

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Orion Minerals Ltd

### ABN

76 098 939 274

### Quarter ended ("current quarter")

December 2019

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                       |
| 1.1 Receipts from customers                               | ---                        | ---                                   |
| 1.2 Payments for  |                            |                                       |
| (a) exploration & evaluation                              | (3,059)                    | (5,923)                               |
| (b) development   | ---                        | ---                                   |
| (c) production  | ---                        | ---                                   |
| (d) staff costs   | (469)                      | (880)                                 |
| (e) administration and corporate costs                    | (884)                      | (1,518)                               |
| 1.3 Dividends received (see note 3)                       | ---                        | ---                                   |
| 1.4 Interest received                                     | 10                         | 21                                    |
| 1.5 Interest and other costs of finance paid              | (186)                      | (371)                                 |
| 1.6 Income taxes paid                                     | ---                        | ---                                   |
| 1.7 Research and development refunds                      | ---                        | ---                                   |
| 1.8 Other (provide details if material)                   | ---                        | ---                                   |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(4,588)</b>             | <b>(8,671)</b>                        |
| <b>2. Cash flows from investing activities</b>            |                            |                                       |
| 2.1 Payments to acquire:                                  |                            |                                       |
| (a) property, plant and equipment                         | ---                        | ---                                   |
| (b) tenements (see item 10)                               | ---                        | ---                                   |
| (c) investments   | ---                        | ---                                   |
| (d) other non-current assets                              | ---                        | ---                                   |
| 2.2 Proceeds from the disposal of:                        |                            |                                       |
| (a) property, plant and equipment                         | ---                        | ---                                   |
| (b) tenements (see item 10)                               | ---                        | ---                                   |

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| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---|------------------------------------|--|
| (c) investments   | ---                                | ---  |
| (d) other non-current assets                              | ---                                | ---  |
| 2.3 Cash flows from loans to other entities               | ---                                | ---  |
| 2.4 Dividends received (see note 3)                       | ---                                | ---  |
| 2.5 Other (provide details if material)                   | 33                                 | 33   |
| <b>2.6 Net cash from / (used in) investing activities</b> | <b>33</b>                          | <b>33</b>                                      |

|   |              |               |
|---|--------------|---------------|
| <b>3. Cash flows from financing activities</b>                                  |              |               |
| 3.1 Proceeds from issues of shares  | 9,466        | 12,800        |
| 3.2 Proceeds from issue of convertible notes                                    | ---          | ---           |
| 3.3 Proceeds from exercise of share options                                     | ---          | ---           |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | (324)        | (324)         |
| 3.5 Proceeds from borrowings  | ---          | ---           |
| 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)   | ---          | ---           |
| <b>3.10 Net cash from / (used in) financing activities</b>                      | <b>9,142</b> | <b>12,476</b> |

|   |              |              |
|---|--------------|--------------|
| <b>4. Net increase / (decrease) in cash and cash equivalents for the period</b> |              |              |
| 4.1 Cash and cash equivalents at beginning of period                            | 621          | 1,395        |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above)             | (4,588)      | (8,671)      |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above)             | 33           | 33           |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above)            | 9,142        | 12,476       |
| 4.5 Effect of movement in exchange rates on cash held                           | 19           | (6)          |
| <b>4.6 Cash and cash equivalents at end of period</b>                           | <b>5,227</b> | <b>5,227</b> |

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| <b>5. Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances  | 5,227                              | 621                                 |
| 5.2 Call deposits  | ---                                | ---                                 |
| 5.3 Bank overdrafts  | ---                                | ---                                 |
| 5.4 Other (provide details)  | ---                                | ---                                 |
| <b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>   | <b>5,227</b>                       | <b>621</b>                          |

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

| <b>Current quarter<br/>\$A'000</b> |
|------------------------------------|
| 181                                |
| ---                                |

Payments to directors and associates were on normal commercial terms. These payments represent director fees and payments in terms of consultancy agreements with director-related entities.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

| <b>Current quarter<br/>\$A'000</b> |
|------------------------------------|
| ---                                |
| ---                                |

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

| <b>Total facility amount<br/>at quarter end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|---|--|
| 5,000   | 5,000  |
| ---   | ---  |
| ---   | ---  |

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

**Note:** Amounts above exclude capitalised interest and fees.

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**Convertible Loan**

On 25 January 2019, Orion Minerals Limited (**Orion** or **Company**) announced a \$3.6M loan facility with Tembo Capital Mining Fund II LP (**Tembo**) (**Loan Facility**). The key terms of the Loan Facility are:

- Loan Facility Amount: Up to \$3.6M;
- Interest: Capitalised at 12% per annum accrued daily on the amount drawn down;
- Repayment: Tembo may elect for repayment of the balance of the Loan Facility (including capitalised interest and fees) (**Outstanding Amount**) to be satisfied by the issue of fully paid ordinary shares (**Shares**) by the Company to Tembo at a deemed issue price of 2.6 cents per Share, subject to receipt of Shareholder approval (if applicable). The Outstanding Amount must be repaid by 25 June 2020 (On 24 January 2020, Tembo and the Company agreed to extend the Repayment date to 25 June 2020 (previously 25 January 2020)), or if Tembo elects to receive Shares in repayment of the Outstanding Amount in lieu of payment in cash, the date on which the Shares are to be issued to Tembo (or such later date as may be agreed between Tembo and Orion);
- Establishment fee:
  - Cash - capitalised 5% of the Loan Facility Amount and capitalised 4% of the Outstanding Amount as of 24 January 2020, payable on the Repayment date; and
  - Options - 11M unlisted Orion options, exercisable at a price of 3.0 cents per option, expiring on 17 June 2024.
- Security: Loan Facility is unsecured.

At Quarter end, the balance of the Loan Facility was \$4.20M (including capitalised interest and fees).

**AASMF Loan**

On 2 November 2015, Repli Trading No 27 (Pty) Ltd (**Repli**) and Anglo American sefa Mining Fund (**AASMF**) entered into a loan agreement for the further exploration and development of the Copperton Project. Under the terms of the loan, on 1 August 2017, AASMF advanced ZAR14.25M to Repli. The key terms of the agreement are as follows:

- Loan amount: ZAR14.25M (~\$1.40M);
- Interest: Prime lending rate in South Africa;
- Repayment: Repayable on the earlier of 3 years from the date of the advance (1 August 2020) or on the date which Repli raises any additional finance for the further development of the Copperton Project; and
- Security: 29.17% of the shares held in Repli by the Agama group (a wholly owned subsidiary of the Company), have been pledged as security to AASMF for the performance of Repli's obligations in terms of the loan.

At Quarter end, the balance of the loan was \$1.84M (including capitalised interest).

For further information in relation to the Convertible Loan and the AASMF Loan, refer to the Company's Full Year Statutory Accounts for financial year ending 30 June 2019.

| <b>9.</b>  | <b>Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|------------|---|----------------|
| 9.1        | Exploration and evaluation                      | 3,000          |
| 9.2        | Development                                     | ---            |
| 9.3        | Production                                      | ---            |
| 9.4        | Staff costs                                     | ---            |
| 9.5        | Administration and corporate costs              | 800            |
| 9.6        | Other (provide details if material)             | ---            |
| <b>9.7</b> | <b>Total estimated cash outflows</b>            | <b>3,800</b>   |

**Note:** Exploration and evaluation expenditure estimated cash outflows relate principally to Bankable Feasibility Study optimisation studies and early works at the Company's Prieska Copper-Zinc Project.

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| 10.  | Changes in tenements (items 2.1(b) and 2.2(b) above)                                  | Tenement reference and location  | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|------|---|--|--------------------|----------------------------------|----------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | <u>South Africa Prospecting Rights</u><br>---<br><u>WA Exploration Licence</u><br>---<br><u>VIC Exploration Licence</u><br>--- |                    |                                  |                            |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased           | <u>South Africa Prospecting Rights</u><br>---<br><u>WA Exploration Licence</u><br>---<br><u>VIC Exploration Licence</u><br>--- |                    |                                  |                            |

**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.



Sign here: .....  
 (Company secretary)

Date: 29 January 2020

Print name: Martin Bouwmeester

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.