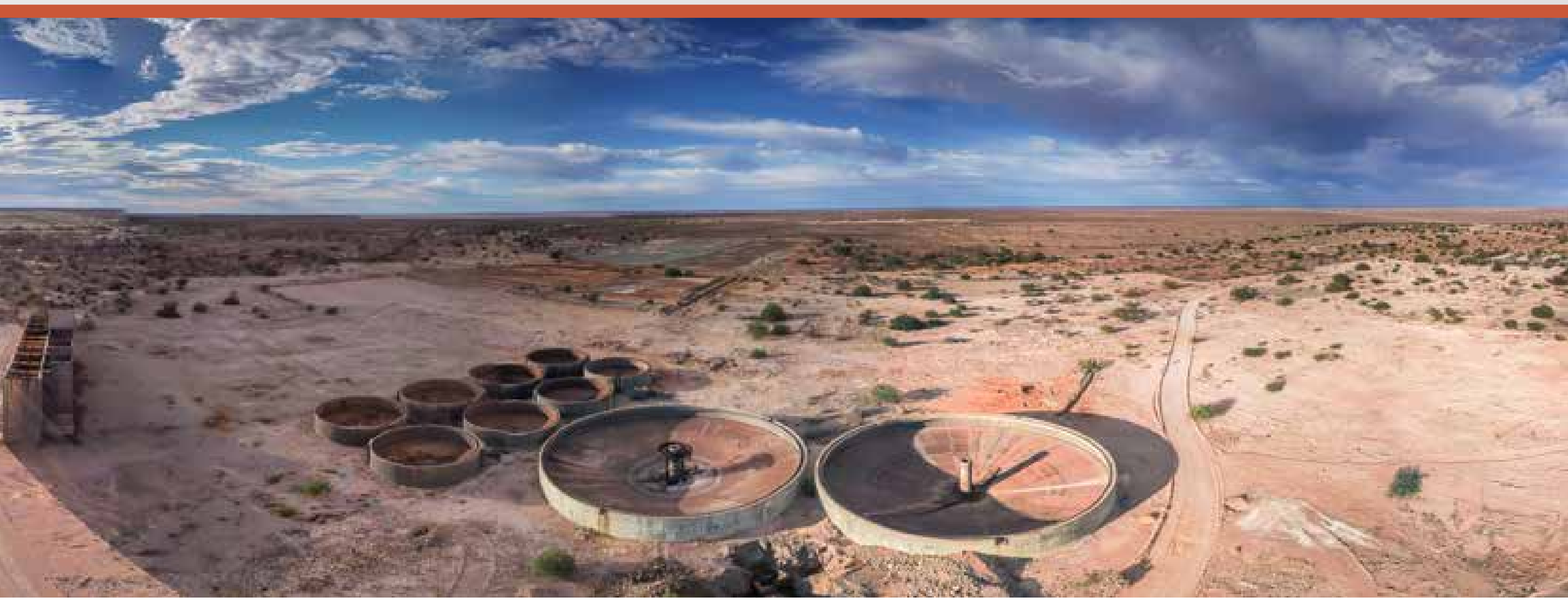


The Industrial Development Corporation of South Africa (IDC) agreed to become a strategic partner in the New Okiep Mining Company by funding its ZAR34.6 million (~$3.0 million) share of the pre-development costs for the Flat Mines Area and facilitating meaningful economic participation by Historically Disadvantaged South Africans, marking a key development milestone for the Okiep Project.

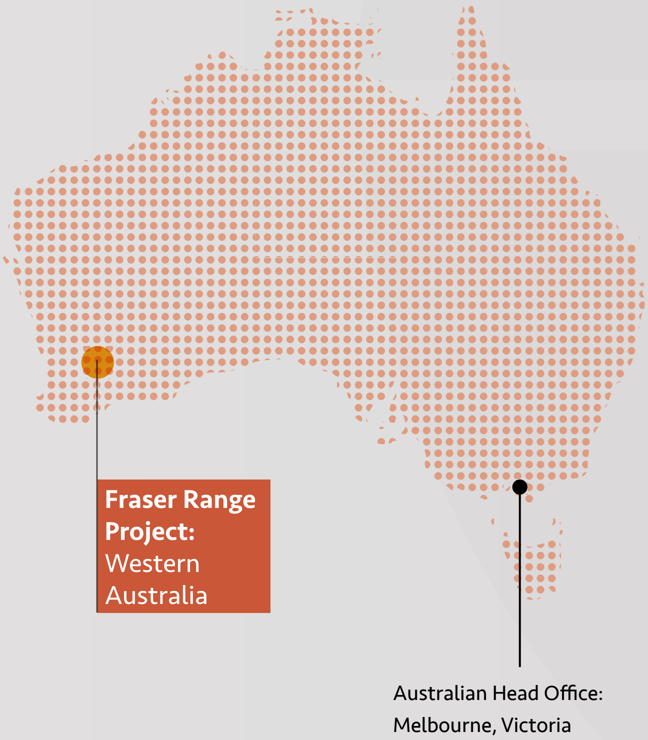
Orion's Projects in South Africa and Australia

South Africa





Australia



Projects

Prieska Copper Zinc Mine (PCZM)

- 70% owned development-ready and fully-permitted
- Globally significant VMS deposit in Northern Cape Province, South Africa, with updated Mineral Resources now estimated at 31Mt at 1.2% Cu and 3.6% Zn (ASX/JSE release: 25 July 2023)
- Baseline 2020 Feasibility Study demonstrates a 12-year, 2.4Mtpa operation targeting production of 22ktpa copper and 70ktpa zinc at globally competitive costs, delivering strong margins and financial returns
- Underground mine dewatering underway
- Phased development underway to facilitate early production and generate cash flow with the potential to reduce peak funding requirements and underpin a staged build-up towards achieving full-scale commercial production

Okiep Copper Project (Okiep Project)

- Consolidated 56%-100% ownership of a portfolio of mineral rights
- Compelling opportunity to develop a second base metal production hub alongside PCZM
- Premier historical copper district that produced >2Mt of copper over a 150-year period ending in 2003
- Targeting initial proof-of-concept-scale copper mining operation with potential for first production within 16 months of the start of construction
- Feasibility Study underway, Mining Right granted and executed during 2022

Jacomynspan Project (JMP Project)

- 50% interest and management of a large Class 1 nickel sulphide deposit, as the foundation for a development strategy targeting the production of future-facing battery precursor products to be locally refined from base metal concentrates
- Executed Mining Right over an extensive Ni-Cu-Co-PGE+Au Intrusive Complex
- Intrusive-hosted sulphide Mineral Resource of 65Mt at 0.28% Ni, 0.19% Cu and 0.02% Co, using a cut-off grade of 0.2% Ni; reported in terms of the Australasian Code (JORC Code)
- Potential for both open pit and shallow underground mining
- Investigating an innovative proprietary technology to recover battery metals and produce high-value refined metal powder products – a significant potential value enhancer

Strategy

Orion is on track to become a new-generation mining company focused on the development of a high-quality portfolio of advanced critical metals projects in South Africa's Northern Cape Province; projects which are ideally positioned to be long-term sources of 'green' and future-facing metals for global markets.

The geographic footprint of Orion's projects within South Africa has delivered significant historical copper production. Orion's growth strategy for these assets is supported by the deployment of modern exploration and mining technologies, together with increasing market and investor interest in identifying and securing new viable long-term sources of critical minerals to meet burgeoning demand stemming from global decarbonisation efforts.

KEY FOCUS AREAS

Targeting high-quality deposits in an under-explored district

Focus on exploring and developing globally significant, multi-commodity base metal deposits located in outstanding mineral belts and Tier-1 mining districts such as the Areachap Belt and Okiep copper district in the Northern Cape Province of South Africa.

Continue organic and greenfield growth in key locations

Further evaluate recently discovered near-mine targets, including immediate extensions of the Deep Sulphide Resource and near-mine targets (such as the Ayoba discovery) to extend the mine life at PCZM.

Additionally, Orion is acquiring a controlling interest in several properties that constitute the Okiep Project in the Northern Cape, which includes mineral rights over the majority of the large historical mines of the world-class Okiep Copper Complex. Orion has completed extensive work on the Flat Mines (SAFTA) Area, part of the Okiep Project, resulting in the estimation of a JORC-compliant Mineral Resource totalling 11.5Mt at 1.4% Cu for 156k tonnes of contained copper. Numerous high-priority exploration targets are identified, and exploration activities have commenced with the objective of expanding the initial Mineral Resource.

A positive Scoping Study for the Flat Mines (SAFTA) Area completed in May 2021 confirmed the potential for early cash flow and "Proof-of-Concept" copper production, supported by the potential for low-cost mining via open pit and underground mining methods.

There is excellent potential to achieve significant operational synergies between the Okiep Project and PCZM, which are expected to employ similar underground mining and metallurgical concentrator technologies and consumables.

Orion is also targeting the production of battery metals and premium value refined metal powder products from the JMP Project. A review and update of a 2012 Scoping Study completed by Orion's project partner, Namaqua Nickel Mining (Pty) Ltd, is now underway and laboratory test work for metal refining using Metal Vapour Technology is yielding encouraging results.

Diversify the mix of the right commodities

Target projects capable of meeting growing demand for key future-facing metals – such as copper, zinc and nickel – which have strong market fundamentals because of declining global resource inventories, falling grades at major mines, a lack of investment in new mines and growing demand for the metals to support the rollout of renewable energy and electric vehicle technologies required to support the global low-carbon energy transformation.

Rapidly develop mineral prospects to achieve targeted production and industry leading operating efficiencies

Considerable focus on bringing the brownfields, fully-permitted Prieska Copper Zinc Mine into production, where a positive updated BFS was completed in May 2020 and trial mining is now underway, as part of a phased development and ramp-up strategy.

The development of the initial production hub at Prieska is intended to be supplemented by future production from a second brownfields copper project, the Okiep Project, transforming Orion into a substantial diversified base metal miner.

Use advanced technologies and draw on our vast experience to make additional mineral discoveries

Continue exploration of the Okiep District and the Areachap Belt, using advanced geological and geophysical techniques to discover further clusters of base metal deposits, building a sustainable growth pipeline.

Utilising Metal Vapour Refining technology to produce high-value products and refined metal powders used in the electronics industry presents an opportunity for a major value uplift through beneficiation.

Leadership

Chairman and CEO's Report

Denis Waddell
Chairman

Errol Smart
Managing Director and
Chief Executive Officer

Despite a challenging global macro-economic backdrop, the past year has been a transformational period for Orion Minerals. Orion responded to the changing finance landscape early and revised the development strategy for our projects. By adopting the "Start Small to Grow Big" strategy, Orion aligned itself to the changing investment appetite and succeeded in securing key development financing. Not only has the Company secured the backing of a new, highly credentialled cornerstone equity investor, it also raised significant capital and progressed its flagship project, Prieska Copper Zinc Mine, to become a fully-permitted, ready-to-mine project. With these milestones, Orion is now transitioning from explorer to an operating mining company.

South African entity, **Clover Alloys**, new cornerstone equity investor and strategic partner

Awarded the **AAMEG Junior ESG Award** for Enhanced Labour Standards

The IDC to become a **strategic partner** in both the Okiep Copper Project and Prieska Copper Zinc Mine, pre-development funding agreement reached

ZAR 370M funding secured for early mining, revised BFS and early dewatering for Prieska Copper Zinc Mine from the IDC and Triple Flag

In March 2023, the Company secured the backing of a new, highly credentialled cornerstone equity investor and strategic partner, Clover Alloys, who participated in a landmark equity investment funding package totalling up to $73 million (~ZAR880 million). Clover has taken up approximately half of this equity-funding package, which also saw strong support from existing shareholders, including Delphi Group and Tembo Capital. This equity-funding package aligned perfectly with other funding deals secured by Orion for our flagship PCZM Project – a US$87 million funding package from North American streaming group, Triple Flag Precious Metals, and a ZAR250 million funding facility from South Africa's IDC.

The main elements of our strategic funding package are now in place. Despite being a junior developer, Orion has been able to secure total funding of ~$210 million (ZAR2.5 billion), almost double our current market capitalisation of $108 million (ZAR1.3 billion). Our ability to raise this capital clearly reflects the quality of our assets and the growing recognition that Orion is now poised for a rapid transformation from explorer to developer and, ultimately, to an operating mining company with a portfolio of base metal mines and an attractive exploration portfolio, promising further growth.

In the six years since Orion exercised its option to acquire PCZM, we have successfully taken our first base metals asset to its current status as a fully-permitted, ready-to-mine project with a long mine life. We have also successfully expanded our business to include other base metal hubs within the Northern Cape, most notably the Flat Mines Project at Okiep, where permitting and BFS studies are nearing completion for a second, near-term production opportunity.

Project development in South Africa

The PCZM funding arrangement will allow us to get critical path pre-development work underway – including the pivotal mine dewatering project and a trial mining program on the +105-crown pillar – to support the BFS for the Early Production Plan. This represents a huge breakthrough for the PCZM. Support from the IDC, Triple Flag and Clover Alloys was pivotal to our efforts in reaching this stage.

The IDC has also become a key partner at the Okiep Copper Project (OCP) where we have also completed the permitting and early-stage funding for a second base metals hub.

As Orion moves ahead with its development and production plans, we have begun the all-important process of building our mining and operations team, with the addition of some high-quality individuals that will drive our Company into the future.

As a result, our two base metal hubs in the Northern Cape are now moving rapidly towards realisation, which opens the way for South Africa to become a producer of the critical future-facing metals required for the global energy transition.

At the PCZM, we continue to make progress with our plans to begin early dewatering and trial mining – both of which are critical aspects of our early works programme and central to updating our BFS. The trial mining and updated BFS are expected to be complete by early 2024, and operations are then planned to transition to pilot scale production and continue seamlessly into a steady ramp-up, with first sales from pilot operations targeted for 2024.

Chairman's and CEO's Report continued

Plans to start mining at our Okiep Copper Project are also proceeding with the financial model for the project complete and the Feasibility Study nearing completion. We are excited to move into a new phase of project development and become a near-term base metals producer, initially with a copper focus at our two operating centres. This transition to producer comes at a time when analysts are predicting global demand for the future-facing metals, such as copper, to soar.

Exploration in Australia

Orion maintains a sizeable tenement package in the Fraser Range under a joint venture with ASX-listed IGO Limited (**IGO**). Under the joint venture, IGO is responsible for the exploration of all the tenements while Orion is free-carried through to the first Pre-Feasibility Study. This allows Orion to maintain exposure to ongoing exploration and development of the project, managed by a top-class Australian exploration and mining company, without any ongoing financial commitment.

Green future commitment

Orion favours projects that promote 'green' production. As such, discussions are underway for collaboration with key independent producers to establish a renewable energy supply for mining operations at the PCZM. The Prieska Power Reserve Project is an advanced stage, independently developed green hydrogen production facility, powered wholly by renewable energy sources, with the potential to significantly reduce mine operating costs.

In addition, the combination of renewable energy and ready local access to green hydrogen and ammonia has prompted discussions with base metals refining technology providers to investigate the potential for local value-accretive refining and production of high-value pre-cursor metal products used as feed for battery manufacturing plants.

Community engagement

Orion strives to be an integral part of, and contributor to, the communities in which we operate. We also pride ourselves on being a safe, responsible employer and at the end of the financial year, the team celebrated 1,416 days without a Lost-Time Injury and 244 accident-free days.

The PCZM Task Team continued to engage with host communities throughout the financial year. A roadmap was prepared to guide Orion Minerals on how best to collaborate and promote increased participation of local businesses and stakeholders, and the creation of employment opportunities in the Siyathemba Local Municipality and Vanwyksvlei areas.

Orion held meaningful engagements, including a site visit, with the Orion Siyathemba Stakeholder Engagement Forum and local officials during which the Company provided an update regarding the recent funding announcements and the dewatering and early mining plans for PCZM. During the year, numerous support and funding initiatives were provided to the local community.

At our Okiep Project in Namaqualand, Orion continued to engage with stakeholders and visited the Ward Councillors and communities in surrounding towns to update them on the OCP and progress was made with the execution of the Social and Labour Plan. The Orion and Nama Khoi Stakeholder Engagement Forum (**SEF**) continues to hold quarterly meetings to engage directly with the community.

The Community Liaison Office (**CLO**) in the town of Springbok, one of the key economic hubs in the municipality, reopened in October 2022. The CLO provides an important channel for communication with host community stakeholders.

A Black Economic Empowerment (BEE) transaction for the New Okiep Mining Company (Pty) Ltd (NOM) was unveiled in November 2022. Orion, together with the IDC, will be facilitating the sale of 30% of the shares to a black economic empowerment consortium, including BEE entrepreneurs and also to employee and community trusts. This resulted in full Mining Charter compliance for NOM being achieved as a condition for securing the Mining Right.

Macro-economic review

From a macro point of view, the 2023 financial year was a story of two halves. The first half to 31 December 2022 saw relatively strong conditions, with the prices of our key commodities – copper, zinc and nickel – rising steadily. However, markets weakened in the second half to 30 June 2023, largely due to tightening US central bank monetary policy, a stronger US dollar and weaker demand from China. This resulted in base metal prices declining in the second half. In addition, bank lending and debt financing rates showed steep escalation.

It is important to note though, that prices ended the financial year on roughly the same level as where they started, and those levels are still well above the forecasts used in Orion's 2020 BFS. In addition, the long-term outlook for base metals remains very favourable due to global efforts to achieve decarbonisation. Copper is a key component of electric motors, batteries, wiring, and charging stations. Similarly, nickel and zinc are key ingredients in high-performance batteries, where they provide increased energy efficiency, durability and corrosion resistance.

Orion is perfectly positioned to be a supplier of these future-facing metals for the global energy transition and is on track to become a fully integrated mining and processing business, producing metals with a low-carbon footprint and strong ESG credentials.

Appreciation

Orion is entering an exciting phase of its development and we take this opportunity to thank our stakeholders, partners and our dedicated team for their hard work and tenacity. The financial year delivered a number of challenges, but the team demonstrated strong resilience and was able to quickly adapt to the evolving operating environment.

We are also very pleased that, despite turbulent conditions in global markets, we have been able to attract investment and support, both from existing shareholders and from new investors and strategic partners who have underpinned our fund-raising efforts this year.

Securing a strategic partnership with a quality partner such as the IDC represents a major vote of confidence in Orion. The addition of a highly regarded South African company, such as Clover Alloys, as a cornerstone shareholder positions Orion superbly well to realise our long-term vision to become a rapidly expanding South African base metals producer. The quality of these partners is testament to the quality of our assets and the strength of the operations team we have assembled.

As always, we also extend our appreciation to our broader stakeholder "family" – our BEE partners, host communities, the Siyathemba Municipality, the Siyathemba Joint Corporate Social Investment Forum, the Orion Siyathemba and Nama Khoi SEFs, consultants, advisors, contractors, suppliers, industry associations and regulators – for your contribution and assistance during the year.

Finally, we thank our fellow Board members for their unwavering support and guidance.

We are entering a landmark period in Orion's history and we are tremendously excited to share it with you all.

Denis Waddell
Chairman

Errol Smart
Managing Director and
Chief Executive Officer

Board of Directors

C

Denis Waddell
Chairman
ACA, FAICD

Appointed on: 27 February 2009

Denis is a Chartered Accountant with extensive experience in the management of exploration and mining companies. Denis founded Tanami Gold NL in 1994 and was involved with the Company as Managing Director and then Chairman and Non-Executive Director until 2012. Prior to founding Tanami Gold NL, Denis was the Finance Director of the Metana Minerals NL group. During the past 36 years, Denis has gained considerable experience in corporate finance and operations management of exploration and mining companies.

Errol Smart
Managing Director and Chief Executive Officer
BSc(Hons) Geology (University of the Witwatersrand), NHD Economic Geology (Technikon Witwatersrand), (PrSciNat)

Appointed on: 26 November 2012

Errol is a geologist, registered for JORC purposes, and has 30 years of broad industry experience across all aspects of exploration, mine development and operations with experience in precious and base metals. He has held positions in Anglogold, Cluff Mining, Metallon Gold, Clarity Minerals, LionGold Corporation and African Stellar Group. Errol's senior executive roles have been on several boards of companies listed on the TSX, ASX and JSE and currently serves as Chairman of the Junior Mining Leadership Forum of the Minerals Council South Africa and is a Director on the Board of the Minerals Council South Africa.

Thomas Borman
Non-executive Director
BCom(Hons) (University of Pretoria)

Appointed on: 16 April 2019

Tom is a highly experienced global mining executive who served more than 11 years working for the BHP Billiton Group in various senior managerial roles, including that of chief financial officer. He also held senior roles in strategy and business development and served as the project manager for the merger integration transaction between BHP Limited and Billiton. After leaving BHP Billiton in 2006, Tom joined Warrior Coal Investments, where he was part of the executive team which established the portfolio of assets which became the Optimum Group of companies.

● Member of the Audit Committee

C Chairman

Godfrey Gomwe

Non-executive Director

Bachelor Accountancy (Hons) (University of Zimbabwe), Masters Business Leadership (University of South Africa), CA (Zimbabwe)

Appointed on: 16 April 2019

Godfrey is the former chief executive officer of Anglo American plc's Thermal Coal business, where his responsibilities included oversight over the company's manganese interests in the joint venture with BHP. Until August 2012, Godfrey was an executive director of Anglo American South Africa, prior to which he held the positions of finance director and chief operating officer. He was also chairman and chief executive of Anglo American Zimbabwe Limited and served on a number of Anglo American executive committees and operating boards, including Kumba Iron Ore, Anglo American Platinum, Highveld Steel & Vanadium and Mondi South Africa.

Philip Kotze

Non-executive Director

Graduate Diploma in Engineering (Mineral Economics) (University of Witwatersrand), National Higher Diploma Metalliferous Mining (Witwatersrand Technicon)

Appointed on: 5 April 2023

Philip started his career in 1981 with Anglovaal Mining Corporation. During his career, he worked for a number of companies including Anglogold Ashanti, Kalgold, Harmony Gold Mining Co Ltd, Deloitte and Anooraq Resources Corporation. Philip has accumulated significant operational experience over the last 40 years on a number of different mines and has distinguished himself as an expert in finding innovative solutions for complex problems.

Mark Palmer

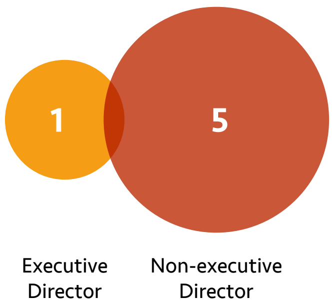
Non-executive Director

BSc Mining Geology (Cardiff University)

Appointed on: 31 January 2018

Mark has 13 years of experience working with entities in Australia, including eight years with Dominion Mining. He previously worked with NM Rothschild & Sons Ltd for the London mining project as part of the finance team where he was responsible for assessing mining projects globally. He later moved to the investment banking team at UBS, where his focus was global mergers and acquisitions, and equity and debt financing. He also ran the EMEA mining team at UBS, later joining Tembo Capital in 2015 as investment director.

Board composition



Senior Management

Errol Smart

Managing Director and Chief Executive Officer

Errol is a geologist, registered for JORC purposes, and has 30 years of broad industry experience across all aspects of exploration, mine development and operations with experience in precious and base metals. He has held positions in AngloGold Ashanti, Cluff Mining, Metallon Gold, Clarity Minerals, LionGold Corporation and African Stellar Group. Errol's senior executive roles have been on several boards of companies listed on the TSX, ASX and JSE and currently serves as Chairman of the Junior Mining Leadership Forum of the Minerals Council South Africa and is a director on the Board of the Minerals Council South Africa.

Peet van Coller

Chief Financial Officer

Chartered accountant who served his Articles of Clerkship at Ernst & Young. Peet has 23 years' experience, predominantly in the mining and manufacturing sectors, including various senior finance and commercial positions at Jubilee Group Metals, Murray & Roberts, Master Drilling, Samancor Chrome, Anglo Platinum and ARM-Norilsk JV, Nkomati Nickel Mines.

Martin Bouwmeester

Company Secretary

Martin is an FCPA, highly experienced in exploration, mine development and operations. Prior to his role at Orion, Martin worked closely with a number of companies to identify and assess exploration, development and mining opportunities, evaluate and arrange various alternatives for exploration, development and mining activities, and develop and implement financial strategies. Martin was CFO, Business Development Manager and Company Secretary of Perseverance Corporation and was a key member of the executive team that developed the Fosterville Gold Mine.

Marcus Birch

Executive: Sustainability and Business Support

Marcus holds a BSc Honours Geology degree from the University of Exeter and a BCom from the University of South Africa. He has over 30 years' experience in the mining and minerals exploration industry, initially as a geologist in the South African gold mining sector with Anglovaal and AngloGold Ashanti. Marcus subsequently moved into the field of procurement and supply chain with AngloGold Ashanti, where he led a team of commodity specialists. Marcus then held senior general management positions in the junior exploration sector, with Clarity Minerals and High Power Exploration, responsible for the establishment and growth of minerals service companies and the operational management of exploration projects across Africa, Australia and South America.

Nelson Mosiapoa

Group Corporate Social Responsibility Adviser

Nelson studied chemical engineering at the Cape Peninsula University of Technology. As an advanced policy scholar of science and technology, he served on the policy unit of the governing party in South Africa prior to the first democratic elections. His professional career started at Sasol Petroleum as a gasification process controller and then a learner official at Anglo American/De Beers. He is also the founder and trustee of the Mosiapoa Family Trust, a private and investment equity company in the resources sector with assets featured on the JSE.

Mark Meyer

Executive Operations

Graduate Mechanical Engineer, Engineer's Certificate of Competency for Mines & Works, with 40 years' experience in Mining. Mark began his career in the Anglovaal gold mines, with time in the deep level gold mines in the Witwatersrand and gold mines in Mpumalanga, South Africa. Previously held positions at senior management level in junior gold mining operations in South Africa, Ghana and Zimbabwe.

Andre Bergh

General Manager – Prieska Copper Zinc Project

Graduate Mechanical Engineer, Engineer's Certificate of Competency for Mines & Works with 30 years' experience in both engineering and operational roles in the mining industry. Andre started his career with DeBeers on the opencast diamond mines and then moved on through various roles with Anglo American, Vedanta, African Barrick and Glencore in both opencast and underground gold and zinc operations in Africa.

Theunis McDuling

Project Lead (Acting General Manager) – Jacomynspan Project and Stratega Project

Theunis is a qualified Mechanical Engineer, and a certified Project Manager (UNISA) with a Master's degree in Business Leadership (MBL) from UNISA. He has 33 years of experience in the mining, metallurgical, EPCM and Engineering environment. The last 16 years he has worked in Africa on various mines as part of the senior management team and served as acting general manager for Boss Mining-DRC and general manager for Mammoet SA. He led and completed major projects for clients like Sasol Coal, Iscor-Saldanha Steel, Murray & Roberts, Columbus Stainless Steel, ERG-Africa, BCL-Botswana, Mammoet and Eramet.

Business Review

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Health, Safety and Environment

Orion remains committed to ensuring a high standard of safety and health management in all of our workplaces. Building on the understanding that Orion has an established "first-mover" advantage in the Northern Cape region of South Africa, our business model incorporates a strong Environmental, Social and Corporate Governance (**ESG**) focus, with the intent to leverage modern technology in all aspects of the exploration and mine development cycle.

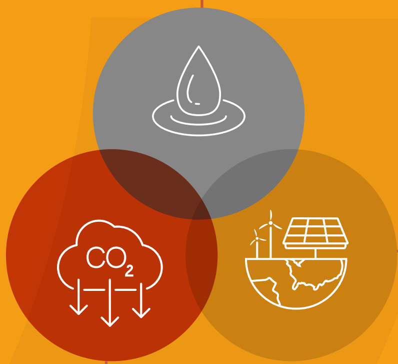
Orion's core objective is to create "mines of the future" and, with this in mind, the Company is implementing a modern, 4IR-enabled, operating philosophy that can contribute to achieving quantum changes in key output parameters that are traditionally slow to improve or have regressed in the local mining industry in South Africa.

These include:

- Delivering improvements in workplace safety and employees' health;
- Making positive contributions to the state of the natural environment, reducing pollution and negligible contamination from operational activities;
- Sourcing an increased proportion of renewable energy, resulting in improved energy efficiency and with commensurately lower energy costs;
- Achieving productivity improvements; and
- Delivering operating cost reductions.

Orion's ESG responsibility is firmly embedded in all of its business plans and, as such, over the past year the Company has:

Engaged in ongoing community involvement and upliftment programs, building on the strong foundation that is already in place, as a means of preparing host communities to actively participate and share in the benefits stemming from the imminent development of Orion's projects.



Contributed to the **planning of public water and infrastructure development in the municipal areas** hosting the PCZM and Okiep Projects, which will provide additional benefits to the neighbouring communities

Considered **alternative energy sources** such as solar and wind, as well as hydrogen energy storage

Placed additional focus on ensuring a **low-carbon footprint**

Health, Safety and Environment continued

Health and safety

No injuries were recorded during the financial year. The hours worked for the financial year are shown below:

Table 1: Hours worked at the Group's Areachap and Okiep Copper Projects (South Africa)

<table>
<tr><th></th><th colspan="2">Hours worked</th></tr>
<tr><th>Category of work</th><th>FY2023 Total</th><th>FY2022 Total</th></tr>
<tr><td>Exploration</td><td>8,947</td><td>82,081</td></tr>
<tr><td>Surface</td><td>9,108</td><td rowspan="2">32,250</td></tr>
<tr><td>Underground</td><td>41,208</td></tr>
<tr><td>Contractors</td><td>34,608</td><td>76,513</td></tr>
<tr><td>Total</td><td>93,871</td><td>190,844</td></tr>
</table>

During the financial year, 93,871 hours were worked on the Company's South African project sites. At the end of the financial year, the team celebrated 1,416 days without an LTI and 244 accident-free days.

Environmental management

Orion recognises that its environmental performance is a critical component of its success. The Company strives to deliver the highest level of environmental compliance, with a commitment to monitoring and managing the environmental impacts of its activities during and beyond the life of its operations.

There were no environmental incidents recorded for the financial year.

Green metals and green energy

Orion favours projects which promote 'green' production. In pursuit of this, Orion is investigating collaboration with the Central Energy Corporation (**CENEC**) to establish a renewable energy supply for the power requirements of the mining operations at PCZM.

The Siyathemba Municipality was selected by CENEC as the preferred location to base its green hydrogen production industrial complex due to a range of favourable geographic, climatic, strategic and logistical factors. CENEC's Prieska Power Reserve™ Project is planned to be a green hydrogen production facility, powered wholly by renewable energy sources.

The use of renewable energy, sourced locally from the CENEC industrial complex at the PCZM, has the potential to significantly reduce mine operating costs.

The combination of renewable energy and ready local access to green hydrogen and ammonia has prompted discussions with base metals refining technology providers to investigate the potential for local value-accretive refining and production of high-value pre-cursor metal products used as feed for battery manufacturing plants.

These battery pre-cursor metal products trade at a premium to London Metal Exchange (LME) metal prices and present a potential business opportunity, possibly in joint venture with specialist refinery businesses.

Community, Stakeholder Engagement and Social Responsibility

Prieska Copper Zinc Mine

Host Community Participation Framework

The Prieska Copper Zinc Mine (**PCZM**) host community Task Team continued its work during the financial year. A roadmap was prepared to guide Orion Minerals, host community businesses and other stakeholders on how best to collaborate in order to achieve increased participation in procurement and employment opportunities in the Siyathemba Local Municipality and Vanwyksvlei areas.

Comprised of host community representatives and business forums, the Task Team assessed the capacity of the available host community businesses and skill-sets, and compared these to the future needs of PCZM during both its construction and operational phases.

The framework is the bridge between what will be required by the mine and what host communities can offer. It sets out the procurement, employment, training and development policies that will be implemented by PCZM to facilitate the ultimate target of enabling community participation of 50% in employment, 30% in the procurement of goods and services and 40% in sub-contracting opportunities at the mine.

A Task Team report was completed and distributed to stakeholders including the attendees of the October 2021 Bosberaad, the Department of Mineral Resources and Energy (**DMRE**), the office of the Premier of the Northern Cape Province, the Siyathemba Local Municipality, the Orion management team and the Orion Siyathemba Stakeholder Engagement Forum (**OSSEF**).

Orion remains committed to attaining the aspirational targets for host community participation and upliftment.

Stakeholder Engagement Forum and Underground Visit

During the reporting period, Orion continued to hold meaningful engagements with the OSSEF and with local and district municipal officials during which the Company provided updates regarding funding arrangements and the dewatering and early mining plans for PCZM.

The OSSEF also participated in a visit to the PCZM site in February 2023 where they were given first-hand insight into the plans and preliminary work completed in preparation for the early dewatering and trial mining.

Other PCZM community initiatives

- PCZM has agreed to donate 200 pecan nut trees to Prieska High School to help promote agricultural studies and education in the community. More than 20 trees were handed over in the first phase of the donation. Prieska High School is the only school in the area to offer agricultural studies as a subject and Orion is committed to continuing its support for the advancement of education within its host communities.
- PCZM assisted the Siyathemba Local Municipality by providing technical support and the equipment needed to connect a power generator to the local water pumping and reclamation plant. The pumps require an uninterrupted power supply to ensure continuous water delivery. The connection of the generator ensures that the community has access to running water during state utility induced power outages ("load-shedding"). Orion is proud to assist its surrounding communities to ensure they have access to clean running water.
- Orion facilitated the sponsorship, in collaboration with the Australian Trade Commission (Austrade) and Qantas, of a trip to Perth, Australia for Zelna Barends, the founder of Zenisha's Play and Learning Centre (**ZPLC**). The trip

helped to raise funds for the centre and awareness for children with special needs including Down Syndrome, Foetal Alcohol Syndrome and other intellectual or physical disabilities. During the trip, Zelna had the opportunity to share knowledge and common experiences with various organisations and NGOs in Australia including Autism WA, Downs WA and Development Disabilities WA, forming the basis of an ongoing mutually beneficial network. Orion is a previous donor to ZPLC and believes that Zelna's work is truly inspirational and Zenisha's is an initiative that could be replicated in communities throughout Africa.

- Orion provided financial support to five locally based mechanics who conducted regular maintenance and inspections on the pre-loved bicycles that were donated by Bicycles for Humanity Western Australia (B4H), brought to Prieska by Orion and distributed to schools in Siyathemba and Vanwyksvlei. In collaboration with the principals of the nine schools, Orion is also currently monitoring the impact and benefits that the bicycle project has had, and will have, for the beneficiary scholars.
- Orion continues to intensify enterprise development and vocational training as development commences at PCZM.

Okiep Copper Project

Okiep Project – consultations continue with the Nama Khoi community

In Namaqualand, the Orion Nama Khoi Stakeholder Engagement Forum (**ONKSEF**) continues to hold quarterly meetings and Orion has regularly visited the ward councillors and communities in surrounding towns to update them on the Okiep Copper Project (**OCP**) and the progress made with the execution of the Southern African Tantalum (**SAFTA**) Social and Labour Plan (Flat Mines Area).

In November 2022, the ONKSEF was provided insight into the Black Economic Empowerment (**BEE**) transaction for the New Okiep Mining Company Proprietary Limited (**NOM**). Orion, together with the IDC, will be facilitating the sale of shares to a BEE consortium and securing employee and community ownership in NOM. The IDC will sell 22.22% of the shares it acquired in NOM to the BEECo, which is a "BEE Entrepreneur" entity led by Lulamile Xate.

At the meeting, Mr Xate introduced himself to the community and explained the transaction, emphasising his commitment to economic development in the Namakwa District. In addition, the independent founding trustee of the Orion Nama Khoi Community and Employee Trusts (each with 5% equity interest in NOM), Mr Shaheem Samsodien, introduced himself and explained the objectives, structure, governance and establishment process of the Community Trust.

Springbok Community Liaison Office reopens

The Community Liaison Office in the town of Springbok, one of the key economic hubs in the municipality, reopened in October 2022. Since the granting of the SAFTA Mining Right, there has been a sharp increase in enquiries and interest in Orion Minerals, and the Community Liaison Office provides an important channel for communication with host community stakeholders.

Social and Labour Plan for the SAFTA Mining Right

Orion established a dedicated project team, including the Nababeep Ward Councillor and other community representatives, for the implementation of the SAFTA Social and Labour Plan (**SLP**). The project team will develop a comprehensive plan for the completion of the projects and streamline the execution process to ensure that all aspects of the projects are adequately addressed. The plan will include the strategies and timelines required to execute the projects in order to meet the needs of the community whilst meeting all regulatory obligations.

Commodity Markets

Base metal prices continued their upward trajectory in the first half of the financial year, but then weakened somewhat in the second half on the back of US central bank monetary policies, a strengthening US dollar and weak demand from China. The outlook hinges largely on the interplay between a slowing global economic outlook and the green energy transition.

Despite the weaker price performance in the second half, copper prices still ended the year higher than where they started. Copper remains a long-term critical metal as the world upgrades its energy infrastructure and transitions to green renewable energy. The metal of electrification, copper is essential to all energy transition plans.

Commenting on the outlook for copper, analysts at ING said: "Longer-term, we believe copper demand will improve amid the accelerated move into renewables and electric vehicles (**EV**). In EVs, copper is a key component used in the electric motor, batteries and wiring, as well as in charging stations. Copper has no substitutes for its use in EVs, wind and solar energy, and its appeal to investors as a key green metal will support higher prices over the next few years."

Analysts at S&P Global expect global demand for copper to double by 2035. Demand growth will, however, be suppressed into 2023, causing the refined market surplus to widen. "We expect the supply response to lag, however, on a thinning pipeline caused by dwindling exploration budgets and a dearth of significant discoveries," S&P said.

The zinc price held up well in the first half of the financial year, on tight supply concerns, but then succumbed to weaker economic growth sentiment and increased mine supply concerns in the second half. However, Fitch Ratings pointed out that "smelter and refining bottlenecks that kept the market tight in 2022 will continue in 2023, despite growing mine supply". Tight supply conditions will continue into 2024, when new Chinese smelting capacity is expected to come on stream, alleviating refined metal scarcity.

Nickel prices followed a roughly similar pattern as the other base metals, with a strong performance in the first half of the financial year before weakening in the second half, ending the financial year at roughly the same level where it started. The outlook for nickel is mixed, with a strong increase in production in 2023 suggesting lower prices and surpluses for the year. Conversely, analysts at S&P Global point out that growth in demand from the electric vehicle market may create supply deficits.

LME copper official prices – 2022/2023

Source: London Metal Exchange

LME nickel official prices – 2022/2023

Source: London Metal Exchange

LME zinc official prices – 2022/2023

Source: London Metal Exchange

Review of Operations – South Africa

Prieska Copper Zinc Mine

Prieska Copper Zinc Mine Development

Change in development strategy

The PCZM Bankable Feasibility Study completed in 2020 (**BFS20**) focused on early shaft refurbishment running in tandem with a high rate of dewatering in order to access the virgin Prieska Deeps ore that will become the long-term mainstay of PCZM's mining operation. Under this scenario, the 2.4Mtpa processing plant would only be commissioned when sufficient ore was available to justify larger-scale processing. This strategy was capital intensive and heavily reliant on debt financing.

An ongoing review of start-up planning revealed the potential to significantly reduce upfront capital costs with a less intense dewatering and shaft refurbishment program, with the resultant effect of deferring a higher rate of profitable production.

In 2021, the Company embarked on a review of the BFS20 to examine the potential to secure profitable production at reduced scale earlier in the mine life, allowing for slower dewatering and shaft refurbishment rates and therefore reduced capital intensity.

This new philosophy was aptly named "Start Small to Grow Big", with an emphasis on achieving the same production rates early in the mining schedule from a combination of shallow ore sources located above the water line and bringing in increasing volumes of mineralised material from newly dewatered Mineral Resource blocks. The development focus moved away from achieving peak production of 200,000 tonnes per month (**tpm**) with a short ramp-up timeline sourcing only mineralised material from dewatered areas of the mine, to a staged development approach, based on the construction of a smaller modular processing plant capable of being incrementally expanded as more ore zones become available.

As part of the phased strategy, Orion's management team has re-evaluated potential sources of ore to include mineralised material located immediately above the waterline and broken rock accumulations that remain on surface and in the underground sections.

Two potentially viable options have been identified for this scaled ramp-up of operations:

- Firstly, to bring forward mining of the +105 Crown Pillar using open pit mining methods from the end of the mine schedule to the front. This option remains relatively capital intensive due to a large pre-stripping requirement. Also, the initial Mineral Resource zones accessed via the open pit will be oxide, with a significantly lower grade than the underlying high-grade supergene sulphide ore and requiring a separate dedicated processing plant, which would also increase upfront capital costs.
- The second and less capital-intensive option is to access and mine the +105 Level block from existing underground infrastructure. The most significant benefit of this option is that the highest-grade supergene sulphide ore can be accessed earlier in the mine schedule, with the potential to generate positive cash flows earlier in the ramp-up schedule.

Insufficient data was available to properly evaluate the underground mining option (Option 2) at a comparable estimation accuracy to the open pit option (Option 1). This led the Company to initiate a trial mining exercise to gather the required geotechnical and mine planning data to a sufficient level of accuracy to be included in the Early Production BFS.

Once completed, the established access development could also facilitate a rapid scale-up of underground mining achieving commercial production levels.

Orion secured the required funding to carry out trial mining and simultaneously commence dewatering operations from a combination of sources in May 2023 and achieved the first drawdown from these facilities in August 2023.

The focus of work during 2023 has been on securing long lead time items such as employing high-quality site management and contractors with the required skills to undertake mine development. Site establishment for long lead time supplier contracts and for reconnecting utilities such as power and water has also progressed, together with securing rented accommodation and the planning for a start-up contractor's site camp.

Operational readiness

With a continued focus on operational readiness, Orion commenced small-scale dewatering at PCZM during the year and plans are in place for the installation of mechanical and electrical dewatering infrastructure in order for the first modules of the scalable system of underground dewatering to be commissioned by early 2024.

The dewatering setup consists of a mine dewatering and water treatment network with a pumping rate that will build up incrementally from 100m^3/hr to 500m^3/hr over the next two years. This will allow the mine to be dewatered in time for full-scale Deep Sulphide mining to commence within five years. This is in line with the original mining start-up timeline in the BFS20 mine schedule.

Figure 1: Drilling in progress for installation of rising main pump column from the 178 Level

The decline portal area, for primary underground access, has been re-supported in preparation for increased underground traffic.

Figure 2: Portal access to the underground workings

A permanent underground refuge bay has been constructed on 163 Level, which will provide access to the trial mining areas as well as the pumping station and second escape located in the Hutchings Shaft. Department of Minerals and Energy (DMRE) approval has been received for the trial mining phase to commence with all required licencing, permitting and operational approvals now in place. PCZM has also been granted permission for continuous operations by the DMRE.

Amendments to the Integrated Water Use Licence (**WUL**) have been sought to facilitate the incorporation of improved water treatment and secondary usage solutions to the current grant conditions. A decision from the Department of Water and Sanitation is imminent.

The amendments allow for the incorporation of solutions like an ion exchange treatment process into the water management plan. This will result in the production of water for agricultural use with valuable by-products in the form of fertilizer, with insignificant waste generated from the mine dewatering and water treatment activities.

Human resources

Orion's human resource strategy is to have site resident management. An Executive Operations role has been created and filled, and extensive recruitment for key roles in the project operational team at the PCZM has been undertaken.

Andre Bergh has been appointed as the PCZM site resident General Manager and will build a strong, focused team to support early production. Mr Bergh is an engineer with 30 years' experience in operations management and execution of feasibility studies for mining operations with similar characteristics to PCZM. Mining will initially be undertaken by experienced South African mining contractors, who will have an obligation to maximise host community employment and skills transfer.

Mr Bergh is building a strong team of site resident personnel including a Mining Manager, Engineering Overseer, Rock Engineer, Safety Officer, Procurement and Logistics Coordinator, Human Resources and Administration support and technical services roles such as geologists, surveyors and occupational hygienists.

Recruitment is being undertaken in line with the Company's uncompromising focus on employment equity commitments coupled with a strong Environmental, Social and Corporate Governance (**ESG**) focus, providing the capacity and resources for a 4IR-enabled workforce and promoting the host community's participation in employment and enterprise opportunities.

Review of Operations – South Africa continued

Prieska Copper Zinc Mine continued

Long-lead time workstreams

Operational work has focused on long-lead time workstreams over the past year and orders for the plant, equipment and services required to commence trial mining and dewatering have been progressed.

Key long-lead time workstreams being progressed are:

- 15MVA Eskom electrical grid connection approval expected in late September 2023;
- Underground and surface electrical reticulation and installation schedule in support of dewatering, ventilation and mining activities as well as the surface trial mining processing plant and water treatment options:
- Detailed design and scheduling of work for trial mining of selected +105 ore blocks and bulk sampling of historical draw-points;
- Installation of water treatment facilities for the treatment and discharge of water pumped from underground;
- Installation of a 178m rising main water pipe in a large diameter drill hole (completed);
- Installation of ring back ladderways in the Marais Shaft second escapeway to surface – in support of the already permitted second escape and installation of an emergency winder in the Hutchings Shaft; and
- Installation of underground refuge chambers.

Early dewatering

The Early Dewatering program, referred to as Project Metsi-ka-Pela ("Water in-front"), is on track to complete installation of pumping equipment capable of dewatering at a rate of 100m^3/hr initially and then incrementally building up to 500m^3/hr in Q1 CY2025. The early dewatering setup will be established in a modular form that allows the system to be progressively scaled up.

Both the submersible pumps for use down the Hutchings Shaft as well as the high pressure multi-stage pumps for the first pump station at the 178 Level have arrived on site. The pump installation plan is being finalised. Underground dewatering is dependent on the availability of the 15MVA power from Eskom. Current available power is dedicated to trial mining and underground ventilation.

Figure 3: Multi-stage dewatering pumps

The layout for pumping and piping from underground has been significantly improved, removing more than 1,600m of piping and one set of multi-stage pumps by using a large diameter percussion drill hole to install a rising main from the 178m pump station to surface, without undertaking shaft work.

The main dewatering bypass hole has been drilled and fitted with screwed 250mm diameter steel pipe with flanged connections at both surface and 178 Level. The second hole to carry services such as power cables and compressed air from surface to 178 Level has also been completed.

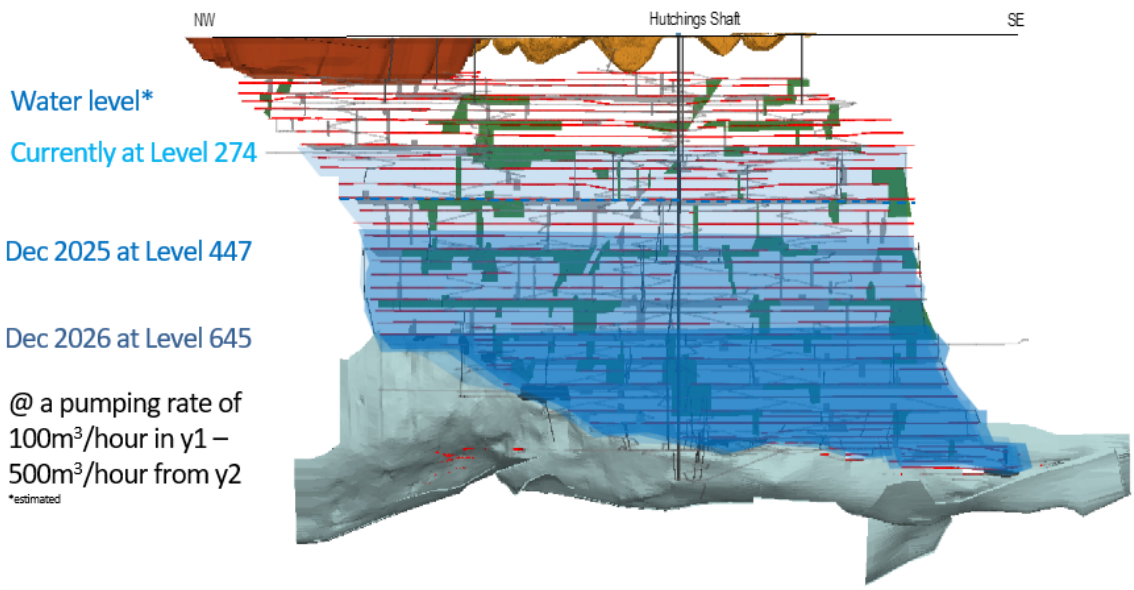


Figure 4: Planned dewatering at Prieska Copper Zinc Mine for the next three years

Mine water treatment trials

Three options are under consideration for the purifying of the underground water and pilot-scale test work was completed to test their performance on PCZM water.

The original BFS considered a large scale Reverse Osmosis (**RO**) plant, to treat the underground water. The downside of RO purification is the production of a residual brine product containing 30% of the water treated. This brine solution requires very specific storage in dedicated double-lined evaporation ponds, which can be further reduced with forced evaporation, all of which come at significant capital and operational expense.

During the year, Orion has actively reviewed alternative technologies that could deliver benefits including increased water recovery and possibly recovering some minerals that can be sold to help offset treatment costs, while limiting the storage or evaporation of brine.

Test work was completed for the "Rotowinner" electrolysis plant, and a proposal has been received from Rotowinner for a full-scale plant which is being commercially evaluated. The Rotowinner plant recovers relatively low value agri-minerals that could generate a small earnings stream that can contribute to operating cost recovery. This option is also less capital and operating cost intensive than the RO option.

A third water treatment option that produces high-quality, high-value fertilizer from the minerals recovered from the saline mine water using an ion exchange technology has now undergone pilot plant testing and a commercial proposal has been submitted. This technology presents a compelling case for consideration, with the potential to generate significant revenue from sales of this fertilizer potentially covering all dewatering water treatment costs and allowing for substantial capital cost recovery.

A 30,000 litre sample of underground water has been treated by Trailblazer in their ion exchange and fertilizer manufacture pilot plant. The ion exchange technology works by removing all dissolved solids from the saline mine water and producing high-value fertilizer with clean water available for agricultural use. The technology to produce clean water and a fertilizer product is proven, with the focus now shifting to analysing the potential offtake and market for the significant volumes of fertilizer produced.

The mine water treatment options will advance Orion's vision of establishing a "green" footprint for PCZM, with broad stakeholder benefits as part of its objective to have a world-class ESG framework to support its operations.

A Trailblazer plant, that may be relocated after completing PCZM dewatering, is seen as an important potential contributor to Orion's OCP projects, where long-term dewatering and mine water treatments are anticipated for Carolusberg, Okiep, Jan Coetzee and Nigramoep Mines.

Power reticulation

PCZM has continued to engage with South Africa's power utility, Eskom, for the approval of the design for the 15MVA supply to support the first phase of PCZM early works development. Final approval and handover from Eskom is expected by the end of September 2023 and the process of procuring long lead items has already commenced with the aim of fast tracking the 15MVA electrical infrastructure, including a dedicated sub-station to be built by PCZM.

The longer-lead delivery items for power reticulation have been identified and ordered, with delivery to site expected from the end of September 2023. Medium voltage switchgear and transformers for extension of power to the ventilation fans, underground pump station and surface treatment plant have also been delivered and incorporated in the latest version of the electrical reticulation plan. The construction of an 11kV extension of power to the underground workings is underway, which will make electrical power available for ventilation, pumping and drilling, so that the early mining works can commence.

An interim solution to run a generator at surface to support the trial mining is being implemented. This will remain in use while the new dedicated substation is constructed and until the 15MVA Eskom switch-over is complete.

Trial mining

Planning for the execution of the trial mining of the +105 Mineral Resource progressed, with the evaluation of alternative mining methods to be considered.

A reputable mining engineering consulting company has been contracted to assist with the mine design and the drift-and-fill underground mining method that will be tested with trial mining for the +105 Mineral Resource. This mining method provides the benefits of delivering improved safety and minimising waste dilution of the ore extracted to surface.

An open pit mining option for the exploitation of the near-surface oxide Mineral Resource (which cannot be accessed from underground) has been included as part of this planning phase, with further oxide metallurgical test work underway and the viability of mining and treatments being evaluated.

Review of Operations – South Africa continued

Prieska Copper Zinc Mine continued

The open pit mining of lower grade, shallow oxide Mineral Resources with lower stripping ratios would take place up-dip of previously mined and backfilled stopes. This mining sequence is considered optimal and removes the need for a large pre-strip mining exercise.

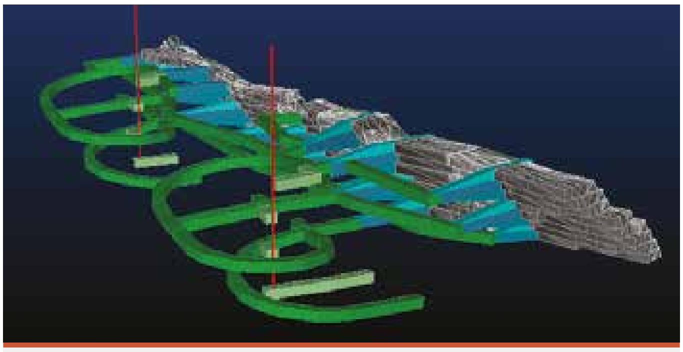


Figure 5: Conceptual layout of the +105 Mineral Resource drift-and-fill mining method

The underground trial mining program is designed to accurately determine and demonstrate the actual rock conditions in the +105 Mineral Resource and the performance of the proposed drift-and-fill or cut-and-fill mining method.

Figure 6: Access ramp, reef drives/first cut at the +105 trial mining project

The trial mining scope includes the +105 Level underground trial mining, as well as a draw-point bulk sampling exercise to evaluate the grade and metallurgical quality of broken rock remaining in old stopes in the upper areas of the underground workings. While accessing the draw points on 143, 201 and 269 Levels, the bracketing pillars will also be evaluated using drone surveys in the open stopes for assessment of the potential for sequential extraction following cemented tails or paste void filling.

Contractor mining proposals were evaluated for the entire trial mining scope of work and following a wide ranging, competitive enquiry process the contract has been awarded to P2 Mining (PTY) LTD, a subsidiary of South African mining contractor, Newrak Mining Group (refer ASX/JSE release 5 September 2023). Importantly, Newrak has a previous Production Manager of PCZM in their team, bringing valuable knowledge of the mine and ground conditions.

Contractor site establishment commenced mid-September 2023, to coincide with the long lead time, services connections and underground refuge chamber delivery and installation. A fixed refuge chamber has already been constructed on 163 Level, allowing permanent underground access for mining to commence.

Figure 7: ITC loader paired Paus bi-directional haul trucks to be used in the trial mining

PCZM has also contracted Hurst Mine Tec for the testing of an ITC120 continuous loader supported by two specifically paired bi-directional drive trucks in the +105 Level development cycle. This equipment will be operated by Newrak on behalf of PCZM.

The combination of the continuous loader with the two bi-directional drive dump trucks is expected to deliver significant improvements in safety, cycle time reduction and reduced development costs with one machine doing all the scaling, mucking and loading in a face. Direct conveyor loading into 20 tonne dump trucks driven to the face removes the need for shuttling load haul dumpers and removes the requirement for loading and passing bays in the development tunnels. The bi-directional drive trucks improve safety, removing the need for reversing long distances by load, haul and dump loaders.

During the reporting period, access and usage rights for the explosive magazines were finalised with the Armaments Corporation of South Africa (Armscor) and the process to licence the magazines was completed. Approval from the DMRE and the SAP (South African Police) has been secured to receive and manage explosives at the PCZM site.

Metallurgical process re-evaluation and early mining concentrator plant design

Orion is in the process of engaging with various technical and turnkey process plant service providers for the supply of a 30ktpm process plant (with crushing, milling and flotation concentration capacity) to treat material from the Trial Mining Phase at PCZM. Test work is currently being undertaken on supergene material obtained from reverse circulation drilling as initial feed into the sulphide process plant.

Orion is also investigating XRF and XRT ore sorting technology to allow for the concentration of ore after waste removal. This will require the crushing and screening of ore into the 25 to 90mm size fraction required for waste removal. The target material for ore sorting is the surface waste rock dump and the mineralised material from the historical stope draw points on 143, 201 and 269 Levels. Documented test work done on both supergene and hypogene ore indicated both XRF and XRT technologies are able to differentiate between ore and waste.

Processing routes developed by Mintek in 2018 include hypogene milling, sequential copper (Cu) flotation, zinc (Zn) flotation, and ultra-fine grinding. However, opportunities exist to improve on the processing route for the supergene sulphide portions of the deposit (+105 Level Crown Pillar).

Flotation testing of hypogene samples, in line with historical recoveries of the mine, achieved over 86% recovery for both copper and zinc, with copper concentrate grades above 28% and zinc at 53% achieved (refer ASX/JSE release 26 May 2020). Test work is now being progressed to assess the supergene sulphide recoveries from Locked Cycle testing. Results of this test work will be incorporated into the Early Production Scenario.

Orion has contracted Mr Bryan Broekman, the former Chief Metallurgist for the Anglovaal Group, who was directly responsible for most of the metallurgical process plant optimisations that successfully allowed Prieska Copper Mines to treat mixed oxide, supergene sulphide and hypogene sulphide ores from 1988 until mine closure in 1991.

Mr Broekman has undertaken a critical review of the extensive test work conducted by Orion during the past six years and has recommended testing a refined process flow that promises to deliver improved recoveries and produce higher quality concentrates specifically from the ore sources in the upper levels of the mine, above the current water level. The recommendations are supported by published research and Mr Broekman's personal experience of the former Prieska Concentrator Plant. This knowledge is proving extremely valuable when considering our own test work results and is providing an important basis for re-evaluation of the plant design to process ore during early mining.

Following the recommendations, two laboratories have been secured to conduct pilot plant tests on 1.5 tonnes of fresh metallurgical samples derived from RC drilling from the +105 Mineral Resource Blocks. This test work is currently underway.

Shallow in-fill Reverse Circulation holes are also scheduled to increase the amount of drilling data in the oxide Mineral Resource above the +105 Level supergene sulphide Mineral Resource and to provide material for oxide leach test work purposes. This could facilitate the evaluation of the open pit oxide mining concept.

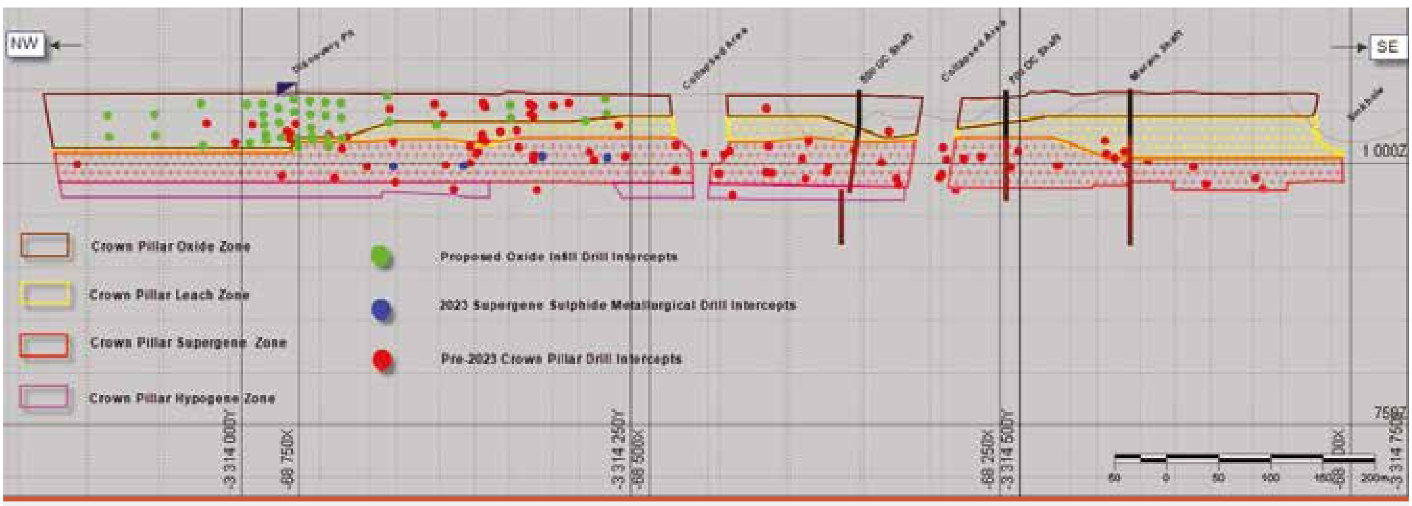


Figure 8: Long section reflecting supergene metallurgical and oxide drill holes

Review of Operations – South Africa continued

Prieska Copper Zinc Mine continued

Additional sources of income and community support

While trial mining is underway, Orion also plans to investigate other sources of opportunistic additional income with some of these activities creating business opportunities for host communities to generate income now and beyond the life of the mine.

Some potential income from products produced:

- Salvaging scrap from underground and surface;
- Growing lucerne using pumped water;
- Running stock feedlots;
- Growing vegetables using pumped water;
- Fish farming (tilapia) using pumped water; and
- Production and sale of waste rock aggregate for a booming renewable power generation industry active in the district.

Prieska Copper Zinc Mine funding arrangements

Orion's flagship Prieska Copper Zinc Mine is transitioning to the mine development and construction phase following the conclusion of the key elements of an overarching strategic funding package. In March 2023, Orion announced a $13 million two-tranche Share placement, which led to the introduction of a new cornerstone investor, Clover Alloys (refer ASX/JSE release 15 March 2023).

Clover Alloys is a highly regarded mining group with significant mine development and operational expertise, including a strong track record in the successful development and operation of modular, capital efficient metal processing plants at its chrome mines in South Africa. This expertise will be invaluable as Orion advances the development of its PCZM and OCP towards production. Orion has also received support from existing long-term shareholders, the Delphi Group and Tembo Capital Mining Fund II LP.

The placement includes a significant options package and, assuming all placement options are ultimately exercised, the total value of the equity funding package amounts to ~$73 million. This equity funding, together with a US$87 million funding package from Triple Flag (refer ASX/JSE release 17 July 2023) and the ZAR250 million funding facilities secured from the IDC (refer ASX/JSE release 17 July 2023), puts Orion in a strong position to execute its accelerated development strategy in the Northern Cape.

This funding package is strategically aligned with the new strategy of "Start Small to Grow Big" and provides Orion with equity funding to progress and accelerate the development of PCZM, including the commencement of trial mining and processing of ore, mine dewatering and the completion of feasibility studies for the PCZM Early Production Scenario.

The PCZM Early Production Scenario, which was first announced in January 2022 (refer ASX/JSE release 20 January 2022), brings forward revenue generation and potentially reduces the upfront external peak funding requirements by phasing the mine build while retaining the option to scale-up to the full-scale project (as outlined in the Bankable Feasibility Study published in 2020, refer ASX/JSE release 26 May 2020) as sufficient funding becomes available.

Further information on Orion's funding arrangements is provided in the Corporate Section on page 54.

Exploration

+105 Level Resource in-fill drilling

In-fill drilling of the +105 Level Crown Pillar Mineral Resource, required to support the Early Production Scenario, commenced in February 2022 and was completed in July 2022, with results confirming the presence of enriched copper mineralisation in the previously drilled supergene sulphide mineralisation (refer ASX/JSE release 11 July 2022).

The updated Mineral Resource estimate is being used for optimisation of the mining plan and updated ore reserve estimation. Originally planned for mining by open pit after completion of the Deep Sulphide underground mining, the +105 Crown Pillar Mineral Resource is now being evaluated for early mining, with access from underground, concurrent with the dewatering.

Mineral Resources

An Independent Mineral Resource update has been carried out for the +105m Level Crown Pillar Block by Z Star Mineral Resource Consultants. The Mineral Resource estimate used all 2022 drilling data and an updated geological interpretation (Table 2 and Figure 9).

The update resulted in a significant increase in the +105 Block Mineral Resource to 2.3Mt at 1.7% Cu and 1.6% Zn including an Indicated Mineral Resource of 1.9Mt at 1.82% Cu and 1.70% Zn (refer ASX/JSE release 25 July 2023). This includes a significant increase in the oxide mineral resource based on new more robust interpretations. The contained copper and zinc in the Mineral Resource Estimate have increased by 11,000 and 300 tonnes, respectively, from the January 2019 Mineral Resource estimate (refer ASX/JSE release 15 January 2019).

The Prieska total Mineral Resource, reported and classified in accordance with the JORC Code (2012), is now 31Mt grading 1.2% Cu and 3.6% Zn.

Table 2: Global Indicated and Inferred Mineral Resource Statement for the +105m Level Resource Block of the PCZM[1]

Classification	Mineralised zone	Tonnes	Cu (tonnes)	Cu (%)	Zn (tonnes)	Zn (%)
Indicated	HW oxide	200,000	1,000	0.48	2,000	0.90
	Oxide	490,000	4,000	0.81	4,000	0.73
	Supergene sulphide	1,100,000	28,000	2.58	22,000	2.06
	Hypogene	120,000	1,000	1.23	4,000	3.78
	Total	**1,900,000**	**34,000**	**1.82**	**32,000**	**1.70**
Inferred	HW oxide	30,000	100	0.4	300	1.0
	Oxide	300,000	3,000	1.0	2,000	0.8
	Supergene sulphide	60,000	1,000	1.4	300	0.6
	Hypogene	20,000	100	0.8	100	0.4
	Total	**400,000**	**4,000**	**1.0**	**3,000**	**0.8**
+105m Level Mineral Resource Total		**2,300,000**	**38,000**	**1.7**	**35,000**	**1.6**

Note:

+105m Level Mineral Resource bottom cut-off = 0.3% Cu.

Tonnes are rounded to second significant figure, which may result in rounding errors.

[1] *Mineral Resource reported in ASX release of 25 July 2023: "Prieska Mineral Resource Increases Ahead of Trial Mining" available to the public on www.orionminerals.com.au/investors/market-news. Competent Person Orion's exploration: Mr. Paul Matthews. Competent Person: Orion's Mineral Resource: Mr. Sean Duggan. Orion confirms it is not aware of any new information or data that materially affects the information included above. For the Mineral Resources, the company confirms that all material assumptions and technical parameters underpinning the estimates in the ASX release of 25 July 2023 continue to apply and have not materially changed. Orion confirms that the form and context in which the Competent Person's findings are presented here have not materially changed.*

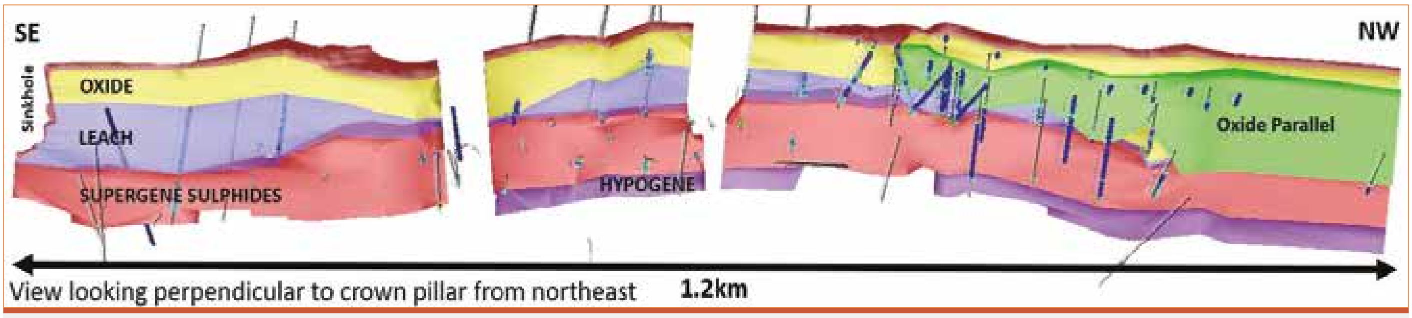


Figure 9: View showing the +105m Level Mineral Resource with the Supergene Sulphide Zone in red, the Hypogene Sulphide Zone in purple, the main Oxide Zone in yellow and the HW Oxide Zone in green. The area between the main Oxide and Supergene Sulphide zones is a leached (clay) zone (blue) with insignificant Cu and Zn values and is excluded from the Mineral Resource. Brown represents the interpreted overburden

Since the previous +105m Level Mineral Resource estimate was reported (refer ASX/JSE release 15 January 2019), a further 14 holes comprising 918m were successfully drilled to intersect supergene sulphide mineralisation (refer ASX/JSE release 11 July 2022). A further five holes were drilled and abandoned due to poor ground conditions and unacceptable core loss. This data was instrumental in the updated Mineral Resource reported in July 2023 (refer ASX/JSE release 25 July 2023).

Given the changes in the interpretation of mineralised domains, a direct comparison of updated and previous (2019) resource figures is difficult. The increase in overall tonnes can be largely attributed to the extension of the interpreted crown pillar mineralised zone towards the southeast to where it intersects the sidewall of a sinkhole. The more comprehensive interpretation of the mineralised zone in the hanging wall to the main crown pillar mineralisation also contributes significantly to this increase in tonnage (and to that of the oxide tonnage). The changes of the interpretation of the bottom of the oxide zone (particularly in the northwest) have a significant positive impact on the oxide tonnage.

The increase in contained copper can be largely attributed to higher grades in the southeast of the supergene sulphide zone from the 2022 drilling, the extended interpretation of the crown pillar mineralisation to the southeast and the changes in the interpretation of the bottom of the oxide zone.

Review of Operations – South Africa continued

Okiep Copper Project

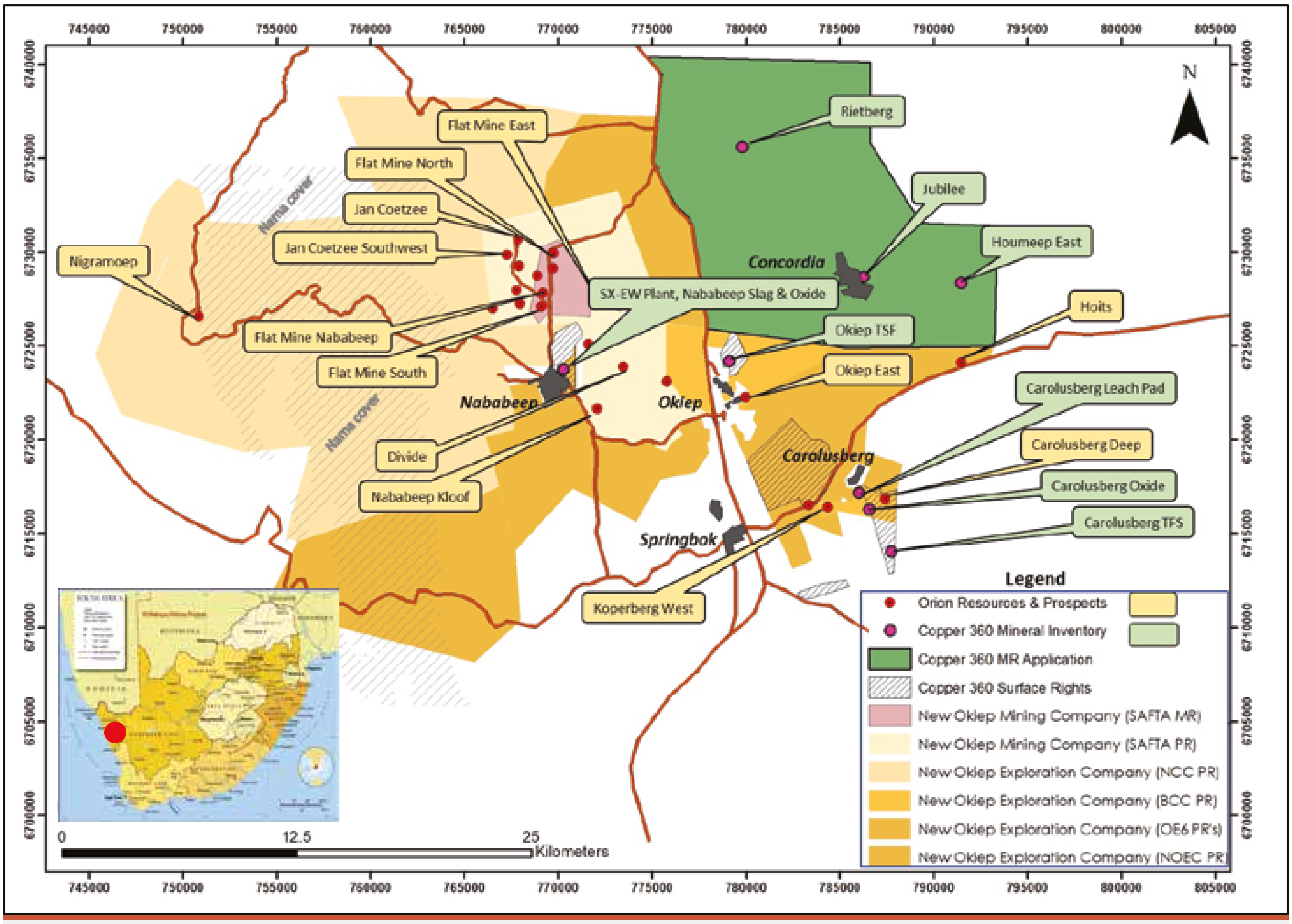


Figure 10: Okiep Copper Project

Flat Mines (SAFTA) – Feasibility Study report

The bulk of the technical studies required for the Flat Mines Feasibility Study were completed in 2022; additional studies and mine scheduling were required in 2023 to incorporate an updated mineral resource estimation, which included further geophysical surveys in the proposed TSF basin as well as geochemical analysis of the legacy evaporation paddy material also within the TSF basin area.

The detailed TSF engineering design report and costing for construction were completed in August 2023, which was required before the Feasibility Study final report can be concluded and handed to The Minerals Corporation, as the debt financiers Independent Technical Experts, for their review.

Environmental management

Water Use Licence Application (WULA)

The Public Participation Process for the Water Use Licence (in which participation in, and comment on, the draft Water and Waste Management Plan is invited from Interested and Affected Parties) closed during the March 2023 Quarter, in accordance with the specified timeframes.

Following the completion of Phase I (the public participation process) of the **WULA** Process, a site visit by DWS officials was conducted in April 2023 to conclude Phase II. At the meeting Orion received, the list of technical documents and studies required to be submitted for the next phase of the application.

Results from the Radiological Risk Classification of flotation tailings and development waste rock have confirmed that no significant radiological risks exist.

Waste classification of the flotation tailings, development waste rock, ore sorting discard material and the in-situ evaporation paddy material has been completed and has formed the basis of the Tailings Storage Facility (**TSF**) design. Test work confirmed that leachable concentrations of all metals and compounds in the waste materials are below the thresholds for Class 3 waste classification and only the small mass of existing evaporation paddy residue material generates a leachate which could potentially significantly impact groundwater quality.

All planned aquifer drilling and testing in and downstream of the TSF basin has been completed and water analysis results received. The hydrological report including the groundwater and pollution-plume modelling around the planned TSF is complete.

The Public Participation Process included comments and concerns that were received from various parties which have been addressed by the environmental consultants. Objections or additional concerns that were raised have been assessed and mitigated in the final Water and Waste Management Plan and a section 21 application that was submitted in August 2023.

Tailings Storage Facility (TSF)

The designed TSF is located on an area previously impacted by prior mining operations and comprises an embankment mechanically constructed using mine development waste and ore-sorter discard material.

The design of the TSF embankment is for construction in four phases of downstream embankment raises. This process ensures adequate storage capacity for tailings deposition throughout the project life, while creating a single deposition site for all waste and tailings from the mining operation.

A meeting was held with DWS to discuss the TSF design options. Subsequent to this discussion, it was concluded that the design of a partially lined facility would have a high probability of being permitted, whereas a totally unlined design could be at risk of not being approved.

Comprehensive geotechnical and geohydrological work has been completed on the TSF basin. The TSF will be partially lined in the lower portion where it overlies soils and old tailings and is located over mapped bedrock fracture zones. The TSF will have an unlined area where it overlies impervious granite outcrop.

The complexity of the liner design and subsequent seepage modelling of the various design options led to a delay in completion of the final design. The outcome of the additional design work is a facility with the lowest possible seepage rates and reduction of existing impacts on groundwater, which is expected to be accepted by the authorities.

Additional test work has been undertaken to investigate the option of neutralising the legacy paddy material, and the suitability of fine tailings for use in the inverted liner design was completed during the first half of 2023.

The small volume of historically contaminated evaporation paddy material will now be relocated to a dedicated lined impoundment outside, but in close proximity to the TSF basin area.

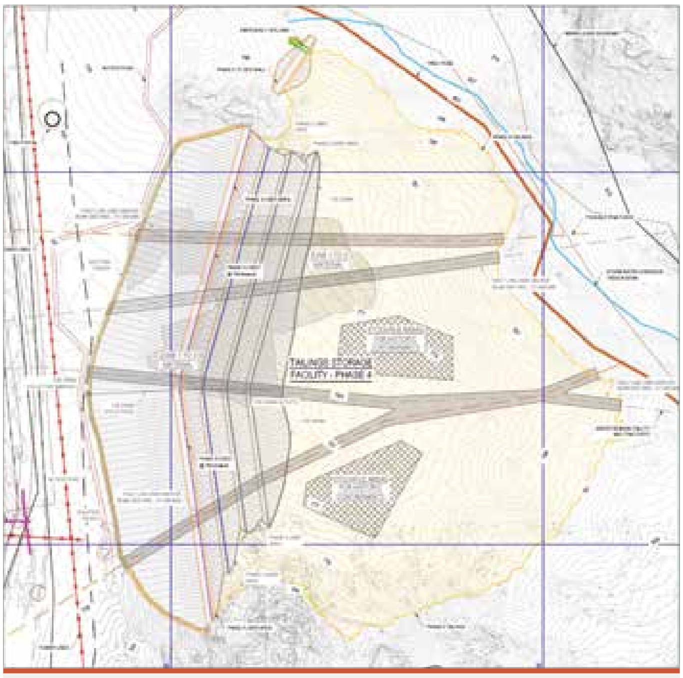


Figure 11: TSF design

Mine planning

The layouts of the underground mining areas were completed early in the reporting period, resulting in a significant reduction in waste development requirements. During the first half of the reporting period, various iterations of the mining schedule were investigated, aimed at improving early availability and grade of run-of-mine (**RoM**) material.

Based on the 2022 mine design, the mining fleet selection was completed and final development layouts approved, allowing ventilation modelling for determination of main fan duties and exhaust ventilation airway dimensions to begin. Stope designs and sequencing were submitted for rock engineering evaluation and approval.

Review of Operations – South Africa continued

Okiep Copper Project continued

A site visit to the existing Flat Mine North underground workings was conducted by a geotechnical engineer to confirm local rock conditions. Final recommendations for stope and pillar layouts are included in the resultant geotechnical report based on observations of drill core and underground conditions, as well as rock strength tests. The backfill study was updated to incorporate backfilling of the Flat Mine East stopes following the finalised layouts.

Review of the Flat Mines' Mineral Resource models by Independent Consultants resulted in minor changes to the geometry of the block model. In light of the delay in finalising the TSF design, revised mining layouts and production schedules based on the updated Mineral Resource Model were completed at the end of the reporting period.

Metallurgical processing plant

The metallurgical process for the Flat Mines Project is based on the traditional milling and flotation process that had been historically successful in the Okiep Copper Company operations. Orion identified the potential of using the XRF ore-sorting technology to enhance the performance and reduce treatment costs of the Flat Mines ores. A metallurgical test work programme to determine the effectiveness of ore sorting and the impact on the process was commissioned.

The test work, including ore sorting, milling and flotation of diamond core samples from the core library on site, was completed. Samples from the Flat Mine North and Flat Mine South mineralised deposits were pre-sorted in a full-scale sorter to simulate the upgraded material which will report to milling and flotation once production is underway. Concentrates produced by the ore sorting tests were then used in the subsequent milling and flotation test work.

Results of the ore sorting tests generated characteristic curves for the mineralised material that can be used to predict copper recoveries and upgrade potential by ore sorting. These tests indicated that, on average, an upgrade ratio of 35% was achievable with mass and overall copper recoveries of 71% and 96%, respectively.

Milling and flotation optimisation tests indicated copper recoveries of over 90% at concentrate grades over 30% Cu are achievable. Milling work index analysis on multiple samples produced Bond work indices varying between 14 and 24.7kWh/t. The milling work index of 24.7kWh/t was used for the design of the mill.

Three-dimensional plant layout drawings were completed to form the basis for requests for quotations to selected OEMs and engineering construction companies. Costs received for the initial plant design led to a review of portions of the plant design, in the interest of reducing capital costs where possible. An optimised plant design was duly concluded and costed which forms part of the study.

The conceptual design and costing of the processing plant to feasibility level accuracy was completed in the second half of 2022.

Infrastructure

The design and costing of upgrading the Nama Khoi Municipality (**NKM**) electrical infrastructure to accommodate the 10MVA supply to the mine site was completed and approved by the Orion-NKM Power Supply Steering Committee. A mechanism for determination of an applicable electricity tariff based on Eskom tariffs and a cost of supply study has been agreed. This will be submitted to the National Energy Regulator for approval, as required by municipal legislation which is expected to be granted.

Although the long-term cost of Eskom power to the project would be lower than from the NKM, the time required for Eskom to process applications and approve "self-build" projects is a high risk to the commencement of the Project, particularly for construction.

The supply voltage to the main incoming distribution substation at the process plant site will be at 11kV to avoid stringent environmental requirements for 66kV overhead lines and provision of early construction power from the grid. The surface 11kV reticulation design for all the remote decline portals and ventilation exhaust fans has been finalised.

Planned surface infrastructure servicing the operations includes prefabricated and containerised offices, change-houses and workshops for low cost and speedy construction. Layouts and specifications for these have been concluded and costed.

Potable water for the mine site will be drawn from a drill hole with good quality water close to the process plant. Rehabilitation of the Nababeep wastewater works by the local municipality using grant funding from National Government is due to commence in the fourth quarter of 2023. Management will be monitoring progress to ensure that the effluent water quality of the refurbished plant will meet the standards required for process water in the future.

Communications with the NKM Executive Team continue to be regular and cordial. The Infrastructure Steering Committee, set up to manage the provision of power and water to the Project via the NKM Infrastructure, continues to meet on a quarterly basis. Construction of the temporary intake power point and construction of overhead lines to the mine site is planned to commence as part of the early works programme. Discussions with the NKM technical team are underway to finalise the details of this work.

Land access

Access to the land on which the bulk of the surface mining infrastructure will be located has been secured through a lease agreement with the NKM. The Rezoning Application for mining use is in progress, subject to the completion of the Engineering Services Report, which is being handled by a local engineering consultancy. This report can now be completed following the completion of the power supply design and resolution of the Sewage Treatment Works Refurbishment Plan.

Negotiations with other key landowners are ongoing and reaching finality. Orion continues to negotiate in good faith with all affected landowners to seek positive outcomes for all parties.

Late in the reporting period, two appeals were lodged by a landowner over which portions of the SAFTA mining right are located. The first appeal was lodged in terms of Section 43 of the National Environmental Management Act with the Department of Forestry, Fisheries and the Environment against the decision by the DMRE to grant an environmental authorisation (EA) to SAFTA. The appeal was rejected due to the timeframe of receipt of the appeal and the allowed timing to lodge such an appeal.

The second appeal was lodged with the DMRE in terms of Section 96 of the Mineral and Petroleum Resources Development Act (**MPRDA**) against the granting of the SAFTA mining right. As at reporting date, this appeal was still under review by the DMRE and it should be noted that the appeal does not suspend the mining right. The Company is considering all options available to ensure that access to land is secured in terms of the provision of the MPRDA. Cordial negotiations with the complainant landowner have been established and an amicable resolution is considered imminent.

Pre-development funding

In September 2022, Orion announced that the IDC would become a strategic partner in the development of OCP, with definitive agreements between the two parties signed in November 2022 (refer ASX/JSE release 14 November 2022).

Under the strategic partnership, IDC acquired an initial 43.7% of the New Okiep Mining Company, which holds the Flat Mines Project assets, by funding ZAR34.6 million of OCP's pre-development costs. Orion has already advanced ZAR44.5 million in funding to New Okiep Mining Company.

The IDC will thereafter facilitate the attainment of Mining Charter BEE compliance, with the sale of a 22.22% stake to a corporate entity consisting of 100% Historically Disadvantaged South Africans led by Mr Lulamile Xate, as the largest shareholder.

Orion's aspiration, with project partners the IDC and BEE partners, is the early re-establishment of mining operations on the brownfields Flat Mines site while conducting the required work and engineering studies to support the long-term aspiration of achieving production from the OCP at a similar scale to past owners, Newmont and later Goldfields under the Okiep Copper Company.

Okiep Project Mineral Rights

Mining Right granted for Flat Mines Area

The Mining Right over the Flat Mines Area was granted to SAFTA by the DMRE, and the Company was notified in August 2022 (refer ASX/JSE release 29 August 2022) (Figure 12). Orion is in the process of acquiring all of SAFTA's Mineral Rights following its exercise of options in July 2021 to acquire certain assets in the selling companies. The Mining Right is valid for an initial 15 years and can be renewed for a further period of up to 30 years.

The status of the Mining Right and prospecting right applications pertinent to the NOM operations are as follows:

- The SAFTA Mining Right application over the Flat Mines area was granted in July 2022, execution of the Mining Right was completed and registered in December 2022;
- Land access discussions/negotiations with the landowners on the Mining Right and adjacent prospecting right areas are continuing; and
- SAFTA's remaining prospecting right applications over the areas contiguous to the mining area are in process with the DMRE.

Review of Operations – South Africa continued

Okiep Copper Project continued

Grant of Section 102 additions to existing Mineral Rights
This grant is the significant part of four amendment applications to existing rights acquired, adding surface area and additional minerals to a right in terms of Section 102 (**S102**) of the MPRDA of South Africa, and gives the exclusive right to prospect for "copper ore" and "tungsten ore" over the area once the formality of execution is concluded.

The newly granted rights add 15,400 hectares (shaded in grey, Figure 12), to Orion's granted tenements.

The above-mentioned prospecting right is currently in the process of being ceded from Nababeep Copper Company (Pty) Ltd and registered in the name of Orion's subsidiary, New Okiep Exploration Company (Pty) Ltd, at the Mineral and Petroleum Titles Registration Office.

Grant of three new prospecting right applications
In addition to the S102 rights, three new prospecting rights expanding Orion's tenement holdings by 14,600 hectares have been granted by the DMRE to Orion's New Okiep Mining Company (Pty) Ltd) (**NOM**) (previously Orion Exploration No. 6 (Pty) Ltd)(**OE6**) and SAFTA for a suite of minerals giving Orion the exclusive right to prospect on those areas for copper ore, tungsten ore, gold ore and silver ore, among other commodities. These prospecting rights each carry the inherent exclusive right to apply for a mining right (shaded in ochre on Figure 12).

In terms of the Transaction Agreement (refer ASX/JSE release 2 August 2021), the SAFTA right will be ceded to NOM subject to MPRDA Section 11 approval being received from the DMRE for session of this right and all associated prospecting and S102 rights.

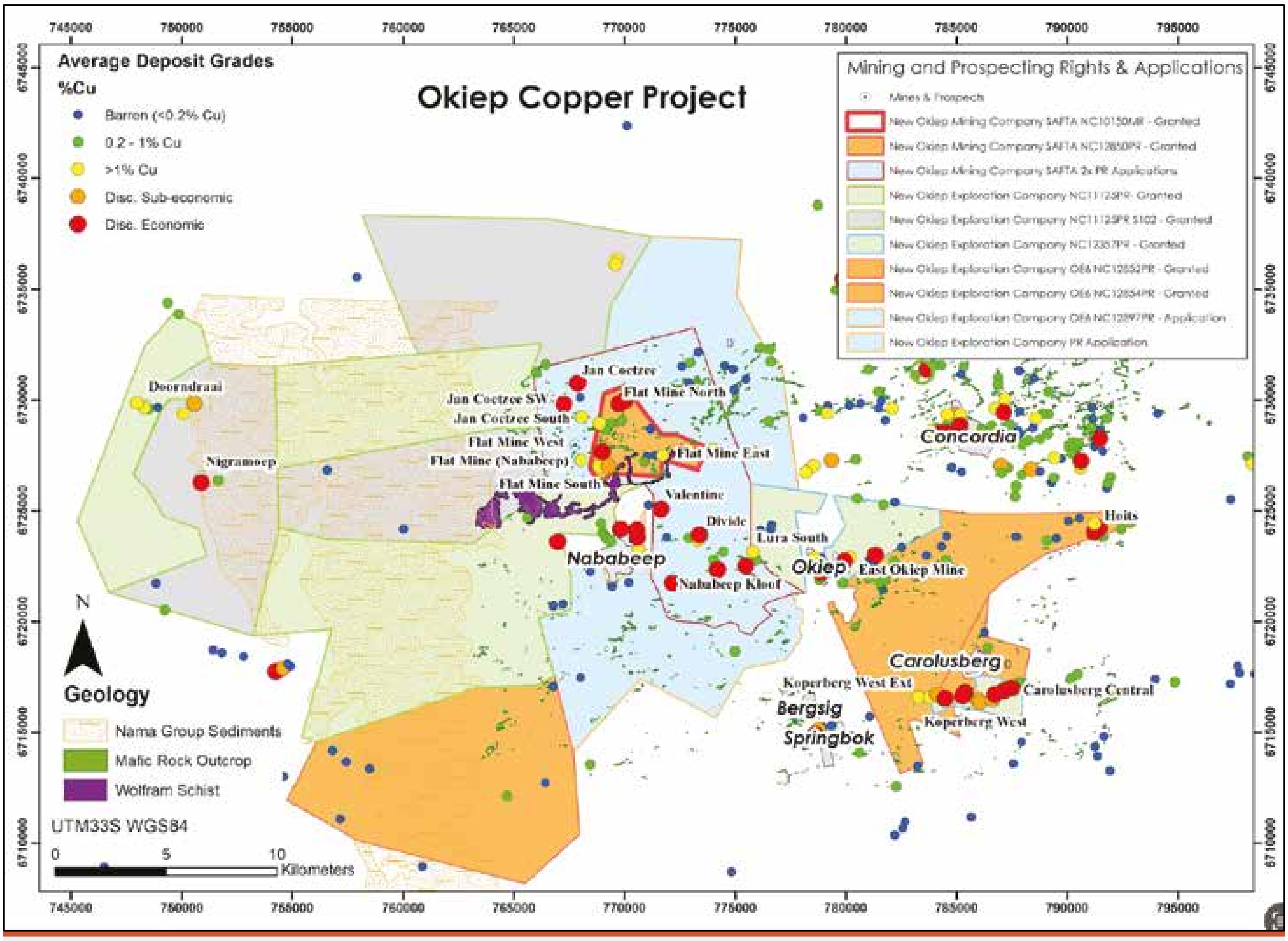


Figure 12: Location of the OCP mineral rights, including NOM – SAFTA Mining and Prospecting Rights. Grey shaded areas showing three recently granted S102 areas; orange shaded areas showing three newly granted prospecting rights, OCP Project

OCP Section 11 cessions

During the June 2023 Quarter, the Section 11 permission to cede the granted and executed Nababeep Copper Company and Bulletrap Copper Co prospecting rights to New Okiep Exploration Company were received from the DMRE.

Mineral Resources

Following a detailed internal review of the SAFTA (2018) geological models and mineral resource estimates for Flat Mine North, Flat Mine East and Flat Mine South, it was considered necessary to upgrade the geological interpretation and models and to update the Mineral Resource estimate. Initially, following the completion of a revised geological interpretation, an internal mineral resource estimate was completed for use in provisional mine planning activities.

An Independent update of the Flat Mine North, Flat Mine East and Flat Mine South Mineral Resources has been completed by Z Star Mineral Resource Consultants (**Z Star**). Following internal review of the Z Star results, an increase in the Mineral Resource Estimates for three deposits was determined.

The Measured, Indicated and Inferred Mineral Resources, as stated below, have been re-estimated for the Flat Mine North (**FMN**), Flat Mine East (**FME**) and Flat Mine South (**FMS**) deposits, and now total 9.3Mt grading 1.3% Cu for 130,000 tonnes of contained copper (Table 3) (refer ASX/JSE release 28 August 2023).

Together with the previously reported Mineral Resources for Flat Mine (Nababeep), Jan Coetzee Mine and Nababeep Kloof Mine (refer ASX/JSE release 29 March 2021), these latest estimates increase the total Mineral Resource at the OCP to 12Mt grading 1.4% copper for 160,000 tonnes of contained copper (Table 4).

The Mineral Resource estimations are based on historical drilling data and were estimated by a Competent Person and classified in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code 2012**).

Table 3: Mineral Resource Statement for the Flat Mine North, Flat Mine East and Flat Mine South

	Measured			Indicated			Inferred		
Mine/prospect	Tonnes	Cu (%)	Cu (t)	Tonnes	Cu (%)	Cu (t)	Tonnes	Cu (%)	Cu (t)
Flat Mine North	440,000	1.13	5,000	940,000	1.42	13,000	200,000	1.5	4,000
Flat Mine East	–	–	–	3,400,000	1.37	47,000	1,000,000	1.0	9,000
Flat Mine South	–	–	–	2,600,000	1.35	35,000	800,000	1.6	13,000
Total*	**440,000**	**1.13**	**5,000**	**6,900,000**	**1.37**	**95,000**	**2,000,000**	**1.3**	**26,000**

* *Numbers may not add up due to rounding in accordance with the JORC Code guidance. Resources are reported at a 0.7% Cu cut-off grade.*

Table 4: Total Mineral Resource Statement for the Flat Mines Area of the OCP

	Measured			Indicated			Inferred		
Mine/prospect	Tonnes	Cu (%)	Cu (t)	Tonnes	Cu (%)	Cu (t)	Tonnes	Cu (%)	Cu (t)
Flat Mine (Nababeep)	–	–	–	–	–	–	1,000,000	1.4	15,000
Jan Coetzee Mine	–	–	–	–	–	–	1,000,000	1.4	14,000
Nababeep Kloof Mine	–	–	–	–	–	–	500,000	1.2	6,000
Flat Mine North	440,000	1.13	5,000	940,000	1.42	13,000	200,000	1.5	4,000
Flat Mine East	–	–	–	3,400,000	1.37	47,000	1,000,000	1.0	9,000
Flat Mine South	–	–	–	2,600,000	1.35	35,000	800,000	1.6	13,000
Total	**440,000**	**1.13**	**5,000**	**6,900,000**	**1.37**	**95,000**	**4,500,000**	**1.3**	**61,000**

* *Numbers may not add up due to rounding in accordance with the JORC Code guidance. Resources are reported at a 0.7% Cu cut-off grade.*

Review of Operations – South Africa continued

Okiep Copper Project continued

Okiep Copper Project Exploration

Exploration activities continued with ongoing target generation over the OCP area using SkyTEM™ magnetic and electro-magnetic (**EM**) data together with geological and structural interpretive work.

Digital compilation of historical drilling information over various old mines and prospects has continued, together with remodelling of the mineralisation aimed at re-estimating the Mineral Resources. The current focus of this work has been on the NOM-SAFTA Mining Right and contiguous prospecting right application areas, with the objective of including additional prospects as JORC Mineral Resources.

Nigramoep Mine Prospect

Copper oxide staining of outcropping diorite was first discovered at Nigramoep in the late nineteenth century. Intermittent drilling campaigns from the 1950s through to the 1990s led to the evaluation and development of the Nigramoep Mine that produced 7 million tonnes at 2.04% copper in the period 1991 to 2001.

The prospect is located on the western side of a rift of younger sedimentary rocks of varying thickness that obscures highly prospective basement sequences into which mineralised mafic rocks were intruded in irregular pipelike fashion. At Nigramoep, the intrusive displays copper oxide mineralisation on surface where exposed and is covered in part by the younger Nama sediments. Prospecting rights have now been secured over the area where these younger sequences obscure the highly prospective basement sequences that host the intrusive copper mineralisation in the district.

While the Company's initial focus will be on the pre-developed and drilled mineralisation at Nigramoep and other discoveries where Newmont and Goldfield undertook intense drilling programs, Orion will also commence the highly complex detailed analysis of the high resolution SkyTEM™ survey completed by the Company in 2021. These data sets are expected to assist in identifying blind intrusive copper bodies.

This area of the Okiep Copper District is very mountainous and inaccessible, only becoming more accessible after the construction of haulage roads to reach the mine in the 1990s. The area has therefore had less intense surface exploration and presents a high priority exploration area with a key structural corridor linking the Nigramoep and Nababeep Mines (Figure 12).

At Nigramoep, the copper mineralisation is very steeply dipping, plunging to the north-east, with the hanging wall of the mineralisation nearly vertical. In plan view, the mineralised body has an east-northeast trend with dimensions in the order of 250m by 100m.

The full vertical extent of the drilled mineralised body is approximately 800m. The east-northeast dimension increases to a maximum 430m of strike and 80m of width on the 628m Level where a sausage shaped appendix of mineralised diorite, referred to historically as the "Wors Orebody", extends to the west-southwest with a vertical extent in the order of 100m (Figure 13).

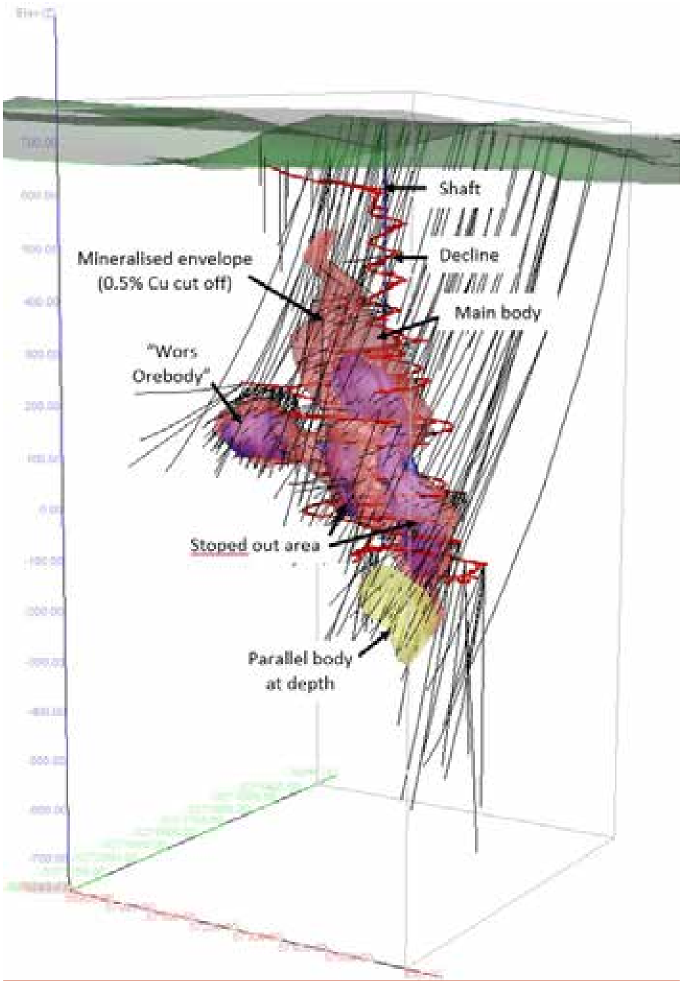


Figure 13: Nigramoep deposit showing main mineralised zones (red and yellow), historical stoping (blue), main development and historical drill hole traces. View looking north-west

Areachap Belt, Near-Mine Exploration and Jacomynspan Project

The Areachap Belt is an under-explored belt with multiple Cu-Zn and Ni-Cu-Co-PGE-Au intrusive targets within Orion's tenements. Chief amongst these are:

- The Prieska Copper Zinc near mine, open pit and underground targets with high-grade intersections;
- The Jacomynspan Project, with potential for sulphide nickel-copper-cobalt-PGE-gold open pit and shallow underground mining;
- Several high-grade Cu-Au targets with historical and recent drill hole intersections; and
- Several Li, Be, Rare Earth Element (**REE**) occurrences and old diggings to be investigated.

No field work was undertaken during the financial year, with work rather focusing on evaluating the now extensive database of geophysical, geochemical and drilling data.

During the reporting period the DMRE granted four prospecting right applications by Orion Exploration No.5 located in the "near-mine" areas adjacent to the PCZM project.

Orion is evaluating several options to maximise the value of this highly prospective exploration package outside of the near-mine confines.

Jacomynspan Project and Metal Refining

The Jacomynspan Project offers the potential for a class one, sulphide nickel-copper-cobalt-PGE-gold open pit and shallow underground mining project. The Namaqua Nickel Mining Right, which was granted by the DMRE in September 2016, was notarially executed with the DMRE in December 2022. The right has been registered with the Mineral and Petroleum Titles Registration Office.

Work is being progressed in parallel with a metallurgical test work program to produce battery precursor products and other critical metal micro-powders from Jacomynspan mineralised material.

Orion signed an exclusivity agreement with Stratega Metals to undertake amenability test work on a 250kg sample of Ni-Cu-Co-PGE-Au concentrates from the Jacomynspan Project (refer ASX/JSE release 9 May 2022).

In the reporting period, work focused on planning for a trial mining exercise to generate a sufficiently sized representative bulk sample to test innovative metallurgical refining/battery pre-cursor production at pilot scale. Many projects globally are receiving renewed attention with downstream metallurgical testing of innovative refining/processing with potential to improve metallurgical recoveries and revenue generation from sulphide ores. These technologies present significant upside potential for deposits of this kind.

Orion, which holds a 50% interest and manages the project, engaged with its project partners who collectively hold 50% interest in the project, to agree a forward program and budget to maximise the project value.

Stratega Metals Vapour Refining Project

Initial laboratory amenability test work undertaken on a sample of Jacomynspan concentrate has provided promising results. These results have been subjected to thorough evaluation by a panel of international consultants.

A follow-up set of tests will now be conducted using two different laboratory facilities. The first set of tests, involving selective chlorination and extraction, will be carried out at a tailor-made facility, specifically for JMP concentrate, in Gauteng, South Africa. The second set of tests, focusing on carbonylation, will take place at a new high-tech carbonylation laboratory located in Toronto, Canada.

The objective of these follow-up tests is to assess the metal vapour process capability, to manage and control desired thermodynamic and kinetic parameters for selective chlorination and extraction, metal gas transfer, distillation, and carbonylation. The desired outcome is the refining – and thus production – of value-added products such as pure elemental sulphur, refined separated metal products and compounds and metal carbonyl powders.

The data obtained from scientifically and empirically generated process parameters will provide detailed inputs for the design criteria, engineering design, and construction of a laboratory-scale pilot plant, required for the next phase of the project. Thereafter, this information will serve as the foundation for design criteria in the following phase, which is a full-scale demonstration plant.

Review of Operations – South Africa continued

Areachap Belt, Near-Mine Exploration and Jacomynspan Project continued

Stratega Metals (Pty) Ltd (**Stratega**) has also progressed discussions with electric vehicle (**EV**) manufacturers who are potential end users of the metal vapour powder products to be produced. One large European EV manufacturer has accepted Stratega onto its accredited supplier listing and has expressed interest in funding a vertically integrated mine and refinery facility to produce its metal product requirements.

A scoping level feasibility study is underway with completion scheduled for Q1 CY2024.

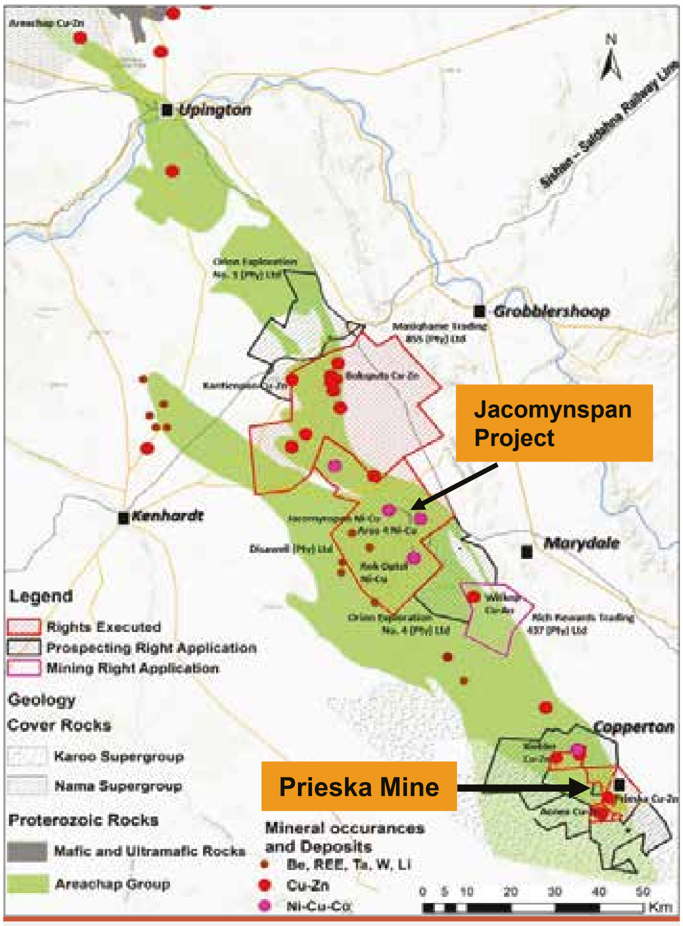


Figure 14: Jacomynspan Project mineral occurrences and deposits

Review of Operations – Australia

Fraser Range

Nickel-Copper Projects (Western Australia)

The Fraser Range Project is a belt-scale project highly prospective for high-value magmatic nickel-copper-cobalt sulphide discoveries, extending over a total strike distance of some 430km. ASX-listed IGO Limited (ASX: IGO) is the dominant landholder in the Fraser Range and owns the Nova Operation, which is mining and processing the Nova-Bollinger Ni-Cu-Co sulphide deposit discovered in 2015.

Orion maintains a sizeable tenement package in the Fraser Range under a joint venture with IGO. In terms of the joint venture, IGO is responsible for the exploration of all the tenements, while Orion is free-carried by IGO through to the first Pre-Feasibility Study. This allows Orion to maintain exposure to ongoing exploration and development of the project, without any ongoing financial commitment.

The mineral riches of the belt have been demonstrated at IGO's Nova nickel-copper-cobalt operation and other neighbouring discoveries including Silver Knight by the Creasy Group and Mawson by Legend Mining.

In the 2023 financial year, IGO developed several key targets at the Fraser Range Project, with work including diamond and reverse circulation drilling at more than 25 key targets.

Early in the reporting period, IGO completed 2km of rehabilitation works across E28/2367 and E28/2378, while clearing and preparing track access for the upcoming aircore program at Artemis (E28/267). Moving loop EM (**MLEM**) surveys were conducted at CE, Pennor North and Porpoise target areas.

In 2023, IGO undertook work on JV tenements E39/1653, E39/1654, E69/2379, E69/2707, E28/2596, E28/2367, E28/2378 and E28/2462. Results were received for Pike North (E28/2367) and five aircore holes totalling 507m were completed at Artemis target (E28/2367) with the sampling results also received at reporting period end from the laboratory. The drilling program was planned to be 18 holes, to test the mafic and ultra-mafic intrusions; however, due to weather conditions, difficulty in drilling and potential risk during the seasonal bushfire period, the program was shortened.

IGO completed a high temperature SQUID (HTS) moving-loop electromagnetic (MLEM) survey at the Artemis target on tenement E28/2367 located within Kanandah Station. The survey was undertaken to follow up encouraging litho-geochemistry intercepts identified in the 2022 AC drill program and in-fill a gap in previous MLEM coverage.

Desktop review of the tenements was also undertaken, with E28/2378 and E28/2462 voluntarily surrendered. A rehabilitation work program was prepared and is expected to be undertaken in the second half of 2023 within tenements E63/237 and E69/2707.

Walhalla

Gold and Polymetals Project (Victoria)

While the Walhalla-Woods Point District is best known for gold mining, high-grade copper-nickel and PGE mineralisation also occurs within the belt. Both the gold and copper-nickel-PGE mineralisation within this district are hosted within dykes from the Woods Point Dyke Swarm, a series of ultramafic to felsic dykes occurring over a 75km long north-south belt.

No field or exploration work was carried out on the Walhalla Project during the reporting period. In February 2023, the Company received notification of the grant of two exploration licences for the Walhalla project.

Ore Reserves and Mineral Resources Statement

Orion has a dual listing with the Australian Securities Exchange (**ASX**) and the Johannesburg Stock Exchange (**JSE**) and reports Exploration Results, Mineral Resource and Ore Reserve Estimates in accordance with the ASX Listing Rules and the requirements and guidelines of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, 2012 (the **JORC Code**).

The JSE requires reporting in terms of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 (**SAMREC Code**); however, the JORC Code requirements are considered similar enough to be accepted by the JSE. The Orion financial year end is 30 June and all subsidiaries have been aligned to this annual reporting date.

The 2023 Annual Report covers Orion's eight exploration projects in the Areachap and Okiep areas in the Northern Cape Province of South Africa, as well as its interest in a number of Australian projects. By the end of FY2018, Indicated and Inferred Mineral Resources were classified and reported from both Orion's flagship Prieska Copper Zinc Mine (refer to ASX/JSE releases 8 February 2018 and 9 April 2018), as well as the Jacomynspan Nickel-Copper Project (refer to ASX release 8 March 2018). By the end of FY2019, the Prieska Project's Mineral Resources had been upgraded to Probable Mineral Ore Reserves, Indicated Mineral Resources and Inferred Mineral Resources for both the near surface +105 Level Mineral Resource (refer to ASX/JSE releases 15 January 2019 and 26 June 2019) and the underground Deep Sulphide Mineral Resource (refer ASX/JSE releases 18 December 2018 and 26 June 2019). The Prieska Deep Sulphide Ore Reserve was updated in FY2020 (refer to ASX release 26 May 2020). Following additional drilling, the +105 Mineral Resource was further updated in 2023 (refer ASX/JSE release 25 July 2023).

In 2021, two maiden Mineral Resources were announced for Orion's Okiep Copper Project covering a number of known copper deposits (refer to ASX releases 10 February 2021 and 29 March 2021). A further update of Mineral Resources for Flat Mine North, Flat Mine East and Flat Mine South was announced in 2023 (refer ASX/JSE release 28 August 2023).

Listings of the respective estimates as they stand at the end of FY2023 are tabulated on pages 47 – 52 for Orion's total interests and for the operational and project divisions. A comparison of the FY2022 and FY2023 estimates are also summarised on a project-by-project basis. The tables are accompanied by the relevant JORC Code Competent Person statements. Refer to the Corporate section for Orion's interest in each project.

Orion's procedures for public reporting ensure transparency, materiality and competence in its governance of Mineral Resource and Ore Reserve estimates and release of results requires several assurance measures.

Firstly, the Competent Persons responsible for public reporting:

- must be current members of a professional organisation that is recognised in the JORC Code framework;
- must have at least five years' relevant experience in the style of mineralisation and reporting activity for which they are acting as a Competent Person;
- must have given a written consent for inclusion of the results and estimates that are reported, stating that the report agrees with supporting documentation regarding the results or estimates prepared by each Competent Person; and
- must have prepared supporting documentation for results and/or estimates to a level consistent with standard industry practices.

This includes JORC Table 1 checklists for any results and/or estimates reported.

Orion also ensures that any publicly reported results and/or estimates are prepared using JORC and ASX guidelines, accepted industry methods and using specialised guidance for aspects where required, such as metal prices and foreign exchange rates. Estimates and results are also peer-reviewed internally by Orion's senior technical staff before being presented to Orion's Board for approval and subsequent ASX reporting.

Market-sensitive or production-critical estimates may also be audited by suitably qualified external consultants to ensure the precision and correctness of the reported information. Once operational, Orion plans to ensure that the estimation precision of actual mine and process production is compared to the Mineral Resource and Ore Reserve forecasts.

Prieska Copper Zinc Mine Mineral Resources and Reserves

The BFS reported on herein contains production targets and forecast financial information supported by a combination of Probable Ore Reserves, Indicated Mineral Resources and Inferred Mineral Resources, all as defined, compiled and disclosed in compliance with ASX Listing Rules and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (**JORC (2012)** or JORC Code) reporting standards. The Ore Reserves and Mineral Resources underpinning the production target in this report have been prepared by Competent Persons in accordance with the requirements in Appendix 5A (JORC (2012)).

Mineral Resources

The Mineral Resource Estimate for the Prieska Copper Zinc Mine Deep Sulphide deposit is as reported in the 2020 Annual Report. Following additional drilling, the +105 Mineral Resources were updated in 2023 (refer to ASX release 25 July 2023).

The Mineral Resource Estimates classified and reported in terms of the JORC Code, 2012 guidelines, for both the Deep Sulphide Mineral Resource and the +105 Level Mineral Resource are as tabled individually on page 47 and then combined in the final table.

Deep Sulphide Mineral Resource for PCZM + Vardocube Tenements (Effective date: 18 December 2018)[1]						
	Classification	Tonnes	Cu (metal tonnes)	Cu (%)	Zn (metal tonnes)	Zn (%)
PCZM	Indicated	15,000,000	170,000	1.15	510,000	3.38
	Inferred	7,000,000	80,000	1.0	270,000	3.9
	Total	**22,000,000**	**250,000**	**1.13**	**780,000**	**3.53**
Vardocube	Indicated	3,500,000	44,000	1.27	160,000	4.57
	Inferred	3,200,000	41,000	1.3	150,000	4.6
	Total	**6,700,000**	**85,000**	**1.27**	**310,000**	**4.57**
Deep Sulphide total	Indicated	19,000,000	220,000	1.17	670,000	3.60
	Inferred	10,000,000	120,000	1.1	420,000	4.1
	Total	**29,000,000**	**330,000**	**1.16**	**1,100,000**	**3.77**

Deep Sulphide Resource bottom cut-off = 4% Equivalent Zn (Zn Eq = Zn% + (Cu%*2)). Tonnes are rounded to two significant figures, which may result in rounding errors.

+105 Updated Mineral Resource for the PCZM Tenement (Effective date: 25 July 2023)[2]						
Classification	Mineralised zone	Tonnes	Cu (metal tonnes)	Cu (%)	Zn (metal tonnes)	Zn (%)
Indicated	HW Oxide	200,000	1,000	0.48	2,000	0.90
	Oxide	490,000	4,000	0.81	4,000	0.73
	Supergene Sulphide	1,100,000	28,000	2.58	22,000	2.06
	Hypogene	120,000	1,000	1.23	4,000	3.78
	Total	**1,900,000**	**34,000**	**1.82**	**32,000**	**1.70**
Inferred	HW Oxide	30,000	100	0.4	300	1.0
	Oxide	300,000	3,000	1.0	2,000	0.8
	Supergene Sulphide	60,000	1,000	1.4	300	0.6
	Hypogene	20,000	100	0.8	100	0.4
	Total	**400,000**	**4,000**	**1.0**	**3,000**	**0.8**
	Total Mineral Resource	**2,300,000**	**38,000**	**1.7**	**35,000**	**1.6**

+105m Level Mineral Resource bottom cut-off = 0.3% Cu. Tonnes are rounded to two significant figures, which may result in rounding errors.

Combined Mineral Resource for PCZM + Vardocube Tenements (Effective date: 25 July 2023)[2]						
Mineral Resource	Classification	Tonnes	Cu (metal tonnes)[2]	Cu (%)	Zn (metal tonnes)	Zn (%)
Deep Sulphide Resource	Indicated	19,000,000	220,000	1.17	670,000	3.60
	Inferred	10,000,000	120,000	1.1	420,000	4.1
+105m Level Resource	Indicated	1,900,000	34,000	1.82	32,000	1.70
	Inferred	400,000	4,000	1.0	3,000	0.8
Total	Indicated	20,000,000	250,000	1.23	700,000	3.43
	Inferred	11,000,000	120,000	1.1	420,000	4.0
Grand total		**31,000,000**	**370,000**	**1.2**	**1,100,000**	**3.6**

Deep Sulphide Mineral Resource bottom cut-off = 4% Equivalent Zn (Zn Eq = Zn% + (Cu%*2)); +105m Level Mineral Resource bottom cut-off = 0.3% Cu. Tonnes are rounded to two significant figures, which may result in rounding errors.

[1] *Mineral Resource reported in ASX release of 18 December 2018: "Landmark Resource Upgrade Sets Strong Foundation" available to the public on http://www.orionminerals.com.au/investors/asx-jse-announcements/. Competent Person Orion's exploration: Mr Errol Smart. Competent Person: Orion's Mineral Resource: Mr Sean Duggan. Orion confirms it is not aware of any new information or data that materially affects the information included above. For the Mineral Resources, the Company confirms that all material assumptions and technical parameters underpinning the estimates in the ASX release of 18 December 2018 continue to apply and have not materially changed. Orion confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified.*

[2] *Mineral Resource reported in ASX release of 25 July 2023: "Prieska Crown Pillar +105 Level Mineral Resource increases to 2.3Mt @ 1.7% Cu and 1.6% Zn ahead of Trial Mining" available to the public on http://www.orionminerals.com.au/investors/asx-jse-announcements/. Competent Person Orion's exploration: Mr Paul Matthews. Competent Person: Orion's Mineral Resource: Mr Sean Duggan. Orion confirms it is not aware of any new information or data that materially affects the information included above. For the Mineral Resources, the Company confirms that all material assumptions and technical parameters underpinning the estimates in the ASX release of 25 July 2023 continue to apply and have not materially changed. Orion confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified.*

Ore Reserves and Mineral Resources Statement continued

Ore Reserves

The Ore Reserve that follows is classified and reported in accordance with JORC Code, 2012. The Ore Reserve estimate for the Prieska Copper Zinc Mine is as reported in the 2020 Annual Report. There are no material changes to the estimate.

The Deep Sulphide Probable Ore Reserve[1] estimate amounts to 14.0Mt grading 1.0% Cu and 3.2% Zn, including 146kt copper metal tonnes and 446kt zinc metal tonnes (Cu-Eq of 248kt metal tonnes at 1.8%) as tabulated below.

Prieska Copper Zinc Mine Deep Sulphide Ore Reserves (Effective date: 26 May 2020)[3]

			Cu		Zn		Cu equivalent[4]	
Deposit	Ore Reserve classification	Tonnage (Mt)	Metal tonnes (Kt)	Grade (%)	Metal tonnes (Kt)	Grade (%)	Metal tonnes (Kt)	Grade (%)
Deep Sulphide	Probable	14.0	146	1.0	446	3.2	248	1.8
Total	**Probable**	**14.0**	**146**	**1.0**	**446**	**3.2**	**248**	**1.8**

The Deep Sulphide Ore Reserve is calculated using financial assumptions and modifying factors stated in the study. Tonnes are rounded to thousands, which may result in rounding errors.

The +105 Level Probable Ore Reserve[1] is estimated at 480kt grading 1.5% Cu and 3.3% Zn, including 7kt copper metal tonnes and 16kt zinc metal tonnes (Cu-Eq of 11kt metal tonnes at 2.3%). The Probable Ore Reserve was calculated using the prior 2019 +105 Mineral Resource (refer to ASX release 15 January 2019).

Prieska Copper Zinc Mine +105 Level Ore Reserves (Effective date: 26 June 2019)[5]

			Cu		Zn		Cu equivalent[4]	
Deposit	Ore Reserve classification	Tonnage (Kt)	Metal tonnes (Kt)	Grade (%)	Metal tonnes (Kt)	Grade (%)	Metal tonnes (Kt)	Grade (%)
+105 Level	Probable	484	7	1.5	16	3.3	11	2.3
Total	**Probable**	**484**	**7**	**1.5**	**16**	**3.3**	**11**	**2.3**

+105m Level Ore Reserves is calculated using financial assumptions and modifying factors stated in the study. Tonnes are rounded to thousands, which may result in rounding errors.

[3] *Ore Reserve reported in the ASX/JSE release of 26 May 2020: "Prieska BFS – Long life, high margin project" available to the public on www.orionminerals.com.au/investors/asx-jse-announcements. Competent Person: Orion's Ore Reserve: Mr William Gillespie. Orion confirms it is not aware of any new information or data that materially affects the information included above. For the Ore Reserves, the Company confirms that all material assumptions and technical parameters underpinning the estimates in the ASX release of 26 May 2020 continue to apply and have not materially changed. Orion confirms that the form and context in which the Competent Person's findings are presented here have not materially changed.*

[4] *Method used to determine Cu equivalent Zn grades:*

Underground Cu Equivalent Estimation

1% Zn = (Zn price x Zn NSR) x (Zn plant recovery) = (2,337 x 68.3%) x (81.6%) = 0.23% Cu

(Cu price x Cu NSR) x (Cu plant recovery) (6,680 x 99.3%) (85.5%)

Therefore, Cu Equivalent grade = Cu grade + 0.23 x Zn grade.

Open-pit Cu Equivalent Estimation

1% Zn = (Zn price x Zn NSR) x (Zn plant recovery) = (2,337 x 52.2%) x (75.8%) = 0.17% Cu

(Cu price x Cu NSR) x (Cu plant recovery) (6,680 x 91.9%) (61.7%)

Therefore, Cu Equivalent grade = Cu grade + 0.17 x Zn grade.

Combined Cu Equivalent Estimation

1% Zn = (Zn price x Zn NSR) x (Zn plant recovery) = (2,337 x 67.8%) x (81.4%) = 0.23% Cu

(Cu price x Cu NSR) x (Cu plant recovery) (6,680 x 99.0%) (84.3%)

Therefore, Cu Equivalent grade = Cu grade + 0.23 x Zn grade.

Metal price assumptions based on S&P Global commodity long-term forecast (April 2020).

Plant recovery assumptions are based on metallurgical test work completed to date at Mintek Laboratories (South Africa) under the supervision of DRA. Refer to JORC Table 1 in the ASX/JSE releases 15 November 2017, 8 February 2018, 1 March 2018, 12 June 2018, 22 October 2018 and 31 October 2019.

[5] *Ore Reserve reported in the ASX/JSE release of 26 June 2019: "Prieska BFS – Long life, high margin project" available to the public on www.orionminerals.com.au/investors/asx-jse-announcements. Competent Person: Orion's Ore Reserve: Mr William Gillespie. Orion confirms it is not aware of any new information or data that materially affects the information included above. For the Ore Reserves, the Company confirms that all material assumptions and technical parameters underpinning the estimates in the ASX release of 26 June 2019 continue to apply and have not materially changed. Orion confirms that the form and context in which the Competent Person's findings are presented here have not materially changed.*

Prieska Copper Zinc Mine Ore Reserves Estimate (Effective date: 26 May 2020)[3]

			Cu		Zn		Cu equivalent[2]	
Deposit	Ore Reserve classification	Tonnage (Mt)	Metal tonnes (Kt)	Grade (%)	Metal tonnes (Kt)	Grade (%)	Metal tonnes (Kt)	Grade (%)
+105 Level	Probable	0.5	7	1.5	16	3.3	11	2.3
Deep Sulphide	Probable	14.0	146	1.0	446	3.2	248	1.8
Total	**Probable**	**14.5**	**153**	**1.1**	**462**	**3.2**	**259**	**1.8**

Project Ore Reserves is calculated using financial assumptions and modifying factors stated in the study. Tonnes are rounded to thousands, which may result in rounding errors.

Mineral Resource and Ore Reserve Annual Comparison for the Prieska Project

Prieska Copper Zinc Mine Mineral Resource and Ore Reserve Annual Comparison

Prieska Copper Zinc Mine		Financial year	July 2019 – June 2022			July 2022 – June 2023			
Tenement	Mineral Resource	Classification	Tonnage (Mt)	Cu (%)	Zn (%)	Tonnage (Mt)	Cu (%)	Zn (%)	Refer ASX release
PCZM and Vardocube	Deep Sulphide	Probable Ore Reserve	14.0	1.0	3.2	No material change			26 May 2020
		Indicated Mineral Resource	19	1.17	3.6	No material change			18 Dec 2018
		Inferred Mineral Resource	10	1.1	4.1	No material change			18 Dec 2018
	+105m Level	Probable Ore Reserve	0.5	1.5	3.3	No material change			26 Jun 2019
		Indicated Mineral Resource	0.6	1.54	3.1	1.9	1.82	1.70	15 Jan 2019 25 Jul 2023
		Inferred Mineral Resource	1.1	1.4	1.4	0.4	1.0	0.8	15 Jan 2019 25 Jul 2023
	Mineral Resources are inclusive of Ore Reserves								
	Totals	Probable Ore Reserve	14.5	1.1	3.2	No material change			26 May 2020
		Indicated Mineral Resource	19	1.18	3.6	20	1.23	3.43	18 Dec 2018 25 Jul 2023
		Inferred Mineral Resource	11	1.2	3.8	11	1.1	4.0	18 Dec 2018 25 Jul 2023

The Mineral Resources are inclusive of Ore Reserves.

Competent Persons' Statements – Prieska Copper Zinc Mine

The information in this report that relates to Exploration Results is not in contravention of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled and assessed under the supervision of Mr Errol Smart, Orion's Managing Director. Mr Smart (PrSciNat) is registered with the South African Council for Natural Scientific Professionals, a Recognised Overseas Professional Organisation (**RPO**) for JORC purposes and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Smart consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is not in contravention of the JORC Code and has been compiled and assessed under the supervision of Mr Sean Duggan, a Director and Principal Analyst at Z Star Mineral Resource Consultants (Pty) Ltd. Mr Duggan (PrSciNat) is registered with the South African Council for Natural Scientific Professionals (Registration No. 400035/01), an RPO for JORC purposes and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Duggan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Ore Reserves and Mineral Resources Statement continued

The information in this report that relates to the Ore Reserves is based on mining-related information incorporated under the supervision of Mr William Gillespie, a Competent Person who is a fellow of the Institute of Materials, Minerals and Mining (**IMMM**), an RPO. Mr Gillespie takes overall responsibility for the Ore Reserve aspects of the release as Competent Person. Mr Gillespie is an employee of A & B Global Mining Consultants (Pty) Ltd which contracts to Orion. Mr Gillespie has sufficient experience that is relevant to the type of mining and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Gillespie consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the metallurgy and processing plant information incorporated under the supervision of Mr John Edwards, a Competent Person, who is a Fellow of the South African Institute of Mining and Metallurgy (**SAIMM**), an RPO. Mr Edwards is an employee of METC Engineering Ltd, which provides consulting services to Orion. Mr Edwards has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined by the 2012 Edition of the JORC Code. Mr Edwards consents to the inclusion of the report of the matters based on his information in the form and context in which it appears.

Jacomynspan Project Mineral Resources

The Mineral Resource Estimate for the Jacomynspan Prospect in the Namaqua-Disawell Project is as reported in the 2018 Annual Report. There are no material changes to the estimate.

A maiden Mineral Resource Estimate, based on drilling data from 1971 to 2012, reported at a 0.4% Ni cut-off grade gives 6.8Mt @ 0.57% Ni, 0.33% Cu, 0.03% Co, 0.19g/t Pt, 0.12g/t Pd and 0.087g/t Au at a 0.4% Ni cut-off (refer to ASX/JSE release 8 March 2018). The Mineral Resources for the Jacomynspan Project were previously reported (refer to ASX release 14 July 2016) in accordance with the SAMREC Code (2007) as a "qualifying foreign resource estimate" as defined in the ASX Listing Rules.

The Mineral Resources have subsequently been reassessed by the MSA Group (Pty) Ltd on behalf of the Company and reported in compliance with the JORC Code, 2012[6].

Mineral Resource

Mineral Resource Grade-Tonnage Table for the Jacomynspan Project at a 0.40% Ni cut-off grade

				Ni		Cu		Co		Pt		Pd		Au	
Classification	Cut-off %Ni	Volume (m^3)	Tonnes	Grade (%)	Metal tonnes	Grade (%)	Metal tonnes	Grade (%)	Metal tonnes	Grade g/t	Metal oz	Grade g/t	Metal oz	Grade g/t	Metal oz
Indicated	0.4	584,000	1,780,000	0.55	10,000	0.29	5,000	0.03	1,000	0.17	10,000	0.11	6,000	0.07	4,000
Inferred	0.4	1,647,000	5,056,000	0.58	29,000	0.35	18,000	0.03	1,000	0.19	31,000	0.13	21,000	0.07	11,000

Indicated Mineral Resource for the Jacomynspan Project at various Ni cut-off grades

			Ni		Cu		Co		Pt		Pd		Au	
Cut-off %Ni	Volume (m^3)	Tonnes	Grade (%)	Metal tonnes	Grade (%)	Metal tonnes	Grade (%)	Metal tonnes	Grade g/t	Metal oz	Grade g/t	Metal oz	Grade g/t	Metal oz
0.20	11,252,000	33,000,000	0.26	86,000	0.18	58,000	0.02	6,000	0.10	101,000	0.05	53,000	0.04	44,000
0.25	4,205,000	12,393,000	0.32	40,000	0.20	25,000	0.02	3,000	0.11	45,000	0.06	25,000	0.05	19,000
0.30	1,501,000	4,461,000	0.42	19,000	0.24	11,000	0.02	1,000	0.14	20,000	0.08	12,000	0.05	8,000
0.40	584,000	1,780,000	0.55	10,000	0.29	5,000	0.03	1,000	0.17	10,000	0.11	6,000	0.07	4,000
0.50	284,000	872,000	0.66	6,000	0.37	3,000	0.04	300	0.16	5,000	0.11	3,000	0.07	2,000

[6] *Mineral Resource for Jacomynspan reported in ASX/JSE release of 8 March 2018: "Modelling confirms targets surrounding Jacomynspan Intrusive" available to the public on http://www.orionminerals.com.au/investors/asx-jse-announcements/. Competent Person Mineral Resource: Mr Jeremy Witley. Orion confirms it is not aware of any new information or data that materially affects the information included above. The Company confirms that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. Orion confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.*

Inferred Mineral Resource for the Jacomynspan Project at various Ni cut-off grades

			Ni		Cu		Co		Pt		Pd		Au	
Au Cut off %Ni	Volume (m^3)	Tonnes	Grade (%)	Metal tonnes	Grade (%)	Metal tonnes	Grade (%)	Metal tonnes	Grade (g/t)	Metal oz	Grade (g/t)	Metal oz	Grade (g/t)	Metal oz
0.20	11,022,000	32,304,000	0.29	94,000	0.20	63,000	0.02	6,000	0.10	108,000	0.06	60,000	0.04	44,000
0.25	3,974,000	11,863,000	0.42	49,000	0.26	31,000	0.02	2,000	0.15	55,000	0.09	34,000	0.05	20,000
0.30	2,303,000	7,008,000	0.52	36,000	0.31	22,000	0.02	2,000	0.19	42,000	0.12	27,000	0.06	14,000
0.40	1,647,000	5,056,000	0.58	29,000	0.35	18,000	0.03	1,000	0.19	31,000	0.13	21,000	0.07	11,000
0.50	982,000	3,041,000	0.67	20,000	0.41	13,000	0.03	1,000	0.17	16,000	0.12	11,000	0.07	7,000

Mineral Resource Annual Comparison for the Jacomynspan Prospect

Namaqua-Disawell Project Mineral Resource and Ore Reserve Annual Comparison

Jacomynspan Project 2022		Financial year	July 2017 – June 2018						July 2022 – June 2023			
Tenement	Mineral Resource	Classification	Tonnage (Mt)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Tonnage (Mt)	Ni (%)	Cu (%)	Refer ASX release
Namaqua-Disawell	Jacomynspan	Indicated Mineral Resource	1.78	0.6	0.3	0.03	0.2	0.1	No material change			8 Mar 2018
		Inferred Mineral Resource	5.06	0.6	0.4	0.03	0.2	0.1	No material change			8 Mar 2018
		Indicated Mineral Resource	1.78	0.6	0.3	0.03	0.2	2.6	No material change			8 Mar 2018
		Inferred Mineral Resource	5.06	0.6	0.4	0.03	0.2	3.8	No material change			8 Mar 2018

Competent Person's Statement – Jacomynspan Project

The information in this report that relates to the Mineral Resource at the Jacomynspan Project is based on information compiled by Mr Jeremy Charles Witley (BSc Hons, MSC (Eng.)), a Competent Person who is registered with the South African Council for Natural Scientific Professionals (Registration No. 400181/05), an RPO, included in a list posted on the ASX website from time to time. Mr Witley is a Principal Resource Consultant at the MSA Group (Pty) Ltd and a consultant to Orion.

Mr Witley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Witley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

New Okiep Mining Project Mineral Resource

Maiden Mineral Resource estimates were reported in FY2021 for the New Okiep Mining Project. The Mineral Resource estimates are classified and reported in terms of the JORC Code, 2012 guidelines. Flat Mine North (**FMN**), Flat Mine South (**FMS**) and Flat Mine East (**FME**) Mineral Resources were released on 10 February 2021 with updated Mineral Resources released on 28 August 2023. Jan Coetzee, Flat Mine Nababeep and Nababeep Kloof Mineral Resources were announced on 29 March 2021. The estimates are tabulated on page 52 with a combined total.

Ore Reserves and Mineral Resources Statement continued

Okiep Project Mineral Resource Estimates

Total Mineral Resource Estimate for the Flat Mines Area of the Okiep Project (0.7% Cu cut-off)[7] Effective date: 28 August 2023									
	Measured			Indicated			Inferred		
Mine/Prospect	Mt	% Cu	t Cu	Mt	% Cu	t Cu	Mt	% Cu	t Cu
Flat Mine East	–	–	–	3.4	1.37	47,000	1.0	1.0	9,000
Flat Mine North	0.44	1.13	5,000	0.94	1.42	13,000	0.2	1.5	4,000
Flat Mine South	–	–	–	2.6	1.35	35,000	0.8	1.6	13,000
Flat Mine (Nababeep)	–	–	–	–	–	–	1.0	1.4	15,000
Jan Coetzee Mine	–	–	–	–	–	–	1.0	1.4	14,000
Nababeep Kloof Mine	–	–	–	–	–	–	0.5	1.2	6,000
Total	**0.44**	**1.13**	**5,000**	**6.9**	**1.37**	**95,000**	**4.5**	**1.3**	**61,000**

Resources are reported at a 0.7% Cu cut off.

Numbers may not add up due to rounding in accordance with the JORC code guideline.

Mineral Resource Annual Comparison for the Okiep Prospect

Okiep Copper Project Mineral Resource and Ore Reserve Annual Comparison

Okiep Project		**Financial year**	**July 2020 – June 2021**			**July 2022 – June 2023**			
Tenement	Mineral Resource	Classification	Tonnage (Mt)	Cu (%)	Cu (Kt)	Tonnage (Mt)	Cu (%)	Cu (Kt)	Refer ASX release
Okiep Copper Project	Flat Mine East	Measured Mineral Resource	3.2	1.43	45	–	–	–	28 Aug 2023
		Indicated Mineral Resource	0.80	1.11	8.9	3.4	1.37	47	28 Aug 2023
		Inferred Mineral Resource	–	–	–	1	1.0	9	28 Aug 2023
	Flat Mine North	Measured Mineral Resource	0.34	1.27	4.3	0.44	1.13	5	28 Aug 2023
		Indicated Mineral Resource	0.97	1.50	15	0.94	1.42	13	28 Aug 2023
		Inferred Mineral Resource	–	–	–	0.2	1.5	4	28 Aug 2023
	Flat Mine South	Indicated Mineral Resource	3.3	1.41	46	2.6	1.35	35	28 Aug 2023
		Inferred Mineral Resource	0.4	0.8	3.0	0.8	1.6	13	28 Aug 2023
	Flat Mine (Nababeep)	Inferred Mineral Resource	1.0	1.4	15	No material change			29 Mar 2021
	Jan Coetzee Mine	Inferred Mineral Resource	1.0	1.4	14	No material change			29 Mar 2021
	Nababeep Kloof Mine	Inferred Mineral Resource	0.5	1.2	6	No material change			29 Mar 2021
	Mineral Resources are inclusive of Ore Reserves								
	Totals	Measured Mineral Resource	3.5	1.41	49	4.4	1.13	5	29 Mar 2021 28 Aug 2023
		Indicated Mineral Resource	5.0	1.38	69	6.9	1.37	95	29 Mar 2021 28 Aug 2023
		Inferred Mineral Resource	3.0	1.3	38	4.5	1.3	61	29 Mar 2021 28 Aug 2023

[7] *Mineral Resource for Nababeep, Jan Coetzee and Nababeep Kloof mines reported in ASX/JSE release of 29 March 2021: "Additional Mineral Resource Estimate for the Okiep Copper Prospect, Flat Mines" available to the public on http://www.orionminerals.com.au/investors/asx-jse-announcements/. Competent Person Mineral Resource: Dr Deon Vermaakt. Orion confirms it is not aware of any new information or data that materially affects the information included above. The Company confirms that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. Orion confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.*

Mineral Resource for FMN, FMS and FME reported in ASX/JSE release of 28 August 2023: "Orion upgrades Mineral Resources at the Flat Mines Area, Okiep Copper Project as BFS nears completion" available to the public on http://www.orionminerals.com.au/investors/asx-jse-announcements/. Competent Person Mineral Resource: Mr Sean Duggan. Orion confirms it is not aware of any new information or data that materially affects the information included above. The Company confirms that all material assumptions and technical parameters underpinning the estimates in the ASX release of 28 August 2023 continue to apply and have not materially changed. Orion confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

Competent Person's Statement – New Okiep Mining Project

The information in this report that relates to Orion's Mineral Resource for Jan Coetzee, Flat Mine Nababeep and Nababeep Kloof mines at the Okiep Copper Project complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled and assessed under the supervision of Dr Deon Vermaakt. Dr Vermaakt (PrSciNat) is registered with the South African Council for Natural Scientific Professionals (Registration No. 400020/00), an RPO for JORC purposes. Dr Vermaakt has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Dr Vermaakt consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Orion's Mineral Resource for FMN, FMS and FME complies with the latest Edition of the JORC Code and has been compiled and assessed under the supervision of Mr Sean Duggan, a Director and Principal Analyst at Z Star Mineral Resource Consultants (Pty) Ltd. Mr Duggan (PrSciNat) is registered with the South African Council for Natural Scientific Professionals (Registration No. 400035/01), an RPO for JORC purposes. Mr Duggan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Duggan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Corporate

The Company recorded a loss of $17.13 million for the year ended 30 June 2023. The result was driven primarily by exploration expenditure incurred of $4.13 million which, under Orion's deferred exploration, evaluation and development policy, did not qualify to be capitalised and was expensed. Finance income of $3.32 million principally related to interest receivable on the Company's investment in preference shares issued to the Company (through its subsidiary Agama Exploration & Mining (Pty) Ltd (**Agama**)) by Prieska Resources Pty (Ltd) (**Prieska Resources**), to partly fund the acquisition by Prieska Resources of a 20% interest in the Company's subsidiary, Prieska Copper Zinc Mine (Pty) Ltd (**PCZM**).

Net cash used in operating activities and investing activities totalled $14.39 million and included payments for exploration and evaluation of $8.34 million. Orion continues to focus strongly on the development of its Prieska Copper Zinc Mine, Okiep Copper Project and exploration and development within its Areachap Belt projects in South Africa.

Cash on hand as at 30 June 2023 was $7.56 million.

Post-year end, in August 2023, Orion received ~$13.8 million in cash from the initial drawdown of the IDC Convertible Loan Facility and the Triple Flag early Funding Arrangement (refer below).

Prieska Copper Zinc Mine funding

On 17 July 2023, Orion announced that it had taken another important step in advancing the funding strategy for the PCZM after satisfying numerous substantive conditions required to commence drawdown on project development funding facilities totalling ~ZAR370 million (~$30 million), being the IDC ZAR250 million (~$20 million), Convertible Loan and the Triple Flag $10 million Funding Arrangement.

Drawdown of the IDC Convertible Loan will be in tranches and will be pro rata matched by the drawdown requests that Orion will make under the Triple Flag Funding Arrangement. In August 2023, Orion received ~$13.8 million in cash from the initial drawdown of the IDC Convertible Loan Facility and the Triple Flag early Funding Arrangement.

Orion's flagship PCZM is transitioning to the mine development and construction phase following the conclusion of the key elements of an overarching strategic funding package.

This funding package allows Orion to progress the development of the PCZM, including the commencement of trial mining and processing of ore, mine dewatering and the completion of feasibility studies for the PCZM Early Production Scenario.

The PCZM Early Production Scenario, which was first announced in January 2022 (refer ASX/JSE release 20 January 2022), brings forward revenue generation and potentially reduces the upfront external peak funding requirements by phasing the mine build while retaining the option to scale-up to the full-scale project (as outlined in the Bankable Feasibility Study published in 2020, refer ASX/JSE release 26 May 2020) as sufficient funding becomes available. The Early Mining Works BFS for the PCZM is well advanced, with targeted completion in early 2024.

Industrial Development Corporation of South Africa (IDC) Convertible Loan

Following the signing of a non-binding term sheet on 21 October 2022, in February 2023 Orion signed definitive agreements with the IDC for a ZAR250 million (~$22 million) senior secured loan facility (**IDC Convertible Loan**) to fund early mining works and key pre-development activities at the PCZM.

Under the terms of the IDC Convertible Loan, the IDC will provide the ZAR250 million to PCZM HoldCo (Pty) Ltd (an indirect, wholly owned subsidiary of Orion), which will be on-lent to PCZM (a majority-owned subsidiary of Orion) on similar terms to fund the completion of the Feasibility Study for the previously-articulated Early Production Plan at Prieska (refer ASX/JSE release 20 January 2022), while also allowing the Company to commence dewatering of the existing underground mine – a critical path activity required for the broader long-term development of the project.

A summary of the material terms of the IDC Convertible Loan definitive agreement is provided in Appendix 1 of the 8 February 2023 ASX/JSE release.

Triple Flag Funding Arrangements

In December 2022, Orion signed definitive agreements with Triple Flag Precious Metals Corp. (TSX/NYSE: TFPM) (with its subsidiaries, **Triple Flag**) for a US$87 million (~$127 million) secured funding package for PCZM made up of a precious metals stream (**Precious Metal Stream**) and an additional early funding arrangement (**Funding Arrangement**).

The Precious Metal Stream, which comprises US$80 million (~$117 million) of funding to be drawn down in tranches, alongside other bank and/or third-party funding during mine development, is conditional on the mine development being fully funded, finalisation of an executable mine plan to Triple Flag's satisfaction, South African regulatory approvals, and fulfilment of drawdown conditions standard for such arrangements.

Triple Flag has also provided an additional $10 million (~US$7 million) Funding Arrangement, to complete the Early Mining Works BFS and Dewatering Project.

Under each of the Precious Metal Stream and the Funding Arrangement, PCZM and other obligors will agree to grant a first ranking security in favour of Triple Flag and the IDC over certain assets and claims related directly and indirectly to the project, with the security in respect of the Precious Metal Stream to be subordinated to PCZM financiers on terms to be agreed in an intercreditor arrangement that is consistent with the principles set out in the Precious Metal Stream agreement.

A summary of the material terms of the Triple Flag definitive agreements is provided in Appendix 1 of the 13 December 2022 ASX/JSE release.

Okiep Copper Project funding

IDC Share Acquisition and pre-development funding

In November 2022, Orion and the IDC entered into definitive agreements in terms of which the IDC acquired 43.75% of the issued ordinary shares in New Okiep Mining Company (Pty) Ltd (**NOM**) and triggered pre-development funding arrangements for the Flat Mines Area (**Flat Mines Project**) (refer ASX/JSE release 7 September 2022).

Under the terms of the NOM memorandum of incorporation, the IDC funding of pre-development costs in the aggregate amount of ZAR34.6 million will be advanced to NOM as a shareholder loan on the same terms as the pre-development funding amount of ZAR44.5 million that Orion had already advanced to NOM, including that the loan is unsecured, interest free until such time as the Flat Mines Project commences commercial production, and will be repaid when NOM is in a financial position to make repayment.

Pursuant to the definitive agreements having been implemented and the IDC becoming a shareholder in NOM, during the reporting period, the IDC advanced ZAR34.6 million (~$2.9 million) of its pre-development funding commitment.

Corporate continued

Capital raising

March 2023 Placement

On 15 March 2023, Orion announced a $13 million capital raising by way of a two-tranche placement at 1.5 cents per fully paid ordinary share (**Share**) (**Placement**), which led to the introduction of a new cornerstone investor, Clover Alloys (refer ASX/JSE release 15 March 2023).

Clover Alloys is a highly regarded mining group with significant mine development and operational expertise, including a strong track record in the successful development and operation of modular, capital-efficient metal processing plants at its chrome mines in South Africa. This expertise will be invaluable as Orion advances the development of its PCZM and Okiep Copper Project towards production. Importantly, the placement also received support from Orion's existing long-term shareholders, the Delphi Group and Tembo Capital, who both participated in the Placement.

The Placement included a significant options package and, assuming all Placement options are ultimately exercised, the total value of the equity funding package amounts to ~$73 million. This equity funding, together with previously announced funding including the US$87 million (~$127 million) Triple Flag Precious Metal Stream and Funding Arrangement and the ZAR250 million IDC Convertible Loan (refer above), puts Orion in a strong position to execute its accelerated development strategy in the Northern Cape.

The Placement occurred in two stages, being:

- Tranche 1: in March 2023, the Company issued 710 million Shares at an issue price of 1.5 cents (ZAR18 cents) to raise $10.7 million (**Placement One**). The Shares issued under Placement One were issued without shareholder approval, using the Company's 15% placement capacity under ASX Listing Rule 7.1;
- Tranche 2: in May 2023, following receipt of shareholder approval, the Company issued 171 million Shares at an issue price of 1.5 cents (ZAR18 cents) per Share to raise $2.6 million, including $0.5 million from Orion Non-executive Director, Tom Borman, $0.25 million from Orion's Chairman, Denis Waddell, $30k from Orion's Managing Director and CEO, Errol Smart and $0.77 million from Tembo Capital (which were issued in satisfaction of amounts repaid by Orion under the Loan Facility (refer below)); and
- Placement Options: for every Share issued under the Placement, each investor received four free attaching options (3.5 billion options). The options are unlisted, have an exercise price of 1.7 cents (ZAR20 cents) and an expiry date of 30 November 2023.

June 2022 Placement

On 22 June 2022, the Company announced a capital raising of up to $20 million at 2.0 cents per Share, to underpin the next phase of development of its portfolio of advanced base metal assets in South Africa's Northern Cape Province.

Given the significant volatility experienced in global financial markets at the time, the raising was undertaken in three tranches with first commitments received for the first two tranches (~$6 million). No Shares were issued in relation to tranche 3. The two tranches completed are summarised below:

- Tranche 1: in June 2022 and July 2022, the Company issued a total of 156 million Shares at an issue price of 2.0 cents (being ZAR22 cents) to raise $3.1 million (together with one free attaching unlisted option for each two Shares issued, with an exercise price of 2.5 cents (being ZAR27.5 cents) and an expiry date of 30 June 2023), using the Company's 15% placement capacity under ASX Listing Rule 7.1; and
- Tranche 2: the Company raised $2.9 million through the issue of 145 million Shares at an issue price of 2.0 cents (being ZAR22 cents) per Share (together with one free attaching option for each two Shares issued on the terms set out above), including $2 million from Orion Non-executive Director Tom Borman and $0.2 million from Orion's Chairman, Denis Waddell.

Share Purchase Plan

In addition to the capital raising announced on 22 June 2022, Orion also announced a share purchase plan (**SPP**) providing shareholders an opportunity to increase their shareholding in the Company at the same offer price as the Shares issued under that capital raising (refer above).

Under the SPP, Eligible Shareholders could subscribe for new Shares in parcels starting from $2,000 (or ZAR20,000), up to a maximum of $30,000 (approximately ZAR330,000), at an issue price of 2.0 cents (ZAR22 cents) per Share, without incurring brokerage or transaction costs. The SPP opened on 28 June 2022 and closed on 12 August 2022. On 22 August 2022, the Company issued 67.3 million Shares under the SPP at an issue price of 2.0 cents per Share (ZAR22 cents), raising $1.35 million.

The SPP attracted strong support from shareholders, particularly those in South Africa, which was a pleasing result given the volatility experienced in global financial markets and commodity prices during the SPP offer period.

Loans

Tembo Capital – Convertible Loan Facility

On 3 January 2023, Orion announced that substantial shareholder Tembo Capital Mining Fund II LP (**Tembo Capital**) had continued its strong support for Orion by providing a new unsecured convertible loan facility of US$0.50 million (~$0.73 million) (**Convertible Loan Facility**).

Following receipt of shareholder and regulatory approvals, on 23 May 2023, under the terms of the Convertible Loan Facility, the Company issued 51.5 million Shares at a deemed issue price of 1.5 cents per Share and 205.9 million options to Tembo Capital (or nominee), the consideration for which was the repayment of the Convertible Loan Facility in full (being principal and capitalised interest totalling $0.77 million).

Anglo American sefa Mining Fund – Loan

In November 2015, PCZM (a 70% owned subsidiary of Orion) and Anglo American sefa Mining Fund (**AASMF**) entered into a ZAR14.25 million loan agreement for the further exploration and development of the PCZM (**Loan Facility**). Under the terms of the Loan Facility, on 1 August 2017, AASMF advanced ZAR14.25 million to PCZM.

In May 2023, the Company repaid $2 million (ZAR23.9 million) in cash, as repayment of the Loan Facility in full and importantly, AASMF released the security associated with the Loan Facility, being 29.17% of the shares held in PCZM by Agama (a wholly owned subsidiary of Orion), that were pledged as security to AASMF for the performance by PCZM of its obligations in terms of the Loan Facility.

Jacomynspan Project

In September 2017, Orion entered into a binding earn-in agreement to acquire the earn-in rights over the Jacomynspan Project (South Africa) from two companies, Namaqua Nickel Mining (Pty) Ltd and Disawell (Pty) Ltd (**Namaqua Disawell Companies**), which hold partly overlapping prospecting rights and mining right applications.

In July 2020, the Company entered into an agreement whereby Orion (or its nominated subsidiary) will acquire the remaining minority interests in the Jacomynspan Project held by the Namaqua Disawell Companies and in August 2020, the parties entered into a comprehensive formal written agreement incorporating the principal terms and conditions set out in the initial agreement (**Agreement**). The Agreement is subject to the satisfaction or waiver of specified suspensive conditions. While certain suspensive conditions have been fulfilled, the Agreement remains subject to the satisfaction or waiver of certain remaining suspensive conditions of the Agreement, including that, on or before 27 February 2022, all regulatory approvals as may be required for the purposes of implementing the transaction have been received.

The Company and the other current shareholders in the Jacomynspan Project reached agreement to extend the date by which the Agreement must become unconditional from 27 February 2022 to 30 September 2022. The extension provided additional time for the parties to discuss a potential expanded and revised transaction whereby additional prospective Southern African nickel projects will be combined with the Jacomynspan Project.

Although the Agreement lapsed during the reporting period, the shareholders continue to discuss the future operational plans of the Jacomynspan Project, as they await the statutory approval for Orion to be issued the shares to achieve 50% shareholding in the Namaqua Disawell Companies following satisfaction of the obligations of the original earn-in agreement. Namaqua-Disawell has submitted its applications to the DRME for regulatory approval to issue the additional shares to Orion, resulting in a change of control of the companies holding the mineral rights.

Appointment of Chief Financial Officer

Highly experienced corporate finance executive, Peet van Coller, commenced as the Company's new South African-based Chief Financial Officer (**CFO**) from 1 April 2023. The appointment forms part of a series of recent and planned appointments to Orion's leadership team in South Africa, as it gears up for operational readiness at its flagship Prieska Copper Zinc Project and Okiep Copper Project, in South Africa's Northern Cape Province.

Mr van Coller succeeded Orion's long-serving CFO, Mr Martin Bouwmeester, who remains Orion's Company Secretary and corporate consultant on a part-time basis, ensuring that Orion will continue to benefit from Martin's valuable corporate experience, financial and strategic capabilities.

Mr van Coller's appointment followed a comprehensive executive search process, which was aimed at recruiting a South African-based CFO to support Orion's near-term transition to mine development and production in South Africa.

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Directors' Report

Your directors submit their report for the year ended 30 June 2023.

Board of Directors

Director	Designation	Qualifications, experience and expertise	Directorships of other listed companies	Other roles held during the year
Denis Waddell Appointed 27 February 2009	Non-executive Chairman	*ACA, FAICD* Mr Waddell is a Chartered Accountant with extensive experience in the management of exploration and mining companies. Mr Waddell founded Tanami Gold NL in 1994 and was involved with the Company as Managing Director and then Chairman and Non-Executive Director until 2012. Prior to founding Tanami Gold NL, Mr Waddell was the Finance Director of the Metana Minerals NL group. During the past 37 years, Mr Waddell has gained considerable experience in corporate finance and operations management of exploration and mining companies.	None	Member of the Audit Committee
Errol Smart Appointed 26 November 2012	Managing Director	*BSc(Hons) Geology (University of Witwatersrand)* *NHD Economic Geology (Technikon Witwatersrand)* *(PrSciNat)* Mr Smart is a geologist, registered with the South African Council of Natural Scientific Professionals, a Recognised Overseas Professional Organisation in terms of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC) purposes. Mr Smart has 30 years of industry experience across all aspects of exploration, mine development and operations with experience in precious and base metals. Mr Smart has held positions in Anglogold, Cluff Mining, Metallon Gold, Clarity Minerals, LionGold Corporation and African Stellar Holdings. Mr Smart's senior executive roles have been on several boards of companies listed on both the TSX and ASX and currently serves as a Director on the Board of the Mineral Council South Africa.	None	Chief Executive Officer Member of the Audit Committee
Thomas Borman Appointed 16 April 2019	Non-executive Director	*BCom (Hons) (University of Pretoria)* Mr Borman is a respected and highly experienced global mining executive who served more than 11 years working for the BHP Billiton Group in various senior managerial roles, including that of Chief Financial Officer of an Australian-listed mining company. He also held senior roles in strategy and business development, and served as the project manager for the merger integration transaction between BHP Limited and Billiton. After leaving BHP Billiton in 2006, Mr Borman joined Warrior Coal Investments (Proprietary) Limited, where he formed part of the executive team which established and consolidated the portfolio of assets which became the Optimum Group of companies. Optimum listed on the Johannesburg Stock Exchange in 2010 and was subsequently acquired by Glencore for R8.5 billion in March 2012.	None	–

Director	Designation	Qualifications, experience and expertise	Directorships of other listed companies	Other roles held during the year
Godfrey Gomwe Appointed 16 April 2019	Non-executive Director	*Bachelor Accountancy (Hons) (University of Zimbabwe)* *Masters Business Leadership (University of South Africa)* *CA (Zimbabwe)* Mr Gomwe has extensive experience as an executive in metals and mining industries. Mr Gomwe is the former Chief Executive Officer of Anglo American plc's Thermal Coal business, whose responsibilities included oversight over Anglo's Manganese interests in the joint venture with BHP. Previously Executive Director of Anglo American South Africa until August 2012, Mr Gomwe's Anglo American career included roles as Head of Group Business Development Africa, Finance Director and Chief Operating Officer of Anglo American South Africa and Chairman and Chief Executive of Anglo American Zimbabwe Limited. Mr Gomwe also served on a number of its Executive Committees and Operating Boards which included Kumba Iron Ore, Anglo American Platinum, Highveld Steel & Vanadium and Mondi South Africa, the latter two in the capacity of Chairman.	AECI Limited Econet Wireless Zimbabwe Limited	Chairman of the Audit Committee
Alexander Haller Appointed 27 February 2009 Retired Resigned 5 April 2023	Former Non-executive Director	*BSc Economics* Mr Haller is a principal of Zachary Asset Holdings. Previously, Mr Haller worked in the corporate finance division at JPMorgan Chase, advising on corporate mergers and acquisitions as well as financing in both the equity and debt capital markets.	None	Member of the Audit Committee
Philip Kotze Appointed 5 April 2023	Non-executive Director	*Graduate Diploma in Engineering (Mineral Economics) (University of Witwatersrand, National Higher Diploma Metalliferous Mining (Witwatersrand Technicon)* Mr Kotze started his career in 1981 with Anglovaal Mining Corporation. During his career he worked for a number of companies including Anglogold Ashanti, Kalgold, Harmony Gold Mining Co Ltd, Deloitte and Anooraq Resources Corporation. Mr Kotze has accumulated significant operational experience over the last 40 years on a number of different mines and has distinguished himself as an expert in finding innovative solutions for complex problems.	None	–
Mark Palmer Appointed 31 January 2018	Non-executive Director	*BSc Mining Geology (Cardiff University)* Mr Palmer has 14 years' experience working with entities in Australia, including 8 years with Dominion Mining. In 1994 Mr Palmer joined NM Rothschild & Sons Limited in the London mining project finance team assessing mines and projects globally. In 1997, Mr Palmer moved to the investment banking team at UBS to focus on global mergers and acquisitions, equity and debt financing in the mining sector. Mr Palmer ran the EMEA mining team at UBS for 8 years. Mr Palmer joined Tembo Capital as Investment Director in 2015.	None	–

Company Secretary

The name and details of the Company Secretary in office during the financial year and until the date of this report is as follows:

Name	Experience and qualifications
Martin Bouwmeester Company Secretary (Appointed 1 April 2016)	*Bachelor Business (Accounting) (La Trobe University)* *FCPA (Aust.)* Mr Bouwmeester is highly experienced in exploration, mine development and operations including more than 20 years' experience as CFO and Company Secretary of ASX listed companies. Martin has worked closely with a number of companies, to identify and assess exploration, development and mining opportunities, evaluate and arrange various alternatives for exploration, development and mining activities and develop and implement financial strategies. Martin was CFO of Perseverance Corporation and was a key member of the executive team that developed the Fosterville Gold Mine. Martin also held the position of Group Chief Financial Officer until 31 March 2023.

Directors' Report continued

Corporate structure

Orion Minerals Ltd (**Orion** or **Company**) is a company limited by shares that is incorporated and domiciled in Australia. The Company has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, including those newly acquired (referred to as the **Group**).

Nature of operations and principal activities

The principal activity of the Group during the year was exploration, evaluation and development of base metal, gold and platinum-group element projects in South Africa (Areachap Belt and Okiep Copper Complex, Northern Cape). The Company also holds interests in the Fraser Range Nickel-Copper and Gold Project in Western Australia and the Walhalla Project in Victoria, Australia. There were no significant changes in the nature of the Group's principal activities during the year.

Corporate

Results of operations – the Group

The Group recorded a loss of $17.13M (2022: $15.53M) after tax for the year. The result is driven primarily by exploration expenditure incurred of $4.13M which, under the Group's deferred exploration, evaluation and development policy, did not qualify to be capitalised and was expensed, a $1.90M unrealised foreign exchange loss and finance income of $3.32M principally related to interest receivable on the Company's investment in preference shares, issued to the Company (through its subsidiary Agama Exploration & Mining (Pty) Ltd (**Agama**)) by Prieska Resources Pty (Ltd) (**Prieska Resources**).

Net cash utilised in operating activities and investing activities totalled $14.39M (2022: $17.98M) which includes payments for exploration and evaluation of $8.34M (2022: $13.21M). The Group continues to focus on the development of its Prieska Copper-Zinc Project in South Africa's Areachap geological terrane, Northern Cape (**Prieska Project**), the Okiep Copper Project, the Jacomynspan Project, both also in the Northern Cape and exploration within its Areachap Projects in South Africa.

Net cash from financing activities totalled $18.35M (2022: $1.85M) and included proceeds from the issue of ordinary shares of $17.17M (2022: $2.63M).

Cash on hand at the end of the year was $7.56M (2022: $4.29M).

The basic loss per share for the Group for the year was 0.31 cents and diluted loss per share for the Group for the year was 0.31 cents (2022: loss per share 0.33 cents and diluted loss per share 0.33 cents). No dividend has been paid during or is recommended for the financial year ended 30 June 2023.

Risks to the business

Risks to the business are rated on the basis of their potential impact on the Group as a whole after taking into account current mitigating actions. Investors should be aware that the below list is not an exhaustive list and that there are a number of other risks associated with an investment in the Company. The Group regularly reviews the possible impact of these risks and seeks to minimise their impact through its internal controls, risk management policy and corporate governance. The following describes the principal risks and uncertainties that could materially impact the Group:

- **Capital** – Each of the Group's key exploration targets remain in the exploration and evaluation phase. Future exploration programs require substantial levels of expenditure to ensure that the Group's tenements are held in good standing. The Group is currently reliant on the capital and debt markets to fund its ongoing operations and therefore any unforeseeable events in these markets may impact the Group's ability to finance its future exploration projects.
- **Sovereign risk** – The Group's exploration, evaluation and development activities are carried out in South Africa and Australia. As a result, the Group is subject to political, social, economic and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, royalties and tax increases in that country. Other potential issues contributing to uncertainty such as repatriation of income, exploration licensing, environmental protection and government control over mineral properties should also be considered. Potential risk to the Group's activities may occur if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of the Group's interests in South Africa. This may also include changes in exchange control systems, expropriation of mining rights, changes in government and in legislative and regulatory regimes.
- **Title risk** – The Group's key projects, being the Prieska Project and the Okiep Copper Project, as well as the Group's exploration projects, are located in the Northern Cape of South Africa. Interests in tenements in South Africa are governed by legislation and are evidenced by the granting of mining or prospecting rights. The Company also has an interest in several Australian exploration tenements. Interests in Australian tenements held by the Group are governed by Federal and State legislation and are evidenced by the granting of mining or exploration licences. These tenements are subject to periodic review and compliance, including the relinquishment of certain areas. As a result, there is no guarantee that these areas of interest will be renewed in the future or if there will be sufficient funds available to meet the attaching minimum expenditure commitments when they arise.

- **Title risk and Native Title** – It is also possible that in relation to the Australian tenements, which the Group has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Group to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.
- **Rehabilitation** – The Group is required to close its operations and rehabilitate the lands that it disturbs during the exploration and operating phases in accordance with applicable mining and environmental laws and regulations. At the Prieska Project, a closure plan and estimate of closure and rehabilitation liabilities for prospecting activity has been prepared. These estimates of closure and rehabilitation liabilities are based on current knowledge and assumptions, however actual costs at the time of closure and rehabilitation may vary materially. In addition, adverse or deteriorating external economic conditions may bring forward closure and rehabilitation costs. The Group's intention is to conduct its exploration and operating activities to the highest level of environmental obligations, however there are certain risks inherent in the Group's activities which could subject the Group to future liabilities.

Subsequent events after the balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years except for the matter referred to below:

- On 17 July 2023, the Company announced that it had taken another important step in advancing the multi-pronged funding strategy for its flagship Prieska Copper-Zinc Mine in the Northern Cape Province of South Africa where the Company fulfilled all conditions precedent for the previously announced ZAR250 million (~$20 million) Industrial Development Corporation of South Africa Limited (**IDC**) Convertible Loan and such other conditions to the Triple Flag $10 million Funding Arrangement, enabling it to submit drawdown notices to both the IDC and Triple Flag for an initial drawdown totalling ZAR167 million (~$13.8 million), with such funds received in July and August 2023.

Directors' meetings

The number of meetings attended by each director of the Company during the financial year was:

	Board meetings		**Audit Committee meetings**	
	Held and entitled to attend	Attended	Held and entitled to attend	Attended
Denis Waddell	27	27	2	2
Errol Smart	27	27	2	2
Thomas Borman	27	26	–	–
Godfrey Gomwe	27	27	2	2
Alexander Haller	24	24	2	2
Philip Kotze	3	3	–	–
Mark Palmer	27	24	–	–

Directors' interests

The relevant interest of each director in the ordinary shares, or options over such instruments issued by the Company, as notified by the directors to the Australian Securities Exchange in accordance with S205G[(1)] of the Corporations Act 2001, at the date of this report, is as follows:

	Ordinary shares	Unlisted options over ordinary shares
Denis Waddell	143,943,912	90,666,664
Errol Smart	27,424,970	82,222,220
Thomas Borman	193,138,888	136,333,332
Godfrey Gomwe	2,250,000	3,000,000
Philip Kotze (i)	448,208,440	1,777,777,776
Mark Palmer	–	–

(i) Mr Kotze holds relevant interests for Clover Alloys Copper Investments (Pty) Ltd. Mr Kotze does not hold any shares in the Company, in his personal capacity.

Directors' Report continued

Share options

Options granted to directors and executives of the Company

During or since the end of the financial year, the Company granted 111,000,000 options for no consideration over unissued ordinary shares in the Company to key management personnel as part of their remuneration.

Unissued shares under options and performance rights

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Exercise price	Number of ordinary shares
30 November 2023	$0.017	3,513,154,708
30 April 2024	$0.04	25,000,000
30 April 2024	$0.05	25,000,000
30 April 2024	$0.06	25,000,000
17 June 2024	$0.05	11,000,000
31 March 2025	$0.028	21,333,333
31 March 2025	$0.035	21,333,333
31 March 2025	$0.04	21,333,334
31 January 2028	$0.023	37,000,000
31 January 2028	$0.027	37,000,000
31 January 2028	$0.032	37,000,000
Total		**3,774,154,708**

Shares issued to directors on exercise of options

There were no options exercised during the financial year by a director of the Company and there has been no options exercised by any director since the end of the financial year.

Remuneration Report – Audited

The Remuneration Report sets out remuneration information for Orion Minerals Ltd for the year ended 30 June 2023.
The following were key management personnel (**KMP**) of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Key management personnel	Designation	Position held during the year
Denis Waddell	Chairman – Non-Executive	Chairman
Errol Smart	Director – Executive	Managing Director & Chief Executive Officer
Thomas Borman	Director – Non-Executive	Director
Godfrey Gomwe	Director – Non-Executive	Director
Alexander Haller (ceased 4 April 2023)	Director – Non-Executive	Director
Philip Kotze (from 4 April 2023)	Director – Non-Executive	Director
Mark Palmer	Director – Non-Executive	Director
Peet van Coller (from 1 April 2023)	–	Chief Financial Officer
Martin Bouwmeester (ceased CFO 31 March 2023)	–	Company Secretary
Walter Shamu (ceased 15 March 2023)	–	Chief Operating Officer
Michelle Jenkins (ceased 15 March 2023)	–	Executive: Finance & Administration (South Africa)

Remuneration Report – Audited (continued)

Remuneration Policy

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the directors and executives of the Company and the Group, which comprise executives who report directly to the Managing Director and CEO of the Company and the Group.

It is the Group's objective to provide maximum stakeholder benefit from the retention of a high quality Board and management by remunerating directors and executives fairly and appropriately with reference to relevant employment and market conditions. To assist in achieving the objective, the Board links the nature and amount of executive directors' remuneration to the Group's financial and operational performance.

The expected outcome of the Group's remuneration structure is:

- Retention and motivation of directors and executives;
- Attraction of quality management to the Group; and
- Performance rewards to allow directors and executives to participate in the future success of the Group.

Remuneration may include base salary and fees, short term incentives, superannuation contributions and long term incentives. Any equity based remuneration for directors will only be made with the prior approval of shareholders at a general meeting. All base salary and fees, short term incentives, superannuation contributions granted to key management personnel during the year was fixed under service agreements between the Company and key management personnel and was not impacted by performance related measures. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of the Group and the performance of the individual during the period.

The Board of directors is responsible for determining and reviewing compensation arrangements for the executive and non-executive directors. The maximum remuneration of non-executive directors is the subject of shareholder resolution in accordance with the Company's Constitution, and the Corporations Act 2001 as applicable.

The total level of remuneration for the financial year for all non-executive directors of $275,000 ($329,600 excluding $54,600 of consulting service fees provided by a director related entity (refer Note 24)) is maintained within the maximum limit of $350,000 approved by shareholders. When setting fees and other compensation for non-executive directors, the Board may seek independent advice and apply applicable benchmarks. The Board may recommend additional remuneration to non-executive directors called upon to perform extra services or make special exertions on behalf of the Group.

There is no scheme to provide retirement benefits, other than statutory superannuation when applicable, to non-executive directors.

The Chairman will undertake an annual assessment of the performance of the individual directors and meet privately with each director to discuss this assessment. Basis for evaluation for assessing performance is by reference to Company charters and current best practice.

Consequences of performance on shareholders wealth

In considering the Group's performance and benefits for shareholders wealth, the Board of directors has regard to the following indices in respect of the current financial year and the previous five financial years.

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
Net loss attributable to equity holders of the Company	**$(17,126)**	$(15,525)	$(2,643)	$(18,651)	$(10,750)
Dividends paid	**–**	–	–	–	–
Actual share price	**$0.018**	$0.017	$0.034	$0.015	$0.031
Directors and KMP remuneration	**$1,500**	$1,814	$2,935	$2,613	$2,533

Directors' Report continued

Remuneration Report – Audited (continued)

Long Term Incentive Based Remuneration

The Company has an option and performance rights based remuneration scheme for executives. In accordance with the provisions of the Orion Minerals Option and Performance Rights Plan, as approved by shareholders at a general meeting, executives may be granted options or performance rights to purchase ordinary shares. The number and terms of options or performance rights granted is at the absolute discretion of the Board, provided that the total number of options on issue under the scheme at the time of the grant does not exceed 5% of the number of ordinary shares on issue.

There were 111,000,000 unlisted options granted to employees during the year ended 30 June 2023 under the terms of the Orion Minerals Option and Performance Rights Plan.

Service contracts

Key terms of the existing service contracts for key management personnel are as follows:

Managing Director and Chief Executive Officer

Unlimited in term but capable of termination on 6 months' notice by the Company or 3 months' notice by Mr Smart. The Group retains the right to terminate the contract immediately, by making a payment of 6 months' remuneration in lieu of notice.

Chief Financial Officer

Unlimited in term but capable of termination on 6 months' notice by the Company or 3 months' notice by Mr van Coller. The Group retains the right to terminate the contract immediately, by making a payment of 6 months' remuneration in lieu of notice.

Company Secretary

Unlimited in term but capable of termination on 3 months' notice by the Company or by Mr Bouwmeester. The Group retains the right to terminate the contract immediately, by making a payment of 3 months' remuneration in lieu of notice.

Certain key management personnel are also entitled to receive, on termination of employment, redundancy benefits.

The service contract outlines the components of compensation paid to the key management personnel but does not prescribe how compensation levels are modified year-to-year. Compensation levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the Compensation Policy.

Directors' fees

Total compensation for all non-executive directors, last voted upon by shareholders at the 2007 Annual General Meeting, is not to exceed $350,000 per annum and is set based on advice from external advisors with reference to fees paid to other directors of comparable companies. The Chairman receives $75,000 per annum and each Non-executive director receives $50,000 per annum. Non-executive directors do not receive performance related compensation. Directors may be paid additional amounts for consulting services provided in addition to normal director duties. Such additional amounts are paid on commercial terms.

Remuneration report approval at the 2022 Annual General Meeting

The 30 June 2022 Remuneration Report received positive shareholder support at the Company's Annual General Meeting with a positive vote of 98.7% in favour.

Remuneration Report – Audited (continued)

Directors and Executive Officers' Remuneration – 2023

	Short term benefits			Post-employment benefit	Long-term benefits	Share-based payments (vii)			
Remuneration 2023	Cash salary and fees $	Cash bonus $	Non-monetary $	Superannuation $	Long service leave $	Equity settled shares $	Equity settled options $	Total remuneration $	% of remuneration in options %
Directors									
Errol Smart	322,000	–	83,333	–	–	–	–	405,333	–
Non-executive Directors									
Denis Waddell (i)	94,193	–	–	4,157	–	31,250	–	129,600	–
Thomas Borman	25,000	–	–	–	–	25,000	–	50,000	–
Godfrey Gomwe	25,000	–	–	–	–	25,000	–	50,000	–
Philip Kotze (ii)	12,500	–	–	–	–	–	–	12,500	–
Mark Palmer (iii)	25,000	–	–	–	–	25,000	–	50,000	–
Other key management personnel									
Peet van Coller (iv)	149,966	–	–	–	–	1,717	41,213	192,896	21
Martin Bouwmeester (v)	260,071	–	4,013	–	–	21,000	12,364	297,448	4
Former Director and their key management personnel									
Alexander Haller (vi)	12,500	–	–	–	–	25,000	–	37,500	–
Walter Shamu (vii)	132,580	–	–	–	–	–	–	132,580	–
Michelle Jenkins (viii)	142,143	–	–	–	–	–	–	142,143	–
Total	**1,200,952**	**–**	**87,347**	**4,157**	**–**	**153,967**	**53,577**	**1,500,000**	**4**

(i) Mr Waddell's fixed component of remuneration is $75,000 per annum, including superannuation. In addition to director fees, Mr Waddell received $54,600 for consulting services provided to the Company (refer to Note 24 for related party disclosure).
(ii) Mr Kotze has held the position of Non-executive Director from 4 April 2023.
(iii) Mr Palmer was appointed as a Non-Executive Director on 31 January 2018 after nomination by Tembo Capital Mining GP LP. Mr Palmer does not receive any directors fees in his personal capacity, the fees are paid directly to Tembo Capital Mining GP LP.
(iv) Mr van Coller has held the position of Chief Financial Officer from 1 April 2023. Prior to this, when Mr van Coller joined the Group in December 2022, he held the position jointly with Mr Bouwmeester. Mr van Coller also holds Directorship positions within the Group subsidiary companies.
(v) Mr Bouwmeester holds the position of Company Secretary. During the financial year, Mr Bouwmeester also held the position of Chief Financial Officer until 31 March 2023.
(vi) Effective 4 April 2023, Mr Haller resigned from the Board of Directors. Mr Haller's remuneration is disclosed up to resignation date.
(vii) Effective 15 March 2023, Mr Shamu resigned from the Group. Mr Shamu's remuneration is disclosed up to resignation date.
(viii) Effective 15 March 2023, Mrs Jenkins resigned from the Group. Mrs Jenkins's remuneration is disclosed up to resignation date.
(ix) Share based payments represent the fair values of options estimated at the date of grant using the Hull-White option pricing models. These amounts are not paid in cash. Options that were not exercised and expired are written back to accumulated losses.

Directors' Report continued

Remuneration Report – Audited (continued)

Directors and Executive Officers' Remuneration – 2022

	Short term benefits			Post-employment benefit	Long-term benefits	Share-based payments (vii)			
Remuneration 2022	Cash salary and fees $	Cash bonus $	Non-monetary $	Superannuation $	Long service leave $	Equity settled shares $	Equity settled options $	Total remuneration $	% of remuneration in options %
Directors									
Errol Smart (i)	322,000	–	–	–	–	–	101,768	423,768	24
Non-executive Directors									
Denis Waddell (ii)	191,182	–	–	6,818	–	–	40,758	238,758	17
Thomas Borman	50,000	–	–	–	–	–	–	50,000	–
Godfrey Gomwe	50,000	–	–	–	–	–	–	50,000	–
Alexander Haller	50,000	–	–	–	–	–	–	50,000	–
Mark Palmer	50,000	–	–	–	–	–	–	50,000	–
Other key management personnel									
Walter Shamu (iii)	309,756	–	–	–	–	–	4,994	314,750	2
Martin Bouwmeester (iv)	252,000	–	6,044	–	–	–	24,338	282,382	9
Louw van Schalkwyk (v)	52,701	–	–	–	–	–	3,995	56,696	7
Michelle Jenkins (vi)	294,000	–	–	–	–	–	3,995	297,995	1
Total	**1,621,639**	**–**	**6,044**	**6,818**	**–**	**–**	**179,848**	**1,814,349**	**10**

(i) Mr Smart also holds Directorship positions within Group subsidiary companies.
(ii) Mr Waddell's fixed component of remuneration is $75,000 per annum, including superannuation. In addition to director fees, Mr Waddell received $123,000 for consulting services provided to the Company (refer to Note 24 for related party disclosure).
(iii) Mr Shamu holds the position of Chief Operating Officer and is also a Director of certain Group subsidiary companies.
(iv) Mr Bouwmeester holds the position of Chief Financial Officer and Company Secretary.
(v) Mr van Schalkwyk held the position of Executive: Exploration (South Africa) during the financial year and until 31 August 2021. From 1 September 2021, Mr van Schalkwyk is a consultant geologist to the Group.
(vi) (Ms Jenkins holds the position of Executive: Finance & Administration (South Africa) and is also a Director of certain Group subsidiary companies.
(vii) Share based payments represent the fair values of options estimated at the date of grant using both the Hull-White and Black Scholes option pricing models. These amounts are not paid in cash. Options that were not exercised and expired are written back to accumulated losses.

Options and Rights over equity instruments granted as compensation

As at the date of this report, there were 147,000,000 unissued ordinary shares under option issued to directors and executives (2022: 153,000,000 unissued ordinary shares under option).

Remuneration Report – Audited (continued)

Details on options over ordinary shares in the Company that were granted as compensation to each key management personnel during the reporting period and details on options that vested during the reporting period are as follows:

	Number of options granted during FY2023 (i)	Grant date	Fair value per option at grant date	Exercise price per option (ii)	Expiry date	Number of options vested during FY2023
Directors						
Errol Smart	–	14 June 2019	$0.02	$0.06	30 April 2024	–
	–	29 September 2020	$0.02	$0.028 $0.035 $0.04	31 March 2025	–
	14,222,220 (iii)	23 May 2023	$0.01	$0.017	30 November 2023	14,222,220
Other key management personnel						
Peet van Coller	10,000,000 10,000,000 10,000,000	12 May 2023	$0.01	$0.023 $0.027 $0.032	31 January 2028	–
Martin Bouwmeester	–	29 April 2019	$0.02	$0.06	30 April 2024	–
	–	26 March 2020	$0.01	$0.04	31 March 2025	–
	–	24 November 2020	$0.02	$0.028 $0.035 $0.04	31 March 2025	–
	3,000,000 3,000,000 3,000,000	12 May 2023	$0.01	$0.023 $0.027 $0.032	31 January 2028	–

(i) The options were provided at no cost to the recipient. Each option gives the option holder the right to subscribe for one ordinary share in the capital of the Company upon exercise of the option in accordance with the attaching terms and conditions.
(ii) The options are exercisable between 1 and 5 years from grant date.
(iii) Mr Smart was granted free attaching options as part of his remuneration for period ending 30 June 2023. Mr Smart also received free attaching options following participation in the capital raising (refer ASX/JSE release 15 March 2023). The issue of the free attaching options was approved by shareholders at a general meeting held on 19 May 2023.

Directors' Report continued

Remuneration Report – Audited (continued)

Analysis of Options and Rights over equity instruments granted as compensation

Details of the vesting profile of the options granted as remuneration to each key management personnel of the Group as at the end of the reporting period are detailed below.

	Number	Grant date	% vested in current year	% lapsed in current year (i)	Date option vests (ii)
Directors					
Denis Waddell	4,000,000	14 June 2019	–%	–%	14 June 2019
	4,000,000	14 June 2019	–%	–%	30 April 2020
	4,000,000	14 June 2019	–%	–%	30 April 2021
	4,000,000	1 December 2020	–%	–%	1 December 2020
	4,000,000	1 December 2020	–%	–%	31 March 2021
	4,000,000	1 December 2020	–%	–%	31 March 2022
Errol Smart	14,222,220	23 May 2023	100%	–%	23 May 2023
	10,000,000	14 June 2019	–%	–%	14 June 2019
	10,000,000	14 June 2019	–%	–%	30 April 2020
	10,000,000	14 June 2019	–%	–%	30 April 2021
	10,000,000	30 September 2020	–%	–%	30 September 2020
	10,000,000	30 September 2020	–%	–%	31 March 2021
	10,000,000	30 September 2020	–%	–%	31 March 2022
Thomas Borman	1,000,000	14 June 2019	–%	–%	14 June 2019
	1,000,000	14 June 2019	–%	–%	30 April 2020
	1,000,000	14 June 2019	--%	–%	30 April 2021
Godfrey Gomwe	1,000,000	14 June 2019	–%	–%	14 June 2019
	1,000,000	14 June 2019	–%	–%	30 April 2020
	1,000,000	14 June 2019	–%	–%	30 April 2021
Other key management personnel					
Peet van Coller	10,000,000	12 May 2023	–%	–%	31 January 2024
	10,000,000	12 May 2023	–%	–%	31 January 2025
	10,000,000	12 May 2023	–%	–%	31 January 2026
Martin Bouwmeester	2,000,000	29 April 2019	–%	–%	30 April 2019
	2,000,000	29 April 2019	–%	–%	30 April 2020
	2,000,000	29 April 2019	–%	–%	30 April 2021
	2,000,000	26 March 2020	–%	–%	31 March 2020
	2,000,000	26 March 2020	–%	–%	31 March 2021
	2,000,000	26 March 2020	–%	–%	31 March 2022
	2,000,000	1 December 2020	–%	–%	1 December 2020
	2,000,000	1 December 2020	–%	–%	31 March 2021
	2,000,000	1 December 2020	–%	–%	31 March 2022
	3,000,000	12 May 2023	–%	–%	31 January 2024
	3,000,000	12 May 2023	–%	–%	31 January 2025
	3,000,000	12 May 2023	–%	–%	31 January 2026

(i) The % lapsed in the year represents the reduction from the maximum number of options available to be exercised.
(ii) The vesting conditions attached to each option granted require the key management personnel to remain in employment with the Company until the vesting date, unless the Board of Directors elects to waive the expiry terms attached to the grant.

The Company issued certain options with vesting conditions to key management personnel during the reporting period as deemed appropriate by the Board to retain professionals with relevant expertise and provide incentives to members during our period of growth.

Remuneration Report – Audited (continued)

Analysis of movements in options

Changes during the reporting period, by value, of options over ordinary shares in the Company held by each current key management person and each of the named current Company executives are detailed below.

	Value of options		
	Granted in year $	Exercised in year $	Lapsed in year $
Denis Waddell	–	–	–
Errol Smart	–	–	–
Thomas Borman	–	–	–
Godfrey Gomwe	–	–	–
Philip Kotze	–	–	–
Mark Palmer	–	–	–
Peet van Coller	390,000	–	–
Martin Bouwmeester	117,000	––	–

Options and rights over equity instruments

The movement during the reporting period, by number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Balance at beginning of period 1-Jul-22	Granted as remune-ration	Purchased or Acquired	Options exercised	Expired	Balance at end of period 30-June-23	Not vested and not exercisable	Vested and exercisable
Directors								
Denis Waddell	24,000,000	–	66,666,664	–	–	90,666,664	–	90,666,664
Errol Smart	60,000,000	14,222,220	8,000,000	–	–	82,222,220	–	82,222,220
Thomas Borman	3,000,000	–	133,333,332	–	–	136,333,332	–	136,333,332
Godfrey Gomwe	3,000,000	–	–	–	–	3,000,000	–	3,000,000
Philip Kotze	–	–	1,777,777,776	–	–	1,777,777,776	–	1,777,777,776
Mark Palmer	–	–	–	–	–	–	–	–
Other key management personnel								
Peet van Coller	–	30,000,000	–	–	–	30,000,000	30,000,000	–
Martin Bouwmeester	18,000,000	9,000,000	–	–	–	27,000,000	9,000,000	18,000,000
Former Director and key management personnel								
Alexander Haller	3,000,000	–	–	–	–	3,000,000	–	3,000,000
Walter Shamu	18,000,000	–	–	–	(18,000,000)	–	–	–
Michelle Jenkins	12,000,000	–	–	–	(12,000,000)	–	–	–
Total	**141,000,000**	**53,222,220**	**1,985,777,772**	**–**	**(30,000,000)**	**2,149,999,992**	**39,000,000**	**2,110,999,992**

Directors' Report continued

Remuneration Report – Audited (continued)

	Balance at beginning of period 1-Jul-21	Granted as remuneration	Options exercised	Expired	Balance at end of period 30-June-22	Not vested and not exercisable	Vested and exercisable
Directors							
Denis Waddell	24,000,000	–	–	–	24,000,000	–	24,000,000
Errol Smart	60,000,000	–	–	–	60,000,000	–	60,000,000
Alexander Haller	3,000,000	–	–	–	3,000,000	–	3,000,000
Mark Palmer	–	–	–	–	–	–	–
Thomas Borman	3,000,000	–	–	–	3,000,000	–	3,000,000
Godfrey Gomwe	3,000,000	–	–	–	3,000,000	–	3,000,000
Other key management personnel							
Walter Shamu	24,000,000	–	–	(6,000,000)	18,000,000	–	18,000,000
Martin Bouwmeester	18,000,000	–	–	–	18,000,000	–	18,000,000
Louw van Schalkwyk	18,000,000	–	–	(6,000,000)	12,000,000	–	12,000,000
Michelle Jenkins	18,000,000	–	–	(6,000,000)	12,000,000	–	12,000,000
Total	**171,000,000**	**–**	**–**	**(18,000,000)**	**153,000,000**	**–**	**153,000,000**

Other transactions with key management personnel

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control, joint control or a relevant interest over the financial or operating policies of those entities.

A number of these entities transacted with the Group during the year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis (refer Note 24).

Remuneration Report – Audited (continued)

Movement in shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Balance at beginning of period 1-Jul-22	Purchased or acquired during the year	Granted as remuneration	Disposals of shares	Other transfers of shares	Balance at end of period 30-Jun-23
Directors						
Denis Waddell	115,714,746	26,666,666	1,562,500	–	–	143,943,912
Errol Smart	21,869,415	2,000,000	3,555,555	–	–	27,424,970
Thomas Borman	58,555,555	133,333,333	1,250,000	–	–	193,138,888
Godfrey Gomwe	1,000,000	–	1,250,000	–	–	2,250,000
Philip Kotze	–	448,208,440	–	–	–	448,208,440
Mark Palmer	–	–	–	–	–	–
Other key management personnel						
Peet van Coller	–	–	115,740	–	–	115,740
Martin Bouwmeester	6,664,490	1,533,222	700,000	–	–	8,897,712
Former Director and key management personnel						
Alexander Haller (i)	108,735,320	–	1,250,000	–	–	109,985,320
Walter Shamu (ii)	7,166,041	–	–	(25,000)	–	7,141,041
Michelle Jenkins (ii)	7,998,995	–	–	(857,954)	–	7,141,041
Total	**327,704,562**	**611,741,661**	**9,683,795**	**(882,954)**	**–**	**948,247,064**

(i) Mr Haller holds relevant interests as follows: Silja Investment Ltd 106,321,961 shares and Pershing Securities 1,320 shares. Mr Haller personally holds interests of 3,662,039 shares.

(ii) Mr Shamu and Ms Jenkins hold relevant interests as follows: WMP Mining Services Inc 7,141,041 shares (held equally).

Directors' Report continued

Remuneration Report – Audited (continued)

	Balance at beginning of period 1-Jul-21	Purchased or acquired during the year	Granted as remuneration	Disposals of shares	Other transfers of shares	Balance at end of period 30-Jun-22
Directors						
Denis Waddell	115,714,746	–	–	–	–	115,714,746
Errol Smart	21,869,415	–	–	–	–	21,869,415
Alexander Haller (i)	108,735,320	–	–	–	–	108,735,320
Mark Palmer	–	–	–	–	–	–
Thomas Borman	58,555,555	–	–	–	–	58,555,555
Godfrey Gomwe	1,000,000	–	–	–	–	1,000,000
Other key management personnel						
Walter Shamu (ii)	7,166,041	–	–	–	–	7,166,041
Martin Bouwmeester (iii)	8,836,712	–	–	–	(2,172,222)	6,664,490
Louw van Schalkwyk	1,771,875	–	–	–	–	1,771,875
Michelle Jenkins (ii)	7,998,995	–	–	–	–	7,998,995
Total	**331,648,659**	**–**	**–**	**–**	**(2,172,222)**	**329,476,437**

(i) Mr Haller holds relevant interests as follows: Silja Investment Ltd 106,321,961 shares and Pershing Securities 1,320 shares. Mr Haller personally holds interests of 2,412,039 shares.
(ii) Mr Shamu and Ms Jenkins hold relevant interests as follows: WMP Mining Services Inc 7,166,041 shares (held equally) and Ms Jenkins holds additional interests of 832,954 shares.
(iii) Mr Bouwmeester held 4,344,443 shares in an entity not wholly owned by Mr Bouwmeester. The movement of 2,172,222 shares reflects the number of shares transferred to the joint holder, as part of the transfer of the 4,344,443 to the shareholders of the entity in which they were held and Mr Bouwmeester retained 2,172,221 shares from this joint holding, which are held in his nominated holding.

Engagement of remuneration consultants

The Board of Directors from time to time, seek and consider advice from independent remuneration consultants to ensure that the Company has at its disposal information relevant to the determination of all aspect of remuneration relating to key management personnel.

The Board follows a set of protocols when engaging remuneration consultants to satisfy themselves that the remuneration consultants engaged are free from any undue influence by the members of the key management personnel to whom advice and recommendations relate and that the requirements of the Corporations Act 2001 are complied with. The set of protocols followed by the Board include:

- Remuneration consultants are engaged by and report directly to the Board; and
- Communication between remuneration consultants and the Company is limited to those KMPs whose remuneration is not under consideration.

No remuneration consultants were engaged during the year.

This is the end of the remuneration report which has been audited.

Environmental regulations

The Group is required to close its operations and rehabilitate the lands that it disturbs during the exploration and operating phases in accordance with applicable mining and environmental laws and regulations. Where necessary, provision for rehabilitation liabilities is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date.

As part of the Group's Environmental Policy exploration and access sites are regenerated to match or exceed government expectations. Based on the results of enquires made, the Board is not aware of any significant breaches during the period covered by this report.

Dividends

There were no dividends paid or declared during the financial year (2022: $nil).

Indemnification of Directors, Officers and Auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company and all office bearers of the Company and of any body corporate against any liability incurred while acting in the capacity of director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. Orion Minerals Ltd, to the extent permitted by law, indemnifies each Director or secretary against any liability incurred in the service of the Group provided such liability does not arise out of conduct involving a lack of good faith and for costs incurred in defending proceedings in which judgement is given in favour of the person in which the person is acquitted. The Company has not provided any insurance or indemnity for the auditor of the Company.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-audit services

BDO, the Company's auditor, has not performed other non-audit services in addition to their statutory duties during the year ended 30 June 2023.

The Directors are satisfied that the provision of non-audit services during the previous financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in Note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Directors' Report continued

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Group Auditor

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Auditor's independence declaration

The lead auditor's independence declaration is set out on page 77 and forms part of the Directors' Report for the financial year ended 30 June 2023.

Corporate Governance

The Board of Directors recognises the recommendations of the Australian Securities Exchange Corporate Governance Council for Corporate Governance Principles and Recommendations and considers that the Company substantially complies with those guidelines, which are of critical importance to the commercial operation of a junior listed resources company. The Company's Corporate Governance Statement and disclosures can be viewed on our website, **www.orionminerals.com.au**.

This report is made in accordance with a resolution of the directors.

Denis Waddell
Chairman

Tuscany, Italy

Date: 29 September 2023

Auditor's Independence Declaration

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GPO Box 2018 Adelaide SA 5001
Australia

DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO THE DIRECTORS OF ORION MINERALS LTD

As lead auditor of Orion Minerals Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Orion Minerals Ltd and the entities it controlled during the period.

Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 29 September 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Notes	2023 $'000	2022 $'000
Continuing operations			
Other income	3	**75**	58
Exploration and evaluation costs expensed	11	**(4,131)**	(10,907)
Employee expenses		**(1,653)**	(1,352)
Other operational expenses	3	**(4,783)**	(2,986)
Results from operating activities		**(10,492)**	(15,187)
Non-operating income/(expense)	3	**(9,523)**	(3,086)
Finance income		**3,320**	3,036
Finance expense		**(430)**	(288)
Net finance expenses		**2,890**	2,748
Loss before income tax		**(17,126)**	(15,525)
Income tax expense	18	**–**	–
Loss from continuing operations attributable to equity holders of the Group		**(17,126)**	(15,525)
Items that may be reclassified subsequently to profit or loss			
Other comprehensive income			
Foreign currency reserve		**1,895**	246
Total Other comprehensive income for the year		**1,895**	246
Total comprehensive loss for the year		**(15,231)**	(15,279)
Loss for the year is attributed to:			
Non-controlling interest	23	**(1,795)**	(1,238)
Owners of Orion Minerals Ltd		**(15,331)**	(14,287)
		(17,126)	(15,525)
Total comprehensive loss for the year is attributable to:			
Non-controlling interest	23	**(1,795)**	(1,238)
Owners of Orion Minerals Ltd		**(13,436)**	(14,401)
		(15,231)	(15,279)
Loss per share (cents per share)			
Basic loss per share	19	**(0.31)**	(0.33)
Diluted loss per share	19	**(0.31)**	(0.33)
Headline loss per share	19	**(0.31)**	(0.33)
Diluted headline loss per share	19	**(0.31)**	(0.33)

The notes on pages 82 to 115 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2023

	Notes	2023 $'000	2022 $'000
ASSETS			
Current assets			
Cash and cash equivalents	4	**7,564**	4,288
Trade and other receivables	5	**294**	394
Rehabilitation bonds	6	**331**	348
Prepayments		**762**	428
Total current assets		**8,951**	5,458
Non-current assets			
Trade and other receivables	5	**90**	93
Rehabilitation bonds	6	**2,831**	2,684
Right of use asset	7	**1,221**	1,897
Loans to related parties	8	**4,699**	4,743
Investment in preference shares	9	**24,973**	24,602
Plant and equipment	10	**557**	386
Deferred exploration, evaluation and development	11	**49,043**	49,773
Total non-current assets		**83,414**	84,178
Total assets		**92,365**	89,636
LIABILITIES			
Current liabilities			
Trade and other payables	12	**2,221**	2,522
Provisions	13	**124**	189
Loans	14	**–**	1,959
Leases	7	**4**	1
Total current liabilities		**2,349**	4,671
Non-current liabilities			
Provisions	13	**1,893**	1,953
Leases	7	**1,516**	2,115
Loans	14	**1,981**	–
Total non-current liabilities		**5,390**	4,068
Total liabilities		**7,739**	8,739
Net assets		**84,626**	80,897
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	16	**207,625**	189,755
Accumulated losses		**(139,944)**	(127,481)
Share based payments reserve	16	**2,837**	3,606
Foreign currency translation reserve		**1,871**	(24)
Other reserve	17	**20,482**	19,956
Non-controlling interest – subsidiaries	23	**(8,245)**	(4,915)
Total equity		**84,626**	80,897

The notes on pages 82 to 115 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Notes	**2023 $'000**	2022 $'000
Cash flows from operating activities			
Payment for exploration and evaluation		**(4,611)**	(8,873)
Payments to suppliers and employees		**(5,739)**	(4,307)
Interest received		**251**	129
Interest paid		**(94)**	(98)
Other receipts		**229**	129
Net cash used in operating activities	4	**(9,964)**	(13,020)
Cash flows from investing activities			
Purchase of plant and equipment		**(220)**	(341)
Payments for exploration and evaluation		**(3,733)**	(4,339)
Term deposit funds (invested)/released		**(475)**	(372)
Proceeds from sale of property, plant and equipment		**2**	11
Dividends received		**–**	86
Net cash used in investing activities		**(4,426)**	(4,955)
Cash flows from financing activities			
Proceeds from issue of shares		**17,170**	2,625
Share issue expenses		**(16)**	(100)
Borrowings provided to joint venture operations		**(443)**	(678)
Borrowings – net proceeds and repayment		**1,641**	–
Net cash from financing activities		**18,352**	1,847
Net increase/(decease) in cash and cash equivalents		**3,962**	(16,128)
Cash and cash equivalents at the beginning of the financial year		**4,288**	20,553
Effects of exchange rate on cash at end of financial year		**(686)**	(137)
Cash on hand and at bank at end of year	4	**7,564**	4,288

The notes on pages 82 to 115 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

30 June 2023

	Issued capital ($'000)	Accumu-lated losses ($'000)	Non-controlling interest ($'000)	Foreign currency translation reserve ($'000)	Other reserve ($'000)	Share based payments reserve ($'000)	Total equity ($'000)
Balance at 1 July 2022	189,755	(127,481)	(4,915)	(24)	19,956	3,606	80,897
Loss for the period	–	(15,331)	(1,795)	–	–	–	(17,126)
Other comprehensive loss	–	–	–	1,895	–	–	1,895
Total comprehensive loss for the period	**–**	**(15,331)**	**(1,795)**	**1,895**	**–**	**–**	**(15,231)**
Transactions with owners in their capacity as owners:							
Contributions of equity, net costs	17,870	–	–	–	–	–	17,870
NCI Shareholder capital contribution	–	–	409	–	526	–	935
Transfer of share options expired	–	924	–	–	–	(924)	–
Share-based payments expense	–	–	–	–	–	155	155
Transactions between owners	–	1,944	(1,944)	–	–	–	–
Total transactions with owners	**17,870**	**2,868**	**(1,535)**	**–**	**526**	**(769)**	**18,960**
Balance at 30 June 2023	**207,625**	**(139,944)**	**(8,246)**	**1,871**	**20,482**	**2,837**	**84,626**

30 June 2022

	Issued capital ($'000)	Accumu-lated losses ($'000)	Non-controlling interest ($'000)	Foreign currency translation reserve ($'000)	Other reserve ($'000)	Share based payments reserve ($'000)	Total equity ($'000)
Balance at 1 July 2021	184,999	(113,924)	(3,677)	(270)	19,956	3,919	91,003
Loss for the period	–	(14,287)	(1,248)	–	–	–	(15,525)
Other comprehensive loss	–	–	–	246	–	–	246
Total comprehensive loss for the period	**–**	**(14,287)**	**(1,248)**	**246**	**–**	**–**	**(15,279)**
Transactions with owners in their capacity as owners:							
Contributions of equity, net costs	4,756	–	–	–	–	–	4,756
Transfer of share options expired	–	730	–	–	–	(730)	–
Share-based payments expense	–	–	–	–	–	417	417
Transactions between owners	–	–	–	–	–	–	–
Total transactions with owners	**4,756**	**730**	**–**	**–**	**–**	**(313)**	**5,173**
Balance at 30 June 2022	**189,755**	**(127,481)**	**(4,915)**	**(24)**	**19,956**	**3,606**	**80,897**

The notes on pages 82 to 115 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

1 Corporate information

Orion Minerals Limited (**Company**) is a company domiciled in Australia. The address of the Company's registered office is Level 21, 55 Collins Street, Melbourne, Victoria, 3000. The consolidated financial statements as at and for the year ended 30 June 2023 comprised the Company and its subsidiaries, (together referred to as the **Group**). The Group is a for-profit group and is primarily involved in copper, zinc, nickel, gold and platinum group elements (**PGE**) exploration, evaluation and development.

2 Summary of significant accounting policies

(a) Basis of preparation

(i) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (**IFRSs**) adopted by the International Accounting Standards Board (**IASB**). The consolidated financial statements were authorised for issue by the Board of Directors on 29 September 2023.

(ii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except where otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and across the Group, except as required by the new accounting standards and interpretations adopted as disclosed in Note 2(b).

(iii) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group recorded a net loss of $17.13M for the year ended 30 June 2023 and the Group's position as at 30 June 2023 was as follows:

- The Group had cash reserves of $7.56M and had negative operating cash flows of $9.96M for the year ended 30 June 2023;
- The Group had positive working capital at 30 June 2023 of $6.64M; and
- The Group's main activity is exploration, evaluation and development of base metal, gold and PGE projects in South Africa (Northern Cape) and as such it does not have a source of income, rather it is reliant on debt and/or equity raisings to fund its activities.

Current forecasts indicate that cash on hand as at 30 June 2023 will not be sufficient to fund planned exploration and operational activities during the next twelve months and to maintain the Group's tenements in good standing.

These factors indicate a material uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Subsequent to year end, during August 2023, Prieska Copper Zinc Mine (**PCZM**) received $13.80M in cash, from receipt of funds from the first funding drawdown, following the closing of the ZAR250M (~$20M) convertible loan facility with the IDC and $10M early Funding Arrangement with Triple Flag. The drawdown of the convertible loan will be done in tranches and will be pro rata matched by the drawdown requests made on the $10M early Funding Arrangement. Additional to the above, the PCZM also signed definitive agreements with Tripple Flag for an US$87M funding package to comprise of the acquisition by Tripple Flag of a precious metals stream (subject to the satisfaction of various conditions).

2 Summary of significant accounting policies (continued)

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- Based on the updated high-margin PCZM bankable feasibility study (**BFS-20**) released May 2020, with an initial 12 year Foundation Phase (refer ASX/JSE release 26 May 2020), the positive results delivered by the value engineering, optimisation works and pre-development undertaken since the completion of the BFS-20;
- In January 2022, the Company announced that it is investigating the potential to bring forward the start of production at the Prieska Project (Early Production Plan). The new plan brings forward revenue generation and potentially reduces the upfront external peak funding requirements by phasing the mine build while retaining the option to scale up to the full-scale BFS-20 project as sufficient funding becomes available;
- In May 2023 Orion completed a two-tranche placement to sophisticated and professional investors to raise $13.2M at $0.015 per Share (being ZAR0.18). Participants in the placement also received four free attaching options for each Share issued under the placement, exercisable at $0.017 (ZAR 0.20) and expiring on 30 November 2023. Assuming all options are ultimately exercised, the value of the equity funding package totals ~$73M; and
- The Company's ability to successfully raise capital in the past, the Directors are confident of obtaining the continued support of the Company's shareholders and a number of brokers that have supported the Company's previous capital raisings.

Accordingly, the financial statements for the year ended 30 June 2023 have been prepared on a going concern basis as, in the opinion of the Directors, the Group will be in a position to continue to meet its operating costs and exploration expenditure commitments and pay its debts as and when they fall due for at least twelve months from the date of this report.

However, the Directors recognise that if sufficient additional funding is not raised from the issue of capital or through alternative funding sources, there is a material uncertainty as to whether the going concern basis is appropriate with the result that the Group may relinquish title to certain tenements and may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

(b) New accounting standards and interpretations

New accounting standards

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.

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

2 Summary of significant accounting policies (continued)

(c) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Orion Minerals Limited (**Parent Company**) from time to time during the year and at 30 June 2023 and the results of its controlled entities for the year then ended. The effects of all transactions between entities in the economic entity are eliminated in full.

The financial statements of the subsidiary are prepared for the same reporting period as the parent entity, using consistent accounting policies.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the Statement of Profit or Loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(d) Foreign currency translation

The functional and presentation currency of the Company and its Australian subsidiaries is Australian Dollars. For comparative purposes, the consolidated financial statements may make reference to South African Rand (**ZAR**). Transactions in foreign currencies are translated to the respective functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in the Statement of Profit or Loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(e) Investment and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through the Statement of Profit or Loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off to profit or loss.

2 Summary of significant accounting policies (continued)

(i) Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through the Statement of Profit or Loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in the Statement of Profit or Loss.

(ii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the Statement of Profit or Loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit or Loss.

(iv) Impairment

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in the Statement of Profit or Loss.

(f) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of Financial Position.

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

2 Summary of significant accounting policies (continued)

(g) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight line basis using estimated remaining useful life of the asset. The estimated useful lives for the current and comparative period are as follows:

Plant and equipment – over 3 to 15 years. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(h) Impairment

(i) Non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to dispose and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to dispose and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit or Loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 – 60 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(j) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Funds placed on deposit with financial institutions to secure performance bonds are classified as non-current other receivables and not included in cash and cash equivalents.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

2 Summary of significant accounting policies (continued)

(l) Borrowings and finance costs

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Employee benefits

(i) Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using both the Hull-White and Black Scholes models. Further details are given in Note 28.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (**Vesting Date**).

The cumulative expense recognised for equity-settled transactions at each reporting date until Vesting Date reflects (i) the extent to which the vesting period has surpassed and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(ii) Employee benefits

Annual leave liabilities are measured at the amounts expected to be paid when the liabilities are settled. Long service leave liabilities are measured at the present value of the estimated future cash outflows for the services provided by employees up to the reporting date.

Liabilities not expected to be settled within twelve months are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity that match, as closely as possible, to the related liability.

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

2 Summary of significant accounting policies (continued)

(o) Revenue

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

(i) Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(p) Income tax

(i) Tax consolidation

The Company and its wholly-owned Australian resident entity are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity from that date. The head entity within the tax-consolidated group is Orion Minerals Ltd.

(q) Other taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax (**GST**) or value added tax (**VAT**) except where the GST or VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of GST or VAT included. The net amount of GST or VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST or VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(r) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure which can be directly attributed to operational activities in the area of interest, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred. For each area of interest, the expenditure is recognised as an exploration and evaluation asset where the following conditions are satisfied:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration activities in the area of interest have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

2 Summary of significant accounting policies (continued)

Exploration and evaluation assets include:
- acquisition of rights to explore;
- topographical, geological and geophysical studies;
- exploration drilling, trenching and sampling; and
- activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resources.

General and administrative costs are not recognised as an exploration and evaluation asset. These costs are expensed as incurred. Exploration and evaluation assets are classified as tangible or intangible according to the nature of the assets. As the assets are not yet ready for use, they are not depreciated or amortised (for intangible assets).

Assets that are classified as tangible assets include:
- piping and pumps;
- tanks; and
- exploration vehicles and drilling equipment.

Assets that are classified as intangible assets include:
- drilling rights;
- acquired rights to explore;
- exploratory drilling costs; and
- trenching and sampling costs.

Exploration expenditure which no longer satisfies the above policy is written off. In addition, a provision is raised against exploration expenditure where the directors are of the opinion that the carried forward net cost may not be recoverable under the above policy.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off in the year in which the decision to abandon is made, firstly against any existing provision for that expenditure, with any remaining balance being charged to the Statement of Profit or Loss. Expenditure is not carried forward in respect of any area of interest/mineral resource unless the economic entity's rights of tenure to that area of interest are current. Amortisation is not charged on areas under development, pending commencement of production.

Exploration and evaluation assets are assessed for impairment if:
- the term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and a decision has been made to discontinue such activities in the specified area; or
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit shall not be larger than the area of interest. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they are not expected to be recoverable in the future.

(s) Rehabilitation provision

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group recognises a provision for rehabilitation based on independent environmental experts' reports for anticipated future rehabilitation costs. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

2 Summary of significant accounting policies (continued)

(t) Critical accounting judgements and key sources of estimation uncertainty

In the application of AASB's management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements and include:

- Note 7 – Leases
  The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.
- Notes 8 and 14 – Loans
  The Group has issued and received interest free loans with no fixed repayment terms. The fair value of the loans have been measured based on management's best estimates of the effective interest rate (South African Prime lending rate) and the expected maturity date. The difference between the face value and fair value of the IDC shareholder loan has been recognised as a capital contribution on initial recognition, as it reflects the shareholders investment or contribution into the group (refer note 14 for further detail).
- Note 11 – Deferred exploration, evaluation and development
  Exploration and evaluation costs have been capitalised on the basis that exploration, mine development early works and BFS optimisation works are ongoing and that the Group may 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.
- Note 13 – Provisions
  A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates.
- Note 16 – Measurement of share based payments
  The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Hull-White model (from 1 July 2020) and Black Scholes model (prior to 1 July 2020), taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.
- Note 20 – Incremental Borrowing Rate
  Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

2 Summary of significant accounting policies (continued)

(u) Earnings per share

The Group presents basic and diluted earnings per share (**EPS**) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding which have been issued for no consideration in relation to the dilutive potential ordinary shares, which comprise share options granted to employees, contract personnel, shareholders and corporate entities engaged by the Group, that are expected to be exercised.

(v) Segment reporting

(i) Determination and presentation of operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director and Chief Executive Officer (Chief Operating Decision Maker of the Group) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director and Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

(w) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

(x) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Share-based payment transactions

The fair value of the employee share options and the share appreciation rights is measured using the Hull-White formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(y) Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

2 Summary of significant accounting policies (continued)

(i) Right of Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(ii) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(z) Rounding of amounts

The Company is of a kind referred to in the Corporations Instrument 2016/191, issued by the Australian Securities and Investment Commission, relation to 'rounding off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars or in certain cases, to the nearest dollar.

3 Revenues and expenses

	2023 $'000	2022 $000
Other income		
Services rendered to associate companies	**49**	50
Costs recovered from associate companies	**26**	8
Total other income	**75**	58
Other operational expenses		
Contractor, consultants and advisory	**3,248**	1,589
Due diligence expenditure	**25**	28
Investor and public relations	**381**	364
Communications and information technology	**106**	117
Depreciation	**172**	145
Impairment of equipment	**105**	–
Gain on lease modification	**(12)**	–
Loss on disposal of plant and equipment	**(1)**	–
Occupancy	**42**	64
Travel and accommodation	**235**	170
Directors' fees and employment	**342**	398
Other corporate and administrative	**140**	111
Total other operational expenses	**4,783**	2,986
Non-operating income and expense		
Net foreign exchange loss	**9,371**	2,766
Dividend Income	**–**	(86)
Non-operating other Income	**–**	(11)
Share based payments	**152**	417
Total non-operating expense	**9,523**	3,086

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

4 Cash and cash equivalents

	2023 $'000	2022 $'000
Cash and cash equivalents	**2,941**	4,270
Short term deposits	**4,623**	18
	7,564	4,288

Cash and cash equivalents includes an amount of $1.21M held by New Okiep Mining Company (Pty) Ltd (**NOM**) (a subsidiary of Orion), from funds received from the Industrial Development Corporation of South Africa Limited (IDC) Shareholder Loan, as required under the terms of the memorandum of incorporation agreement between NOM and the IDC, that is ringfenced for Okiep Copper Project – Flat Mines Project expenditure (refer Note 9).

	2023 $'000	2022 $'000
Reconciliation		
Net loss	**(17,126)**	(15,525)
Adjustment for:		
Depreciation	**172**	145
Gain on disposal of property, plant and equipment	**(12)**	(11)
Dividends received	**–**	(86)
Share base payments expense	**152**	417
Impairment of equipment	**105**	–
Okiep acquisition consideration	**–**	(84)
Data acquisition consideration	**–**	1,860
Short term incentives – share issued	**389**	–
Deferred exploration and evaluation costs written off	**385**	–
Rehabilitation guarantee costs	**133**	–
Loss on foreign exchange	**9,371**	2,766
Finance income	**(3,320)**	(3,036)
Finance expense	**430**	288
Interest received	**251**	129
Interest paid	**(94)**	(98)
Changes in assets and liabilities:		
(Decrease)/increase in trade and other payables	**(442)**	399
Increase other current assets	**(474)**	(386)
Increase in provisions	**116**	202
Net cash used in operating activities	**(9,964)**	(13,020)

5 Trade and other receivables

	2023 $'000	2022 $'000
Current receivables		
Security deposits (a)	**23**	24
Taxes receivable	**238**	312
Other receivables	**33**	58
	294	394
Non-current receivables		
Security deposits (a)	**–**	3
Deposits	**90**	90
	90	93

Other receivables are non-interest bearing and are generally on 30-day terms.

(a) Security deposits comprise cash placed on deposit to secure bank guarantees in respect of obligations entered into for office rental obligations in South Africa and Australia. These deposits are not available to finance the Group's day-to-day operations.

6 Rehabilitation bonds

	2023 $'000	2022 $'000
Current		
Rehabilitation bonds	**331**	348
Non-current		
Rehabilitation bonds	**2,831**	2,684
Total	**3,162**	3,032

Rehabilitation bonds are cash placed on deposit to secure bank guarantees in respect of obligations entered into for environmental performance bonds issued in favour of the relevant government body for projects located in South Africa and Victoria (Australia).

The Group also has environmental obligations for various projects in South Africa, including the Prieska Project. The Group has engaged the services of Centriq Insurance Company Ltd (**Centriq**), a company established to meet the financial provisioning requirements of Mining Rights in South Africa. Funds held by Centriq relate to premium paid to Centriq and represent collateral held by Centriq against guarantees that have been issued. Funds held by Centriq on behalf of the Group are refundable to the Group when the guarantees expire. The bond can be applied by the government body for rehabilitation works should the Group fail to meet regulatory standards for environmental rehabilitation.

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

7 Leases and right of use asset

	2023 $'000	2022 $'000
Right of use asset – Vehicles		
Opening cost	**53**	53
Accumulated depreciation	**(53)**	(53)
Opening carrying amount	**–**	–
Depreciation expense for the year	**–**	–
Closing carrying amount	**–**	–
Right of use asset – Land and buildings		
Opening cost	**2,152**	2,114
Accumulated depreciation	**(255)**	(96)
Opening carrying amount	**1,897**	2,018
Additions	**–**	38
Lease modifications (a)	**(420)**	–
Effect of movement in exchange rate	**(185)**	(71)
Depreciation expense for the year (b)	**(71)**	(88)
Closing carrying amount	**1,221**	1,897
Lease liability reconciliation		
Opening cost	**2,115**	2,106
New lease	**–**	38
Interest	**141**	146
Repayments	**(94)**	(97)
Modifications (a)	**(448)**	–
Effect of movement in exchange rate	**(194)**	(78)
Closing balance	**1,520**	2,115

(a) Lease modifications – year ended 30 June 2023

From December 2022, the Group is no longer leasing the ammunition bunkers for Prieska Copper-Zinc Mine (**PCZM**) and therefore the lease amount decreased.

This is a decrease in the scope of the lease.

(i) The carrying amounts of the right-of-use (**RoU**) asset and the lease liability were adjusted to take into account the decrease in the loan, with the net effect taken to the profit or loss statement.

(ii) The lease liability was adjusted to take into account the new discount rate and the corresponding adjustment taken to RoU assets.

(b) Depreciation

Depreciation for the RoU asset of ZAR845k (~$71k) (2022: ZAR975k (~$88k)) and interest on the lease liability of ZAR1.69M (~$141k) (2022: ZAR1.61M (~$146k)) is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

8 Loans to related parties

	2023 $'000	2022 $'000
Non-current		
Loan to Prieska Resources	**1,231**	1,367
Loan to joint venture partners	**3,468**	3,376
Total	**4,699**	4,743

Prieska Resources

The Black Economic Empowerment (**BEE**) restructure implemented in September 2019 involved the acquisition by Prieska Resources Pty (Ltd) (**Prieska Resources**) of a 20% interest in the Company's subsidiary, Prieska Copper Zinc Mine (Pty) Ltd (**PCZM**), for a purchase consideration of ZAR142.78M (~$14.45M). To fund the acquisition, the Company has provided vendor financing comprising two components, being a loan and preference shares (refer Note 9).

A secured loan (repayable 12 months from closing date of securing Prieska Project financing) with principal totalling ZAR15.29M arose as a result of PCZM delegating a portion of a loan which was owed to the Company by Prieska Resources, in exchange for which PCZM issued ordinary shares to Prieska Resources. The terms of the loan initially included that interest is payable by Prieska Resources at the publicly quoted prime overdraft rate. Subsequently, the terms of the loan were amended such that:

- all accrued interest up to 30 June 2021 that has been waived by the Company; and
- from 1 July 2021 until the financial closing date of securing Prieska Project financing, the Loan shall be interest free, subsequent to which date the Loan shall bear interest at prime rate.

Joint Venture Partners

In September 2017, Area Metals Holdings No 3 (Pty) Ltd (an indirect, wholly owned, Orion subsidiary) (**AMH3**) entered into a binding earn-in agreement to acquire earn-in rights over the Jacomynspan Nickel-Copper-PGE Project (South Africa) (**Jacomynspan Project**) from two companies, Disawell (Pty) Ltd and Namaqua Nickel Mining (Pty) Ltd (**Namaqua Disawell Companies**), which hold partly overlapping granted prospecting rights and a mining right, respectively.

During the year ended 30 June 2019, AMH3 reached the next stage earn-in right, which will see its shareholding increase by a further 25% interest, making its total interest 50% (subject to, inter alia, certain regulatory approvals). Orion is the manager and operator of the joint venture.

On 13 July 2020, the Company announced that it had entered into an agreement whereby Orion (or its nominated subsidiary) will acquire the remaining minority interests in the Jacomynspan Project, through the acquisition of the remaining issued shares held by the minority shareholders of the Namaqua Disawell Companies. The key terms of this agreement are set out in Orion's 13 July 2020 ASX/JSE release. On 31 August 2020, the parties entered into a comprehensive formal written agreement incorporating the principal terms and conditions set out in the initial agreement (**Sale Agreement**).

During the reporting period, the Group continued to advance exploration programs on the Jacomynspan Project, expending an additional $0.39M (excludes effect of foreign exchange rate movement on balance). This expenditure, under the terms of a consolidated shareholders' agreement concluded in September 2017 between, amongst others, the Company, AMH3 and the Namaqua Disawell Companies, is held in a shareholder loan account.

Although the Sale Agreement lapsed during the reporting period, the shareholders continue to discuss the future operational plans of the Jacomynspan Project, as they await the statutory approval for Orion to be issued the shares to achieve 50% shareholding in the Namaqua-Disawell companies following satisfaction of the obligations of the original earn-in agreement. Namaqua-Disawell has submitted its applications to the Department of Mineral Resources and Energy for regulatory approval to issue the additional shares to Orion, resulting in a change of control of the companies holding the mineral rights.

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

9 Investment – preference shares

	2023 $'000	2022 $'000
Non-current		
Prieska Resources preference shares – principal	**16,107**	17,878
Prieska Resources preference shares – interest receivable	**8,866**	6,724
Total	**24,973**	24,602

To fund the acquisition by Prieska Resources of a 20% interest in the Company's subsidiary, PCZM, the Company has provided vendor financing comprising two components, being a loan (refer Note 8) and preference shares. The preference shares issued by Prieska Resources to the Company (through its subsidiary Agama Exploration & Mining (Pty) Ltd (**Agama**)) have the following key terms:

- The preference shares rank in priority to the rights of all other shares of Prieska Resources with respect to the distribution of Prieska Resource's assets, in an amount up to the redemption amount in the event of the liquidation, dissolution or winding up of Prieska Resources, whether voluntary or involuntary, or any other distribution of Prieska Resources, whether for the purpose of winding up its affairs or otherwise;
- The preference shares are redeemable by Prieska Resources at any time after the expiry of a period of 3 years and 1 day after the date of issue of the preference shares (being 11 September 2019 and 28 January 2020), and prior to the 8th anniversary of their date of issue at an internal rate of return of 12%; and
- Any preference shares held by the Company (through its subsidiary Agama) after the 8th anniversary of their date of issue will be automatically converted pro rata into ordinary shares in Prieska Resources, up to 49% of the shares in Prieska Resources or, subject to compliance with South African laws, an equivalent number of shares in PCZM.

The movement year-on-year in relation to principal amount is related to impact of foreign exchange rate movement and not additional amounts classified as principal through the issue of additional preference shares.

10 Plant and equipment

	2023 $'000	2022 $'000
Opening balance – 1 July		
Cost	**740**	475
Accumulated depreciation	**(354)**	(372)
Opening written down value	**386**	103
Movement		
Additions	**407**	341
Disposals or write offs	**(1)**	–
Impairment	**(105)**	–
Effect of movement in exchange rate	**(28)**	(2)
Depreciation expense for the year	**(102)**	(56)
Written down value at 30 June	**557**	386
Closing balance – 30 June		
Cost	**1,089**	740
Accumulated depreciation	**(532)**	(354)
Total at 30 June	**557**	386

11 Deferred exploration, evaluation and development

	2023 $'000	2022 $'000
Acquired mineral rights		
Opening cost	14,161	14,161
Exploration and evaluation acquired	–	–
Exploration, evaluation and development	14,161	14,161
Deferred exploration and evaluation expenditure		
Opening cost	35,612	30,997
Effect of foreign exchange on opening balance	(3,847)	(1,231)
Expenditure incurred	6,863	16,836
Exploration expensed	(4,131)	(10,990)
Deferred exploration and evaluation expenditure	34,853	35,612
Net carrying amount at 30 June	49,043	49,773

12 Trade and other payables

	2023 $'000	2022 $'000
Current		
Trade payables	1,273	1,911
Other payables	948	611
	2,221	2,522

13 Provisions

	2023 $'000	2022 $'000
Current		
Employee benefits – annual leave	124	189
	124	189
Non-current		
Rehabilitation (a)	1,872	1,935
Employee benefits – long service leave	21	18
	1,893	1,953
Total	2,017	2,142

(a) In South Africa, long term environmental obligations are based on the Group's environmental plans, in compliance with current environmental and regulatory requirements. Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. The estimated cost of rehabilitation is reviewed annually and adjusted as appropriate for changes in legislation. The rehabilitation provision for the Group's South African project is offset by guarantees held by Centriq Insurance Company Limited ($2.8M) (2022: $2.7M) (refer Note 6).

In Australia, the state government regulations in Victoria require rehabilitation of drill sites including any other sites where the Group has caused surface and ground disturbance. The estimated cost of rehabilitation is reviewed annually and adjusted as appropriate for changes in legislation. The rehabilitation provision for the Group's Victorian project is partially offset by a guarantee held on deposit (refer Note 6).

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

14 Loans

	2023 $'000	2022 $'000
Current		
AASMF loan	–	1,959
Non-current		
IDC Shareholder loan	1,981	–
Total	1,981	1,959

AASMF loan

On 2 November 2015, PCZM (a 70% owned subsidiary of Agama) and Anglo American sefa Fund (**AASMF**) entered into a loan agreement for the further exploration and development of the Prieska Project. Under the terms of the loan, AASMF advanced ZAR14.25M to PCZM on 1 August 2017.

In May 2023, the Company repaid $2M (ZAR23.9M) in cash, as repayment of the loan in full. AASMF released the security associated with the loan, being 29.17% of the shares held in PCZM by Agama Exploration & Mining Proprietary Limited (a wholly-owned subsidiary of Orion), that were pledged as security to AASMF for the performance by PCZM of its obligations in terms of the loan.

IDC Shareholder loan

In November 2022, Orion and the IDC entered into definitive agreements in terms of which the IDC acquired 43.75% of the issued ordinary shares in NOM and triggered pre-development funding arrangements for the Flat Mines SAFTA area (**Flat Mines Project**), refer ASX/JSE release 7 September 2022.

Under the terms of the NOM memorandum of incorporation (MOI), the IDC funding of pre-development costs in the aggregate amount of ZAR34.58M will be advanced to NOM as a shareholder loan on the same terms as the pre-development funding amount of ZAR44.46M that Orion had already advanced to NOM, including that the loan is unsecured, interest free until such time as the Flat Mines Project commences commercial production and will be repaid when NOM is in a financial position to make repayment. Pursuant to the definitive agreements having been implemented, the IDC becoming a shareholder in NOM.

In November 2022, the IDC advanced ZAR21.91M ($1.90M) of its pre-development funding commitment, with a further ZAR12.7 ($1.04M) advanced in March 2023. The loan has been accounted for in accordance with IFRS 9, the discounted loan value with initial recognition is ZAR23.41M ($1.99M) and ZAR24.60M ($2.09M) as at 30 June 2023. The loan is discounted at a rate of prime lending rate in South Africa. Interest on the loan recognised in the current period of ZAR1.18M ($0.10M).

As part of the initial recognition, ZAR 11.1M ($0.9M) was recognised in other reserves of which ZAR4.88M ($0.4M) relates to non-controlling interest.

15 Commitments – project related

Okiep Copper Project

On 2 August 2021, the Company announced that it had exercised a restructured option to directly acquire the mineral rights and other assets held by Southern African Tantalum Mining (Pty) Ltd (**SAFTA**), Nababeep Copper Company (Pty) Ltd (**NCC**) and Bulletrap Copper Co (Pty) Ltd (**BCC**) (collectively the **Target Entities**), rather than acquire the shares in the Target Entities themselves (**OCP Sale Assets**) (**OCP Transaction**).

It is intended that the OCP Sale Assets will be acquired by two newly formed Orion subsidiary companies. New Okiep Mining Company (Pty) Ltd (initially 56.3% owned by Orion and 43.7% owned by IDC (in relation to SAFTA) and New Okiep Exploration Company (Pty) Ltd (initially 100% Orion-owned) (in relation to NCC and BCC) (each a **Purchaser**) will acquire all of the assets of SAFTA, NCC and BCC, respectively, comprising principally their respective mineral rights, mineral data, rehabilitation guarantees, any specified contracts and any other assets identified by the Purchasers (collectively, the **Sale Assets**) (**Okiep Transaction**).

15 Commitments – project related (continued)

The aggregate purchase consideration payable by the Purchasers to the Target Entities and their shareholders (excluding the IDC) (**Selling Shareholders**) for the Sale Assets is ZAR76.5M (~$6.9M) (**Purchase Consideration**), to be settled as to ZAR18.4M (~$1.7M) in cash and ZAR58.1M (~$5.2M) in Orion Shares (**Consideration Shares**). The issue price of the Consideration Shares will be equal to the 30-day volume weighted average price of the Consideration Shares traded on the ASX and the JSE in the period ending on the date that is the earlier of (i) the closing date of the applicable part of Okiep Transaction; and (ii) 30 days after the date on which the last of specified mineral right is granted in respect of the Target Entity that is the subject of that transaction.

The Company will pre-pay a portion of the Purchase Consideration (**Pre-Payment**) to the Selling Shareholders with effect from the date that is 90 days after the date on which the last mineral right is granted in respect of the Target Entity that is the subject of that transaction until the closing date of the OCP Transaction concerned. The Pre-Payment amount is ZAR0.35M in respect of the SAFTA transaction and ZAR0.25M in respect of each of the NCC transaction and the BCC transaction. The aggregate of the Pre-Payments is deducted from the Consideration Shares.

Stratega Metals – Battery Metals Refinery

The Company has agreed with Stratega Metals amenability test work (**Test Work**) and project definition as outlined in the binding exclusivity agreement signed. As part of this agreement, the Company is committed to funding the next phase of the Test Work for USD0.33M plus contingency of USD20,620. With the next phase of the Test Work started in August 2023, funding will likely be requested by Stratega Metals from the Company in four drawdowns, as per the agreed schedule.

16 Issued capital and share based payments reserve

	2023 $'000	2022 $'000
Ordinary fully paid shares	**207,625**	189,755
	207,625	189,755

The following movements in issued capital occurred during the reporting period:

	Number of Shares	Issue price	$'000
Ordinary fully paid shares			
Opening balance at 1 July 2022	4,513,295,398		189,755
Share Issues:			
Placement – 13 July 2022	24,954,817	$0.020	499
Share Purchase Plan – 22 August 2022	67,332,902	$0.020	1,423
Placement – 22 August 2022	144,454,044	$0.020	2,921
Placement – Director fees (21 December 2022)	5,312,500	$0.020	106
Placement – 22 March 2023	116,911,127	$0.015	1,754
Placement – 31 March 2023	593,499,999	$0.015	8,902
Placement – 23 May 2023	115,355,330	$0.015	1,730
Placement – 23 May 2023	51,466,666	$0.015	772
Placement – Executive STI (23 May 2023)	13,215,789	$0.015	198
Placement – Director fees (23 May 2023)	1,250,000	$0.020	25
Less: Issue costs	–	–	(460)
Closing balance at 30 June 2023	**5,647,048,572**		**207,625**

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

16 Issued capital and share based payment reserve (continued)

The following movements in issued capital occurred during the prior period:

	Number of Shares	Issue price	$'000
Ordinary fully paid shares			
Opening balance at 1 July 2021	4,317,116,103		184,999
Share Issues:			
Placement – Okiep Copper Project (4 August 2021)	4,097,465	$0.034	139
Placement – Whittle Consulting (22 December 2021)	11,661,750	$0.036	420
Placement – Okiep Copper Project (10 February 2022)	49,169,580	$0.034	1,672
Placement – 23 June 2022	100,000,000	$0.020	2,000
Placement – 29 June 2022	31,250,500	$0.020	625
Less: Issue costs	–	–	(100)
Closing balance at 30 June 2022	**4,513,295,398**		**189,755**

Share based payments reserve – movement

The employee share option and share plan reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. The following movements in the share based payments reserve occurred during the period:

	$'000
Opening balance at 1 July 2021	3,919
Share based payments expense	417
Unlisted share options expired and transferred to accumulated losses (i)	(730)
Closing balance at 30 June 2022	**3,606**
Share based payments expense	**155**
Unlisted share options expired and transferred to accumulated losses (i)	**(924)**
Closing balance at 30 June 2023	**2,837**

(i) During the current and prior year, previously recognised share based payment transactions for options which had vested but subsequently expired were transferred to accumulated losses.

The following options to subscribe for ordinary fully paid shares expired during the year:

	Number of options	Expiry date	Exercise price
Class			
Unlisted options	4,900,000	31/03/2023	$0.050
Unlisted options	4,900,000	31/03/2023	$0.060
Unlisted options	4,900,000	31/03/2023	$0.070
Unlisted options	5,500,000	31/03/2023	$0.040
Unlisted options	5,500,000	31/03/2023	$0.050
Unlisted options	5,500,000	31/03/2023	$0.060
Unlisted options	5,500,000	31/03/2023	$0.028
Unlisted options	5,500,000	31/03/2023	$0.035
Unlisted options	5,500,000	31/03/2023	$0.040
Total	**47,700,000**		

17 Other reserve

	2023 $'000	2022 $'000
Opening balance	**19,956**	19,956
Movement		
Transactions between owners	**–**	–
IFRS 9 adjustment*	**526**	–
Closing balance	**20,482**	19,956

* *Refer note 14 for detail on the loan IFRS 9 adjustment*

In accordance with AASB 10.23, the gain realised by Nabustax and Itakane on the sale of 20% of the shares in PCZM to Prieska Resources, is recognised directly in equity as transactions between owners without a loss of control.

18 Income tax

	2023 $'000	2022 $'000
Income tax expense		
Loss before tax	**(17,126)**	(15,525)
Income tax using the corporation rate of 25.0% (2022: 25.0%)	**(4,282)**	(3,881)
Movements in income tax expense due to:		
Effect of different tax rates in foreign jurisdictions	**(296)**	(268)
Non deductible expenses	**273**	678
Non assessable income	**(8,576)**	(787)
Employee share based payments expensed	**38**	103
Attribution of income from controlled corporations	**1,862**	–
	(10,981)	(4,155)
Tax effect of tax losses not recognised	**10,981**	4,155
Income tax expense/(benefit)	**–**	–

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

18 Income tax (continued)

No income tax is payable by the Group. The directors have considered it prudent not to bring to account the future income tax benefit of income tax losses and exploration deductions until it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

The Group has estimated un-recouped gross Australian income tax losses of approximately $23.2M (2022: $22.7M) which may be available to offset against taxable income in future years, subject to continuing to meet relevant statutory tests.

The Group also has carry forward tax losses in South Africa of approximately ZAR10.15M (~$0.85M) (2022: ~$0.46M) and unredeemed capital expenditure carried forward, which can be offset against future mining income, of ZAR780.25M (~$65M) (2022: ~$47M).

Benefits from the Group's carry forward tax losses will only be obtained if:

- the Group derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- the Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in taxation legislation adversely affect the economic entity in realising the benefit from the deductions for the losses.

Except to the extent that it does not offset a net deferred tax liability, a deferred tax asset has not been recognised in the accounts for these unused losses because it is not probable that future taxable profit will be available to use against such losses.

Tax consolidation

For the purposes of Australian income taxation, the Company and its 100% controlled Australian subsidiaries have formed a tax consolidation group. The parent entity, Orion Minerals Ltd, reports to the Australian Taxation Office on behalf of all the Australian entities.

19 Loss per share

Basic loss per share amounts are calculated by dividing the net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of potentially dilutive options and dilutive partly paid contributing shares).

The following reflects the loss and share data used to calculate basic and diluted earnings per share:

a) Basic and diluted loss per share

	2023 Cents	2022 Cents
Loss attributable to owners of the Company	**(0.31)**	(0.33)
Diluted loss attributable to owners of the Company	**(0.31)**	(0.33)

b) Reconciliation of loss used in calculating earnings per share

	2023 $'000	2022 $'000
Loss from continuing operations attributable to equity holders of the Group	**(17,126)**	(15,525)
Less: Loss attributable non-controlling interest	**1,795**	(1,238)
Loss attributable to owners of the Company	**(15,331)**	(14,287)

19 Loss per share (continued)

c) Weighted average number of shares

	2023 Number	2022 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share. *	**4,920,048,435**	4,347,754,151

* *Shares are anti-dilutive.*

d) Headline loss per share

	2023 $'000	2022 $'000
Loss before income tax attributable to owners of the Company	**(15,331)**	(14,287)
Impairment of non-current assets reversal	**105**	–
Plant and equipment written off	**–**	–
Adjusted earnings	**(15,226)**	(14,287)
Weighted average number of shares	**4,920,048,435**	4,347,754,151
Loss per share (cents per share)	**(0.31)**	(0.33)
Diluted loss per share (cents per share)	**(0.31)**	(0.33)

20 Financial instruments

Financial Risk Management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's principal financial instruments are cash, short-term deposits, receivables, loans and payables.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income and expenses or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

20 Financial instruments (continued)

Equity price risk

The Group is currently not subject to equity price risk movement.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from fluctuations in interest bearing financial assets and liabilities that the Group uses. Interest bearing assets comprise cash and cash equivalents, which are considered to be short-term liquid assets and investment decisions are governed by the monetary policy.

During the year, the Group had one variable rate interest bearing liability.

It is the Group's policy to settle trade payables within the credit terms allowed and therefore not incur interest on overdue balances.

The Group is not materially exposed to changes in market interest rates. A 1% variation in interest rates would result in interest revenue changing by up to $14,000 (2022: $14,000) based on year-end cash balances, and up to $18,000 (2022: $18,000) based on year-end security bonds and deposits balances, assuming all other variables remain unchanged.

The Group does not account for any fixed rate financial assets and liabilities at fair value through the Statement of Profit or Loss.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The Group does not presently have customers and consequently does not have credit exposure to outstanding receivables. Other receivables represent GST refundable from the Australian Taxation Office, VAT refundable from the South African Revenue Service and security bonds and deposits. Trade and other receivables are neither past due nor impaired.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Refer to Note 2(a)(iii) for a summary of the Group's current plans for managing its liquidity risk.

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group's exposure to financial obligations relating to corporate administration and projects expenditure, are subject to budgeting and reporting controls, to ensure that such obligations do not exceed cash held and known cash inflows for a period of at least 1 year.

Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of the Group is equal to their carrying value.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from expenditure in currencies other than the Group's measurement currency. The Group has foreign operations with functional currencies in South African Rand (ZAR). The Group has not formalised a foreign currency risk management policy, however, it monitors its foreign currency expenditure in light of exchange rate movements.

20 Financial instruments (continued)

The Group has significant exposure to foreign currency risk, particularly between AUD/ZAR, at the end of the reporting period. Foreign exposure risk arises from future commercial transactions and recognised financial assets and financial liabilities which are denominated in a currency other than the Group's functional currency.

	30 June 2023					30 June 2022		
	ZAR $'000	USD $'000	CAD $'000	EUR $'000	GBP $'000	ZAR $'000	USD $'000	GBP $'000
Consolidated								
Financial Assets								
Trade and other receivables	**277**	**–**	**–**	**–**	**–**	376	–	–
Loan to joint venture partners	**3,468**	**–**	**–**	**–**	**–**	3,376	–	–
Investment in Prieska Resources	**24,973**	**–**	**–**	**–**	**–**	24,602	–	–
Loan to Prieska Resources	**1,231**	**–**	**–**	**–**	**–**	1,367	–	–
Financial Liabilities								
Trade and other payables	**1,473**	**10**	**10**	**594**	**–**	2,327	1	19
IDC Shareholder loan	**1,981**	**–**	**–**	**–**	**–**	–	–	–
AASMF loan	**–**	**–**	**–**	**–**	**–**	1,959	–	–

The Group's exposure to foreign exchange is predominately ZAR. Should the Australian dollar weaken by 10%/strengthen by 10% against the ZAR (2022: 10% weaken/10% strengthen), with all other variables held constant, the Groups loss before tax for the year would have been $1.28M lower/$1.28M higher (2022: $1.12M lower/$1.12M higher). The change is the expected overall volatility of the ZAR:AUD, based on management's assessment of the possible fluctuations, with consideration given to the last 6 months of the reporting period and spot rate at reporting date.

Commodity price risk

The Group's exposure to price risk is minimal at this stage of the operations. Commodity price risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market rates. The risk arises from fluctuations in financial assets and liabilities that the Group uses.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The management of the Group's capital is performed by the Board.

The Board manages the Group's liquidity ratio to ensure that it meets its financial obligations as they fall due and specifically allowing for the expenditure commitments for its mining tenements to ensure that the Group's main assets are not at risk.

Refer to Note 2(a)(iii) for a summary of the Group's current plan for managing its going concern.

None of the Group's entities are subject to externally imposed capital requirements.

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

20 Financial instruments (continued)

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

30 June 2023

	Weighted average interest rate	Floating interest rate $'000	Fixed interest rate maturing in 1 year or less $'000	Fixed interest rate maturing in 2 to 5 years $'000	Fixed interest rate maturing in 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets							
Cash on hand and at bank	6.11%	7,053	–	–	–	511	7,564
Loan to Prieska Resources	0.00%	–	–	–	–	1,231	1,231
Investment in preference shares	12.00%	–	–	–	24,973	–	24,973
Other receivables	10.23%	–	421	–	2,831	294	3,546
Total		**7,053**	**421**	**–**	**27,804**	**2,036**	**37,314**
Financial liabilities							
Loans	0.00%	–	–	–	–	1,981	1,981
Lease liability	9.32%	–	98	465	3,546	–	4,109
Trade and other payables	0.00%	–	–	–	–	2,221	2,221
Total		**–**	**98**	**465**	**3,546**	**4,202**	**8,311**

30 June 2022

	Weighted average interest rate	Floating interest rate $'000	Fixed interest rate maturing in 1 year or less $'000	Fixed interest rate maturing in 2 to 5 years $'000	Fixed interest rate maturing in 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets							
Cash on hand and at bank	1.04%	4,128	–	–	–	160	4,288
Loan to Prieska Resources	0.00%	–	–	–	–	1,367	1,367
Investment in preference shares	12.00%	–	–	–	24,602	–	24,602
Other receivables	3.59%	–	438	–	2,684	397	3,519
Total		**4,128**	**438**	**–**	**27,286**	**1,924**	**33,776**
Financial liabilities							
Loans	8.25%	–	1,959	–	–	–	1,959
Lease liability	7.01%	–	107	653	4,111	–	4,871
Trade and other payables	0.00%	–	–	–	–	2,522	2,522
Total		**–**	**2,066**	**653**	**4,111**	**2,522**	**9,352**

21 Commitments and contingencies

Tenement commitments – South Africa and Australia

The Group has a portfolio of tenements located in South Africa and in Victoria, Australia, which all have a requirement for a certain level of expenditure each and every year in addition to annual rental payments for the tenements.

Guarantees

The Group has the following contingent liabilities at 30 June 2023:

- It has negotiated bank guarantees in favour of the South African Government towards obligations of mining and exploration tenements. The total of these guarantees at 30 June 2023 was $2.92M (2022: $2.78M), including a guarantee towards Eskom for Contract Work Security for the amount of $33k (ZAR415K).
- The Group also has bank guarantees in favour of the Victorian Government for rehabilitation obligations and the total of these guarantees at 30 June 2023 was $0.24M (2022: $0.25M). The Group has sufficient term deposits to cover the outstanding guarantees; and
- It has guaranteed to cover the directors and officers in the event of legal claim against the individual or as a group for conduct which is within the Company guidelines, operations and procedures.

As part of the Group's environmental policy, exploration and access sites are regenerated to match or exceed local government and state government expectations. The costs are not considered to be material by the Group, however, this policy will be reviewed as exploration and development activities increase as the Company moves closer towards commercial production.

Guarantees – Rental Agreement

The Group has the following bonds at 30 June 2023:

- It has negotiated guarantees in favour of rental agreements. The total of these guarantees at 30 June 2023 was $NIL (2022: $3,117).

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

22 Controlled entities

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed in the following table.

		Parent Ownership Interest		Non-controlling Interest	
	County of incorporation	**2023 %**	2022 %	**2023 %**	2022 %
Entity					
Parent Entity					
Orion Minerals Ltd	Australia				
Subsidiaries					
Goldstar Resources (WA) Pty Ltd	Australia	**100**	100	**–**	–
Kamax Resources Limited	Australia	**100**	100	**–**	–
Areachap Holdings No 1 Pty Ltd	Australia	**100**	100	**–**	–
Areachap Holdings No 2 Pty Ltd	Australia	**100**	100	**–**	–
Areachap Holdings No 3 Pty Ltd	Australia	**100**	100	**–**	–
RSA Services (Pty) Ltd	Australia	**100**	100	**–**	–
Orion Group Services International Ltd	Seychelles	**100**	100	**–**	–
Areachap Investments 1 B.V.	Netherlands	**100**	100	**–**	–
Areachap Investments 2 B.V.	Netherlands	**100**	100	**–**	–
Areachap Investments 3 B.V.	Netherlands	**100**	100	**–**	–
Areachap Investments 6 B.V.	Netherlands	**100**	100	**–**	–
Agama Exploration & Mining (Pty) Ltd	South Africa	**100**	100	**–**	–
Area Metals Holdings No 1 (Pty) Ltd	South Africa	**100**	100	**–**	–
Area Metals Holdings No 2 (Pty) Ltd	South Africa	**100**	100	**–**	–
Area Metals Holdings No 3 (Pty) Ltd	South Africa	**100**	100	**–**	–
Area Metals Holdings No 4 (Pty) Ltd	South Africa	**100**	100	**–**	–
Area Metals Holdings No 5 (Pty) Ltd	South Africa	**100**	100	**–**	–
Area Metals Holdings No 6 (Pty) Ltd	South Africa	**100**	100	**–**	–
New Okiep Exploration Company (Pty) Ltd	South Africa	**100**	100	**–**	–
New Okiep Mining Company (Pty) Ltd	South Africa	**56.25**	100	**43.75**	–
Orion Exploration No 1 (Pty) Ltd	South Africa	**100**	100	**–**	–
Orion Exploration No 3 (Pty) Ltd	South Africa	**100**	100	**–**	–
Orion Exploration No 4 (Pty) Ltd	South Africa	**100**	100	**–**	–
Orion Exploration No 5 (Pty) Ltd	South Africa	**100**	100	**–**	–
Orion Services South Africa (Pty) Ltd	South Africa	**100**	100	**–**	–
PCZM HoldCo (Pty) Ltd	South Africa	**100**	–	**–**	–
Prieska Copper Zinc Mine (Pty) Ltd	South Africa	**70**	70	**30**	30
Rich Rewards Trading 437 (Pty) Ltd	South Africa	**100**	100	**–**	–
Vardocube (Pty) Ltd	South Africa	**70**	70	**30**	30
Bartotrax (Pty) Ltd	South Africa	**100**	100	**–**	–
Aquila Sky Trading 890 (Pty) Ltd	South Africa	**68**	68	**32**	32
Masiqhame Trading 855 (Pty) Ltd	South Africa	**50**	50	**50**	50
Associates					
Namaqua Nickel Mining (Pty) Ltd	South Africa	**25**	25	**N/A**	N/A
Disawell (Pty) Ltd	South Africa	**25**	25	**N/A**	N/A

Associates Note:
Associates listed above are not controlled by the Group and have no material impact on the Consolidated Financial Statements as at 30 June 2023 (refer Note 8).

23 Non-controlling interest

	2023 $'000	2022 $'000
Opening balance – 1 July	**(4,915)**	(3,677)
Movement		
Partial disposal of subsidiary[(a)]	**(1,944)**	–
Shareholder capital contribution[(b)]	**409**	–
Accumulated losses	**(1,795)**	(1,238)
Closing balance – 30 June	**(8,245)**	(4,915)

(a) On 8 November 2022, Orion sold 43.75% of its shareholding in NOM to the IDC.
(b) Upon becoming a shareholder, the IDC advanced ZAR34.58M (~$3.0M) to NOM, IFRS 9 was applied to the loan received, resulting in a ZAR4.88m (~$0.41M) Shareholder capital contribution.

The non-controlling interest parties have the following interest in the Group South African subsidiaries:

Prieska Copper Zinc Mine (Pty) Ltd 30% (2022: 30%), Vardocube (Pty) Ltd 30% (2022: 30%), New Okiep Mining Company (Pty) Ltd 43.75% (2022: NIL) and Aquila Sky Trading 890 (Pty) Ltd 31.78% (2022: 31.78%). Masiqhame Trading 855 (Pty) Ltd 50% (2022: 50%) do not participate in the profit/loss and has no impact on the NCI value.

24 Related parties disclosure

Key management personnel compensation

The key management personnel compensation included in administration expenses and exploration and evaluation expenses (refer Note 3) and deferred exploration, evaluation and development (refer Note 11) is as follows:

	2023 $	2022 $
Short-term employee benefits	**1,439,296**	1,627,683
Post-employment benefits	**7,127**	6,818
Share based payments	**53,577**	179,848
Total	**1,500,000**	1,814,349

Individual directors and executives compensation disclosures

Information regarding individual directors and executives' compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 are provided in the remuneration report section of the Directors' Report.

Key management personnel and director transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control, joint control or a relevant interest over the financial or operating policies of those entities. A number of these entities transacted with the Group during the year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

24 Related parties disclosure (continued)

From time to time, Directors of the Group, or their related entities, may provide services to the Group. These services are provided on terms that might be reasonably expected for other parties and are trivial or domestic in nature. The following transactions occurred with related parties:

	2023 **$**	2022 $
Payments for services to Tarney Holdings Pty Ltd	**54,600**	123,000
Total	**54,600**	123,000

Tarney Holdings Pty Ltd is an entity associated with the Company's Chairman, Mr Denis Waddell. Mr Waddell provides consulting services to the Group through Tarney Holdings by way of agreement between both parties.

25 Auditor remuneration

	2023 **$**	2022 $
Amounts received or due and receivable by BDO Audit Pty Ltd for:		
An audit or review of the financial report of the Company and any other entity in the Group	**84,000**	91,250
Total amount for BDO Audit Pty Ltd	**84,000**	91,250
Amounts received or due and receivable by BDO South Africa for:		
An audit or review of the financial report of the Company and any other entity in the Group	**115,568**	93,368
Total amount for BDO South Africa	**115,568**	93,368
Total amount for auditors	**199,568**	184,618

26 Segment reporting

The Group's operating segments are identified and information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's Board of Directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8. Reportable segments disclosed are based on aggregating operating segments where the segments have similar characteristics.

The Group's core activity is mineral exploration within South Africa and Australia. During the 2023 financial year, the Group has actively undertaken exploration in South Africa, with segment recording from 29 March 2017.

Reportable segments are represented as follows:

30 June 2023	Australia $'000	South Africa $'000	Total $'000
Segment net operating profit/(loss) after tax	(3,944)	(13,182)	(17,126)
Depreciation	(4)	(168)	(172)
Finance income	161	3,159	3,320
Finance expense	(21)	(409)	(430)
Exploration expenditure written off and expensed	(467)	(3,664)	(4,131)
Segment non-current assets	**11,045**	**72,368**	**83,413**

26 Segment reporting (continued)

30 June 2022	Australia $'000	South Africa $'000	Total $'000
Segment net operating profit/(loss) after tax	(4,345)	(11,180)	(15,525)
Depreciation	(5)	(140)	(145)
Finance income	110	2,926	3,036
Finance expense	–	(288)	(288)
Exploration expenditure written off and expensed	(1,116)	(9,791)	(10,907)
Segment non-current assets	**11,053**	**73,125**	**84,178**

27 Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2023, the parent company of the Group was Orion Minerals Ltd.

	2023 $'000	2022 $'000
Result of parent entity		
Loss for the year	**(2,636)**	(2,482)
Other comprehensive income	**–**	–
Total comprehensive loss for the period	**(2,636)**	(2,482)
Financial position of parent entity at year end		
Current assets	**12,700**	9,127
Non-current assets	**104,003**	89,577
Total assets	**116,703**	98,704
Current liabilities	**(719)**	(314)
Non-current liabilities	**(331)**	1,878
Total liabilities	**(1,050)**	1,564
Total net assets	**115,653**	100,268
Total equity of the parent entity comprising:		
Issued capital	**207,625**	189,755
Accumulated losses	**(94,808)**	(93,095)
Other reserves	**2,837**	3,608
Total equity	**115,653**	100,268

The total net assets of the Parent Entity exceed those of the consolidated Group total net assets. The Group has a conservative capitalisation policy alongside low-value capital expenditure. The Directors are of the opinion that no impairment is required as the loans to Company subsidiary entities are recoverable once the projects are in production.

Notes to the Consolidated Financial Statements continued

For the year ended 30 June 2023

27 Parent entity disclosures (continued)

Parent entity contingencies

The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Contingent liabilities

The Company has issued bank guarantees in respect of its rental agreements and mining tenements. Under the terms of the financial guarantee contracts, the Company will make payments to reimburse the guarantors upon failure of the Company to make payments when due. Refer to Note 20 for further detail.

28 Share based payments

The Group has an Option and Performance Rights Plan (**OPRP**) for the granting of options or performance rights to employees. There were 111,000,000 options granted during the financial year (2022: NIL options) under the Company's OPRP. Options granted to Directors and the CEO during the year, are reported in the Remuneration Report.

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense was $0.15M (2022: $0.42M). Options which expired during the financial year were written back to accumulated losses, $0.92M.

Outlined below is a summary of option movements during the financial year for options issued to key to employees under the OPRP:

30 June 2023	Average Weighted Exercise Price $	Number of Options
Balance outstanding at start of year	0.045	90,700,000
Granted during the year	0.027	111,000,000
Exercised during the year	–	–
Expired/lapsed during the year	0.064	(47,700,000)
Balance outstanding at end of year	**0.031**	**154,000,000**

30 June 2022	Average Weighted Exercise Price $	Number of Options
Balance outstanding at start of year	0.045	126,500,000
Granted during the year	–	–
Exercised during the year	–	–
Expired/lapsed during the year	0.045	(35,800,000)
Balance outstanding at end of year	0.045	90,700,000

28 Share based payments (continued)

The weighted average contractual life for the share options outstanding as at 30 June 2023 is between 1 and 4 years (2022: 1 and 4 years). The exercise price range for outstanding options as at 30 June 2023 is between $0.023 and $0.07.

The weighted average share price, on options exercised, during the year ended 30 June 2023 was $0.0 as no options were exercised (2022: $0.0)

Set out below are the unlisted options exercisable by Directors, KMPs and all employees at the end of the financial year:

Grant date	Expiry date	**2023**	2022	2021	2020	2019
24 Nov 2020	31 Mar 2025	**21,333,334**	9,000,000	4,666,666	–	–
20 Nov 2020	31 Mar 2025	**21,333,333**	16,000,000	8,000,000	–	–
29 Sep 2020	31 Mar 2025	**21,333,333**	30,000,000	20,000,000	–	–
26 Mar 2020	31 Mar 2025	**25,000,000**	31,500,000	21,000,000	10,500,000	–
14 June 2019	30 April 2024	**25,000,000**	30,000,000	30,000,000	20,000,000	10,000,000
29 April 2019	30 April 2024	**25,000,000**	58,500,000	58,500,000	39,000,000	19,500,000
4 May 2023	30 Nov 2023	**199,999,992**	–	–	–	–
21 Sep 2018	31 May 2023	**–**	14,700,000	14,700,000	10,000,000	5,100,000
31 May 2017	31 May 2022	**–**	–	35,800,000	24,400,000	12,300,000
Total		**2,138,999,992**	189,700,000	192,666,666	103,900,000	46,900,000

The fair values of the options are estimated at the date of grant using the Hull-White option pricing model. The following table outlines the assumptions made in determining the fair value of the options granted during the year:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date
4 May 2023	31 Jan 2028	$0.017	$0.023	87.38%	2.97%	$0.010
4 May 2023	31 Jan 2028	$0.017	$0.027	87.38%	2.97%	$0.010
4 May 2023	31 Jan 2028	$0.017	$0.032	87.38%	2.97%	$0.010

29 Subsequent events after the balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years except for the matter referred to below:

- On 17 July 2023, the Company announced that it had taken another important step in advancing the multi-pronged funding strategy for its flagship PCZM in the Northern Cape Province of South Africa where the Company fulfilled all conditions precedent for the previously announced ZAR250 million (~$20 million) IDC Convertible Loan and such other conditions to the Triple Flag $10 million Funding Arrangement, enabling it to submit drawdown notices to both the IDC and Triple Flag for an initial drawdown totalling ZAR167 million (~$13.8 million), with such funds received in July and August 2023.

Directors' Declaration

1 In the opinion of the directors of Orion Minerals Ltd (the Company) the consolidated financial statements and notes that are set out on pages 78 to 115 and the Remuneration Report set out on pages 64 to 74, identified within in the Directors' Report, are in accordance with the Corporations Act 2001, 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 financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

2 The Directors draw attention to Note 2(a)(iii) to the consolidated financial statements, which the Directors have considered in forming their view that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3 The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2023.

4 The Directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Denis Waddell
Chairman

Tuscany, Italy

29 September 2023

Independent Auditor's Report

BDO

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ORION MINERALS LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Orion Minerals Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(a)(iii) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Independent Auditor's Report continued

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

EXPLORATION AND EVALUATION COSTS

Key audit matter	How the matter was addressed in our audit
The Group has incurred significant exploration and evaluation expenditures which have been capitalised. *AASB 6 Exploration for and Evaluation of Mineral Resources* contains detailed requirements with respect to both the initial recognition of such assets and ongoing requirements to continue to carry forward the assets. We consider this a key audit matter as the carrying value of exploration and evaluation expenditures capitalised represents a significant asset of the Group. Note 2(r) and note 11 to the financial statements contains the accounting policy and disclosures in relation to exploration and evaluation expenditures.	Our audit procedures included, but were not limited to: • Obtaining evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditures by obtaining independent searches; • Confirming whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future; • Agreeing a sample of the additions to capitalised exploration expenditure during the year to supporting documentation, and ensuring that the amounts were capitalised correctly; • Reviewing the directors' assessment of the carrying value of the exploration and evaluation expenditure, ensuring that management have considered the effect of potential impairment indicators; • Reviewing public (ASX) announcements and reviewing minutes of directors' meetings to ensure that the Group had not decided to discontinue activities in any of its areas of interest; and • Reviewing the status of the Group's project to support/corroborate management assessment of the classification of the capitalised exploration asset to ensure the correct presentation at the reporting date.

BDO

IDC SHAREHOLDER LOAN

Key audit matter	How the matter was addressed in our audit
During the period the Group triggered pre-development funding arrangement for the Flat Mines SAFTA area, resulting in the receipt of an unsecured, interest free loan from the Industrial Development Corporation of South Africa Limited (IDC). We considered this a key audit matter due to the significance of this transaction to the Group's financial position and the unsecured, interest free nature of the loan. Note 14 to the financial statements contains the accounting disclosures in relation to this transaction.	Our audit procedures included, but were not limited to: • Evaluating management's position paper in respect of the loan; • Engaging BDO's IFRS technical accounting experts to assess the position paper; • Agreeing key inputs included in the resultant calculations to supporting documents; and • Reviewing the adequacy of the disclosures in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report continued

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 64 to 74 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Orion Minerals Ltd, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

Andrew Tickle
Director

Adelaide, 29 September 2023

Additional ASX Information

Shareholder Information

For the year ended 30 June 2023

The following additional information not shown elsewhere in this report is required by ASX Limited in respect of listed companies only. This information is current as at 8 September 2023.

Distribution of ordinary shares and options

	Fully paid ordinary shares			Unlisted options		
	Number of holders	Number of shares	%	Number of holders	Number of options	%
1 – 1,000	11,899	2,569,786	0.05	–	–	–
1,001 – 5,000	4,226	10,221,655	0.18	–	–	–
5,001 – 10,000	1,464	10,879,645	0.19	–	–	–
10,001 – 100,000	4,028	153,755,286	2.70	–	–	–
100,001 and over	2,191	5,509,274,976	96.88	57	3,774,154,708	100
	23,808	5,686,701,348	100	57	3,774,154,708	100

Holders of non-marketable parcels

Shareholders holding less than a marketable parcel on the ASX register was 398.

Twenty largest holders of ordinary shares

	The names of the twenty largest holders of ordinary shares are:	Ordinary shares	%
1	Ndovu Capital X BV	1,081,799,892	19.02
2	Clover Alloys Copper Investments (Pty) Ltd	448,208,440	7.88
3	Sparta AG	349,738,758	6.15
4	Delphi Unternehmensberatung Aktiengesellschaft	277,360,191	4.88
5	IGO Limited	154,166,666	2.71
6	Tarney Holdings Pty Ltd	143,943,912	2.53
7	Ratel Growth Pty Ltd	133,333,333	2.34
8	HSBC Custody Nominees (Australia) Limited	127,560,794	2.24
9	Deutsche Balaton Aktiengesellschaft	126,995,064	2.23
10	GEPF – M and G Investments	123,187,773	2.17
11	Silja Investment Limited	106,321,960	1.87
12	Peresec Prime Brokers (Pty) Ltd	62,662,264	1.10
13	Netwealth Investments Limited	59,861,149	1.05
14	Mr Petrus Fourie	55,546,487	0.98
15	Mosiapoa Capital (Pty) Ltd	54,320,235	0.96
16	Dr Leon Eugene Pretorius	51,190,000	0.90
17	African Exploration Mining and Fina Soc Ltd	43,522,276	0.77
18	Belair Australia Pty Ltd	42,000,000	0.74
19	Anglo American sefa Mining	38,783,706	0.68
20	Anglo American Zimele Pty Ltd	38,783,706	0.68
		3,519,286,606	61.89
	Total issued ordinary share capital	5,686,701,348	

Substantial shareholders

The following shareholders are recorded in the Company's register of substantial shareholders:

Holders giving notice	Date of notice	Ordinary shares as at date of notice	% holding as at date of notice
Ndovu Capital X BV	06-04-2023	1,029,083,226	18.83
Delphi Unternehmensberatung Aktiengesellschaft	15-05-2021	568,844,513	13.79
Clover Alloys Copper Investments (Pty) Ltd	31-03-2023	444,444,444	8.13

This information is based on substantial holder notifications provided to the Company.

Voting rights

The Company's issued shares are one class with each share being entitled to one vote.

Franking credits

The Company has nil franking credits.

Additional ASX Information

Tenement Table

Project	Right/tenement	Status	Ownership interest	Grant date	Expiry date	Holder[1]
South Africa						
Prieska Copper Zinc Mine (PCZM)	NC30/5/1/2/2/10138MR	Granted	ORN 70.00%	4/12/19	3/12/43	PCZM
Prieska Copper Zinc Mine (PCZM)	NC30/5/1/2/2/10146MR	Granted	ORN 70.00%	14/8/20	13/8/32	VAR
PCZM Near Mine	NC30/5/1/1/2/11840PR NC30/5/1/1/2/13752PR[R]	Granted	ORN 70.00%	29/8/18	28/8/23	PCZM
PCZM Near Mine	NC30/5/1/1/2/11850PR NC30/5/1/1/2/13528PR[R]	Granted	ORN 100.00%	9/3/18	8/3/23	BAR
PCZM Near Mine	NC30/5/1/1/2/12257PR	Granted[2]	ORN 100.00%	15/12/22	Awaiting execution	OE5
PCZM Near Mine	NC30/5/1/1/2/12258PR	Granted[2]	ORN 100.00%	27/10/22	Awaiting execution	OE5
PCZM Near Mine	NC30/5/1/1/2/12287PR	Granted[2]	ORN 100.00%	2/12/22	Awaiting execution	OE5
PCZM Near Mine	NC30/5/1/1/2/12405PR	Granted[2]	ORN 100.00%	10/11/22	Awaiting execution	OE5
Namaqua-Disawell	NC30/5/1/1/2/10032MR	Granted	ORN 25.00%	19/9/16	18/09/46	NAM
Namaqua-Disawell	NC30/5/1/1/2/10938PR NC30/5/1/1/2/13397PR[R]	Granted	ORN 25.00%	2/10/14	8/11/22	DIS
Namaqua-Disawell	NC30/5/1/1/2/11010PR NC30/5/1/1/2/13398PR[R]	Granted	ORN 25.00%	2/10/14	8/11/22	DIS
Namaqua-Disawell	NC30/5/1/1/2/12216PR	Granted	ORN 25.00%	14/1/21	13/1/26	NAM
Boksputs North	NC30/5/1/1/2/12197PR	Granted	ORN 70.00%	14/1/21	13/1/26	OE1
Masiqhame	NC30/5/1/1/2/12292PR	Granted	ORN 50.00%	24/3/22	23/3/25	MAS
Flat Mines Mine	NC30/5/1/2/2/10150MR	Granted	ORN 56.25%	28/7/22	27/7/37	SAFTA
Flat Mines Mine	NC30/5/1/1/2/12850PR	Granted	ORN 56.25%	27/6/23	Awaiting execution	SAFTA
Okiep Copper Project	NC30/5/1/1/2/11125PR NC30/5/1/1/2/13395PR[R]	Granted	ORN 100.00%	9/11/17	8/11/22	NOEC (ceded from NCC)
Okiep Copper Project	NC30/5/1/1/2/12357PR	Granted	ORN 100.00%	14/1/21	13/1/26	NOEC (ceded from BCC)
Okiep Copper Project	NC30/5/1/1/2/12852PR	Granted	ORN 100.00%	22/8/23	Awaiting execution	OE6
Okiep Copper Project	NC30/5/1/1/2/12854PR	Granted	ORN 100.00%	22/8/23	Awaiting execution	OE6
Okiep Copper Project	NC30/5/1/1/2/12897PR	Granted[2]	ORN 100.00%	15/12/22	Awaiting execution	OE6
Marydale	NC30/5/1/1/2/12721PR	Application	–	–	–	–
Marydale	NC30/5/1/1/2/12196PR	Application	–	–	–	–
Flat Mines Mine	NC30/5/1/1/2/12755PR	Application	–	–	–	–
Flat Mines Mine	NC30/5/1/1/2/12848PR	Application	–	–	–	–
Okiep Pipeline	NC30/5/1/1/2/13010PR	Application	–	–	–	–

1 *Holder abbreviations – ORN (Orion Minerals Ltd); GRPL (Geological Resources Pty Ltd); IGO (IGO Ltd); KMX (Kamax Resources Limited); NBX (NBX Pty Ltd); PON (Ponton Minerals Pty Ltd); NAM (Namaqua Nickel Mining (Pty) Ltd); DIS (Disawell (Pty) Ltd); MAS (Masiqhame 855 (Pty) Ltd); NOEC (New Okiep Exploration Company (Pty) Ltd); PCZM (Prieska Copper Zinc Mine (Pty) Ltd); VAR (Vardocube (Pty) Ltd); BAR (Bartotrax (Pty) Ltd); OE1 (Orion Exploration No. 1 (Pty) Ltd); OE5 (Orion Exploration No. 5 (Pty) Ltd); OE6 (Orion Exploration No. 6 (Pty) Ltd); SAFTA (Southern African Tantalum Mining (Pty) Ltd); NCC (Nababeep Copper Company (Pty) Ltd); BCC (Bulletrap Copper Co (Pty) Ltd).*

2 *Grant rectification/s in progress.*

R *Prospecting Right renewal application accepted; the right remains active.*

Project	Right/tenement	Status	Ownership interest	Grant date	Expiry date	Holder[1]
Western Australia						
Fraser Range	E28/2367	Granted	KMX 30.00%	7/5/15	6/5/25	IGO
Fraser Range	E28/2596	Granted	KMX 30.00%	6/9/16	5/9/26	IGO
Fraser Range	E39/1653	Granted	KMX 35.00%	20/4/12	19/4/24	IGO & GRPL
Fraser Range	E39/1654	Granted	ORN 10.00%	23/4/12	22/4/24	IGO & NBX
Fraser Range	E69/2707	Granted	ORN 10.00%	19/6/15	18/6/25	IGO & PON
Victoria						
Walhalla	EL5042	Granted	ORN 100.00%	20/2/23	19/2/28	ORN
Walhalla	EL6069	Granted	ORN 100.00%	20/2/23	19/2/28	ORN

1 *Holder abbreviations – ORN (Orion Minerals Ltd); GRPL (Geological Resources Pty Ltd); IGO (IGO Ltd); KMX (Kamax Resources Limited); NBX (NBX Pty Ltd); PON (Ponton Minerals Pty Ltd); NAM (Namaqua Nickel Mining (Pty) Ltd); DIS (Disawell (Pty) Ltd); MAS (Masiqhame 855 (Pty) Ltd); NOEC (New Okiep Exploration Company (Pty) Ltd); PCZM (Prieska Copper Zinc Mine (Pty) Ltd); VAR (Vardocube (Pty) Ltd); BAR (Bartotrax (Pty) Ltd); OE1 (Orion Exploration No. 1 (Pty) Ltd); OE5 (Orion Exploration No. 5 (Pty) Ltd); OE6 (Orion Exploration No. 6 (Pty) Ltd); SAFTA (Southern African Tantalum Mining (Pty) Ltd); NCC (Nababeep Copper Company (Pty) Ltd); BCC (Bulletrap Copper Co (Pty) Ltd).*

Corporate Directory

Board of Directors
Denis Waddell (Non-Executive Chairman)
Errol Smart (Managing Director/CEO)
Thomas Borman (Non-Executive Director)
Godfrey Gomwe (Non-Executive Director)
Philip Kotze (Non-Executive Director)
Mark Palmer (Non-Executive Director

Company Secretary
Martin Bouwmeester

Registered Office and Principal Place of Business
Level 21
55 Collins Street
Melbourne, Victoria 3000
Telephone: +61 (0)3 8080 7170

Auditor
BDO Audit Pty Ltd
Level 18
Tower 4, 727 Collins Street
Docklands, Victoria 3008

Share Registry
Link Market Services Limited
QV1, Level 2, 250 St Georges Terrace
Perth, Western Australia 6000
Telephone: +61 1300 306 089

Stock Exchange
Primary listing:
Australian Securities Exchange (ASX)
ASX Code: ORN

Secondary listing:
JSE Limited (JSE)
JSE Code: ORN

JSE Sponsor
Merchantec Capital
13th Floor, Illovo Point
68 Melville Road
Illovo, Sandton 2196

Website
www.orionminerals.com.au

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