

OREXPLORE
TECHNOLOGIES

Appendix 4D

&

Consolidated Interim Financial Report

For the half-year end 30 June 2022

OREXPLORE TECHNOLOGIES LIMITED

APPENDIX 4D

HALF-YEAR REPORT

REPORTING PERIOD

Current period:	Half-year ended 30 June 2022
Previous corresponding period:	Half-year ended 30 June 2021

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	30 June 2022 \$000	30 June 2021 ¹ \$000	Change Up/(Down) \$000	%
Revenue from ordinary activities	237	2	235	>100%
Loss after tax from ordinary activities	(3,705)	(1,112)	(2,593)	(233%)
Loss after tax attributable to members	(3,705)	(1,112)	(2,593)	(233%)

¹ Comparative amounts for the half-year ended 30 June 2021 include only the results of Orexplora AB, the parent entity for accounting purposes of the Orexplora Group, which was formed on 23 December 2021. Refer to the accompanying interim consolidated financial statements for the half-year ended 30 June 2022 for further information.

DIVIDENDS AND DIVIDEND REINVESTMENT PLANS

No dividend has been proposed or declared in respect of the half-years ended 30 June 2022 and 30 June 2021 and there were no dividend reinvestment plans in operation during the current period.

CONTROL GAINED/ LOST OVER ENTITIES

No control over any entities was gained or lost during the half-year ended 30 June 2022.

NET TANGIBLE ASSETS (NTA) PER SHARE

	30 June 2022 \$000	31 June 2021 ² \$000
NTA ¹ per share	0.12	0.03

¹ NTA excludes intangible assets and right-of-use assets.

² NTA as at 30 June 2021 represents the NTA of Orexplora AB, the Orexplora Group parent entity for accounting purposes.

AUDIT REVIEW

This report is based on the interim consolidated financial statements for the half-year ended 30 June 2022 which have been reviewed by Grant Thornton Audit Pty Ltd.

OTHER

Additional information supporting the Appendix 4D disclosure requirements and a comparison of performance against previous periods can be found in the accompanying Directors' report and the interim consolidated financial statements for the half-year ended 30 June 2022.

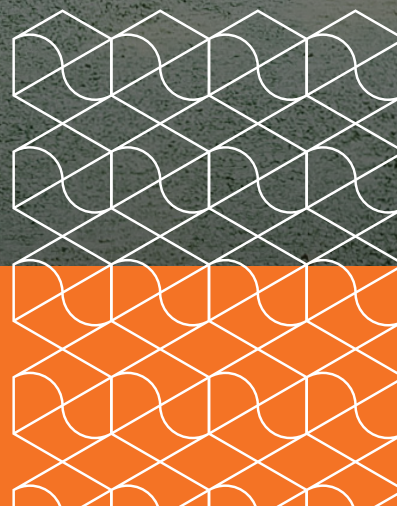


OREXPLORE
TECHNOLOGIES

Consolidated Interim Financial Report

For the half year end 30 June 2022

OREXPLORE TECHNOLOGIES LIMITED
ABN 98 645 505 406



CONTENTS

	Page
Corporate directory	3
Directors' report	4
Auditor's independence declaration	9
Condensed consolidated statement of profit or loss and other comprehensive income	10
Condensed consolidated statement of financial position	11
Condensed consolidated statement of changes in equity	12
Condensed consolidated statement of cash flows	13
Notes to the condensed consolidated interim financial report	14
Directors' declaration	21
Independent auditor's review report	22

CORPORATE DIRECTORY

DIRECTORS

Alan Bye	Non-executive Chairman
Brett Giroud	Managing Director
Kent Swick	Non-executive Director
Stuart Carmichael	Non-executive Director
Stefan Sädbom	Non-executive Director

COMPANY SECRETARY

Frank Campagna

REGISTERED PRINCIPAL OFFICE

75 McDonald Crescent
Bassendean WA 6054
Phone: +61 8 9469 2900
Website: www.orexplorer.com
Email: info@orexplorer.com

SHARE REGISTRY

Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth WA 6000
Phone (within Australia): 1300 288 664
Phone (outside Australia): +61 (2) 9698 5414
Email: hello@automicgroup.com.au
Website: www.automicgroup.com.au

SOLICITORS

Hamilton Locke
Level 27, 152-158 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE LISTING

Australian Securities Exchange (ASX: OXT)

AUDITOR

Grant Thornton Audit Pty Ltd
Level 43, 152-158 St Georges Terrace
Perth WA 6000

BANKER

National Australia Bank Ltd.

DIRECTORS' REPORT

The Directors present their report together with the Consolidated Interim Financial Report of Orexlore Technologies Limited ("**the Company**" or "**Orexlore**") and its controlled entities ("**the Group**") for the six months ended 30 June 2022.

DIRECTORS AND COMPANY SECRETARY

The Directors and Company Secretary during the whole of the financial half-year and up to the date of this report are:

- Alan Bye – Chairman, Non-executive Director
- Brett Giroud – Managing Director
- Kent Swick – Non-executive Director
- Stuart Carmichael – Non-executive Director
- Stefan Sädbom – Non-executive Director
- Frank Campagna – Company Secretary

PRINCIPAL ACTIVITIES

The principal activity of the Group during the half-year was the research, development, sale, and provision of core scanning services using its proprietary GeoCore X10® hardware product and its associated interface software Orexlore Insight®. The GeoCore X10® is a transportable X-ray rock mass scanning technology (XRF and CT) that digitises drill core creating a three-dimensional data set that facilitates "through the rock" analysis of features such as internal structures, texture, elemental detections, and density.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Orexlore was demerged from Swick Mining Services Limited ("**Swick**") on 7 January 2022 via an in-specie distribution under the terms of the Demerger Implementation Deed dated 12 November 2021, under which Swick sold its fully owned Orexlore entities Orexlore AB and Orexlore Australia Pty Ltd to Orexlore on 23 December 2021.

On 19 January 2022, Orexlore was admitted to the official list of the ASX, and its shares commenced trading on 21 January 2022.

There have been no other significant changes in the state of affairs of the Group during the financial period not otherwise disclosed in this report or the financial statements.

REVIEW OF OPERATIONS

During the half year under review ("**H1FY22**"), the Company advanced its capabilities and technology platform and remained highly focused on accelerating its commercialisation phase through customer outreach, value proposition development and adoption, and driving market traction.

Commenced trading on the ASX

Orexlore commenced trading on the Australian Securities Exchange ("**ASX**") on 21 January 2022 following a strongly supported Priority Offer which raised \$2.44m. This was in addition to the \$12m seed funding amount provided through the Swick demerger. At 30 June 2022 the Group held \$10.63m of cash available to support ongoing operations and the Company's growth strategy.

The demerger and listing has allowed Orexlore to build and advance its own business and technology strategies, create a high-performing technology delivery team, and focus on commercialising the technology platform through targeted customer value propositions across the mining value chain.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (Continued)

Commercialisation

Since listing, the Company has advanced its strategy to commercialise its non-destructive scanning technology.

A project valued at circa \$110,000 continued for Western Areas Limited, with scanning of over 1,200m of drill core through the Company's Perth facility with supporting analysis undertaken by the consulting geology team in conjunction with customer personnel.

An in-kind field trial was also conducted with three GeoCore X10® units on a large international mining company's operational site. In addition to providing scanning services, Orexlore successfully demonstrated training of site personnel in the use of the technology to accelerate adoption. A comparison of a range of GeoCore X10® deliverables with traditional analysis methods has helped to further validate and refine site-based value propositions.

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 of drill core to power the delivery of its exploration decision support value proposition to assist Wiluna with drill campaign optimisation. Revenue of \$162,000 was invoiced during the half-year. After half-year end, Wiluna entered voluntary administration and the Company has fully provided for the non-recovery of this amount.

During 1H FY22, the Company continued to accelerate industry outreach to promote its value propositions. This, together with advances in the platform's ability to inform resource to reserve processes, led to 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, Orexlore will deliver site-based drill-core and sample scanning services of around 30,000m for OZ Minerals over a period of approximately 6 months with site mobilization to commence in September 2022. 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.

The resource to reserve - ore body knowledge value proposition which features 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.

Commercialisation and associated value proposition development and validation was also advanced outside of field deployments through ongoing scanning of core for customers in both the Perth and Stockholm laboratories. In this regard, activities included the testing of solutions for ore sorting, orebody characterisation, sample optimisation and grade control solutions.

The commercial contracts awarded, together with other field trials, laboratory commercial scanning and in-kind trials demonstrate traction across the half-year period in line with the Company's articulated strategy.

Sales and marketing

During H1 FY22, Orexlore advanced its internal sales processes and systems, significantly increased customer outreach, and grew its pipeline of sales opportunities. This included the appointment of an experienced full-time sales executive.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (Continued)

The Company also formally commenced an agreement with a Latin American based sales partner on a limited trial basis to undertake market testing and local engagement in the region. Spanish sales material was produced to support the Group's local outreach and attendance at regional conferences, with additional support provided by the Perth geology team.

Capabilities and technology

The efficiency, speed and effectiveness of the geology, engineering and development teams' working methods and development outputs increased significantly through the period. Guided by clear technology roadmaps linked to company strategy, and through cross-pollinating teams and best practice tools and systems, the Company is continually advancing its product development and commercialisation rates.

A focus on productisation of the technology platform's capabilities to underpin commercial deployments resulted in a reduction in some areas of R&D expenditure and an increase in operational delivery and support roles across 1H FY22. This included the commencement of a mechatronics engineer based in the Perth office to further build the Company's support and deployment capability, advance the speed of minor hardware projects and ensure fleet operational readiness.

During 1H FY22, the Perth and Stockholm engineering teams commenced an accelerated collaborative mechanical design process to deliver the "HQ machine" which unlocks the capability to scan larger diameter core. This new 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.

Orexlore also initiated an internal data science capability during 1H FY22 to support the productisation of the platform through advancing value propositions in response to customer and industry demands and internal technology strategies and roadmaps. The data science function will continue to increase in importance as a strong driver of new valuable data products that underpin the typical deliverables sought by customers and extract the unique insights available in the Company's 3D core data sets.

Other technology-related developments included:

- QA/QC advancement across all systems and interfaces with the Company's engineers working closely with the deep physics-capable R&D team to ensure field-based readiness across calibration, availability and reliability of all hardware and software systems;
- Additional functionality and performance improvement of the Orexplore Insight® platform to meet customer requirements; and
- Multiple GX10® field unit speed and performance enhancements.

The operational readiness of the Company was also strengthened through field deployments of GX10® units and the execution of the Wiluna contract. The field experience gained by the scanning team and a strengthening of its technical and engineering support groups and associated systems and processes places the Company in a strong position to execute new contracts.

Advancing the Company's capability and capacity across the engineering, geology and operations groups through people, processes, and systems will continue to be a priority in H2 FY22 to support robust deployments, scanning, and support whilst building the customer out-reach and sales pipeline. Development prioritisation will continue to focus on balancing industry and customer requirements "pull" with technology innovation "push" into the market. Achieving this balance is important to drive adoption rates and simultaneously build compelling value creating products.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (Continued)

Revenue and Expenditure

In comparing the H1FY22 result with that of the corresponding half-year period ended 30 June 2021, it should be noted that the result for H1FY21 includes only the result of Orexlore AB, the Group's parent entity for accounting purposes, and represents a period before the formation of the Group on 23 December 2021.

The loss for the period under review was \$3,705,000 and included non-cash depreciation and amortisation of \$699,000. The Group's largest area of expenditure was employee benefits which totalled \$2,070,000 for the half-year. Total Group headcount at 30 June 2022, excluding the Company's non-executive directors, was 20 with 11 staff based in Australia and 9 in Sweden.

Cash flow

Total net cash outflows for H1FY22 amounted to \$2.24m and included investment outflows of \$707,000. Operating cash outflows for the half-year amounted to \$3.33m.

Cash inflows from the Company's Priority Offer after payment of listing and offer expenses was \$1.8m. Cash at period end was \$10.63m.

EVENTS SUBSEQUENT TO REPORTING DATE

On 7 July 2022 Orexlore entered into a commercial agreement with OZ Minerals Limited valued at approximately \$2.35 million to deliver on-site scanning and analysis of approximately 30,000m of drill core and samples over an estimated six-month period.

On 20 July 2022 Wiluna Mining Corporation Limited, a debtor of Orexlore, entered voluntary administration. As a result of this, the Company has at 30 June 2022, provided in full for the non-recovery of an amount of \$162,067 owing to it from Wiluna Mining Corporation Limited.

There have been no other significant events after 30 June 2022.

DIVIDENDS

No dividends have been paid, declared or recommended since the start of the period.

DIRECTORS' REPORT

ROUNDING OFF

The parent entity is a Company of the kind specified in ASIC Corporation Legislative Instrument 2016/191. In accordance with that class order, amounts contained in the interim consolidated financial statements have been rounded to the nearest thousand dollars (\$'000) unless specifically stated otherwise.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration required under Section 307C of the Corporation's Act 2001 (Cth) is set out on page 9 and forms part of the Directors' Report for the six months ended 30 June 2022.

This report is signed in accordance with a resolution of the Board of Directors.

On behalf of the directors:



Brett Giroud
Dated: 29 August 2022

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000
PO Box 7757
Cloisters Square
Perth WA 6850
T +61 8 9480 2000

Auditor's Independence Declaration

To the Directors of Orexplere Technologies Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Orexplere Technologies Ltd for the half-year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 29 August 2022

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2022

		30 June 2022 \$000	30 June 2021 \$000
	Note		
Revenue	9	237	2
Other income	9	36	416
Raw materials and consumables used		(149)	(111)
Employee benefits expense		(2,070)	(737)
Depreciation and amortisation expense		(699)	(471)
Finance costs		(7)	(5)
Other expenses		(1,053)	(216)
Loss before income tax expense		(3,705)	(1,122)
Income tax		-	-
Loss after income tax		(3,705)	(1,122)
OTHER COMPREHENSIVE LOSS			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(724)	(199)
Other comprehensive income for the period net of tax		(724)	(199)
Total comprehensive loss for the period		(4,429)	(1,322)
Basic and diluted loss per share (cents)	10	(3.59)	(1.54)

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

		30 June 2022 \$000	31 Dec 2021 \$000
	Note		
CURRENT ASSETS			
Cash and cash equivalents		10,633	12,644
Trade and other receivables		752	809
Inventories	11	1,215	1,198
Prepayments		108	118
Total current assets		12,708	14,769
NON-CURRENT ASSETS			
	12	1,558	1,798
Intangible assets	13	5,788	6,080
Right-of-use assets		655	508
Total non-current assets		8,001	8,386
TOTAL ASSETS		20,709	23,155
CURRENT LIABILITIES			
Trade and other payables		853	1,565
Provisions		166	102
Lease liabilities		402	408
Total current liabilities		1,421	2,075
NON-CURRENT LIABILITIES			
Lease liabilities		294	156
Total non-current liabilities		294	156
TOTAL LIABILITIES		1,715	2,231
NET ASSETS		18,994	20,924
EQUITY			
Issued capital	14	39,153	36,716
Foreign exchange reserve		(742)	(18)
Share-based payment reserve		1,199	1,137
Accumulated losses		(20,616)	(16,911)
TOTAL EQUITY		18,994	20,924

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Note	Issued Capital \$000	Foreign Exchange Reserve \$000	Share- Based Payment Reserve \$000	Accumu- lated Losses \$000	Total Equity \$000
Balance at 1 January 2022		36,716	(18)	1,137	(16,911)	20,924
Total comprehensive income for the period:						
Loss for the period		-	-	-	(3,705)	(3,705)
Other comprehensive loss for the period		-	(724)	-	-	(724)
Transactions with owners, recorded directly in equity:						
Share-based payment transactions		-	-	62	-	62
Contributed equity	14	2,437	-	-	-	2,437
Balance at 30 June 2022		39,153	(742)	1,199	(20,616)	18,994
Balance at 1 January 2021		21,332	227	-	(13,131)	8,428
Total comprehensive income for the period:						
Loss for the period		-	-	-	(1,122)	(1,122)
Other comprehensive loss for the period		-	(199)	-	-	(199)
Transactions with owners, recorded directly in equity:						
Share-based payment transactions		-	-	-	-	-
Contributed equity		1,775	-	-	-	1,775
Balance at 30 June 2021		23,107	28	-	(14,253)	8,882

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2022

	30 June 2022	30 June 2021
Note	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	129	4
Receipts of government grants	-	-
Payments to suppliers and employees	(3,462)	(1,351)
Interest paid	-	-
Net cash used in operating activities	(3,333)	(1,356)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(312)	(69)
Payments for development costs	(395)	(559)
Net cash used in investing activities	(707)	(628)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	2,437	1,775
Transaction costs related to capital raising	(634)	-
Net cash provided by financing activities	1,803	1,775
Net decrease in cash held	(2,237)	(200)
Cash at the beginning of the period	12,644	595
Effects of exchange rate movements on cash	226	(9)
Cash at the end of the period	10,633	386

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2022

1. REPORTING ENTITY

Orexlore Technologies Limited (the “**Company**” or “**Orexlore**”) is a public company listed on the Australian Securities Exchange (“**ASX**”). Orexlore Technologies Limited and its subsidiaries (together referred to as the “**Group**”) operate in Perth, Australia; Stockholm, Sweden; and internationally. The consolidated interim financial report of the Company as at and for the six months ended 30 June 2022 comprises the Company and its subsidiaries.

The Group is a for-profit entity, and its principal activity is the research, development, sale, and provision of core scanning services using its proprietary GeoCore X10® hardware product and its associated interface software Orexlore Insight®. The GeoCore X10® is a transportable X-ray rock mass scanning technology (XRF and CT) that digitises drill core creating a three-dimensional data set that facilitates “through the rock” analysis of features such as internal structures, texture, elemental detections, and density.

Orexlore was demerged from Swick Mining Services Limited (“**Swick**”) on 7 January 2022 via an in-specie distribution under the terms of a Demerger Implementation Deed dated 12 November 2021, under which Swick sold its fully owned Orexlore entities Orexlore AB and Orexlore Australia Pty Ltd to Orexlore Technologies Limited on 23 December 2021.

The substance of this transaction was evaluated in accordance with AASB 3 *Business Combinations* and it was determined that the Orexlore Group represents the continuation of Orexlore AB, which acquired Orexlore Australia Pty Ltd and its subsidiaries via a common control transaction. Therefore, for the purpose of this report Orexlore AB is considered the Accounting Acquirer for the business combination, even though Orexlore Technologies Limited is the legal parent entity. As such, comparative amounts relating to the period ending 30 June 2021 include only the results and financial position of Orexlore AB, the acquirer for accounting purposes. Comparative amounts as at 31 December 2021 represent the consolidated financial position of all Group entities at that date.

The consolidated annual financial report of the Group as at and for the year ended 31 December 2021 is available upon request from the Company’s registered office or at www.orexlore.com.

2. STATEMENT OF COMPLIANCE

The consolidated interim financial report is a general-purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth).

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2021. The consolidated interim financial report does not include all the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 31 December 2021, and any public announcements made by the Group during the half-year ended 30 June 2022 in accordance with continuous disclosure obligations under the *Corporations Act 2001* and ASX listing rules.

This consolidated interim financial report was approved by the Board of Directors on 29 August 2022.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2022

3. GOING CONCERN

The financial statements for the period ended 30 June 2022 have been prepared on the basis that the Group is a going concern and therefore, contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

During the period the Group recorded a net loss after tax of \$3,705,000 and had net cash outflows from operating activities of \$3,333,000. At balance date the Group had working capital of \$11,287,000, including cash held of \$10,633,000.

The Directors are satisfied there are sufficient funds to meet the Group's working capital requirements for a period of at least 12 months from the date of this report. The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the going concern basis of accounting is appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

5. CHANGES IN ACCOUNTING POLICY

New and amended standards adopted

The Group has adopted all 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.

Other standards not yet applicable

There are no standards, amendments to standards and interpretations which are not yet effective and have been identified as those which may materially impact the entity in the period of initial application.

6. FOREIGN CURRENCY

The functional currency of each entity within the Group is determined based on the currency of the primary economic environment in which the entity operates. For the purposes of the consolidated financial statements, the results and financial position of each entity are translated into Australian dollars, which is the presentation currency for the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2022

6. FOREIGN CURRENCY (continued)

The functional currency of entities within the Group are as follows

Name	Date of Incorporation	Country of Incorporation	Functional Currency
Orexlore Technologies Limited	29 October 2020	Australia	Australian Dollar
Orexlore Australia Pty Ltd	24 October 2017	Australia	Australian Dollar
Orexlore AB	26 July 2010	Sweden	Swedish Krona
Orexlore Canada Inc	23 October 2018	Canada	Canadian Dollar
Orexlore USA Inc	23 October 2018	USA	US Dollar

7. JUDGEMENT AND ESTIMATES

The preparation of the consolidated interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 December 2021.

8. SEGMENT INFORMATION

The Group has considered the nature and operations of the business and determined that there were no separately distinguishable reporting segments during the reporting period.

9. REVENUE AND OTHER INCOME

	30 June 2022 \$000	30 June 2021 \$000
Revenue		
Revenue from contracts with customers	237	2
Total Revenue	237	2
Other Income		
Interest received	23	-
Government subsidies received	-	353
Realised foreign exchange gain	4	-
Other income	9	63
Total Other Income	36	416

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2022

9. REVENUE AND OTHER INCOME (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	30 June 2022 \$000	30 June 2021 \$000
Geographical Regions		
Europe	9	2
Australia	228	-
Total Revenue	237	2
Major Services		
Mineral analysis services	237	2
Timing of Revenue Recognition		
Revenue recognised at point in time	237	2

10. BASIC AND DILUTED LOSS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

	30 June 2022 \$000	31 June 2021 \$000
Loss used to calculate basic and diluted loss per share:		
Net loss after tax	3,705	1,122
	No.	No.
Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted loss per share ⁽¹⁾	103,340,102	73,009,919
Basic loss per share (cents)	3.59	1.54
Diluted loss per share (cents)	3.59	1.54

⁽¹⁾ The weighted average number of performance rights not included in diluted earnings per share calculation for 2022 were 8,293,136 (2021: nil). The performance rights are excluded as they are contingently issuable securities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2022

11. INVENTORIES

	30 June 2022 \$000	31 Dec 2021 \$000
Consumables and stores	1,215	1,198
Allowance for obsolescence	-	-
Total Inventories	1,215	1,198

The Group maintains an inventory of parts and spares for use in Research and Development activities, construction of mineral analysis machines and for rendering of mineral analysis services

12. PROPERTY, PLANT AND EQUIPMENT

	30 June 2022 \$000	31 Dec 2021 \$000
Plant and equipment		
Gross carrying value at cost	2,865	2,883
Less accumulated depreciation	(1,471)	(1,234)
Net carrying value - plant and equipment	1,394	1,649
Leasehold Improvements		
Gross carrying value at cost	61	66
Less accumulated depreciation	(35)	(31)
Net carrying value - leasehold Improvements	26	35
Office furniture and equipment		
Gross carrying value at cost	562	515
Less accumulated depreciation	(424)	(401)
Net carrying value - furniture and equipment	138	114
Total net carrying value	1,558	1,798

	Plant and equipment \$000	Leasehold Improve- ments \$000	Office furniture and equipment \$000	Total \$000
Half-year ended 30 June 2022:				
Net carrying value at 1 January 2022	1,649	35	114	1,798
Additions	81	-	71	152
Foreign exchange rate difference	(59)	(3)	(6)	(68)
Depreciation expense	(277)	(6)	(41)	(324)
Net carrying value at 30 June 2022	1,394	26	138	1,558

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2022

13. INTANGIBLE ASSETS

	30 June 2022 \$000	31 Dec 2021 \$000
Development amortising		
Gross carrying value at cost	4,788	5,169
Less accumulated amortisation	(2,824)	(2,867)
Net carrying value - Development amortising	1,964	2,302
Net carrying value - Development non-amortising	3,824	3,778
Total	5,788	6,080

	Development amortising \$000	Development non- amortising \$000	Total \$000
Half-year ended 30 June 2022:			
Net carrying value at 1 January 2022	2,302	3,778	6,080
Internal development	37	358	395
Foreign exchange rate difference	(186)	(312)	(498)
Amortisation expense	(189)	-	(189)
Net carrying value at 30 June 2022	1,964	3,824	5,788

At reporting date, the Company has evaluated whether there are any events or changes in circumstances since the last reporting date which may indicate an impairment trigger and that the carrying value of the Group's intangible assets may be impaired. At 30 June 2022, the market capitalisation of the Company on the ASX is below that of the carrying value of its net assets. However, management considers this to be short term in nature resulting from the Group's demerger process as outlined in note 1 and does not consider this to be an indicator of impairment of assets.

14. ISSUED CAPITAL

	30 June 2022 No.	\$000	31 Dec 2021 No.	\$000
Ordinary shares - fully paid	103,664,196	39,153	93,914,196	36,716

Movements in ordinary share capital:

	No.	\$'000
Balance at 1 January 2022	93,914,196	36,716
Issue of shares	9,750,000	2,437
Balance at 30 June 2022	103,664,196	39,153

On 7 January 2022, Oreplore Technologies Limited issued 9,750,000 ordinary fully paid shares at an issue price of \$0.25 per share under a priority offer.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2022

15. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 7 July 2022 Orexlore entered into a commercial agreement with OZ Minerals Limited valued at approximately \$2.35 million to deliver on-site scanning and analysis of approximately 30,000m of drill core and samples over an estimated six-month period.

On 20 July 2022 Wiluna Mining Corporation Limited, a debtor of Orexlore, entered voluntary administration. As a result of this, the Company has at 30 June 2022, provided in full for the non-recovery of an amount of \$162,067 owing to it from Wiluna Mining Corporation Limited.

There have been no other significant events after 30 June 2022.

DIRECTORS DECLARATION

In the opinion of the Directors of Orexlore Technologies Limited:

- (a) the interim financial statements and notes of the Company and its subsidiaries (collectively "**the Group**") are in accordance with the *Corporations Act 2001* (Cth), including:
- i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the six months ended on that date; and
 - ii. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (Cth); and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

On behalf of the Directors



Brett Giroud
29 August 2022

Independent Auditor's Review Report

To the Members of Orexplora Technologies Ltd

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Orexplora Technologies Ltd (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 30 June 2022, and the condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Orexplora Technologies Ltd does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of Orexplora Technologies Ltd's financial position as at 30 June 2022 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

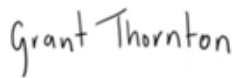
www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

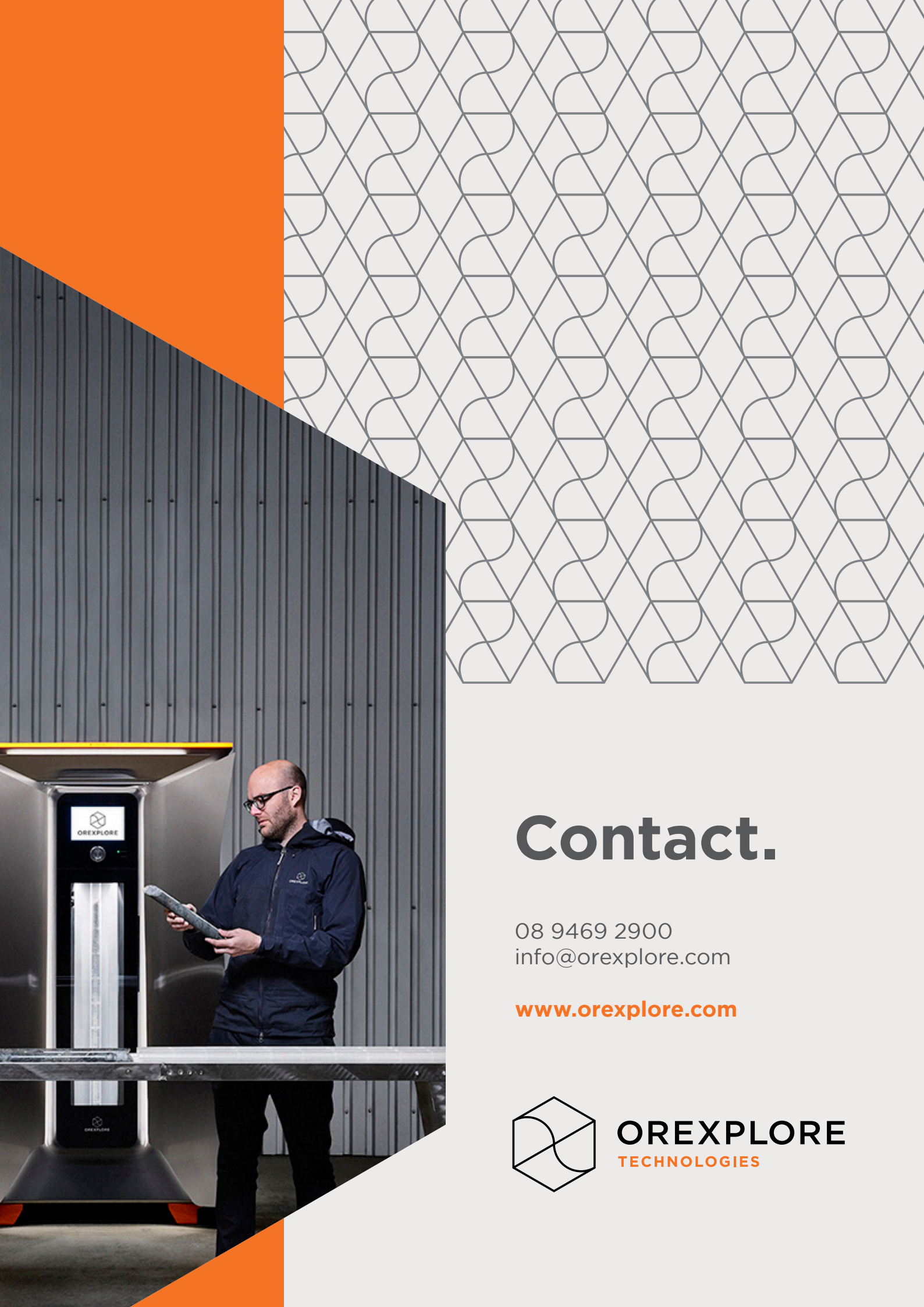
The logo for Grant Thornton, featuring the company name in a stylized, handwritten-style font.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in black ink, appearing to read 'L A Stella'.

L A Stella
Partner – Audit & Assurance

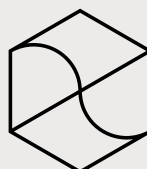
Perth, 29 August 2022



Contact.

08 9469 2900
info@orexplore.com

www.orexplore.com



OREXPLORE
TECHNOLOGIES