

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Orion Minerals Ltd

ABN

76 098 939 274

Quarter ended ("current quarter")

September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	---	---
1.2	Payments for		
	(a) exploration & evaluation	(685)	(685)
	(b) development	---	---
	(c) production	---	---
	(d) staff costs	(808)	(808)
	(e) administration and corporate costs	(1,180)	(1,180)
1.3	Dividends received (see note 3)	---	---
1.4	Interest received	280	280
1.5	Interest and other costs of finance paid	---	---
1.6	Income taxes paid	---	---
1.7	Government grants and tax incentives	---	---
1.8	Other (intragroup services & cost recoveries received from associates)	91	91
1.9	Net cash from / (used in) operating activities	(2,302)	(2,302)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	---	---
	(b) tenements	---	---
	(c) property, plant and equipment	(536)	(536)
	(d) exploration & evaluation	(1,928)	(1,928)
	(e) investments	---	---
	(f) other non-current assets	---	---

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	---	---
	(b) tenements	---	---
	(c) property, plant and equipment	---	---
	(d) investments	---	---
	(e) other non-current assets	---	---
2.3	Cash flows from loans to other entities	(119)	(119)
2.4	Dividends received (see note 3)	---	---
2.5	Other (provide details if material)	11	11
2.6	Net cash from / (used in) investing activities	(2,572)	(2,572)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	---	---
3.2	Proceeds from issue of convertible debt securities	---	---
3.3	Proceeds from exercise of options	170	170
3.4	Transaction costs related to issues of equity securities or convertible debt securities	---	---
3.5	Proceeds from borrowings	8,885	8,885
3.6	Repayment of borrowings	---	---
3.7	Transaction costs related to loans and borrowings	---	---
3.8	Dividends paid	---	---
3.9	Other (provide details if material) (Triple Flag – Project Financing)	4,028	4,028
3.10	Net cash from / (used in) financing activities	13,083	13,083

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,564	7,564
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,302)	(2,302)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,572)	(2,572)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	13,083	13,083

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(38)	(38)
4.6	Cash and cash equivalents at end of period	15,735	15,735

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	15,735	15,735
5.2	Call deposits	---	---
5.3	Bank overdrafts	---	---
5.4	Other (provide details)	---	---
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,735	15,735

Note: The cash and cash equivalents disclosed in items 4.6 and 5.5 include \$A0.59M cash held by Orion and ringfenced for Flat Mines Project expenditure and \$A8.90M cash held by Orion and ringfenced for PCZM, each as required under the terms of their respective funding agreements (refer item 7).

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	145
6.2	Aggregate amount of payments to related parties and their associates included in item 2	---

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	---	---
7.2 Credit standby arrangements	---	---
7.3 Other: IDC Loan / Project Funding	33,396	15,730
7.4 Total financing facilities	33,396	15,730
Note: Amounts above exclude capitalised interest and fees and include movement in exchange rates (where applicable).		
7.5 Unused financing facilities available at quarter end		17,666
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

IDC Loan – Okiep Copper Project

On 14 November 2022, Orion announced that it had entered into definitive agreements with the Industrial Development Corporation of South Africa Limited (**IDC**) in terms of which the IDC acquired 43.75% of the issued ordinary shares in New Okiep Mining Company Proprietary Limited (**NOM**) and triggered pre-development funding arrangements for the Flat Mines SAFTA area (**Flat Mines Project**).

The IDC funding of pre-development costs in the aggregate amount of ZAR34.58M (~\$A3.0M) will be advanced to NOM as a shareholder loan on the same terms as the pre-development funding amount of ZAR44.46M (~\$A3.8M) 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, at Quarter end, the IDC Loan was ZAR34.58M (~\$A2.79M) in total.

Project Funding – Prieska Copper Zinc MineIDC Convertible Loan

In February 2023, Orion entered into a definitive agreement with the IDC for a ZAR250M (~\$A21M) senior secured convertible loan facility (**Convertible Loan**) to fund early mining works and key pre-development activities at the Prieska Copper Zinc Mine. On 15 July 2023, following satisfaction of all conditions precedent to loan conditions, initial drawdown notice was given to the IDC. Funds were received on 21 July 2023.

The IDC Convertible Loan incurs interest at the South African prime rate +3.5% and is secured. The Convertible Loan does not have a fixed repayment date, however, the IDC does have an option to convert to equity.

In the event that the Early Production Plan BFS results in a positive outcome and a decision is taken to commence with the Early Mining Plan, at the option of the IDC, the Convertible Loan (including capital and accrued interest) can be converted into equity and a shareholder loan in PCZM Holdco Proprietary Limited (a wholly-owned subsidiary of Orion) (**PCZM Holdco**), in proportion to Agama Exploration & Mining Proprietary Limited (a wholly owned subsidiary of Orion) existing shareholder loan claims against PCZM Holdco as at the date of conversion, and utilising a pre-money enterprise value for PCZM of ZAR1.2 billion.

The Convertible Loan is to be secured by first ranking security in favour of the IDC (and Triple Flag) given by PCZM and other obligors over certain of their assets and claims related directly and indirectly to the Prieska Copper Zinc Mine.

At Quarter end, the IDC Convertible Loan balance was ZAR142.34M (~\$A8.89M) and available funds to draw down totalled ~\$A11.69M.

Triple Flag Early Funding Agreement

In December 2022, Orion entered into a definitive agreement for a \$10M Funding Arrangement, with this funding to be made available to Orion to complete the Feasibility Study for the mining of the crown and remnant pillars down to the 385m level at PCZM and the simultaneous commissioning and operating of pumping and water treatment facilities, to allow dewatering of the PCZM mine at a rate ramping up to 500m³ per hour.

Under the terms of the Funding Arrangement, Prieska Copper Zinc Mine (Pty) Ltd (**PCZM**) (a majority-owned subsidiary of Orion) and other obligors have granted a first ranking security in favour of Triple Flag over certain assets and claims. On 15 July 2023, following satisfaction of all conditions precedent to PCZM project funding conditions, initial drawdown notice was given to Triple Flag. Triple Flag funds were received on 10 August 2023.

The Triple Flag Early Funding Agreement is advanced against calculated payments equal to 0.8% of gross revenue from future mineral sales, does not incur interest, is secured and does not have a maturity date.

At Quarter end, the Triple Flag Early Funding Agreement balance was \$A4.03M and available funds to draw down totalled \$A5.97M.

Refer to Orion's September 2023 Quarterly Activities Report for further detail.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,302)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,928)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(4,230)
8.4	Cash and cash equivalents at quarter end (item 4.6)	15,735
8.5	Unused finance facilities available at quarter end (item 7.5)	17,666
8.6	Total available funding (item 8.4 + item 8.5)	33,401

8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	7.9
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2023

Authorised by: Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.