

ASX ANNOUNCEMENT

29 July 2022



OREXPLORE

TECHNOLOGIES

ABN 98 645 505 406

Quarterly Activities & Cash Flow Report Period Ended June 2022

Quarter Highlights

- Advanced the OZ Minerals opportunity including site inspections, customer engagement and tendering of the project (with subsequent contract award of circa \$2.35 million in the period post June 30).
- Successful operational delivery of the Wiluna project – further validating the Technology Platform’s in-field exploration decision support value proposition.
- Continued laboratory scanning and value proposition development work across Perth and Stockholm for customers.
- Advanced the technology platform including GX10 core handling capability and speed increases and Orexplore Insight® capabilities.
- Commencement of a Perth based dedicated sales leader to accelerate customer out-reach and drive pipeline growth.
- Engaged Latin American based sales partner who commenced regional and customer engagement with tailored local sales material.
- Cash balance at 30 June 2022 of \$10.63million (no debt) and continued focus on financial discipline.

Perth, Australia; 29 July 2022 – Orexplore Technologies Limited (ASX: OXT) (“Orexplore” or the “Company”), a globally focused mineral scanning technology company concentrated on the mining and metals sector, is pleased to provide its Quarterly Activities and Cash Flow Report for the quarter ended 30 June 2022.

Commercial contracts and field trials underway

The June Quarter was a busy period for the Company with ongoing industry outreach to promote Orexplore’s fast, non-destructive core scanning technology. This resulted in the Company being awarded a mineral scanning and analysis contract in the period post 30 June 2022, valued at approximately \$2.35m, with ASX-listed miner OZ Minerals Limited (“OZ Minerals”). (See ASX release dated 7 July 2022).

Under the binding contract, Orexplore will deliver site-based drill-core and sample scanning services of around 30,000m for OZ Minerals over a period of approximately 6 months. This work will support the testing of new data driven processes focused on optimising resource, scale and value outcomes, the testing of innovative processes and technologies across the value chain, and exploration for new resources.



This agreement with OZ Minerals is significant to Orexplore in that it represents a fully commercial site deployment of Orexplore's ore body knowledge value proposition powered by the Company's Technology Platform. This engagement seeks to deliver enhanced ore body characterisation rapidly from "seeing through" scanned core and samples in the field to generate 3D models and connecting new information sets to project studies that may improve data-driven decision making and accelerate study processes.

Information from GeoCore X10® drill core scans can be available for analysis within hours of drilling and in a more sustainable way. The Orexplore Insight® software provides the platform to connect remote geological decision-makers anywhere in the world to analyse and interpret results to accelerate decision-making.

Following the signing of a binding agreement with Wiluna Mining Corporation Limited ("Wiluna") (See ASX release dated 29 March 2022), the Company scanned approximately 2,000m to power the delivery of the Company's exploration decision support value proposition to assist Wiluna with drill campaign optimisation. Revenue of \$162,000 was invoiced during the quarter. Subsequent to quarter end, Wiluna has entered voluntary administration and the Company has therefore fully provided for the non-recovery of this amount.

The ore body knowledge value proposition featured in the OZ Minerals project is notably adjacent to the value proposition delivered for Wiluna and demonstrates a further commercial broadening of the Company's suite of value propositions.

During the quarter, the Company's commercialisation phase continued through further customer outreach, ongoing scanning of core in the Perth and Stockholm laboratories and advancing in-kind trials. Activities included:

- Receiving and scanning core and samples in the Orexplore laboratories from customers for testing and to demonstrate and advance the Company's value propositions;
- Ore sorting test work and value proposition development with customers; and
- Analysis of the full-scale field-trial outputs and collaborative advancement of the potential associated operational value propositions.

Accelerating sales and marketing

A full-time sales executive, Kath Hodgson, was appointed during the period to advance the customer out-reach process and continue to build the sales pipeline. Kath has over 25 years in the Resources Industry across Australia and Africa and vast experience throughout the mining lifecycle, from managing remote greenfields exploration operations, resource and reserve definition programs, and integrating these with mining and mineral processing programs. Kath's extensive industry experience has been built broadly from field exploration and geology, through industry laboratory and assay service providers, to senior management roles within service providers evolving new technologies.

The Company formally commenced an agreement with a Latin American based sales

partner on a limited trial basis to undertake market testing and local engagement in that region. The purpose of this engagement is to test the current local market conditions and identify potential target projects and customers that represent effective market entry points and to commence the building of a regional sales pipeline. This included the production of Spanish sales material and a series of in person local engagements with customers, supported by our Perth based geology teams.

A number of marketing initiatives were undertaken during the period including attendance at PDAC, and a demonstration GX10 as part of a manned booth at the European mining expo. Social media out-reach continued across the period with high-quality advances across key metrics such as audience growth and messaging effectiveness.

An updated investor deck and video presentation was also delivered through a live Webinar during the period in conjunction with general media engagements.

Building commercialisation and technology capabilities

The seasoned teams in Perth and Stockholm, comprising Engineering, Geology and Product Development teams, are working effectively together to accelerate commercial delivery.

Operational readiness including capability and capacity across people, processes, and systems will continue to be a priority in H2 FY22 to support deployments and scanning, whilst building the customer out-reach and sales pipeline.

Concurrent with the commercialisation process, the Orexplore Technology Platform is undergoing continual development to upgrade its capabilities through the Stockholm based Product and R&D group. The focus with the GX10 fleet is to increase performance and enhance functionality to underpin the growing suite of value propositions. During the quarter the Company made the decision to bring forward its larger core diameter handling project, with design and manufacture of upgraded parts and systems well underway. This larger core handling capability increases the serviceable market for the Company and has been frequently referred to as a valuable requirement for some customers during customer engagement activities.

The Orexplore Insight® platform remains a high priority for functionality and performance upgrades to support the delivery of the Company's value propositions. As the main user interface for the system for customer geologists and mining professionals it serves as the "steering wheel" of the system to allow the analysis of core and samples and serves as the platform for future application of advanced techniques such as machine learning.

The Company also seeks to develop further potential applications for the technology such as emerging assay efficiency optimisation, grade control products and sustainability enablers to be at the forefront of the industry.

On the corporate front, Greg Haskis was appointed new interim Chief Financial Officer, bringing over 30 years' experience, and a track record and knowledge of ASX regulatory compliance and involvement with technology companies. Mr Haskis succeeds Mr David French.



Orexplor's Managing Director, Brett Giroud, commented:

"The June Quarter was a period of solid progress for Orexplore. Despite current macro conditions, our fundamentals have not changed, and our efforts through this period in deepening customer engagement and advancing our Value Propositions resulted in being awarded our first large contract in early July 2022 – a contract with Oz Minerals worth approximately \$2.35 million."

"The engagement with local and global customers continues to increase in breadth and depth as the market becomes more aware of the multiple value propositions that can be achieved by a single, non-destructive core scan by the GeoCore X10 instrument"

"The applicability of our technology solutions span broadly across the mining value chain such as supporting exploration programs with "x-ray eyes" to orebody characterisation for Oz Minerals. Demonstrating value through our technology and solving pain points to improve productivity remains our focus."

"The global market opportunity is growing, and our priority is advancing our strategy and commercialisation."

Corporate & Financial

The Company's appendix 4C for the Quarter ending 30 June 2022 is attached. As at 30 June 2022, Appendix 4C, cash holdings were A\$10.63 million with no debt.

Robust financial discipline continues to be a priority for the business.

Net cash operating cash outflows for the quarter under totalled \$1.69 million (Q1 FY22: \$1.66 million). Investment cash outflows to expand Company capability for Q2 FY22 were \$302k (Q1 FY22: \$405k).

In accordance with ASX listing rule 4.7C.3, payments to related parties of the Company and their associates during the quarter totalled \$171k. These payments are related to the Managing Director salary and Non-executive Directors' fees.

Orexplor also held its Annual General Meeting on Friday, 27 May 2022, and all resolutions were passed.

Pursuant to ASX listing rule 4.7C.2, the Company advises the proposed use of funds contained in section 1.7 of Orexplore's Prospectus dated 22 November 2021 in comparison to the actual use of funds following admission of the Company to the official list of the ASX is as follows:





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Use of Funds	Estimate for the two years post ASX admission including Priority Offer Funds \$'000	Actual Use since ASX admission to 30 June 2022 \$'000
Business development, sales and marketing	3,750	377
Product and service development (incl. R&D)	6,400	1,786
Operations (site and laboratory)	1,400	425
Working capital/corporate expenses	2,974	1,096
Total	14,524	3,684

Working capital/corporate expenses actual use of funds includes approximately \$315k of transaction expenses related to the Swick demerger and Priority Offer of which \$179k plus GST will be reimbursed by Swick to the Company during Q3 FY22.

Orexlore confirms that it expects to utilise the funds raised under its Prospectus in accordance with the use of funds statements, and the key business objectives underlying the expected use of funds remain intact.

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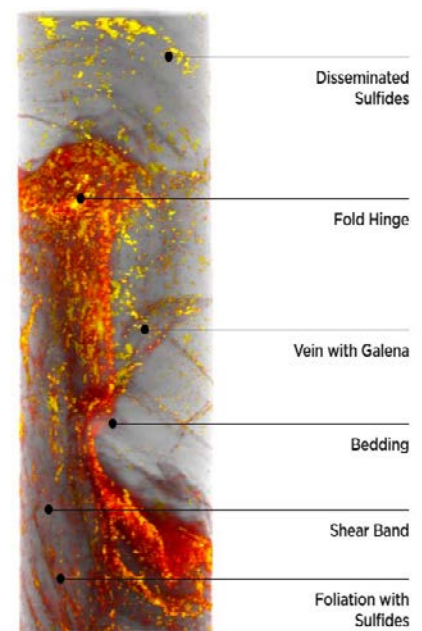
This ASX announcement was authorised for release by the Board of Orexplore Technologies Limited

About Orexplore Technologies

Orexlore Technologies Limited (ASX: OXT) is a globally focused mineral technology business concentrated on advancing the commercialisation of its Technology Platform across the mining value chain within the global metals and mining sector. The Company's Technology Platform consists of the GeoCore GX10® hardware product and Orexplore Insight user interface software, that is continually advancing through its in-house multi-disciplinary research and development team based in Stockholm, Sweden.

Orexlore's first product, the GeoCore X10®, is a transportable X-ray rock mass scanning technology that converts drill core samples into a three-dimensional data set to provide a "through the rock" image of internal structures and texture in addition to elemental detections, and density.

The Company maintains two core-scanning laboratories in Stockholm where it undertakes scanning operations, and in its headquarters in Perth, Western Australia. Orexplore's talented global team includes consulting geologists, engineers, data scientists and physicists, and technology delivery experts. The group continues to advance its solutions through development and delivery of customer Value Propositions powered by its products.



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Disclosure Statement:

These materials include forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks, and contingencies, many of which are outside of the control of, and may be unknown to, the Company. Actual results and developments may vary materially from those expressed in these materials. The types of uncertainties which are relevant to the Company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the Company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the Company does not in providing this information undertake any obligation to publicly update or revise any of the forward-looking statements or any change in events, conditions, or circumstances on which any such statement is based.



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Orexplora Technologies Limited

ABN

98 645 505 406

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	19	129
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(16)	(164)
(c) advertising and marketing	(58)	(58)
(d) leased assets	(114)	(232)
(e) staff costs	(968)	(1,930)
(f) administration and corporate costs	(550)	(1,078)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,687)	(3,333)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(86)	(312)
(d) investments	-	-
(e) intellectual property	(216)	(395)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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)	-	-
2.6	Net cash from / (used in) investing activities	(302)	(707)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,437
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(30)	(634)
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)	-	-
3.10	Net cash from / (used in) financing activities	(30)	1,803
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,661	12,644
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,687)	(3,333)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(302)	(707)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(30)	1,803
4.5	Effect of movement in exchange rates on cash held	(9)	226
4.6	Cash and cash equivalents at end of period	10,633	10,633

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	10,633	12,644
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,633	12,644

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	171
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<i>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.</i>		

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. 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 (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,687)
8.2 Cash and cash equivalents at quarter end (item 4.6)	10,633
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	10,633
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	6.30
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 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:	
8.6.2 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:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 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: 29 July 2022

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

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 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 standard applies 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.