

## Quarterly Activities & Cash Flow Report Period Ended 30 June 2023

### Quarter Highlights

- Q2FY23 cash receipts from customers of \$1.39 million as compared with receipts of \$19k in the corresponding quarter in the prior year – this has resulted in total cash receipts of \$2.30 million for the first half of FY23.
- Demonstrating further adoption through two key commercial contracts in the critical minerals (CM) sector.
- Robust growth in South American region pipeline and deep engagement with multiple customers on-site and through the laboratory.
- Safe operational delivery of the infield BHP “Resource to Reserve” (R2R) core scanning and study integration contract.
- Gold Fields Salares Norte (GFSN) project off-site calibration scanning and customer geology and technical teams training commenced.
- Cash balance as at 30 June 2023 of \$3.06 million (no debt) with continued focus on financial discipline.

**Perth, Australia; 31 July 2023** – Orexplore Technologies Limited (ASX: OXT) (“Orexlore” or the “Company”), a mineral scanning technology company focusing on the global mining and metals sector, is pleased to provide its Quarterly Activities and Cash Flow Report for the quarter ended 30 June 2023. (“Q2FY23”).

### Quarter Activities

#### Operations

Initial operational core scanning commenced in the South American region during the quarter with off-site core calibration, customer training and certification in the direct use of the technology being undertaken for the Gold Fields Salares Norte project in Chile. The project site-based containerised solution was completed and tested during the period in preparation for mobilisation activities.

The Orexplore team at the BHP R2R site continued to operate safely during Q2FY23 with further improvements delivered to operational processes and solution integration into the main study team. Some weather delays occurred during the period that impacted on operational rates, but systems resumed normal operations rapidly once restrictions were lifted.



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Figure 1 – BHP R2R site operations

The Perth-based laboratory executed operational scanning and analysis across multiple commercial contracts with scanning levels increasing as compared with previous quarters in response to schedules and customer demand. Core was received and scanned prior to the typical assay process being undertaken as requested by some customers and rapid results of mineralogy, structure, assay proxies, sortability and particle characteristics were delivered to drive rapid decision making and inform studies and exploration.

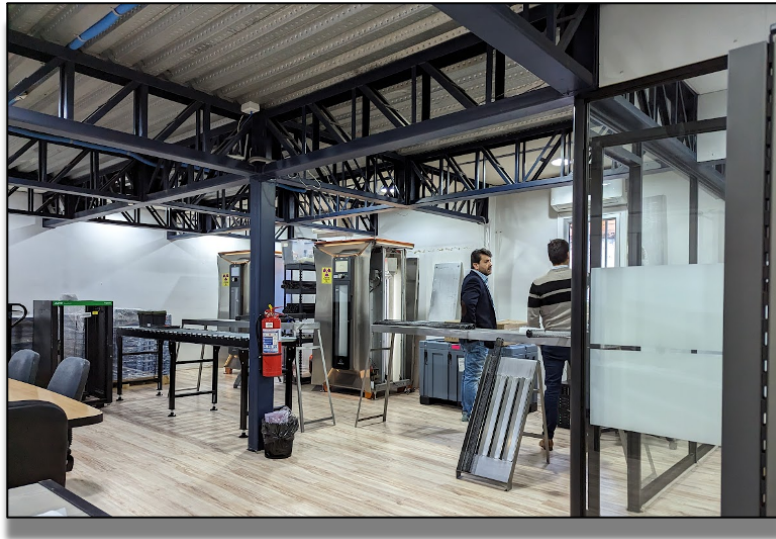
The Company's geo-science and data-science teams utilisation rates remained very high across the quarter, with extra resources required to respond to increasing operational demands across the South American and Australian regions.

Orexplore's engineering team supported operations in the Australian and South American regions and commenced the use of their maintenance ticketing systems in preparation for global operational readiness and technical support demands.

The level of performance and reliability of the deployed fleet across the site and laboratory operations remained high during the period.

## Sales and Pipeline

Sales across the South American region continued to strongly advance with multiple potential customers attending the Company's Santiago office for demonstrations of core-scanning using their own core from operations. The Company also continued to engage in various customer-led processes including a South American based operating mine site that initiated a global search for particular operational core scanning solutions.



*Figure 2 – Orexplore's Santiago Chile facility – customer engagement*

The Orexplore Santiago sales team undertook multiple site visits within Chile to advance a set of customer engagement processes and scope potential solutions focused on operationally embedded and exploration-based deployments of the Orexplore technology platform.



*Figure 3 - Santiago sales team on site with a potential customer*

Enquiries, and subsequent engagements with potential customers from other countries within the South American region occurred across the period with awareness of the



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Company growing steadily.

During the quarter under review, **Green Critical Minerals Limited (ASX: GCM)** extended their engagement for a further 2,500m of core scanning, in addition to 300m already scanned in 2023 via the Company's laboratory service. This order brings the total value of the engagement to approximately \$226k and encompasses scanning of graphite bearing drill core and the delivery of ore-sorting evaluation, grade proxy modelling and emerging graphitic flake analysis solutions using the rich data set captured by the Company's GeoCore X10® hardware. This additional scanning engagement will be undertaken during Q3FY23.

Similarly, **Northern Minerals Limited (ASX: NTU)** also extended their engagement for an additional 900m of core scanning, following the completion of scanning of 420m earlier in the quarter. This order brings the total value of the engagement to approximately \$130k and encompasses scanning of rare-earth bearing drill core and crushed samples. The project focuses on delivering two Orexplore solutions - ore-sorting evaluation and a proof of concept for operational grade control.

### Driving industry adoption through new solutions

The development and uptake of solutions that are strongly aligned with customer pain-points and can deliver demonstrated new-value, and ideally are unique to Orexplore, remains a strong focus of the Company due to their ability to drive faster adoption rates and support Annual Recurring Revenue (ARR) style long-term deployments.

In addition to the solutions that formed part of the base scope of the BHP R2R project, new solutions have additionally emerged as a result of customer requirements and identifying new areas of value creation within existing processes. Examples include the automated log-checker solution that can automatically compare the manual core logging with the Orexplore smart logging algorithms, and demonstrated use in the field of the platform's ability to rapidly monitor elemental ratios as holes are being drilled as part of a near-real-time drill guide tool.

Significant advances were made across the period on solutions in service of the critical minerals sector including assay proxies, potential grade control applications, and flake and particle characterisation from within the core as part of improving the economic understanding of graphite and other critical mineral deposits.

The Company's solutions are each comprised of one or more data products created by ingesting data from the Geocore X10® units and then undergoing processing and modelling. These data products are being plugged into standard industry geological and mining packages where required on active projects such as BHP R2R.

### Research and development

During the quarter, the Company's R&D headquarters in Stockholm undertook small-scale commercial scanning of Lithium ores.

The Company also received a first payment under a lithium scanning technologies development grant with a Swedish lithium producer, supported by Sweden's Vinnova



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innovation agency. This project, ULiBS, commenced in Q2FY23 and will provide approximately SEK 550k to Orexplore for further development of lithium core scanning technologies. Orexplore will utilise its GeoCore X10® to provide x-ray transmission (**XRT**), laser induced breakdown spectroscopy (**LIBS**) and x-ray fluorescence (**XRF**) scanning to quantify the proportions of gangue minerals, petalite-spodumene and quartz-feldspar in an LTC-type granitic pegmatite environment.

System performance and capability increases across the period included:

- further advances in the 3D modelling resulting in improved assay-proxy results particularly in the critical minerals space; and
- advances in the particle characterisation and extraction processes through the use of dual-energy scanning.

These capability advances are all directly aligned to the customer led demand of solutions such as ore-sorting that rely on the ability of the technology to see through the whole core and extract information to form digital sortability models and provide key information on characterisation of internal particles and flakes that can be a significant driver of value in critical mineral deposits.

## Corporate & Financial

The Company's appendix 4C for the quarter ending 30 June 2023 is attached. As at quarter-end, cash holdings were A\$3.06 million with no debt.

The table below shows total revenue and total cash receipts from customers by quarter since the Company was listed on ASX:

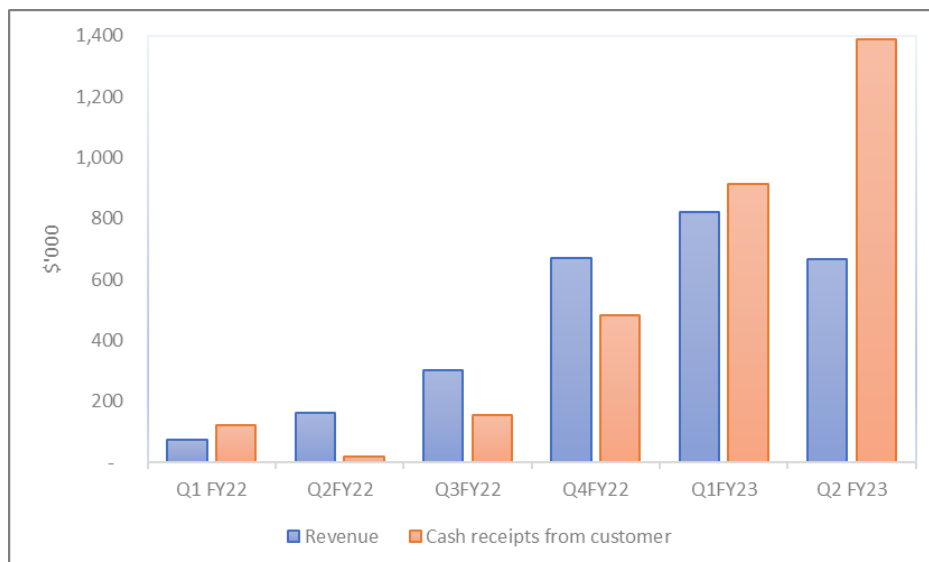


Figure 4 – Quarterly revenue and cash receipts

Total revenue from customers for Q2FY23 was \$665k, taking year to date revenue up to \$1.49 million – as a result of this strong performance, revenue for H1FY23 exceeds the revenue result for the full previous financial year of \$1.21 million by 23%. Cash receipts from customers for the quarter were \$1.39 million and include approximately \$326k of revenue received in advance. Total customer cash receipts for H1FY23 of \$2.30 million are \$1.52



million higher than full year receipts for FY22.

Net cash operating outflows for the quarter under review totalled \$1.43 million with gross operating outflows being largely in line with those in the first quarter. Payments of staff costs remain the largest operating cost of the Company and comprise 52% of gross operating cash outflows during the quarter and for H1FY23. Staff costs included the employment costs of on-site field technicians at site deployments.

Capital expenditure for Q2FY23 was \$288k with the major component thereof being the manufacture of additional Geocore X10® units with one further unit completed during the quarter under review. Total investing activity outflows for H1FY23 were \$625k, supporting the increase in operating capacity of the Company.

The Company continues to balance the expenditure to expand its product offering, grow new sales and introduce suitable operating capacity, against available financial resources.

In accordance with ASX listing rule 4.7C.3, payments to related parties of the Company and their associates during the quarter totalled \$120k. These payments are related to the Managing Director's remuneration and Non-executive Directors' fees.

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:

Use of Funds	Estimate for the two years post ASX admission including Priority Offer Funds \$'000	Actual Use since ASX admission to 30 June 2023 \$'000
Business development, sales, and marketing	3,750	2,329
Product and service development (incl. R&D)	6,400	5,538
Operations (site and laboratory)	1,400	1,279
Working capital/corporate expenses	2,974	2,286
<b>Total</b>	<b>14,524</b>	<b>11,432</b>

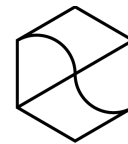
"Working capital/corporate expenses" actual use of funds includes approximately \$455k of transaction expenses related to the Swick demerger and Priority Offer.

On a cumulative basis since admission to ASX, actual net cash used in the business is 5% higher than indicated in the prospectus proposed use of funds when measured on a straight-line basis and represents 79% of total funds available. The largest variance of actual to proposed use of funds is within the product and service development category due to additional focus on the development of Orexplore solutions, development of new technology and the size of the Company's GeoCoreX10 machine fleet.

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



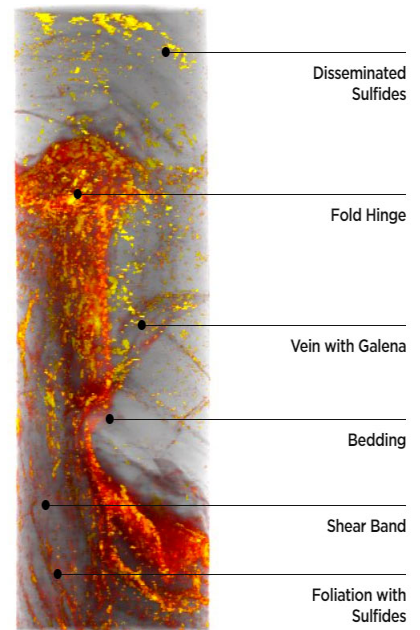
# OREXPLORE TECHNOLOGIES

## 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" model of internal structures, particles and texture, in addition to elemental detections, CT-based mineralogy and density.

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



### For further information:

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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.



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## Appendix 4C

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

**Name of entity**

Orexplore Technologies Limited

**ABN**

98 645 505 406

**Quarter ended ("current quarter")**

30 June 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,389	2,301
1.2 Payments for		
(a) research and development	(264)	(463)
(b) product manufacturing and operating costs	(33)	(588)
(c) advertising and marketing	(111)	(183)
(d) leased assets	(113)	(223)
(e) staff costs	(1,479)	(2,954)
(f) administration and corporate costs	(870)	(1,304)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	49	102
1.5 Interest and other costs of finance paid	(11)	(25)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	14	14
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,429)</b>	<b>(3,323)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(281)	(605)
(d) investments	-	-
(e) intellectual property	(7)	(20)
(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(288)</b>	<b>(625)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,789	7,039
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,429)	(3,323)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(288)	(625)

Appendix 4C  
Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(16)	(35)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,056</b>	<b>3,056</b>

<b>5.</b>	<b>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	3,056	4,789
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,056</b>	<b>4,789</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	120
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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>		

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,429)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,056
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,056
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.1
<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: N/A	
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: N/A	
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: N/A	
<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: 31 July 2023

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.