

## 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")

September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	---	---
1.2 Payments for		
(a) exploration & evaluation	(2,864)	(2,864)
(b) development	---	---
(c) production	---	---
(d) staff costs	(411)	(411)
(e) administration and corporate costs	(634)	(634)
1.3 Dividends received (see note 3)	---	---
1.4 Interest received	11	11
1.5 Interest and other costs of finance paid	(185)	(185)
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>(4,083)</b>	<b>(4,083)</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)	---	---

**Appendix 5B**

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

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$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)	---	---
<b>2.6 Net cash from / (used in) investing activities</b>	<b>---</b>	<b>---</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	3,334	3,334
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	---	---
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>3,334</b>	<b>3,334</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	1,395	1,395
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(4,083)	(4,083)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	---	---
4.4 Net cash from / (used in) financing activities (item 3.10 above)	3,334	3,334
4.5 Effect of movement in exchange rates on cash held	(25)	(25)
<b>4.6 Cash and cash equivalents at end of period</b>	<b>621</b>	<b>621</b>

**Appendix 5B**

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

<b>5. Reconciliation of cash and cash equivalents</b> 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 \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	621	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>621</b>	<b>621</b>

**Note:** On 25 October 2019, the Company announced that it received commitments from investors to raise \$6.4M by way of placement of approximately 222M Shares at \$0.025 per Share by way of placement (refer ASX release 25 October 2019 for further details).

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

	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	121
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	

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**

	<b>Current quarter \$A'000</b>
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	

**8. Financing facilities available**

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

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	5,000	5,000
8.2 Credit standby arrangements	---	---
8.3 Other (please specify)	---	---

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.

**Convertible Loan**

On 25 January 2019, the 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 Outstanding Amount to be satisfied by the issue of Shares by the Company to Tembo at a deemed issue price of 2.6 cents per Share, subject to receipt of Shareholder approval. The Outstanding Amount must be repaid by 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, 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 \$4.06M (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 \$1.73M (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 (for information in relation to capital raising initiatives (Placement and Share Purchase Plan), refer to ASX release 25 October 2019 and the Company's September 2019 Activities Report.	3,200
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>4,000</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 Zinc-Copper Project.

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

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> --- <u>WA Exploration Licence</u> --- <u>VIC Exploration Licence</u> MIN 5487	Relinquished	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	<u>South Africa Prospecting Rights</u> NC30/5/1/1/2/1038MR <u>WA Exploration Licence</u> --- <u>VIC Exploration Licence</u> ---	Granted	0%	70.00%

**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: 31 October 2019

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.