

Quarterly Activities & Cash Flow Report Period Ended 30 September 2023

Perth, Australia; 30 October 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 September 2023. (“Q3FY23”).

Quarter Highlights

- Circa \$1.55m agreement for the deployment of Orexplore’s technology platform into BHP’s Carrapateena operation.
- Rapid and safe operational deployment into the Carrapateena core farm with immediate revenue flows during Q3FY23.
- Gold Fields Salares Norte (GFSN) project scanning ramp up and initial customer result delivery with contract revenue of circa \$155k during the quarter.
- Record total revenue for the quarter of \$885k with resulting revenue for FY23 year to date of \$2.37m as compared with revenue of \$536k for the corresponding period in FY22.
- Successful share placement and underwritten entitlement offer to raise approximately \$4.1m with final allotment and capital inflows received post quarter.
- Continued focus on sales pipeline and strong engagement with multiple customers on-site and through the three global laboratories.
- Demonstrating further adoption through commercial scanning in the critical minerals sector.
- Cash balance as at 30 September 2023 of \$1.15m with additional gross capital raise proceeds of \$3.43m received during October 2023 – the Company has no debt and continues to focus on financial discipline.

Quarter Activities

Operations

The Company rapidly deployed its mobile field scanning and technology platform to site following the award by BHP (ASX:BHP) of a contract of circa \$1.55m at its Carrapateena operation in South Australia during August 2023. Utilising the operational experience and capacity built up over the last year, Orexplore was able to quickly and safely commence commercial core scanning activities utilising 3 GeoCore X10® scanning machines within 3 days of the start of the deployment.

The scope of Orexplore’s initial field deployment is scanning and analysis of approximately 15,000m of drill core and samples on site across a period of approximately seven months.



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This work is focused on adding value to the operations through multiple OXT solutions unlocking new rock mass characterisation and geometallurgical information to advance the short- and medium-term mining and operational planning and decision processes.



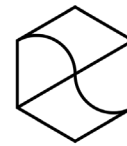
Figure 1 - Orexplore GeoCore X10® units at Carrapateena site

The Orexplore team completed its on-site activities at the BHP R2R site during July 2023 having first deployed to site in November 2022. This remote site demobilisation included the removal from site of containerised deployment units, 4 GeoCore X10® machines, roller racking and other exploration site support infrastructure. This process was undertaken safely and efficiently by Orexplore staff. Orexplore continued to support final project deliveries across Q3FY23. The Company has recognised revenue of over \$2.5m from this contract award across the period of contract delivery.



Figure 2 – BHP R2R site operations

Commercial core scanning commenced in the Company’s Santiago laboratory facility during the quarter as well as customer training and certification in the direct use of the technology for the Gold Fields Salares Norte project in Chile. At the request of the customer, scanning is currently occurring in the Company’s laboratory with field mobilisation to occur at a later stage. Following the commencement of scanning and data solution delivery, initial contract revenue was recognised during Q3FY23. Additional scanning to support regional South American business development activities for a set of potential future customers was also undertaken in the lab.



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Further customer training directly with GFSN geologists also occurred through the Santiago laboratory during the period, resulting in their advanced understanding of the platform's capabilities and additional potential value drives for the site from the Orexplore solution suite.

The Perth-based laboratory executed operational scanning and analysis across multiple commercial contracts with strong scanning levels across the quarter.

Where possible, internal resources are being redeployed to support the Company's geoscience and data-science teams to directly assist with increased solution development and delivery demand from customers and to meet project delivery requirements. A dedicated Chile-based geologist was recruited during the quarter to support local project delivery and regional business development activities and meet demand for multiple customer engagements and trials in the region.

Orexlore's engineering team supported operations across the Australian and South American regions. The level of performance and reliability of the deployed fleet across the site and laboratory operations remained high during the period.

Sales and Pipeline

In South America, customer engagement continued strongly through the period, with the Company's new locally based geologist leading customer demonstrations, solution development and operational delivery in conjunction with the local scanning technicians.

In-bound enquiries continued to grow across the period with broadening engagement occurring across the region and with new potential customers also demonstrating strong interest in the unique capabilities of the platform as compared to their prior experiences with core scanning technologies.

The Australian team attended the annual Diggers and Dealers conference in Kalgoorlie, Western Australia and generated additional industry engagement and leads from this process, resulting in new customers engaging with the business and seeking demonstrations and information from the Company.

Interest also continued to grow within the critical mineral and rare earth customers through discussions on potential grade control, assay proxy and sorting solutions that have been previously advanced for other customers. The Company also commenced engagement with potential customers in the Lithium space who articulated the possible value creation within that Industry from being able to potentially identify internal crystal characteristics that are a strong driver of deposit value in addition to grade.

European outreach continued through the period and case studies from the Australian and Chilean operations were leveraged to demonstrate the value creation to a broadening base of potential customers.



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Driving industry adoption through new solutions

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 presented through the Orexplore Insight® software platform and are also being plugged into standard industry geological and mining packages where required.

The Company remained strongly focused on the advancement and operational delivery of its suite of software-solutions through the period. Some internal resources were re-allocated to the required data-science and software development works across the quarter in response to workload requirements for operational deployment to meet demand.

Multiple solutions including ore body knowledge; ore sorting; smart-domaining; and geometallurgical and structural based data products were advanced and utilised on projects through the period.

Where solutions were advanced with regards to functionality and/or performance on a particular project, or core software engines were advanced during the period, these changes were able to be rolled out very rapidly with very little extra resources / cost onto other projects. This demonstrates the accelerating value creation of the software based solution development as the operational deployment footprint of the business grows.

Research and development

During the quarter, the Perth engineering team took receipt of an advanced core scanning filter device aimed at instrument-based internal element identification. This has been developed in house by the Stockholm R&D headquarters and initial testing displayed positive results.

As noted previously, in response to project operations and demand for solution delivery and development by customers, the business re-allocated some Stockholm based research resources into the data-science team to accelerate software development.

Further advances were made within the Company's core software-based mineralogical 3D models and processes across the period with notable performance uplifts resulting in immediate rollouts into operational projects.

Corporate & Financial

The Company's Appendix 4C for the quarter ending 30 September 2023 is attached.

As at quarter-end, cash holdings were A\$1.15 million with no debt. This included net proceeds of \$593k from the Company's Tranche 1 share placement which settled during September 2023. As more fully outlined below, the balance of proceeds of \$3.20m (after costs) from the Company's recent capital raising activities have been received during October 2023. Had the full quantum of net new capital raised been received prior to quarter-end, the resultant cash holding of the business would have been approximately \$4.35m at 30 September 2023.



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As noted above, during Q3FY23 Orexplore commenced a two-tranche institutional placement to sophisticated and professional investors to raise \$1.80m (before costs) and a 1 for 2 pro rata non-renounceable underwritten entitlement offer to raise a further \$2.33m (before costs). After allowing for associated costs, this has resulted in net capital inflows to the Company of approximately \$3.80m. A total of 91.75m new shares have been issued by Orexplore at a price of 4.5 cents per share.

The proceeds of the capital raising will be applied towards business development, operations, working capital and offer costs.

Total revenue from customers for Q3FY23 was \$885k. The graph below illustrates the growth in quarterly revenue since the Company was listed on ASX:

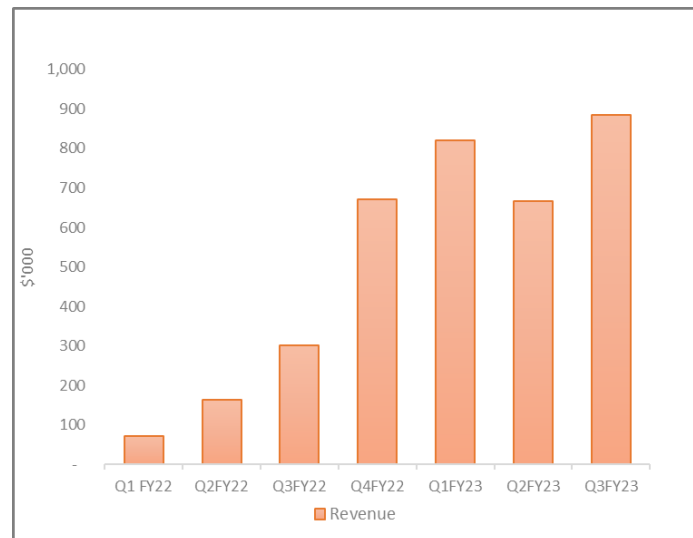


Figure 3 – OXT quarterly revenue

Total revenue for the first 3 quarters of the year to 30 September 2023 totals \$2.37 million – as a result of this strong performance during FY23, revenue earned exceeds that earned in the corresponding period in FY22 by \$1.83m. As outlined in the quarterly activities report for Q2FY23, cash receipts from customers reported for Q2FY23 included approximately \$326k of revenue received in advance, as well as including the collection of the majority of June 2023 revenue which would normally be received in the following quarter. Actual customer cash receipts for Q3FY23 were \$294k taking total receipts for the year to date to approximately \$2.6m.

Gross cash operating outflows for the quarter under review were \$2.47m – this was approximately \$380k below each of the first 2 quarters of the year. 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 FY23 to date. Staff costs included the employment costs of on-site field technicians at site deployments.

Capital expenditure for Q3FY23 was \$300k with the major component thereof being the manufacture of additional Geocore X10® units - a further unit was completed during the

quarter under review. Total investing activity outflows for the year to date were \$925k, 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 \$93k. 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 Sept 2023 \$'000
Business development, sales, and marketing	3,750	3,055
Product and service development (incl. R&D)	6,400	6,484
Operations (site and laboratory)	1,400	1,649
Working capital/corporate expenses	2,974	2,746
Total	14,524	13,934

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

The analysis above excludes the impact of additional capital raised (after associated costs) during September 2023 of \$593k, none of which had been utilised in Company operations as at 30 September 2023.

On a cumulative basis since admission to ASX, actual net cash used in the business is higher than indicated in the prospectus proposed use of funds when measured on a straight-line basis and represents 96% of total funds that were 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



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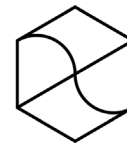
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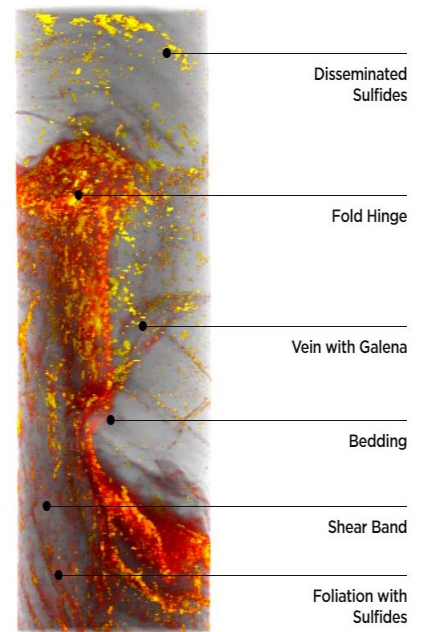
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About Orexplore Technologies

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.



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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

Orexplre Technologies Limited

ABN

98 645 505 406

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	294	2,595
1.2 Payments for		
(a) research and development	(45)	(508)
(b) product manufacturing and operating costs	(167)	(755)
(c) advertising and marketing	(135)	(318)
(d) leased assets	(86)	(309)
(e) staff costs	(1,323)	(4,277)
(f) administration and corporate costs	(718)	(2,022)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	117
1.5 Interest and other costs of finance paid	(45)	(70)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	14
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,209)	(5,532)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(296)	(901)
(d) investments	-	-
(e) intellectual property	(4)	(24)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(300)	(925)
3. Cash flows from financing activities			
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	700	700
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	(107)	(107)
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	593	593
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	3,056	7,039
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,209)	(5,532)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(300)	(925)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	593	593
4.5	Effect of movement in exchange rates on cash held	8	(27)
4.6	Cash and cash equivalents at end of period	1,148	1,148

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	1,148	3,056
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,148	3,056

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	93
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>		

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

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)	(2,209)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,148
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,148
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.52
<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?	
<p>Answer: No – The level of net operating outflows for the current quarter included the impact of cash receipts that were received in the previous quarter but related to activities undertaken in the current quarter. This increased net operating outflows as reported for the quarter ended 30 September 2023 with average quarterly net operating outflows for the year of \$1.84m being more representative of operating cash flows. In addition, measures have been implemented to reduce expected quarterly net operating outflows.</p>	
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?	
<p>Answer: Yes – in the period since quarter-end the Company has received gross equity capital proceeds of \$3.43m.</p>	

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: Yes – the successful capital raise concluded during October 2023 and additional measures to reduce operating and capital expenditure support the continuation of operations.

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.

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: 30 October 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.