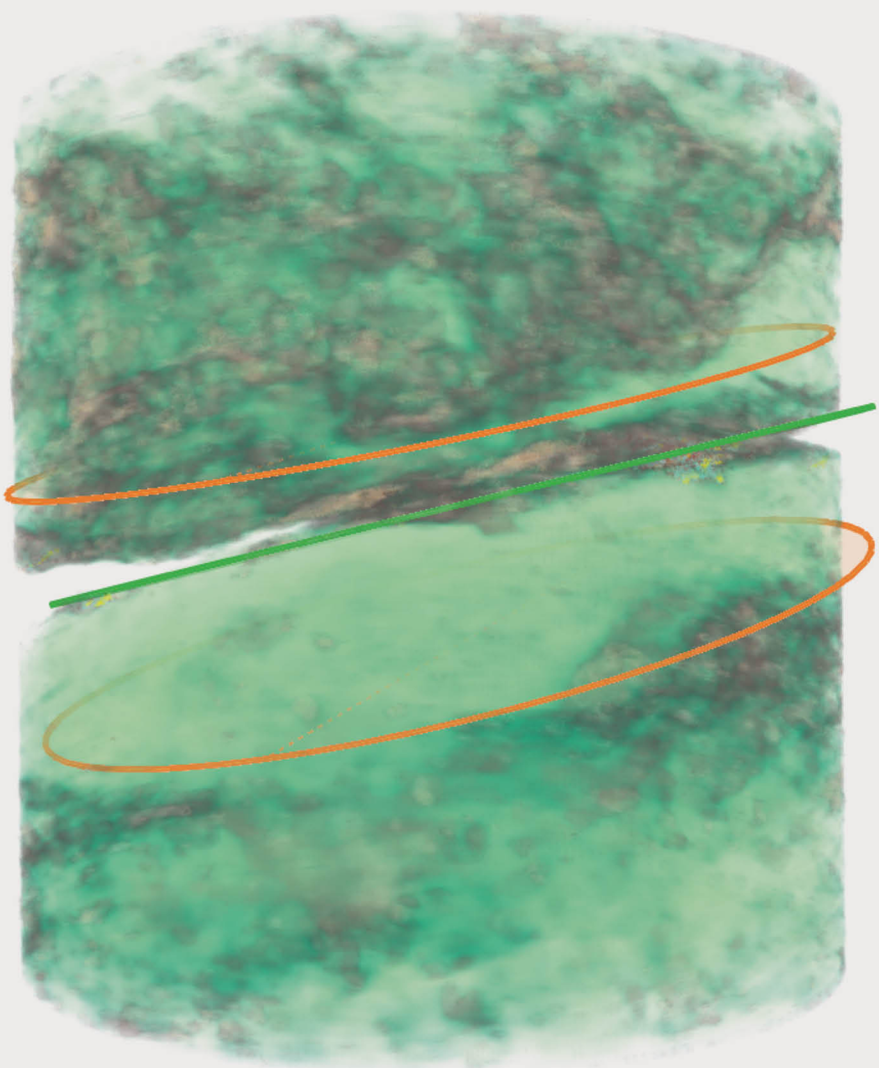
OREXPLORE
TECHNOLOGIES

2023



Annual Report

OREXPLORE TECHNOLOGIES LIMITED
ABN 98 645 505 406

CONTENTS

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Alan Bye	Non-executive chairman
Brett Giroud	Managing director
Kent Swick	Non-executive director
Stefan Sädbom	Non-executive director
Will Randall	Non-executive director

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Perth WA 6000

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Grant Thornton Audit Pty Ltd
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BANKER

National Australia Bank Ltd

Our Mission

Our mission is to deliver a step change in orebody knowledge ("**OBK**") to mining companies to drive improved decision making, unlock value, reduce environmental impacts, and improve social value creation across the mining life cycle and value chain.

Our Purpose

Our purpose is to advance the global sustainability of the mining sector by unlocking unique orebody knowledge to drive improved exploration, project and operational performance, whilst reducing impacts on the environment and creating value in the societies in which they operate.

Our Vision

Our vision is to be a leading decision support technology platform provider wherever ore bodies are explored, developed or recovered. By creating new and unique orebody knowledge we unlock maximum deposit value, improve operations, and improve ESG outcomes, contributing towards an increasingly sustainable mining industry.

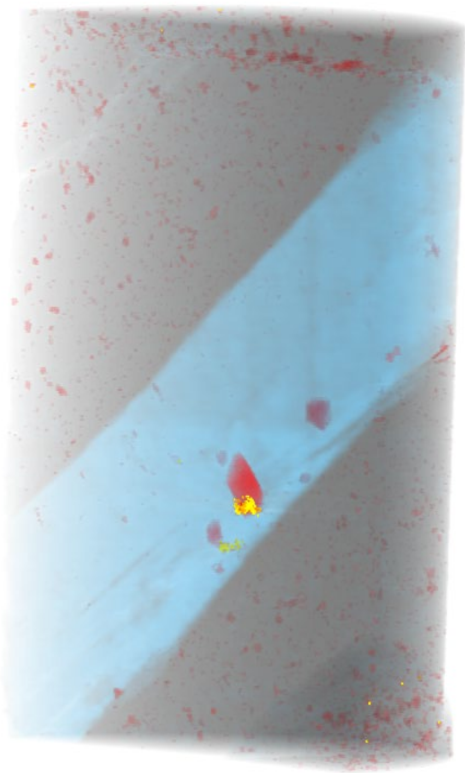
Our Technology Platform – GeoCore X10® & Orexplore Insight® user interface

Our mineral analysis technology platform is powered by our non-destructive GeoCore X10® field core scanning unit. Through the application of modern machine learning ("**ML**") techniques, our sensed data is transformed into a suite of highly valuable automated solutions across the mining life cycle, that are delivered through our Orexplore Insight® platform and integrated into industry standard systems and processes. Our team of in-house mining experts are empowering customers to adopt a new paradigm of technology-enabled, better informed and faster decision making that can boost exploration, project and operational efficiencies and profitability, whilst simultaneously seeking to reduce their environmental impact.

The Orexplore scanning and analysis technology platform uses a unique fusion of sensors, that blend medical-type X-ray computed tomography ("**CT**") with advanced dual XRF instruments. This integration enables the capture of full surface and internal volume geochemical, structural, density and mineralogy core data, in contrast to the limited surface scanning used by others in the industry. Importantly the method is non-destructive as compared with typical current laboratory processes that provide destructive and composite assay and isolated geotechnical strength results.

The synergy of X-ray CT and XRF technology, combined with our sophisticated physics-based simulation models, and modern ML methods, allows the creation of full 3D volumetric models or 'digital twins' of drill core and samples.

These models are presented through the Orexplore Insight® software user interface for analysis by mining professionals, and the data extracted from them powers the Company's suite of software solutions that are integrated into standard industry modelling and analysis packages. The system can undertake automatic analysis of these massive data sets to produce a broad span of functional data including geochemistry (detected elements), mineralogy, density, texture and geotechnical and structural information. Having these data sets co-located in 3D space is unique and underpins the strength and scope of the Company's solution suite across the mining value chain.



Gold in Quartz

This continuous 3D visualisation model offers a more comprehensive understanding of the core sample, surpassing the capabilities of traditional methods and providing a holistic view. It also allows the customer to form a virtual core farm which can be re-analysed in years to come to support new genesis theories and orebody knowledge and potentially serve as an important data source for technical due diligence for companies seeking to purchase a resource.

Orexplore's team of mining specialists work closely with customers to integrate the technology's data packages and solutions into their standard systems and workflows and demonstrate the power of using the Orexplore Insight® platform as a semi-automated analysis and mark-up tool.

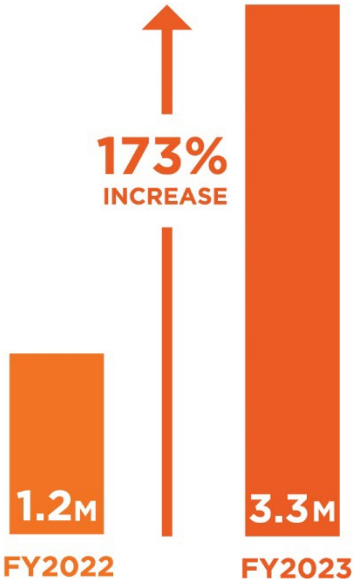
An example of this type of integration is that of geotechnical logging, whereby the system automatically undertakes the geotechnical logging for joints, and other structural features. The platform then uses its geochemical capabilities to further classify deep internal attributes and presents these automatic classifications to the user for validation and further training of the system. This "human in the loop" deep ML approach enables the system to learn from external SMEs and embed their feedback to learn and continually improve its automation over time.

Through digitising whole core, the system is able to undertake previously unattainable analysis in a non-destructive fashion on site in less than 15 minutes.

Mining life cycle: Challenges and Orexplore Solutions

	Client Challenges	Orexplore Solutions
Exploration	Diminishing exploration returns	✓ Yes
	Inconsistent, labour-intensive logging	✓ Yes
	Assay delays and poor sampling	✓ Yes
	Targeting economic elements	✓ Yes
Resources to Reserves	Assay delays and poor sampling	✓ Yes
	Limited structural orebody knowledge (OBK)	✓ Yes
	Technical & economic assessment of project	✓ Yes
	Gold nugget effect and impact on ore sorting	✓ Yes
Mine Design	Sparse limited geotechnical and structural tests	✓ Yes
	Limited rock mass characterisation (RMC) data	✓ Yes
	Process design with limited OBK	✓ Yes
	Design and simulation of new processing technologies	✓ Yes
Operations & Recovery	Limited mineralogical OBK	✓ Yes
	Limited mineral speciation and deleterious elements knowledge	✓ Yes
	Reactive ore sorting	✓ Yes
	Poor recovery vs design over time	✓ Yes
ESG & Closure	Environmental monitoring of tailings	✓ Yes
	Core logging to track environmental impacts	✓ Yes
	Social value creation - local operation of technologies	✓ Yes
	Reducing movement of materials	✓ Yes

Revenue (AUD$)



Commercial Core Scanned: Total Metres (m)

New Contracts and Contract Extensions:

Australia

NEW CONTRACT

BHP

$1.55M
Copper
15,000m

CONTRACT EXTENSIONS

NORTHERN MINERALS

$0.13M
Rare Earths
900m

Chile

NEW CONTRACT

GOLD FIELDS

$0.43M
Gold & Sliver
3,000m

11 Contracts (commercial) | **6** Trials (non-commercial)

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Contracts

Q1	Q2	Q3	Q4
• Ramp-up of delivery on **$2.35M Oz Minerals** project. 20,000m • Commercial lab-based scanning of critical minerals • Q1 revenue = $821,000	• 1st commercial contract won in Chile: **Gold Fields Salares Norte - $0.43M.** 3,000m • Contract extensions for critical minerals scanning, including Northern Minerals Ltd • Q2 revenue = $665,000	• **$1.55M** contract with **BHP's** Carrapateena mine in South Australia. 15,000m • Completed Oz Minerals project. • Q3 revenue = $885,000	• Progressing delivery of BHP and Gold Fields projects • Scanned meters invoiced FY2023 - 36,500m. 658% year on year increase • Q4 revenue = $935,000

Growing the South American sales pipeline from initial pilot testing in the laboratory to commercial-scale laboratory operations, and ultimately securing onsite commercial contracts

Solutions

Q1	Q2	Q3	Q4
• Refined & validated the 'Resources to Reserves' solutions (smart domaining, RQD) via the OZ Minerals project. • Started developing a deposit scale sortability solution to support economic assessments of complex and marginal orebodies.	• Released the automated lithological Log Maker and Log Checker solution to enhance the effectiveness of the logging process by comparing manual core logging with our own logging algorithms	• Advanced the ore body knowledge, ore sorting, smart-domaining, geometallurgical, geotechnical and structural based data solutions. • New solutions for lithium operators – exploration targeting, resource to reserve estimation and metallurgical evaluations.	• Advancing geotechnical and structural capabilities via BHP Carrapateena project • Delivered additional geometallurgical solution into Gold Fields Salares Norte project. • Advances across geotechnical solutions - joint alteration, roughness and other joint characteristics, uniaxial compressive strength (UCS), porosity, and other base modelling capabilities – current processes are limited, time consuming and expensive. • Advanced rapid downhole mineralogy leveraging Machine Learning methods to train the system on external data sets • Further improvements and validation testing occurred within the geochemical (elemental detection and quantification) modelling

- Advanced ore sorting, assay proxies (AI/ ML driven), grade control, flake and particle characterisation, and mineral characterisation capabilities to improve the economics of graphite and other critical minerals
- Advanced the sample optimisation solution
- Optimized ore processing, redefined block model boundaries, and enhanced testing capabilities.

Technology

Q1	Q2	Q3	Q4
• Developed dual-energy XCT ore-sorter emulation system and validated with T1 client	• Completed prototypes for a gold detection module • Orexplore Insight® software platform released in Spanish • Upgraded GeoCore X10® machines deployed in field	• Deployed gold detection modules to Perth for Tier 1 client trials • As part of the ULiBS project, started development of a new LIBS system - measures light elements like lithium, and minerals and elements. • Released new version of Orexplore Rapid software - new dashboard for clients to monitor scanning progress metrics, access their solution data packages and view core tomography images.	• Orexplore Insight® software available as a cloud-based streaming service • Started trials with Tier 1 clients to test new non-destructive gold-detection and quantification technology/ modules • LIBS system validated on samples from the ULiBS project. • Completed specification for next generation GeoCore X10®

GeoCore X10®

- > 600% speed increase in the dual-energy CT X-ray system which powers the ore sorting solution for critical minerals - easier to differentiate between minerals
- Advanced the GeoCore X10®'s core engine for faster, more insightful elemental and mineralogical information. Validated on site for a client.
- New ability to rapidly monitor elemental ratios as holes are drilled
- Advances in the core engine geomodelling systems using machine learning
- New service management tool
- Upgrades to GeoCore X10® self-diagnostics and remote monitoring features.

Orexplore Insight®

- More streamlined workflows in the core logging and x-ray attenuation segmentation modules, allowing for seamless collaboration across client teams
- Improvements in the structure visualisation module
- New ability to import and visualise external numerical data for better interpretation of Orexplore's rich data sets
- Assay proxy results particularly suited to critical minerals

Partnerships & Collaborations

Q1	Q2	Q3	Q4
	• Collaboration with Talga Group and Uppsala University (Sweden) to advance graphite concentration estimation. • Launch of ULiBS project (Swedish Mining Innovation) with Uppsala University (Sweden) and United Lithium to advance our lithium core scanning technology.		

Team & Offices

Q1	Q2	Q3	Q4
• Opened office/ scanning lab in Santiago, Chile.	• New Chile-based Service Engineer employed	• New Chile-based Geologist to support project delivery and BD.	

Capital Raising

Q1	Q2	Q3	Q4
		• Successful completion of share placements and entitlement offer raising $4.1m	

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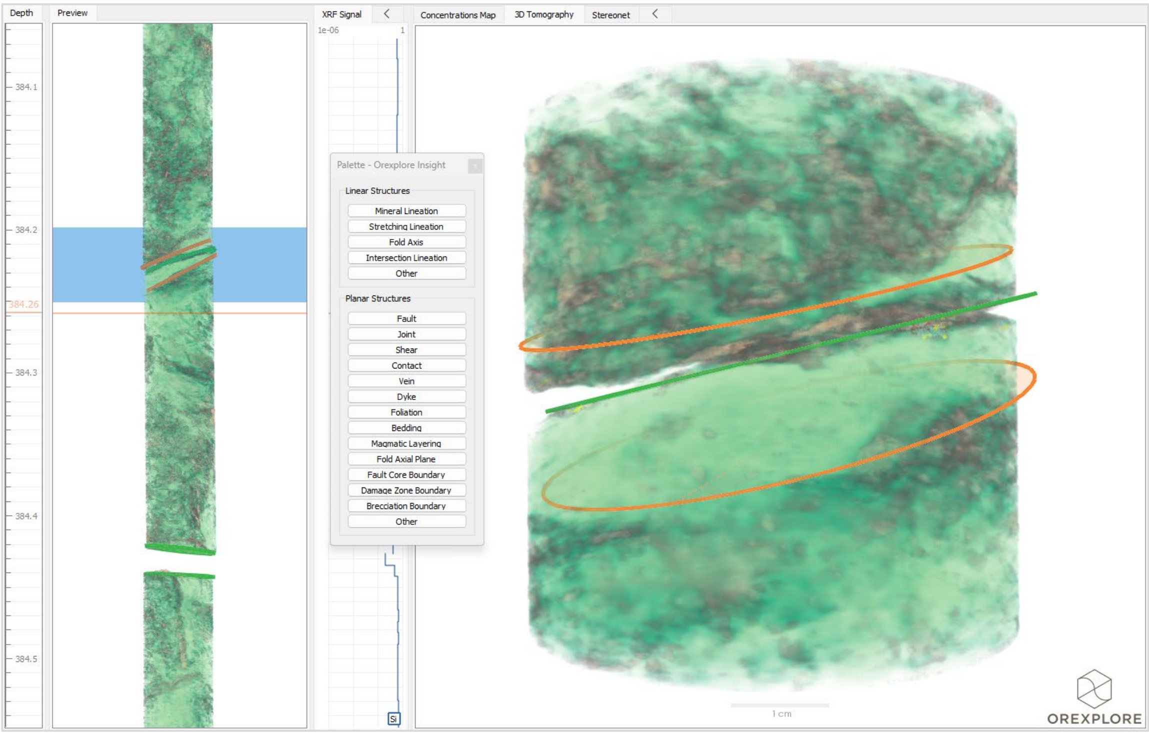
FY2023 - Our Strategy and Progress

In financial year 2023 ("**FY2023"** or "**2023"**), we targeted a step change in operational scale, new market entry, and advances across the technology platform to further the adoption of the Orexplore solution suite and continue to create comparative advantage over competitors.

The year was transformational for Orexplore, achieving record levels of safe production in the field, entry into the South American market, and strong technology advances that powered new unique solutions for our customers. Key comparative advantages within the critical minerals sector were further validated, along with unique technology advantages that are powering new OBK for customers including geotechnical logging and modelling and rapid field-based nuggety gold capabilities.



Orexplore Insight$^{(R)}$ - structural analysis.

Following initial sales out-reach within Chile and the opening of our office in Santiago, the South American pipeline expanded well both in breadth and depth of customer engagement. In-bound enquiries from other regional countries were also received, with multiple site trips, strong customer interaction, and training and demonstration sessions.

The Company safely digitised a record quantity of drill core and samples across the year and developed a new level of operations and maintenance capability and capacity as a result. Our revenue increased significantly by over 170% to $3.3 million for the year. The technology platform performed very well in the field with scanning rates and operational stability further proven and refined.

A limited amount of R&D was undertaken, primarily in support of the deployment of the Company's new direct gold sensing device to the Perth office for initial customer commercial testing.

A significant shift in effort from GeoCore X10® operational field readiness, to that of data science, geoscience and rapid solution development and delivery occurred during 2023. This further demonstrated commercialisation advancement in response to the stability of the hardware platform, operational capability and capacity, and the increased quantum of customer engagement.

The Sweden-based team increased operational project solution development and supported rapid DevOps (development / operations) activities across the global offices and related projects. Strong advances were made in the core engines that power geochemistry and downhole mineralogy - this enabled new mineral speciation and lithology data products into the Gold Fields Salares Norte project. These automatic lithology products were then quickly leveraged across other projects with minimal additional investment and effort. The team remains strongly focused on operational delivery of solutions into projects with an emphasis on the emerging geotechnical logging data products being delivered into the BHP Carrapateena project.

The Company has made strong advances towards it vision of becoming a leading provider of decision support technology platforms. We achieved this through delivering new unique solutions for customers to help them advance their OBK and drive improved exploration, project and operational performance. Through enabling customers to increase efficiencies and profitability and simultaneously achieve positive ESG outcomes, Orexplore continues to move towards our purpose of advancing the global sustainability of the mining sector.

Commercialisation of Technology

During 2023, Orexplore secured multiple contracts across a broadening customer, geographic, and commodity base. The commercialisation phase of any disruptive operational technology is a function of multiple variables including sector fundamentals (mining exploration, projects, innovation and operational spending), the technical sales cycle process, and the technology's demonstrated ability to deliver new valuable solutions into miners' exploration, projects and operations. Orexplore recorded good progress across these key adoption factors during the year.

The technical sales process, depth of customer engagement, and pipeline all advanced across the year, with particularly strong results in the South American market led by the combined sales and geoscience teams. The Company has sought to mitigate the risk of slow technology adoption rates in larger organisations by engaging with a broader spread of potential Tier2 customers who typically exhibit faster engagement, sales and adoption phases. It also engaged a full-time Chilean based geoscientist who is a well-recognised site geology professional with excellent regional experience across many sites, projects and customers to support the local sales efforts.

The industry focus on the importance of OBK continued to grow across 2023, with major investments and new divisions within large mining services and technology companies observed. Orexplore believes this theme will likely continue to accelerate going forward, which is very supportive for the Company's solution suite that has been informed by this trend since inception.

Orexplore's sales team on site in South America

During 2023 the Company advanced the commercialisation of the technology platform, through the combination of major projects, deep technical engagement with multiple customers, core-engine advancements, and a large quantity of data-geoscience work and software development and delivery.

Advancing the Technology Platform

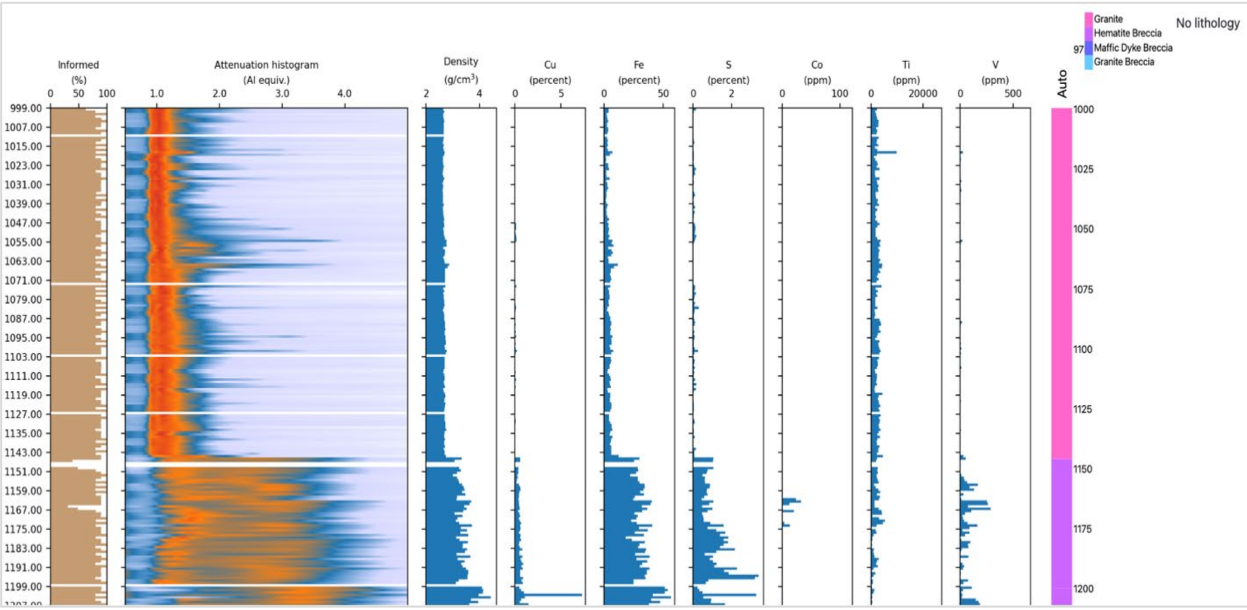
The Company again made important strides its technology platform in 2023. The base GeoCore X10® hardware sensing platform was tested exhaustively in the field through the year and good levels of availability and reliability were witnessed with further refinements also undertaken through the roll-out of telemetry and tracking and maintenance systems. In addition to previous HQ-size core scanning development, further small-scale design and maintenance refinements were made. Advances were also made across calibration, pro-active maintenance, repeatability and engineering support processes.

A limited amount of design on the next GeoCore X10® machine design revision was also undertaken including to increase speed and performance and refine HQ designs.

Orexplore commenced commercial testing of a new direct gold sensing hardware device through the second half of the year in its laboratories for initial customers. This represented a significant step towards the commercialisation of this multi-year R&D effort and a valuable potential driver for nuggety gold solutions including operational grade control for miners.

A strong focus was placed on data science, geoscience, software development and project delivery throughout the year and across global offices. The productivity, and at times round-the-clock development and support from the development teams was excellent and resulted in significant software advancement and high levels of project responsiveness and support.

In response to field-based projects, the Orexplore Insight® rapid web-based software system was further developed. New levels of performance and additional features such as downhole strip logs, lithology, detected elements and other capabilities were added to this system and have proved popular with customers due to its ease of access and use, and its rapid delivery of data.



Orexplore Rapid, part of the Insight Platform

The development team leveraged multiple ML techniques across its core software engines that resulted in a step change in performance in accuracy and speed of geochemistry and mineralogy results. The order of magnitude increase in digitised metres across the year delivered large and rich data sets to the data science team to apply training techniques with external assays, logging, and other laboratory tests. This process of calibration with standard industry data and training of the systems CT / dual XRF models significantly improved the geochemistry (elemental concentrations) and mineralogy of the core engines.

In this regard, testing on projects supported high levels of correlation against laboratory assay methods for key elements. The ability to deliver results of increasing accuracy, combined with the technology's rapid field-based delivery of results continues to be a focus and is a significant driver of powerful solutions.

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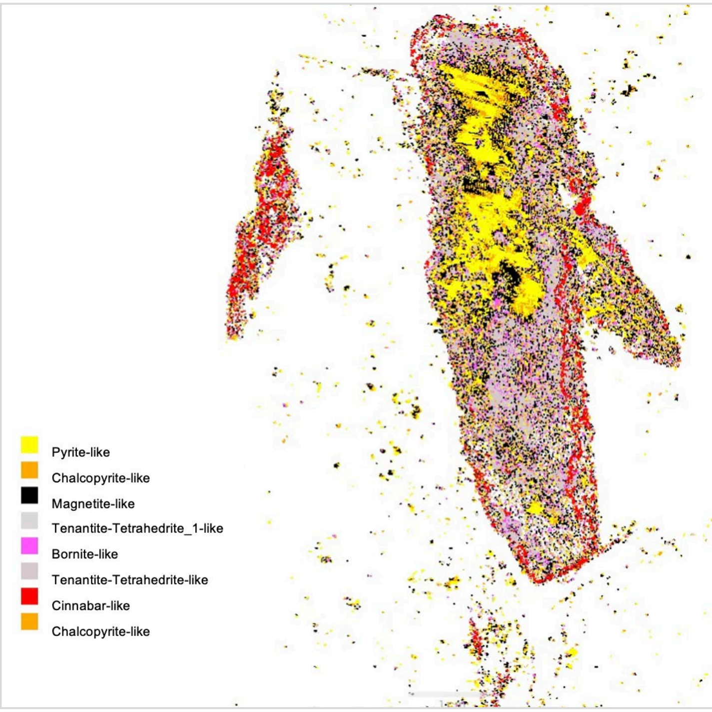
Software solution adoption

The focus of the development team through 2023 was in the advancement of the data products that power the solution suite. Having multiple commercial projects running in different commodities, geographies and customers was excellent to inform the team on the most customer-critical functionality of the solutions being delivered on each project.

The ability of the Company to leverage software development with minimal additional effort was again evident through 2023. In one instance, where South American gold exploration customers were strongly focused on gold vectors to mineralisation through the Insight® user interface, this drove rapid development and delivery of new functionality to support CT-based mineralogy. This in turn led to rapid development in the core mineralogy engine, unlocking a new down-hole lithology data product known as "Log Maker".



Rapid downhole mineralogy.

This data product was then immediately swung across onto another operational project with very little additional development effort and received as a valuable tool by that customer. This example further demonstrates the commercial leverage possible from software solutions and is an excellent indicator of the focus of the development team and the significant step change during 2023 on the performance of the core geochemistry and mineralogy engines of the platform.

Gold customers remained strongly focused on the technology's ability to see through the core and samples, driving a clear technology alignment with this sector on nuggety gold assay proxies, sample optimisation and potential operational grade control. The ability of the technology to act as a pre-filter upstream of the cutting and laboratory processes due to its ability to detect baron / nuggety core was consistent across the gold customer base.

Another area of solution development and operational delivery was in semi-automated geotechnical and structural logging. The unique ability of the technology to see through the core, unlocks the ability of the Company to produce automatic "Q System" joint properties such as alteration type and roughness, and other properties that rely on the CT scanner and co-located geochemistry. Furthermore, traditional slow, expensive and sparse geotechnical tests such as UCS, BTS and strength testing are being correlated against the technology to produce deposit wide geotechnical digital test proxies. These automated geotechnical logging and associated solutions emerged as strongly differentiated offerings that may drive significant value for the business in the future.

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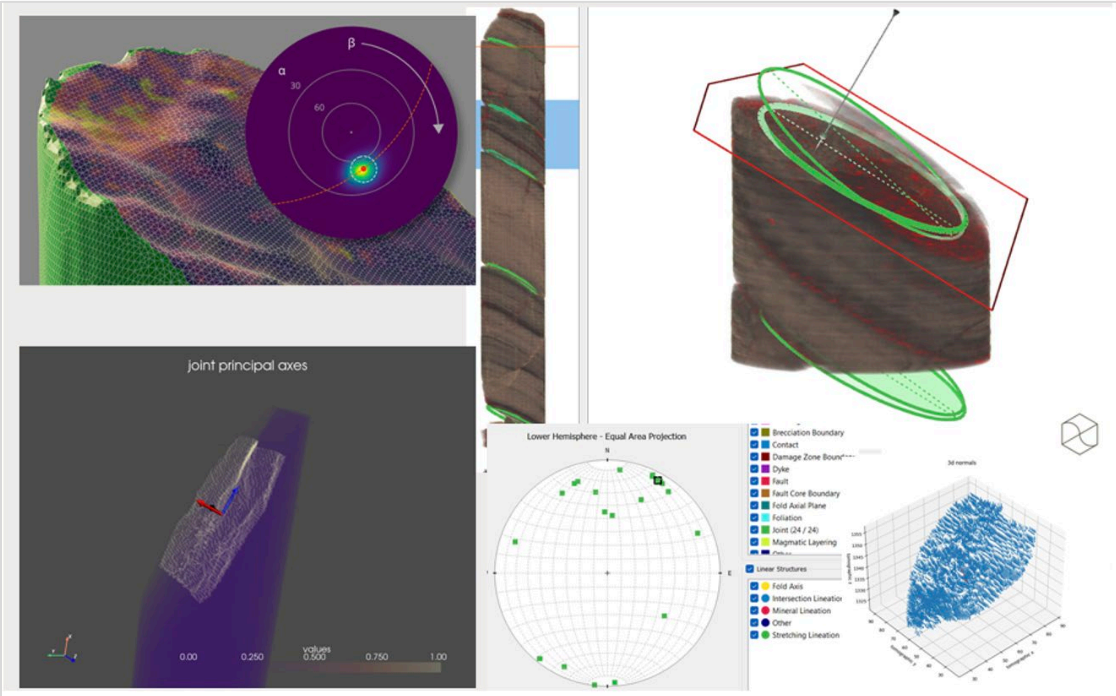
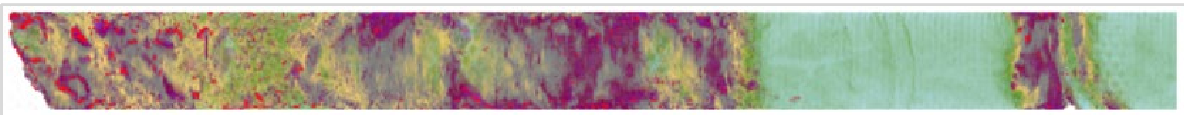


Automated Geotechnical logging

In summary, 2023 was a very fruitful period of solution suite advancement, through the significant increase in site-based core digitisation (scanned metres of core), deep customer engagement, and strong advancements in the geochemistry and mineralogy core engines. Clear comparative advantages of the technology's semi-automatic geotechnical and structural logging, and nuggety gold assays driving potential operational grade control solutions, led to a powerful step-change capability of the technology to advance customers OBK.

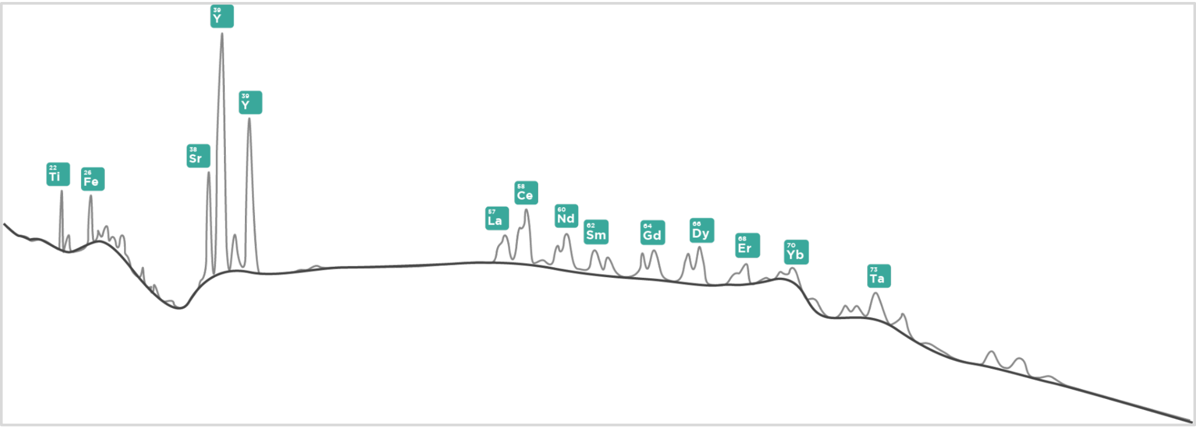
Expansion into Critical Minerals Market

Orexplore undertook commercial core and sample digitisation for critical minerals operators within the Australian and European markets. As a result of technology platform advances and requirements identified during projects, the Company further validated a strong technology – sector fit. Due to the high energies of the system and sensor fusion design, the GeoCore X10® can directly measure responses from rare-earth elements (REE) and offers excellent discrimination compared to other technologies.



Scan of heavy rare-earth mineralisation

The full integration of the system's two high-energy XRF instruments within the GeoCore X10® system was leveraged with new calibrated models to create a significant step forward in the analysis of rare earth elements (REEs). These instruments can now identify and measure the K-lines of REEs, which is not typically possible with handheld XRF devices or competing scanners. This development allows for more precise REE targeting, extraction, and domaining, potentially driving more efficient and effective exploration strategies and improved resource to reserve conversion.



High energy fluorescence spectrums for xenotime REE mineralisations

This platform capability was used to power improved OBK for critical minerals miners through solution development that included sortability studies that drive project techno-economics and other solutions. The Australian geoscience team additionally engaged with a Tier 1 critical minerals miner in late 2023 and identified a strong operational grade control and sample optimisation value proposition fit with the technology.

Orexplore also leveraged this fit with graphite, nickel, cobalt and other rare earth producers and delivered emerging solutions to these producers. The Company's progress in x-ray tomography (CT) facilitated the identification of large, high-quality graphite flakes and the development of calibrated assay proxy estimates for graphite grades. This capability can potentially enable better resource estimates and may improve the efficiency of sampling through sample optimisation solutions. In addition to commercial work with an Australian graphite miner, Orexplore's R&D team in Stockholm collaborated with Talga Resources and Uppsala University in Sweden to advance graphite concentration estimation.

These same advances also helped toward initial market entry in the lithium sector by combining full through-the-core mineralisation characterisation and test work with the Company's LIBS instruments under integration development. The ULiBS project, sponsored by Vinnova, Sweden's innovation agency, also started in 2023, and is a collaboration between Orexplore, Uppsala University and Bergby Lithium to further develop the company's lithium core scanning technologies.

Operations

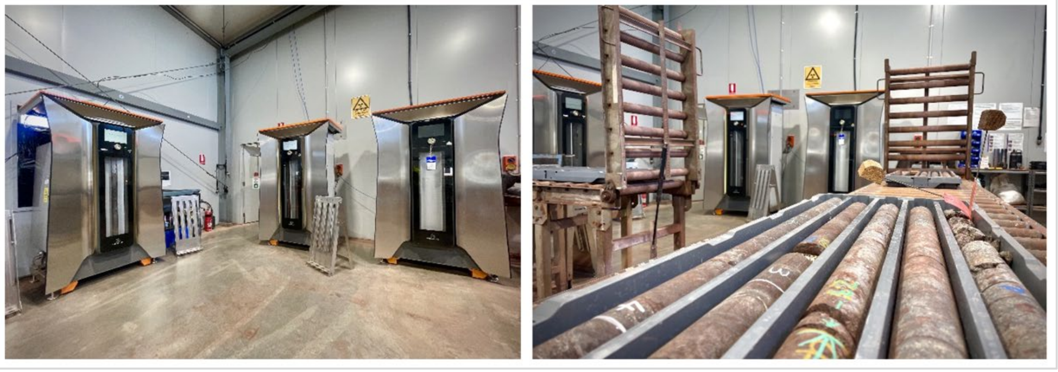
2023 was a record year for the Company operationally, with a step change level of core digitised across customer projects, with excellent operational safety performance. We completed over 36,500m of commercial, billable scanning during the year as well as undertaking scanning to support business development efforts and product development

In addition to the commercial laboratory work undertaken, Orexplore executed larger key projects for customers across the year including the Gold Fields Salares Norte project in Chile and the BHP Carrapateena field deployment, following on from the successful conclusion of the BHP (formerly OZ Minerals) initial site deployment in South Australia.

Core digitisation of over 2,800m from the Salares Norte site was undertaken safely through the Santiago office with the customer's geologists working closely with the Company's data-geoscience teams to build and refine software solutions and train them in the use of the Orexplore Insight® platform. Of particular interest was the technology's ability to provide rapid down-hole mineral speciation, co-located with geo-chemical information alongside density within a full 3D digital model. As this initial project scope work was nearing completion, Gold Fields announced at the end of the 2023 year a further start-up delay to their Salares Norte mine to approximately April 2024.

In August 2023, the Company deployed three GeoCore X10® scanning machines to BHP's Carrapateena mine site and quickly integrated them into the core farm facility. Using the operational experience gained across prior projects, Orexplore's team commenced core digitisation operations within 3 days of the deployment.

The project progressed well on-site with reliable performance of the system and only limited maintenance and engineering down-time support required. Scanning operations were restricted to dayshift only due to site workflows, with production rates exceeding initial forecasts .



GeoCore X10® units deployed into Carrapateena core farm

The initial geometallurgical and OBK scope of this project was refined into a strong focus on geotechnical and rock mass characterisation information. This additional customer-led requirements definition enabled the team to concentrate development and delivery efforts into the geotechnical domain, including producing new information and porosity models, breccia identification, strength and Q system proxies such as joint characteristics. These data products were defined in conjunction with a combined geology/geotechnical team and advanced rapidly across the project as a powerful and unique application of the technology to drive operational value.

Orexplore completed its on-site delivery at the Oz Minerals Kalkaroo resource to reserve (R2R) project during July. This first major project for the Company was pivotal with regard to building operational capability and capacity and resulted in record levels of core digitisation with production levels reaching up to 260m per day over a 24 hour period. New operations and maintenance systems were implemented, and the site safety and operations teams demonstrated an excellent ability to design and construct a very remote and complex site deployment. The project completion and demobilisation process was also undertaken safely and efficiently. Across the life of the project, Orexplore recognised revenue of over $2.5m.

Adhering to its principle of strong disciplined financial management, corporate functions such as accounting support, IR and PR remained outsourced to minimise costs, and corporate costs were continually reviewed and reduced where possible, including a reduction in the Company's board size and remuneration levels.

Globally focused brand

Orexplore continues to build a strong trusted brand with new and existing customers. This was advanced across 2023 through the key pillars of pipeline growth enabling customer engagement breadth and depth, and customer collaborative solution development and delivery through projects.

Marketing expenditure was carefully managed and balanced against operational project delivery and solution development priorities, with attendance by Orexplore at key industry events within Australia and Europe and increasing engagement levels in South America. Traditional media interviews and key articles, along with an accelerated focus on mainstream digital platforms occurred across the period.

We attended important industry conferences, including Austmine in Adelaide alongside the BHP (formerly OZ minerals) exhibit, multiple critical minerals conferences, Diggers and Dealers and the FEM bi-annual conference in Norway. The Company also presented at various events and conferences including the Australian Microcaps conference, the Geometallurgical SAIMM conference in South Africa, the SEG conference in London and "Target 2023" which were all very well received by industry representatives.

Introducing a transformational technology platform such as Orexplore's, is well aligned with other macro-trends forcing their way through the mining sector, including digital transformation, the energy transition and changes in the way people engage with technology and how and where they work. We have observed a deepening interest and engagement from customers because of these trends and have worked closely with them to develop trust through direct experience using the technology, with associated positive impacts to the Company's brand and reputation across technology and industry transformational leadership.

This focus of cultivating a strong international brand directly helps the Company to access diverse markets, differentiate itself from competitors, continue to establish customer trust, and position itself as a leader in delivering technology systems to advance OBK with the aim of increasing the performance and sustainability of the global mining industry.

2024 Priorities

Orexplore's future expansion will be driven by increased market adoption of its solutions powered by its advancing technology platform. Focus will remain on further increasing our industry comparative advantage by delivering unique, differentiated solutions to customers across broadening geographies, mine life cycle phases, and across the base, precious and critical minerals sectors.

With strong pipeline growth in South America, Orexplore is committed to accelerating the conversion of these opportunities into scaled projects and field deployments to enhance its market share in the region. The Australian operational region will also remain a focus in 2024 with opportunities identified across copper, gold and critical minerals. Entry into other markets and advancements across Europe through the coming year will be a function of customer led requests to undertake operations at sites, and emergent significant value opportunities.

Targeted R&D will be undertaken, including to support the initial commercial testing of the new direct gold detection system, and design completion of the next revision of the GeoCore X10® platform featuring speed and functionality improvements.

Through 2024, Orexplore will also seek to further advance and accelerate its solution development and underlying data product software modules that connect into customer systems and are available through the Orexplore Insight® platform. The development and operational support (DevOps) of these solutions and related data products is an essential key focus for the business to drive adoption and comparative advantage in a fast-moving industry.

Orexplore Rapid, part of the Insight platform, will also be further developed as a direct to the customer tool that has proved popular across operational projects in 2023. Additional features and performance will be added to this system in response to customer feedback and to support centralised data-geoscience delivery of products rapidly across concurrent projects.

The Orexplore Insight® platform will also continue to be developed as the key user interface of the platform. Functionality and feature additions have been planned through a series of roadmaps that are continually aligned with customer requirements as they emerge across projects. These roadmaps are comprehensively planned and scoped and the speed of implementation will remain a function of available resources within the team across 2024.

Central to achieving Orexplore's strategy is its excellent team of geoscientists, data scientists, engineers, operations and safety staff, and the physicists who create the base core engines that power the platform. Where possible, the business will seek to further bolster the team, with a particular emphasis on data science, geoscience and sales.

Orexplore's overall strategy for the year ahead remains focused on balanced multi-geographic regional growth, the maturing and scaling of its solution suite through data and geo science capability and capacity and advancing its comparative advantage versus peers through a customer-centric lens.

Executing this focus will move the business towards its vision of becoming a leading provider of decision support technology platforms wherever ore bodies are explored, developed and recovered. This will be achieved through delivering unique, valuable OBK centric solutions through our projects across

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expanding geographic, customer, and minerals and metals bases. As Orexplore delivers these solutions across the mining lifecycle and value chain for our customers, we can help them increase their exploration, project, and operational outcomes, whilst simultaneously delivering improved ESG metrics, thereby moving the Company further towards its purpose of advancing the sustainability of the mining sector.

The support of existing and new investors as evidenced during the Company's 2023 capital raising activities is crucial in supporting Orexplore as it seeks to grow its customer base and advance the commercialisation of its solution suite and we again look forward to this support in 2024.

Environmental

Orexplore's innovative core analysis technology, including the GeoCore X10® and Orexplore Insight® analysis software, can help to unlock resource development and create value in mining operations by providing a step change in OBK. This can enable improved project techno-economics, optimised process plants to better suite orebodies, and more precise and targeted mining with the aim of reducing environmental impacts.

The Company's GeoCore X10® core scanner exemplifies Orexplore's environmental focus. Through non-destructive, on-site core scanning, it can potentially reduce the quantity of samples transported to remote laboratories for destructive testing, thereby reducing the client's carbon footprint and more significantly delivering improved OBK that may impact on a mines material mass movement over its life. Moreover, this technology is energy-efficient, using only 300 watts of power and aligning with the company's broader commitment to sustainability.

Rapid field-based OBK developed straight from the core farm during exploration, can guide targeted exploration campaigns, potentially reducing schedules, costs, and the environmental footprint of future operations. It can also enable targeted extraction, driving less waste rock removal, reduced energy consumption, and lower pollution from unnecessary processing. In-depth OBK may also improve mine planning and design, driving smaller waste dumps, safer operations, and more efficient pro-active water management – all of which are essential for long-term environmental stability.

The company's technology has undergone initial testing around environmental monitoring of in-situ mineral and elemental changes to assist in understanding issues such as acid rock drainage for a customer in South America. Orexplore remains committed to helping our customers seek to reduce environmental impact risk through its solution suite – from improved OBK driving reduced material flows and better processing through to end closure monitoring and reclamation activities.

In summary, Orexplore's technology platform can help miners to potentially reduce material flows across the life of a mine through improved geological domaining and sortability modelling; reduce land disturbance; better match a deposits' processing and recovery through an improved OBK understanding; and provide advances in water management through an improved geohydrological understanding. These elements can help to reduce energy usage, and potentially lower associated air and water pollution, thereby providing advances towards a more sustainable and responsible approach to mining.

At Orexplore's Stockholm R&D hub, the company proudly operates on 100% renewable energy and is actively exploring renewable solutions for field operations.

Social Responsibility

The design of the GeoCore X10® core scanning units is user-friendly and accessible. These units can be operated by individuals with basic education, including school graduates, fostering job creation in remote mining regions. This not only supports local employment but also fosters knowledge transfer and professional development within these communities by connecting these work forces with remote experts around the world. Undertaking more direct work in local communities and using technology to sense the deposits with minimal impact and reduced off-site material transport can result in reduced footprints, better local engagement and support and improved multi-stakeholder outcomes.

Governance and Risk Management

Orexplore upholds the highest standards of ethical conduct and a strong focus on safety, and continuous improvement across all functions, underpinning long-term value creation for all stakeholders. Disciplined financial management, operational safety and performance planning, and adherence to the Company's charter and policies are key components of internal governance and risk management. A commitment to sustainability for the Company and our customers, with a strong customer-first / service outlook guides the Company's external activities at all times. Through aligning this governance with investor expectations, Orexplore paves the way for sustainable growth and shared prosperity.

Effective and transparent corporate governance is of critical importance to the Company and its Board of Directors. The Board fully supports the intent of the Australian Securities Exchange (ASX) Corporate Governance Council's 4th edition of Corporate Governance Principles and Recommendations.

Orexplore's Technology Platform can help mitigate risk for our customers within the exploration and development activities and operations. Through providing advanced OBK, this enables them to potentially reduce mine footprints, increase recoveries, and reduce waste, water and power usage over the life of a mine. Enhanced reclamation and closure plans, guided by our technology, may ensure long-term environmental stability and compliance improvements against global sustainability standards. Such advancements are crucial in mitigating risks associated with waste storage, environmental degradation and safety, and can provide a substantial positive impact for our customers and Orexplore's commitment to sustainability.

The Directors present their report together with the consolidated financial statements of Orexplore Technologies Limited ("**the Company**" or "**Orexplore**") and its subsidiaries for the year ended 31 December 2023 and the auditor's report thereon. The use of the words **Company** and **Group** are interchangeable for the purposes of this report.

DIRECTORS

The Directors of the Company at any time during or since the year ended 31 December 2023 are set out below. Directors were in office for the entire period unless otherwise stated.

Alan Bye, BSc, BSc Hons, PhD
Non-executive chairman – director since October 2020

Dr Bye has more than 20 years' experience in senior operational and strategic roles in the resources industry working in 15 countries covering 9 commodities. Dr Bye has a mining operational background and has a PhD in mining engineering and is a fellow of the Academy of Technology Science and Engineering (FTSE).

He was previously Vice President Technology at BHP and in his global role he was accountable for execution of major innovation programs across five commodity value chains covering both digital and extractive technologies.

Dr Bye was a director of Swick Mining Services Limited from November 2019 until February 2022.

Brett Giroud, B.Eng (Computer Systems) Hons, MBA
Managing director– director since July 2021

Mr Giroud is an engineering executive and technology industry leader with over 25 years of corporate leadership and engineering consulting experience. He was the former APAC head of Strategy and Transaction Services for Worley (Advisian), and former Chief Engineer for Jacobs Engineering (Information and Communications Technology), where he created and led a group of over 100 systems engineering and technology professionals.

Mr Giroud has initiated and led business units and large-scale teams and been directly responsible for safely delivering more than $250m of complex disruptive technology projects for Tier-1 clients across a portfolio of more than $15B of major growth projects. Mr Giroud has worked across Australia, Europe, and the Middle East and has extensive experience across the entire engineering and technology lifecycle from concept and design, through studies and major project delivery, into construction and leadership positions across site commissioning activities.

As a prior visiting guest lecturer at the University of Western Australia across functional safety and advanced systems, and an independent advisor to emerging technology companies, Mr Giroud is experienced at early-stage technology ventures and commercialisation.

Kent Swick, B.Eng (Mech)
Non-executive director– director since October 2020

Mr Swick is a Mechanical Engineer with over 30 years' experience in civil construction, mining maintenance and surface and underground mineral drilling. He was previously employed by Atlas Copco Australia as a Maintenance Engineer managing underground maintenance, where he developed a strong understanding of underground mining methods and equipment.

Mr Swick founded Swick Mining Services initially as an underground longhole drilling contractor before moving into underground diamond drilling and RC drilling. He was the driving technical force behind the design of the company's innovative underground diamond drill rig and award winning surface reverse circulation drill rig. In addition to holding a Bachelor of Engineering (majoring in Mechanical Engineering) degree from the University of Western Australia, he has completed the Owner/President Management program at Harvard Business School. Mr. Swick remains Managing Director of Swick Mining Services following its acquisition by DDH1 Limited in February 2022.

He was a director of Swick Mining Services Limited from October 2006 until February 2022.

DIRECTORS (Continued)

Stuart Carmichael, B.Com, CA

Non-executive director – director from February 2021 to 31 October 2023

Mr Carmichael is a Chartered Accountant with over 20 years' experience across various industry sectors and jurisdictions including Australia, USA, United Kingdom and the Middle East.

Mr Carmichael is a principal and director of Ventnor Equities & Advisory and Ventnor Securities which specialises in the provision of corporate finance and equity capital markets advice to small and mid-cap ASX listed companies including initial public offerings, capital raisings, corporate restructures and mergers and acquisitions.

He is the non-executive chairman of K-TIG Limited and is a non-executive director of De.mem Limited. During the last 3 years, he was also a non-executive director of ClearVue Technologies Limited, Harvest Technology Group Limited, Osteopore Limited, Swick Mining Services Limited and Schrole Group Limited.

Stefan Sädbom, BSc (Geology)

Non-executive director – director since October 2021

Mr Sädbom is a senior exploration geologist with over 35 years' experience in exploration and underground mining in highly deformed and metamorphosed Proterozoic terrains and has significant experience in a wide range of commodities and processes including geological mapping, field work, sampling procedures, mine planning, monitoring and logging.

Mr Sädbom has served as the exploration geologist, exploration mine geologist or senior exploration geologist with a number of entities including Geological Survey of Sweden (SGU), Swedish Geological AB (SGAB), Vieille Montagne, North Limited, Parkes, Australia, North Mining Exploration Sweden AB, Zinkgruvan Mining AB/ Rio Tinto / Lundin Mining AB and Bergskraft AB. He has been the consulting senior exploration geologist with Bergskraft Bergslagen AB since 2009.

He is the sole director of the Group's Swedish subsidiary company, Orexplore AB and currently serves as non-executive chairman of Lovisagruvan AB.

Will Randall, B.Bus

Non-executive director – director since January 2023

Mr Randall has over 25 years of operational and executive experience in the Global Commodity and Mining Industries, operating across cultures, geographies, products and supply chains.

Mr Randall was based in Asia from 1997 to 2020 with a critical focus on business development and supply chain strategies. He has served on the boards of various listed and private companies over this period.

INTERESTS IN THE SHARES OF THE COMPANY

As at the date of this report, the direct and indirect interests of the directors in the shares of the Company were:

	Number of Ordinary Shares	Number of Performance Rights
Alan Bye	nil	3,109,926
Brett Giroud	nil	7,430,788
Kent Swick	35,612,854	nil
Stefan Sädbom	nil	nil
Will Randall	29,544,295	nil

COMPANY SECRETARY

Frank Campagna, B.Bus (acc), CPA.

Mr Campagna is a Certified Practicing Accountant with over 25 years' experience as a Company Secretary, Chief Financial Officer and Commercial Manager for listed resources and industrial companies. He presently operates a corporate consultancy practice which provides corporate secretarial and advisory services to both listed and unlisted companies.

BOARD COMMITTEES

At the date of this report, there are no separate committees of the Board. The Board as a whole acts in the capacity of the Audit Committee and the Remuneration and Nomination committee. Matters typically dealt with by these Board committees are dealt with by the full Board. Separate Board committees will be established once the size and scale of operations of the Company warrant such committees.

MEETINGS OF DIRECTORS

The number of meetings of the Board of Directors held during the year ended 31 December 2023 and the number of meetings attended by each Director whilst in office are as follows:

	Directors' meetings	
	Number eligible to attend	Number attended
Alan Bye	13	13
Brett Giroud	13	13
Kent Swick	13	12
Stuart Carmichael	11	11
Stefan Sädbom	13	12
Will Randall	13	9

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was the research, development, sale, and provision of core scanning services using its proprietary GeoCore X10® hardware product and its associated interface software Orexplore 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

In October 2023, the Company successfully completed a capital raising whereby it raised a total of $4,129,000 through a two tranche placement to sophisticated and professional investors and a 1 for 2 pro-rata underwritten entitlement offer to eligible shareholders. A total of 91,751,450 new ordinary shares were issued as a result of this process at a price of 4.5 cents per share.

In addition, the Company also issued 5,862,469 unlisted options to the manager and underwriter of the Company's share placement and entitlement offer. The options are exercisable at a price of 9 cents per option and may be exercisable at any time prior to or on 31 October 2025.

Further details are included in note 19 to the financial statements.

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

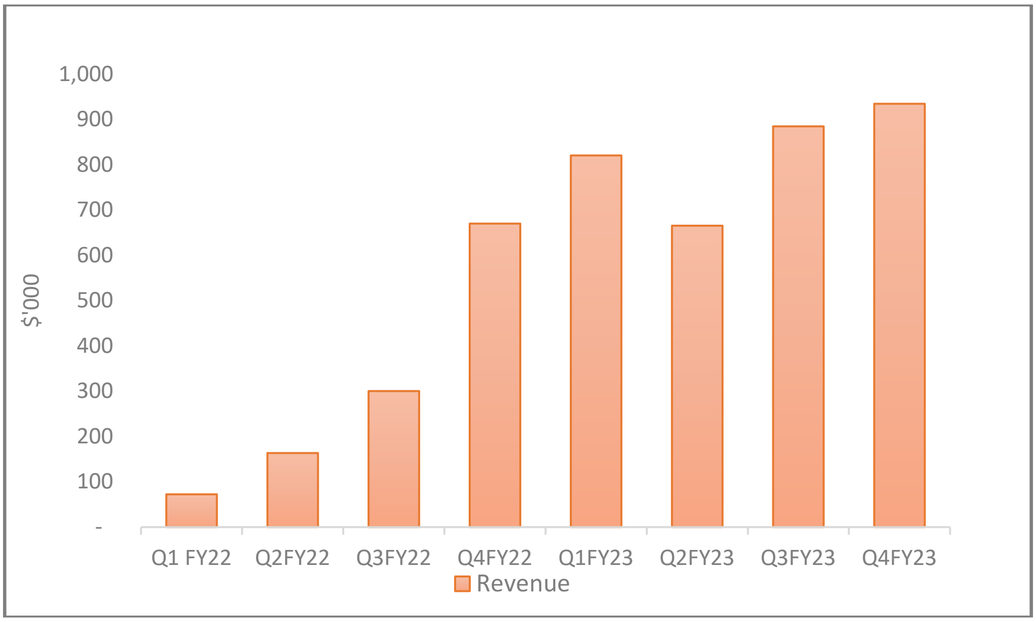
The table below summarises the operating results of the Group for the year under review:

	FY2023 $000	FY2022 $000
Revenue from contracts with customers	3,306	1,212
Other income	120	334
Employee benefits expense	(5,905)	(4,524)
Share based payments	(145)	(121)
Other operating expenses	(3,687)	(3,080)
Depreciation and amortisation expense	(1,740)	(1,391)
Intangible assets – abandonment of asset costs	-	(2,876)
Finance costs	(139)	(30)
Loss for the year after income tax	(8,190)	(10,476)
EBITDA[1]	(6,311)	(9,055)

1. EBITDA is categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 - *Disclosing non-IFRS financial information*.

Income

As shown in the quarterly revenue chart below, the scale and extent of the Group's activities continued to expand significantly during the year.



OXT quarterly revenue

Total revenue from contracts with customers was $3,306,000 for the year with the highest quarterly revenue result of $936,000 being achieved in Q4FY23. Revenue, which includes revenue from direct scanning activities and from related consulting work thus increased by over 170% compared with the FY2022 result of $1,212,000.

During the year, the Group focused on the operational delivery and completion of its first major commercial contract secured in FY2022 with Oz Minerals Limited, delivery of two new major contracts won during the year in Australia (BHP Carrapateena) and Chile (Gold Fields Salares Norte) as well as execution and delivery across a number of smaller projects through the Group's global lab facilities.

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REVIEW OF OPERATIONS (Continued)

The delivery of customer solutions is enabled through the scanning of core in the Group's GeoCore X10® scanning units, either in the field or in the Company's lab facilities. The level of commercial core scanned remains a key driver of revenue earned from customers – During the year, the total amount of meters scanned and invoiced to clients rose to 36,500m from 4,800m in the previous year. This included approximately 2,800m scanned by the new OXT Chile operation. 83% of core scanned was scanned on-site at customer operations with the balance scanned in the Groups' labs in Perth, Stockholm and Santiago.

Other income comprises interest earned on cash holdings and grant income. Grant income of $14,000 was recognised mainly in relation to a new lithium scanning grant project which the Group's R&D team commenced. In the previous year, $224,000 of grant income was received on finalisation of a European Union grant program where Orexplore was a key participant and where, following final audit of the grant program during FY2022, the Company was awarded a higher proportion of the total grant available under the program than had originally been approved. Orexplore continues to evaluate grant projects where such projects complement existing development pathways, and the Group has sufficient resources available to successfully execute such projects.

Expenditure
Employee benefit expenses is the largest item of expenditure for the Group. The table below summarises the Group headcount at 31 December:

	31 Dec 2023		31 Dec 2022	
Country	**Total[1]**	**FTE[2]**	**Total[1]**	**FTE[2]**
Australia	20	17.4	19	17
Sweden	11	11	11	11
Chile	3	3	-	-
Total	**34**	**31.4**	**30**	**28**

1. Total staff headcount includes permanent staff employed on a full time or part-time basis, staff supplied under labour-hire arrangements and contract or casual staff employed for contract execution
2. FTE = Full time equivalent staff, based on the number of hours worked by staff members.

The increase in staff numbers in Australia at 31 December 2023 as compared with the position at the end of the previous year is due to the employment of contract or casual staff employed as part of customer contract execution. The number of permanent staff members has declined by 1 in Australia, has remained constant in Sweden and increased by 3 in Chile to support the opening of a small office and lab facility in Chile. Wherever possible and taking into consideration the Company's current level of development, the Company uses fixed term and casual staff for specific projects to retain overall flexibility in operational capacity.

Total staff costs have increased to $5.91 million for the year, with the primary reasons for the increase being the much higher level of scanning and contract execution staff and the opening of the Orexplore Chile office noted above.

The increase in depreciation and amortisation charges reflects the Group's increased investment in new GeoCore X10® units over the last 24 months as well as the impact of increased amortisation of capitalised development costs. The increase in other operating costs reflects the impact of the Group ramping up its overall operational capacity including the direct costs associated with contacts execution and increased business development and marketing costs. The increase in consultancy costs for the year includes costs associated with the evaluation of strategic partnering options and initiatives, and utilisation of specialist resources to help advance the Orexplore suite of data products and solutions.

In the prior year following a review of the Group's remaining ongoing development project, the Group determined that the specific assets developed in relation to this project were no longer expected to be of economic benefit to the Group and were considered abandoned. The total value of the abandonment included in the FY2022 result was $2,876,000. While the project costs have been abandoned, the Group

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REVIEW OF OPERATIONS (Continued)

obtained valuable data and developed new instrument components as part of the process. As the specific benefits not abandoned were not able to be separated from other elements of the project, an expense for the entire value was recognised. The Group continues to actively work on the development of new advanced sensing instruments.

The total loss recorded for FY2023 was $2.29 million below that recorded in FY2022, whilst on an EBITDA basis, the recorded loss decreased by $2.74 million in FY2023.

Cash Flow
Net financing inflows for the year totalled $3,393,000 (FY2022: $1,588,000). This included the gross proceeds of $4,129,000 raised from a share placement and entitlement offer to existing shareholders undertaken during the year. Financing outflows include the payment of related capital raising transaction costs and lease payments made in relation to the Group's leased premises in Perth and Stockholm. In the previous year, $2,437,000 was received from a priority offer undertaken as part of the initial ASX listing of Orexplore.

As a result of the strong increase in revenue recorded in FY2023, receipts from customers increased to $3,731,000 in FY2023 from $777,000 in FY2022. On a net basis, operating cash outflows increased by 6.1% reflecting the increase in operations and product development costs during FY2023.

Investing outflows decreased by $176,000 in FY2023 – this includes the net impact of the higher level of new GeoCore X10® units manufactured, especially in the first half of the year, and the cessation of the capitalisation of development costs in late FY2022.

Cash held at 31 December 2023 was $3,064,000.

Financial Position
The net current asset position of the Group at 31 December 2023 was $3,306,000 (FY2022: $7,268,000). Total net assets at 31 December 2023 were $8,034,000.

Additional information on the Group's operations and expansion during FY2023 is set out in the Managing Director's review for FY2023 contained in the Annual Report.

EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance that has arisen after the end of the financial period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

DIVIDENDS

No dividends have been paid, declared or recommended for the year ended 31 December 2023 (2022: nil).

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is uncertain and therefore not appropriate to disclose. Therefore, this information has not been presented in this report.

ENVIRONMENTAL REGULATION

In the course of its activities, the Group is required to adhere to environmental regulations imposed on it by various regulatory authorities. The Group has not received any notification from any regulatory authority or client of any breaches of environmental regulations and to the best of its knowledge has complied with all material environmental requirements up to the date of this report.

INDEMNIFICATION AND INSURANCE OF OFFICERS

During the financial year, the Company paid an insurance premium to insure all the directors and officers against liabilities for any costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of directors and officers of the Company, other than conduct which might be a wilful breach of duty in relation to the Company.

Premiums paid are not disclosed because disclosure is prohibited by the insurance contract.

The Company has also indemnified directors against liability incurred as a director, including costs and expenses in successfully defending legal proceedings.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Grant Thornton Audit Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify the auditors during or since the financial year.

PERFORMANCE RIGHTS

During the year, 5,289,935 performance rights were issued as part of staff remuneration. The performance rights vest 100% on 28 February 2025 upon the 20-day VWAP equalling or exceeding $0.20 at any time before 28 February 2025 as long as the participant is still employed by the Company on 28 February 2025.

At the date of this report, unvested performance rights are as follows:

Grant date	Vesting date	Expiry date	Number of rights
22 December 2021	22 December 2025	22 December 2025	2,767,834
22 December 2021	22 December 2026	22 December 2026	5,525,302
28 June 2023[1]	28 February 2025	31 May 2026	5,289,935
Total			**13,583,071**

1. Includes performance rights granted as remuneration to the directors and the five most highly remunerated officers during the year. Details of those options granted to key management personnel are disclosed in the Remuneration Report In addition, the following performance rights were granted to employees who are among the five highest remunerated officers of the Group, but are not key management persons and hence not disclosed in the remuneration report

Name of officer	Grant date	Vesting date	Expiry date	Number of rights
Heidi Pass	28 June 2023	28 February 2025	31 May 2026	815,968
Thomas Drage	28 June 2023	28 February 2025	31 May 2026	528,378

Performance rights holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

SHARES UNDER OPTION

During the year under review, options over ordinary shares were granted to Morgans Corporate Limited as part of its remuneration for acting as Lead Manager to the Company's Share Placement and Underwriter to the it's Entitlement Offer to existing shareholders as follows:

Issue date	Expiry date	Exercise price	Number of options
27 October 2023	31 October 2025	$0.09 per share	5,862,469

The option holder does not have any rights under the options to participate in any other share issue of the Company.

No other options over shares have been issued by the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES PROVIDED BY AUDITOR

Details of amounts paid or payable to the auditor for non-audit services provided during the year are outlined in Note 7 to the consolidated financial statements.

The Board is satisfied that the provision of non-audit services, when provided, is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors use the principles set out below to judge whether the external auditor's independence is compromised:

- All non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

ROUNDING

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 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 35 and forms part of the Directors' Report for the year ended 31 December 2023.

REMUNERATION REPORT (AUDITED)

Persons addressed and scope of the Remuneration Report

This remuneration report (the "**Report**") forms part of the Directors' Report for the year ended 31 December 2023 and has been audited in accordance with section 300A of the Corporations Act 2001. The Report has been prepared in accordance with the Corporations Act, applicable regulations, and the Company's policies regarding key management personnel ("**KMP**") remuneration governance.

KMP are the non-executive directors ("**NED**"s), executive director and senior executive employees who have authority and responsibility for planning, directing and controlling the activities of the Company and Group.

The following table provides details of persons who were KMP of the Group during the current and previous financial years:

Name	Position	Term as KMP
Non-Executive Directors:		
Alan Bye	NED, Chairman	Full period
Kent Swick	NED	Full period
Stuart Carmichael	NED	Resigned 31 October 2023
Stefan Sädbom	NED	Full period
Will Randall	NED	Effective from 20 January 2023

Executive Directors and other Senior Executives:		
Brett Giroud	Group Managing Director	Full period
Mikael Bergqvist	Chief Technology Officer	Full period
Greg Haskis	Chief Financial Officer	Effective from 20 June 2022

Remuneration policy

The remuneration policy of the Group is designed to align the interests of directors and management with the interests of shareholders and the Company's objectives by providing a fixed remuneration component and, where appropriate, offering specific short-term (normally cash bonuses) and long-term (equity schemes) incentives linked to performance. The Board considers that the remuneration policy is appropriate and effective in its ability to attract, retain and motivate suitably qualified and experienced directors and management to direct and manage the Group's business and corporate activities, as well as to create goal congruence with the Company's shareholders.

Specifically, the remuneration policy has been put in place with the following aims in mind:

- remuneration practices and systems should support the Company's wider objectives and strategies;
- remuneration of directors and management should be aligned to the long-term interests of shareholders within an appropriate control framework;
- remuneration of directors and management should reflect their duties and responsibilities;
- remuneration of directors and management should be comparative and competitive, thereby allowing the Company to attract, retain and motivate suitably qualified and experienced people; and
- there should be a clear relationship between performance and remuneration.

Relationship between remuneration policy and Company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus based on key performance indicators (KPI's), and the second being the issue of performance rights to encourage the alignment of personal and shareholder interests, as well as a longer-term retention strategy. The Company believes this policy will be effective in increasing shareholder wealth over time.

Remuneration and Nomination Committee

The Board has not established a Remuneration and Nomination Committee due to the size of the business. The whole Board is tasked with the responsibilities to develop and assess the Group's remuneration policies to ensure that remuneration is sufficient and reasonable and that its relationship to performance is clear. The primary objective of the Board is to develop remuneration policies for the Group that are appropriate to the organisation with respect to its size, peers and market conditions, and to recommend remuneration packages and incentive schemes for directors and management that motivate and reward performance, attract and retain quality people, and align interests with those of shareholders.

Remuneration structure - non-executive directors

Objective
The Board seeks to set remuneration for non-executive directors at a level which provides the Company with the ability to attract and retain suitably qualified and experienced directors, whilst incurring a cost which is acceptable to shareholders. Non-executive directors should be adequately remunerated for their time and effort and the risks inherently involved with holding such a position.

Structure
Remuneration levels for non-executive directors are reviewed at least annually by the Board. The maximum aggregate fee pool for non-executive directors is $350,000 pursuant to the Company's constitution. The Board ratifies the remuneration of non-executive directors, including the Chairman. Up until 31 October 2023, remuneration for non-executive directors was set at $50,000 per annum exclusive of statutory superannuation, with remuneration for the non-executive chairman set at $100,000 per annum exclusive of statutory superannuation. With effect from 1 November 2023, non-executive directors agreed to reduce their remuneration with the remuneration for the non-executive chairman reduced to $50,000 per annum (excluding superannuation) and the remuneration of Mr. Sädbom reduced to $25,000 per annum (excluding superannuation). Messrs. Swick and Randall elected to receive no remuneration from 1 November 2023.

Variable remuneration – non-executive chairman
The Non-executive Chairman is entitled to long term incentives in the form of performance rights as the Board have determined the position is crucial to the development of the Company's technology and eventually the success of the Company. Award of the performance rights aligns the remuneration outcome of the Non-executive Chairman to that of shareholders.

Remuneration structure - executive directors & management

Objective
The remuneration for executive directors and management is designed to promote superior performance and long-term commitment to the Company. The Board aims to reward executive directors and management with a level and mix of remuneration commensurate with their position and responsibilities within the Group.

The Company's remuneration policy for executive directors and management reflects its commitment to align remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Group.

The principles of the policy are:

- to provide rewards that reflect the competitive market in which the Company operates;
- individual reward should be linked to performance criteria; and
- executives should be rewarded for both financial and non-financial performance.

Remuneration structure - executive directors & management (Continued)

Structure
Remuneration for executive directors and management may comprise fixed and variable remuneration components. Remuneration is reviewed at least annually by the Board. Remuneration packages for executive directors and management currently comprise a base salary and superannuation (fixed components) and may also include cash bonuses and securities (variable, performance-based components).

In determining individual remuneration packages, the Board reviews the individual's annual performance, specific roles and responsibilities, and remuneration relative to their position within the Group and with positions in comparable companies through the use of market data and surveys. Where appropriate, a package may be adjusted to reflect the role, responsibilities and importance of that position and to keep pace with market trends and ensure continued remuneration competitiveness.

In conducting a comparative analysis, the Group's expected performance for the year is considered in the context of the Group's capacity to fund remuneration budgets. From time to time, a review of the total remuneration package by an independent remuneration consultant may be undertaken to provide an independent reference point.

Fixed remuneration
The components of the fixed remuneration of executive directors and management are determined individually and may include:

- cash remuneration;
- superannuation;
- accommodation and travel benefits; and
- other benefits.

Variable remuneration
The components of the variable remuneration of executive directors and management are determined by the Board on an individual basis and may include:

- Short term incentives – KMP are eligible to participate in a financial bonus; and
- Long term incentives – KMP are eligible to receive performance rights as determined by the Board.

Short-term incentive awards have previously been paid in cash. However, taking into consideration the current cash management objectives of the Company, the Board is also considering the award of short-term incentives in the form of share-based payments.

Employment contracts

Remuneration and terms of employment for Executives are formalised in employment contracts. As at the date of this report, the Group had entered into employment contracts with the following KMP:

Brett Giroud - Managing Director

- The service arrangement commenced on 1 July 2021 and continues until terminated.
- Base salary of $378,000 plus superannuation per annum.
- Short term incentive: annually, subject to agreed key performance indicators being met and Board approval, Mr Giroud will be entitled to a performance-based bonus up to a maximum of 40% of his base salary plus superannuation.
- Long term incentive: Mr Giroud is eligible to participate in incentive arrangements offered by the Company from time to time.
- Termination: either party may terminate the agreement on 3 months' notice or payment in lieu. The Company may also terminate the appointment at any time without notice if Mr Giroud engages in serious misconduct.
- Restraint: from the commencement of the executive services agreement until 24 months after employment ends, Mr Giroud will be restrained from engaging in a business or activity in competition with the business of the Company and from soliciting customers or employees of Orexplore within Australia.

Employment contracts (Continued)

Mikael Bergqvist – Chief Technology Officer

- Originally appointed on 1 November 2011 and appointed as CEO for Orexplore AB with effect from 28 October 2021.
- Contract is ongoing and has no fixed term.
- Base salary of SEK 1,200,000 plus pension per annum.
- Termination: either party may terminate the agreement on 3 months' notice; and
- Restraint: from the commencement of the executive service contract until 12 months after employment ends, Mr Bergqvist will be restrained from engaging in a business or activity in competition with the business of the Company.

Greg Haskis – Chief Financial Officer

- The service arrangement commenced on 27 September 2021 and replaced an initial fixed term contract that commenced on 20 June 2022, and continues until terminated.
- Base salary of $240,000 plus superannuation per annum.
- Short term incentive: annually, subject to agreed key performance indicators being met and Board approval, Mr Haskis will be entitled to a performance-based bonus up to a maximum of 20% of his base salary plus superannuation.
- Long term incentive: Mr Haskis is eligible to participate in incentive arrangements offered by the Company from time to time.
- Termination: either party may terminate the agreement on 3 months' notice or payment in lieu. The Company may also terminate the appointment at any time without notice in the case of serious misconduct.
- Restraint: from the commencement of the executive services agreement until 12 months after employment ends, Mr Haskis will be restrained from engaging in a business or activity in competition with the business of the Company and from soliciting customers or employees of Orexplore within Australia.

The contracts of Messrs. Giroud and Haskis contain redundancy and severance benefits in accordance with the applicable Australian legislation. The contract of Mr. Bergqvist provides for a payment of 12 months' salary on redundancy or termination by the Company other than for non-performance or misconduct.

Share-based incentive plans

The Company had previously established an Incentive Performance Rights Plan under which rights were granted at no cost to participating KMP on 22 December 2021 and which will convert into ordinary shares on achieving the required performance and service conditions.

On 1 October 2022, amendments to the Corporations Act were introduced, simplifying the regulatory process for incentivising participants under employee share schemes (**ESS**). *Division 1A* was introduced into *Part 7.12 of the Corporations Act*, providing a separate regime for the making of offers in connection with an ESS. This new regulatory regime replaced the relief afforded by ASIC Class Order 14/1000.

In order to ensure that the Company is able to rely on the relief provided by the new regulatory regime, the Company adopted a new ESS that makes reference to the new regulatory regime and includes the changes that came into effect on 1 October 2022. The Orexplore Technologies Limited Employee Securities Incentive Plan was adopted by Shareholders on 30 May 2023 and performance rights were subsequently granted under this new plan.

The objective of both plans is to provide the Company with a remuneration mechanism through the granting of rights for securities in the capital of the Company to motivate and retain KMP and other selected members of staff.

Share-based incentive plans (Continued)

Details of performance rights granted to KMP during the period are as follows:

Name of officer	Grant date	Vesting date	Expiry date	Number of rights
Brett Giroud	28 June 2023	28 February 2025	31 May 2026	2,247,578
Mikael Bergqvist	28 June 2023	28 February 2025	31 May 2026	571,436
Greg Haskis	28 June 2023	28 February 2025	31 May 2026	738,990

The performance rights vest 100% on 28 February 2025 upon the 20-day VWAP equalling or exceeding $0.20 at any time before 28 February 2025 as long as the KMP is still employed by the Company on 28 February 2025.

Relationship between remuneration policy and Company performance

Orexplore AB was historically a research and development company working on developing world first core scanning technology. On demerging from Swick Mining Services in December 2021, the Group has increasingly focused on the commercialisation of its products and solutions. Up until the previous financial year, the Group had generated little revenue and has not generated profits over the historical periods as it continues to develop the technology.

The remuneration policy of KMP is therefore based on market factors to ensure the Company can attract, retain and motivate suitably qualified directors and management to direct and manage the Group's business and corporate activities, as well as to create goal congruence with the Company's shareholders.

The historical financial information of the Group is provided below. This historical financial information for financial years before 2022 is predominantly for Orexplore AB (accounting parent entity) as the consolidated group was only formed at the end of 2021. The 2022 and 2023 information presented is in respect of the Group.

	2023 $000	2022 $000	2021 $000	2020 $000	2019 $000
Revenue and other income	3,426	1,546	376	179	14
Net profit / (loss) before tax[1]	(8,190)	(10,476)	(3,780)	(3,929)	(3,635)
Net profit / (loss) after tax[1]	(8,190)	(10,476)	(3,780)	(3,929)	(3,635)
Share price at start of year[2]	9.0c	13.5c	n/a	n/a	n/a
Share price at end of year	3.2c	9.0c	n/a	n/a	n/a
Basic earnings / (loss) per share	(6.53)	(10.12)	(5.15)	(5.38)	n/a
Dividends declared	nil	nil	nil	nil	nil

1. Includes the impact of a non-cash adjustment to intangible assets of $2,876,000 for the year ended 31 December 2022.
2. The Company's shares commenced trading on ASX on 21 January 2022 and the closing market price for its shares on that day is shown in the table above.

Statutory and Share-based reporting

Non-Executive Director KMP Remuneration for the Group

	Year	Short-Term Benefits			Post-employment	Long-term Benefits	Share-based payments	Total Remuneration	Performance Related
		Salary, Fees & Leave	Cash Bonus	Other	Super-annuation	Long service leave	Performance Rights[1]		
		$	$	$	$	$	$	$	%
Alan Bye	**2023**	**91,667**	**-**	**-**	**9,833**	**-**	**44,290**	**145,790**	**30%**
	2022	100,000	-	-	10,250	-	44,290	154,540	29%
Kent Swick	**2023**	**41,667**	**-**	**-**	**4,458**	**-**	**-**	**46,125**	**0%**
	2022	50,000	-	-	5,125	-	-	55,125	0%
Stuart Carmichael (Resigned 31 October 2023)	**2023**	**41,667**	**-**	**-**	**4,458**	**-**	**-**	**46,125**	**0%**
	2022	50,000	-	-	5,125	-	-	55,125	0%
Stefan Sädbom	**2023**	**70,992**	**-**	**-**	**-**	**-**	**-**	**70,992**	**0%**
	2022	75,335	-	-	-	-	-	75,335	0%
Will Randall	**2023**	**38,844**	**-**	**-**	**4,162**	**-**	**-**	**43,006**	**0%**
	2022	-	-	-	-	-	-	-	-
Total NED KMP	**2023**	**284,837**	**-**	**-**	**22,911**	**-**	**44,290**	**352,038**	**13%**
	2022	275,335	-	-	20,500	-	44,290	340,125	13%

1. The value of performance rights granted to KMP is calculated as at the grant date using a binomial pricing model. The amounts disclosed in the table above have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.

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Statutory and Share-based reporting (Continued)

Executive KMP Remuneration for the Group

	Year	Short-Term Benefits			Post-employment	Long-term Benefits	Share-based Payments	Total Remuneration	Performance Related
		Salary, Fees & Leave	Cash Bonus	Other	Super-annuation	Long service leave	Performance Rights[1]		
		$	$	$	$	$	$	$	%
Brett Giroud	**2023**	**386,025**	**120,988**	**-**	**26,346**	**2,660**	**85,443**	**621,462**	**33%**
	2022	369,231	130,749	-	24,690	1,190	73,816	599,676	34%
Mikael Bergqvist	**2023**	**189,223**	**-**	**-**	**38,399**	**-**	**2,956**	**230,578**	**1%**
	2022	183,037	-	-	30,491	-	-	213,528	0%
Greg Haskis (Appointed 20 June 2022)	**2023**	**257,608**	**-**	**-**	**25,542**	**759**	**3,823**	**287,732**	**1%**
	2022	131,788	-	-	12,600	-	-	144,388	0%
Total executive KMP	**2023**	**832,856**	**120,988**	**-**	**90,287**	**3,419**	**92,222**	**1,139,772**	**19%**
	2022	684,056	130,749	-	67,781	1,190	73,816	957,592	21%

1. The value of performance rights granted to KMP is calculated as at the grant date using a binomial pricing model. The amounts disclosed in the table above have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.

Cash Bonus

Following a review of his performance by the Chairman of the Company, Mr Giroud was granted a short term incentive cash bonus based on his performance against key performance measures for the 12 month period ended 30 June 2023. This represents 75% of Mr Giroud's maximum STI target for that period.

Statutory and Share-based reporting (Continued)

Performance rights awarded, vested and lapsed during the year
The table below discloses the number of performance rights granted, exercised or lapsed as part of the remuneration of KMPs under the Company's performance rights plan:

	Year	Balance at beginning of year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at end of year	Exercis-able	Not exercisable
Alan Bye	**2023**	**3,109,926**	**-**	**-**	**-**	**3,109,926**	**-**	**3,109,926**
	2022	3,109,926	-	-	-	3,109,926	-	3,109,926
Brett Giroud	**2023**	**5,183,210**	**2,247,578**	**-**	**-**	**7,430,788**	**-**	**7,430,788**
	2022	5,183,210	-	-	-	5,183,210	-	5,183,210
Mikael Bergqvist	**2023**	**-**	**571,436**	**-**	**-**	**571,436**	**-**	**571,436**
	2022	-	-	-	-	-	-	-
Greg Haskis	**2023**	**-**	**738,990**	**-**	**-**	**738,990**	**-**	**738,990**
	2022	-	-	-	-	-	-	-
Total	**2023**	**8,293,136**	**3,558,004**	**-**	**-**	**11,851,140**	**-**	
	2022	8,293,136	-	-	-	8,293,136	-	8,293,136

The terms and conditions of the performance rights that have been granted to KMP are as follows:

PR series	Grant date	Number held				Vesting date and conditions
		Alan Bye	Brett Giroud	Mikael Bergqvist	Greg Haskis	
Series 1	22/12/2021	1,036,642	1,731,192	-	-	Vest 100% on or before 22 December 2025 upon the 20-day VWAP equalling or exceeding $0.375 as long as the participant is still employed by the Company.
Series 2	22/12/2021	1,036,642	1,731,192	-	-	Vest 100% on or before 22 December 2026 upon the 20-day VWAP equalling or exceeding $0.50 as long as the participant is still employed by the Company.
Series 3	22/12/2021	1,036,642	1,720,826	-	-	Vest 100% on or before 22 December 2026 upon the 20-day VWAP equalling or exceeding $0.625 as long as the participant is still employed by the Company.
Series 4	28/06/2023	-	2,247,578	571,436	738,990	Vest 100% on 28 February upon the 20-day VWAP equalling or exceeding $0.20 at any time before 28 February 2025 as long as the participant is still employed by the Company.
Total granted		**3,109,926**	**7,430,788**	**571,436**	**738,990**	

VWAP – volume weighted average share price

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Statutory and Share-based reporting (Continued)

KMP shareholdings – Orexplore Technologies Limited
The number of ordinary shares in Orexplore Technologies Limited held by each KMP of the Group during the financial year is as follows:

	Balance at beginning of year	Issued on exercise of rights during the year	Issued as part of the Company's Shareholder Entitlement Offer	Issued as part of the Company's Share Placement	Balance at end of year
Non-executive directors					
Alan Bye	-	-	-	-	-
Kent Swick	15,548,873	-	14,394,257	5,669,724	35,612,854
Stuart Carmichael[1]	-	-	-	-	-
Stefan Sädbom	-	-	-	-	-
Will Randall[2]	19,696,198	-	9,848,097	-	29,544,295
Other executives					
Brett Giroud	-	-	-	-	-
Mikael Bergqvist	-	-	-	-	-
Greg Haskis	-	-	-	-	
Total	**35,245,071**	**-**	**24,242,354**	**5,669,724**	**65,157,149**

1. Resigned 31 October 2023.
2. Mr Randall was appointed as a director on 20 January 2023. The opening balance of shares held represents the number of shares held at the time of his appointment.

Other key management personnel transactions
There have been no other transactions involving equity instruments other than those described in the tables above.

*****End of remuneration report*****

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

Alan Bye
Chairman
28 February 2024

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Auditor's Independence Declaration

To the Directors of Orexplore Technologies Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Orexplore Technologies Ltd for the year ended 31 December 2023, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 28 February 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	31 Dec 2023 $000	31 Dec 2022 $000
Revenue from contracts with customers	4	3,306	1,212
Other income	4	120	334
Employee benefits expense	5	(5,905)	(4,524)
Share based payments	21	(145)	(121)
Depreciation and amortisation expense		(1,740)	(1,391)
Abandonment of asset costs - Intangible assets	15	-	(2,876)
Other operating expenses	6	(3,687)	(3,080)
Finance costs		(139)	(30)
Loss before income tax expense		**(8,190)**	**(10,476)**
Income tax	8	-	-
Loss after income tax		**(8,190)**	**(10,476)**
OTHER COMPREHENSIVE GAIN/ (LOSS)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		89	(798)
Other comprehensive income/ (loss) for the period net of tax		**89**	**(798)**
Total comprehensive loss for the period		**(8,101)**	**(11,274)**
Basic and diluted loss per share (cents)	9	(6.53)	(10.12)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	31 Dec 2023 $000	31 Dec 2022 $000
CURRENT ASSETS			
Cash and cash equivalents	10	3,064	7,039
Trade and other receivables	11	436	642
Inventories	12	1,229	1,181
Prepayments		219	192
Total current assets		**4,948**	**9,054**
NON-CURRENT ASSETS			
Property, plant and equipment	13	1,976	1,772
Right-of-use assets	14	805	923
Intangible assets	15	2,385	2,826
Total non-current assets		**5,166**	**5,521**
TOTAL ASSETS		**10,114**	**14,575**
CURRENT LIABILITIES			
Trade and other payables	16	689	1,034
Provisions	17	518	363
Lease liabilities	18	435	389
Total current liabilities		**1,642**	**1,786**
NON-CURRENT LIABILITIES			
Provisions	17	15	5
Lease liabilities	18	423	576
Total non-current liabilities		**438**	**581**
TOTAL LIABILITIES		**2,080**	**2,367**
NET ASSETS		**8,034**	**12,208**
EQUITY			
Issued capital	19	42,850	39,153
Foreign exchange reserve	20	(727)	(816)
Share-based payment reserve	21	1,488	1,258
Accumulated losses		(35,577)	(27,387)
TOTAL EQUITY		**8,034**	**12,208**

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Issued Capital $000	Foreign Exchange Reserve $000	Share-Based Payment Reserve $000	Accumu-lated Losses $000	Total Equity $000
Balance at 1 January 2023		**39,153**	**(816)**	**1,258**	**(27,387)**	**12,208**
Total comprehensive income for the period:						
Loss for the period		-	-	-	(8,190)	(8,190)
Other comprehensive loss for the period	20	-	89	-	-	89
Transactions with owners, recorded directly in equity:						
Share-based payment transactions	21	-	-	230	-	230
Contributed equity	19	3,697	-	-	-	3,697
Balance at 31 December 2023		**42,850**	**(727)**	**1,488**	**(35,577)**	**8,034**

	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		-	-	-	(10,476)	(10,476)
Other comprehensive loss for the period	20	-	(798)	-	-	(798)
Transactions with owners, recorded directly in equity:						
Share-based payment transactions	21	-	-	121	-	121
Contributed equity	19	2,437	-	-	-	2,437
Balance at 31 December 2022		**39,153**	**(816)**	**1,258**	**(27,387)**	**12,208**

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

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	31 Dec 2023 $000	31 Dec 2022 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,731	777
Receipts of government grants		14	547
Payments to suppliers and employees		(10,143)	(7,308)
Net Interest received		56	6
Net cash used in operating activities	10	**(6,342)**	**(5,978)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(947)	(593)
Receipts from disposal of property, plant and equipment		-	2
Payments for development costs and other intangible assets		(24)	(556)
Net cash used in investing activities		**(971)**	**(1,147)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		4,129	2,437
Transaction costs related to capital raising		(347)	(455)
Repayment of lease liabilities		(389)	(394)
Net cash provided by financing activities		**3,393**	**1,588**
Net decrease in cash held		**(3,920)**	**(5,537)**
Cash at the beginning of the period		**7,039**	**12,644**
Effects of exchange rate movements on cash		(55)	(68)
Cash at the end of the period	10	**3,064**	**7,039**

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

1. GENERAL INFORMATION

1.1 Reporting entity

Orexplore Technologies Limited (the "**Company**" or "**Orexplore**") is a public company listed on the Australian Securities Exchange ("**ASX**"). Orexplore Technologies Limited and its subsidiaries (together referred to as the "**Group**") operate in Perth Australia, Stockholm Sweden and internationally. The consolidated financial report of the Company for the year ended 31 December 2023 comprises the Company and its subsidiaries and was authorised for issue in accordance with a resolution of the directors on 27 February 2023.

The address for the Company's registered office and principal place of business is 75 McDonald Crescent, Bassendean, Western Australia, 6054, Australia.

The principal activities of the Group are the research, development, sale, and provision of core scanning services using its proprietary GeoCore X10® hardware product and its associated interface software Orexplore 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.

1.2 Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with the Australian Accounting Standards results in compliance with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise stated.

The Company is of the kind referred to in ASIC Corporations (*Rounding in Financials / Directors' Report*) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

1.3 Going Concern

The financial statements for the period ended 31 December 2023 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 year, the Group recorded a comprehensive loss of $8,101,000 and had cash outflows from operating activities of $6,342,000. At balance date the Group had working capital of $3,306,000 including cash held of $3,064,000.

The Group is looking to continue its expansion in the market and fund development of its customer pipeline and customer engagement which continues to grow across multiple geographies and commodities. The Company is considering a number of wide-ranging strategic options as it looks to leverage the potential global opportunity. Such options include using regional partner relationships to respond to opportunities in regions where Orexplore would not naturally establish its own office through to strategic partnerships at the corporate level with parties that could provide a 'whole of company' alliance across the value chain.

The Directors have prepared the financial statements on the going concern basis. The ability of the Group to continue as a going concern and to fund its ongoing expansion programme is dependent upon the Group successfully executing some or all of the strategic partnership options noted above, raising additional capital and managing its cash outflows in line with budgeted expectations to provide the necessary working capital to cover its corporate costs over the next year.

The Directors believe that the Group will continue to be a going concern based on the outcome of the matters noted above. However, in the event that the Group is unable to raise additional funding, material uncertainty would exist that may cast doubt on the ability of the Group to continue as a going concern.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group be unable to continue as a going concern.

1.4 Significant accounting policies

The principal accounting policies adopted are consistent with those of the previous financial year unless otherwise stated.

1.4.1 Basis of Consolidation

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring them in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest in a subsidiary, without a loss of control, is accounted for as an equity transaction.

1.4.2 Business Combinations

AASB 3 *Business Combination* ("**AASB 3**") establishes principles and requirements for how an acquirer accounts for a business combination, which is defined as "*a transaction or other event in which an acquirer obtains control of one or more businesses*". AASB 3 however excludes from its scope a combination of entities or businesses under common control. A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. This will include transactions such as the transfer of subsidiaries or businesses between entities within a group, provided the transaction meets the definition of a business combination in AASB 3.

Orexplore AB and Orexplore Australia Pty Ltd existed before their combination on 23 December 2021 and were under common control prior to and immediately after the formation of the Orexplore Group. There was no loss of control by controlling entity. Orexplore Technology Limited was the vehicle that brought together the Orexplore businesses for the purpose of the listing on the ASX.

AASB 3 scopes out business combinations under common control and is not prescriptive otherwise as to the method of accounting for such transactions. Orexplore has developed an accounting policy that results in relevant and reliable information by applying the hierarchy of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Applying that hierarchy, the Group considered the most recent pronouncements of other standard-setting bodies having a similar framework to IFRS, other accounting literature and accepted industry practices, to the extent that these do not conflict with any AAS or the Conceptual Framework for Financial Reporting. Several standard-setting bodies have issued guidance and some allow or require a pooling of interests method to account for business combinations under common control.

1.4 Significant accounting policies (continued)

The Company applies the "Pooling of Interest" method of accounting for a business combination under common control. Under this method the assets and liabilities of the combining parties are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination. No 'new' goodwill is recognised as a result of the combination. The only goodwill that is recognised is any existing goodwill relating to either of the combining parties. Any difference between the consideration transferred and the acquired net assets is reflected within equity under the "Common Control Business Combination Reserve" account. The carrying amounts recognised reflect balances recognised in the controlling party's general ledger. Prior periods were not restated to reflect the state of the business prior to the common control transaction (prospective approach).

The accounting parent entity was determined to be Orexplore AB. Determination of the parent entity was undertaken with due consideration of the facts regarding the Group structure, Group business activities, the demerger transaction, and Accounting Standards. Orexplore Technologies Limited remains the legal parent of the Group. The parent entity disclosures required by the Corporations Act 2001 are provided for Orexplore Technologies Limited in Note 23.

1.4.3 Foreign currency

Transactions and balances

Each entity within the Group determines its own functional currency based on the currency of the primary economic environment in which the entity operates. For the purpose 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 consolidated financial statements.

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, the assets and liabilities of the Group's international operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising, if any, are recognised in Other Comprehensive Income and accumulated in equity.

Determination of Functional Currency

The functional currency of entities within the Group are as follows:

Name	Country of Incorporation	Functional currency
Orexplore Technologies Ltd	Australia	Australian Dollar
Orexplore Australia Pty Ltd	Australia	Australian Dollar
Orexplore AB	Sweden	Swedish Krona
Orexplore Chile SpA	Chile	Chilean Peso
Orexplore Canada Inc	Canada	Canadian Dollar
Orexplore USA Inc	USA	US Dollar

The presentation currency of these financial statements is Australian Dollars, as the Group is listed in Australia.

1.4.4 Revenue

Revenue from provision of services

To determine whether to recognise revenue, the Company follows the following 5-step process:

- Identifying the contract with a customer;
- Identifying the performance obligations;
- Determining the transaction price;
- Allocating the transaction price to the performance obligations; and
- Recognising revenue when / as performance obligation(s) are satisfied.

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1.4 Significant accounting policies (continued)

The transaction price is the fair value of consideration received or receivable net of goods and services tax (GST) or value added tax (VAT).

Revenue is recognised upon the satisfaction of performance obligations, which occurs when control of the service transfers to the customer when services are rendered, or ownership of products are transferred to the buyer. Orexplore generates revenue from providing mineral analysis services to the mining industry. The Group's main revenue stream was through mineral scanning and associated consulting services. Revenue is generally chargeable by meter of core scanned and is recognised upon completion of the scan results.

Revenue is recognised at point in time. Payment terms are usually within 30 - 60 days. A customer is deemed to have gained control of the promised goods / services upon receipt of delivery of goods or scan results.

1.4.5 Government grants

Government grants are benefits received for specific qualifying expenditure in respect of qualifying activities. The grant is recognised only when there is reasonable assurance that the Group will comply with any conditions attached to the grant and the grant will be received. The grant is recognised initially as a liability classed as "deferred income". This is released to the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the period necessary to match income with the related grant costs for which they are intended to compensate, on a systematic basis.

1.4.6 Employee benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and annual leave are recognised as a part of current trade and other payables in the Statement of Financial Position.

Other long-term employee benefits

Provision is made for employees' statutory long service leave and annual leave entitlements not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Group's obligations for long-term statutory employee benefits are presented as non-current provisions in its Consolidated Statement of Financial Position, except where the Group does not have an unconditional right to defer settlement for at least twelve months after the end of the reporting period, in which case the obligations are presented as current provisions.

Defined contribution plans and pension obligations

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial periods. Such contributions are recognised as an expense in the period in which the related service is performed.

1.4 Significant accounting policies (continued)

Performance rights plan
The performance rights plan allows certain employees to acquire rights to shares in the Company. The grant date fair value of the rights issued is calculated using a binomial model and recognised as an employee share based payment in the profit and loss with a corresponding increase in equity, on a straight-line basis over the period from grant date to vesting date.

1.4.7 Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax recoverable from or payable to the taxation authorities based on the current period's taxable income, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.4.8 Goods and services tax (GST) and value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST / VAT, except where the amount of GST / VAT incurred is not recoverable from the relevant tax authority. In these circumstances the GST / VAT is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the statement of financial position are shown inclusive of GST / VAT. The net amount of GST / VAT recoverable from, or payable to, the relevant tax authority is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are included in the statement of cash flows on a gross basis and the GST / VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

1.4.9 Trade and other receivables

Receivables which generally have 30 – 60 day terms are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Expected credit loss is recognised using the simplified approach as outlined at 1.4.10 below. Bad debts are written off as incurred.

1.4 Significant accounting policies (continued)

1.4.10 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.
Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3*: Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses are taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss on the basis of the two primary criteria, being the contractual cash flow characteristics of the financial asset; and the business model for managing the financial assets.

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1.4 Significant accounting policies (continued)

A financial asset is subsequently measured at amortised cost when it meets the following conditions:
- the financial asset is managed solely to collect contractual cash flows;
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal; and
- interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal; and
- interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

The Group initially designates financial instruments as measured at fair value through profit or loss if:
- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments
At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: *Business Combinations* applies, the Group has not made any irrevocable elections to measure any subsequent changes in fair value of the equity instruments in other comprehensive income.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition
Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (i.e., when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.4 Significant accounting policies (continued)

Derecognition of financial assets
A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:
- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Entity no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity which the Group elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Compound financial instruments
Compound financial instruments (such as convertible notes) issued by the Group are classified as either financial liabilities or equity in accordance with the substance of the arrangement.

Impairment
The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

A loss allowance is not recognised for financial assets measured at fair value through profit or loss or equity instruments measured at fair value through other comprehensive income.

Impairment of receivables
The Group recognises an allowance for expected credit losses ("**ECLs**") for all receivables not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables due in less than 12 months, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The expected credit loss is based on its historical credit loss experience, current financial difficulties of the debtor and is adjusted for forward-looking factors specific to the debtor and the economic environment.

The allowance for impairment of receivables is calculated by comparing the carrying amount of the receivable to the present value of estimated future cash flows, discounted at the original effective interest rate. Where the Group recognises an impairment loss this is recognised in profit and loss. The Group does not hold any collateral in relation to receivables.

The Group considers a receivable in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.4 Significant accounting policies (continued)

1.4.11 Inventories

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

Inventory is measured at the lower of cost and net realisable value. Costs incurred in bringing inventory to its present location and condition are accounted for as part of the cost on a first-in/first-out basis. An on-going review is conducted in order to ascertain whether items are obsolete or damaged, and if so determined, the carrying amount of the item is written down to its net realisable value.

All costs considered necessary to make the sale of the inventories are factored into the net realisable value in order to avoid inventories being carried in excess of amounts expected to be realised from their sale. The Group has not identified any material costs related to the selling of the inventories outside of their initial cost and delivery.

The Group reviews the net realisable value of inventory at the end of each reporting period.

1.4.12 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment. Cost includes acquisition costs, being the fair value of the consideration provided, plus incidental costs directly attributable to the acquisition.

Subsequent costs directly related to an item of plant and equipment, which enhances the functionality of the asset, are recognised in the carrying amount of that item of property, plant and equipment only when it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs, including repairs and maintenance, are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as an expense.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit and loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Depreciation is recognised in profit and loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. The depreciation method reflects the pattern in which the future economic benefit is expected to be consumed for each asset giving consideration to the estimated working life of each asset. The estimated working life and idle time for each asset is assessed annually. Those items of property, plant and equipment undertaking construction are not depreciated.

The following are the estimated useful lives for each class of property, plant and equipment:

Class	Useful life
Plant and equipment	1 - 20 years
Leasehold improvements	No longer than period of lease
Office furniture & equipment	3 – 5 years

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1.4 Significant accounting policies (continued)

1.4.13 Intangible assets

Intangible assets relate to development undertaken to develop the Company's mineral scanning technology and machines, and patents.

Research and development intangible assets
Research costs are expensed in the period in which they are incurred. Patent costs that relate to projects that are in the research phase are expensed.

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, the consolidated entity is able to use or sell the asset, the consolidated entity has sufficient resources and intent to complete the development and its costs can be measured reliably.

Capitalised development costs are amortised over the period of their expected useful life when the asset is determined available for use.

The Group has assessed the useful life to be up 10 years, with development assets being amortised on a straight-line basis.

Patents
Legal costs directly attributable to establishing or renewing patent registrations are recognised as intangible assets when it is probable that the patent will generate future economic benefits, is separable from other rights and obligations, and its costs can be reliably measured. Other expenditure that does not meet these criteria are recognised as an expense as incurred. Amortisation is calculated using the straight-line method to allocate the costs of intangible over its estimated useful life.

Impairment
The carrying value of development intangible assets is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period.

An impairment loss is recognised for the amount by which the capitalised development carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the recoverable amount, management have used fair value less costs of disposal.

1.4.14 Trade and other payables

Trade payables are carried at amortised cost. They represent unsecured liabilities for goods and services procured by the Group prior to the financial period end that remain unpaid and occur when the Group becomes obligated to make future payments. The amounts are unsecured and are usually paid within 30-60 days of recognition.

1.4.15 Leases

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

1.4 Significant accounting policies (continued)

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Company anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Cash payments relating to the principal portion of the lease liability are presented within the Consolidated Statement of Cash Flows as cash flows from financing activities and cash payments relating to the interest portion of the lease liability are presented within cash flows from operating activities.

1.4.16 Share capital

Ordinary share capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

1.4.17 Determination of fair values

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account the ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

1.4.18 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

1.4.19 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.4 Significant accounting policies (continued)

1.4.20 Earnings per share

Basic earnings per share is calculated as a net profit or loss attributable to members, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit or loss attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

1.4.21 New and amended standards

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.

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 Group in the period of initial application.

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated 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 the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

2.1 Expected credit loss allowance for receivables

The expected credit loss assessment requires, in some cases, a significant degree of estimation and judgement. The level of provision is assessed by applying the Expected Credit Loss ("**ECL**") model which takes into account forward looking attributes of the individual debtor as well as historical data such as recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

2.2 Net realisable value of inventories
The Group reviews the net realisable value of inventory at the end of each reporting period. These inventories represent stores and critical parts used in R&D activities, repairs, maintenance and construction of the mineral analysis machines. On the basis that these items are consumed within 12 months, costs reflect net realisable value at balance date.

2.3 Capitalised development costs
Distinguishing the research and development phases of the project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

An asset is impaired when its carrying amount exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and value-in-use. Management has subjected the Group's capitalised Development costs (Note 15) to impairment testing. Management reviews its carrying value of capitalised development costs and intellectual property annually by comparing the carrying value against fair value less costs of disposal using an internal cost approach model of replacement cost. The replacement cost approach is a valuation technique that reflects the amount that would be required to replace the asset.

This replacement amount exceeded the carrying value of the assets of the CGU.

2.4 Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will decrease where the useful lives are greater than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

The Group periodically reviews and changes the estimated useful lives of assets with any changes being treated as a change in accounting estimates and accounted for in a prospective manner.

As at the 31 December 2023 the Group is not aware of any significant risk that would cause a material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

3. 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.

4. REVENUE AND OTHER INCOME

	31 Dec 2023 $000	31 Dec 2022 $000
Revenue		
Revenue from contracts with customers	3,306	1,212
Total Revenue	**3,306**	**1,212**
Other Income		
Interest received	106	63
Government grants	14	224
Other income	-	47
Total Other Income	**120**	**334**

Disaggregation of revenue

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

Geographical regions based on location of operations		
Europe	18	30
Australia	2,910	1,182
South America	378	-
Total Revenue	**3,306**	**1,212**
Geographical regions based on location of customers		
Europe	18	28
Australia	2,910	1,139
Africa	-	33
North America	-	12
South America	378	-
Total Revenue	**3,306**	**1,212**
Major Services		
Mineral analysis services	**3,306**	**1,212**
Timing of Revenue Recognition		
Revenue recognised at point in time	**3,306**	**1,212**

5. EMPLOYEE BENEFITS EXPENSE

	31 Dec 2023 $000	31 Dec 2022 $000
Salaries and fees	4,730	3,574
Superannuation	445	307
Payroll and other tax	400	356
Other staff costs and benefits	330	287
	5,905	**4,524**

6. OTHER EXPENSES

	31 Dec 2023 $000	31 Dec 2022 $000
Administration and other general costs	494	438
Audit fees	100	190
Computer expenses	162	113
Consultancy	1,030	593
Direct operating costs	570	323
Disposal of property, plant and equipment	7	149
External accounting and administrative services	235	193
Insurance	148	123
Marketing and advertising	349	118
Premises and related costs	163	185
Provision for expected credit loss	(8)	162
Recruitment	58	144
Stores, spares and consumables used	379	349
	3,687	**3,080**

7. AUDITORS REMUNERATION

Amounts received or due and receivable by auditors of the Group are set out below:

	31 Dec 2023 $000	31 Dec 2022 $000
Fees to Grant Thornton Audit Pty Ltd		
Fees for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of any controlled entities	73	71
Fees to Grant Thornton Audit Sweden		
Fees for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of any controlled entities	27	38
Fees to Ernst & Young Sweden		
Fees for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of any controlled entities	-	15
Fees to Ernst & Young (Australia)		
Fees for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of any controlled entities	-	66
	100	**190**

8. INCOME TAX

	31 Dec 2023 $000	31 Dec 2022 $000
Income tax recognised in profit or loss:		
Current tax		
Current year tax benefit	-	-
Deferred tax		
Relating to origination and reversal of temporary differences		-
Net income tax expense reported in profit or loss	**-**	**-**
The expense for the year can be reconciled to accounting profit as follows:		
Accounting loss before income tax	8,190	10,476
Prima facie tax benefit on loss from ordinary activities before income tax at 25% (2022: 25%)	2,047	2,619
Other permanent differences	(129)	(30)
Effect of foreign tax rate	(131)	(235)
Deferred tax and carry forward tax losses not recognised	(1,787)	(2,354)
Income tax expense	**-**	**-**

Orexplore Technologies Limited and Orexplore Australia Pty Ltd formed an Australian tax consolidated group on 7 January 2022 with Orexplore Technologies Limited being the head entity of the tax consolidated group. Non-Australian subsidiaries do not form part of the tax consolidated Group.

Tax losses are recognised where they are available to be recovered and it is probable that the Company will generate future profits to use the tax losses. The Group has the following estimated and unrecognised tax losses available:

	31 Dec 2023 $000	31 Dec 2022 $000
Orexplore AB (Sweden)	24,170	20,539
Australian tax-consolidated group	9,969	3,979
Orexplore Chile SpA (Chile)	55	-
	34,194	**24,518**

No deferred tax assets have been recognised for tax losses as at 31 December 2023 (2022: nil).

The movement in temporary differences is outlined below

	$000
Deferred tax assets:	
Deferred tax assets not recognised at 1 January 2023	5,378
Property, plant & equipment	(362)
Trade and other receivable	(49)
Trade and other payables	1
Leases	2
Provisions	50
Foreign exchange rate difference	469
Tax losses for the year carried forward	1,790
Deferred tax assets not recognised at 31 December 2023	(7,279)
	-

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9. 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:

	31 Dec 2023 $000	31 Dec 2022 $000
Loss used to calculate basic and diluted loss per share:		
Net loss after tax	8,190	10,476
	No.	**No.**
Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted loss per share[1]	125,352,875	103,503,922
Basic loss per share (cents)	6.53	10.12
Diluted loss per share (cents)[1,2]	6.53	10.12

1 The weighted average number of performance rights not included in diluted earnings per share calculation for 2023 were 10,988,829 (2022: 8,293,136). There is no dilutive effect of outstanding performance rights as the performance rights are contingently issuable securities and the contingent conditions have not been met at period end.

2 The weighted average number of options not included in diluted earnings per share calculation for 2023 were 1,060,063 (2022: nil). These options are not considered to be dilutive as the option strike price is above the average share price of the Company during the period.

10. CASH AND CASH EQUIVALENTS

	31 Dec 2023 $000	31 Dec 2022 $000
Cash at bank and on hand	**3,064**	**7,039**

Cash and cash equivalents comprise cash balances and deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

	31 Dec 2023 $000	31 Dec 2022 $000
Reconciliation of cashflow from operations with loss after income tax:		
Loss after income tax	(8,190)	(10,476)
Non-cash flows in profit and loss:		
Depreciation and amortisation	1,740	1,391
Abandonment of asset costs	-	2,876
Share based payment expense	145	121
Other non-cash adjustments	(3)	137
Change in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
Decrease in trade and other receivables	195	154
Increase in inventories	(10)	(296)
Increase in prepayments	(23)	(81)
Decrease in trade payables	(359)	(80)
Increase in provisions	163	276
Cash flow from operations	**(6,342)**	**(5,978)**

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11. TRADE AND OTHER RECEIVABLES

	31 Dec 2023 $000	31 Dec 2022 $000
Trade receivables	388	620
Provision for expected credit losses	-	(162)
Net trade receivables	**388**	**458**
Other receivables	48	184
	436	**642**

Credit terms for trade receivables are generally between 30 and 60 days. Due to the short-term nature of the above receivables, their carrying value is assumed to approximate their fair values.

The main source of credit risk to the Group is considered to relate to the class of assets described as "trade and other receivables". At 31 December 2023, gross trade receivables comprised 3 customers with the largest customer comprising 73% of the total amount outstanding, and the largest two customers together comprising 97% of the total gross trade receivable balance.

The table below details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

	Current $000	31-60 days $000	61 – 90 $000	>90 days $000	Total $000
31 December 2023:					
Gross carrying amount	432	4	-	-	436
Specific loss provision	-	-	-	-	-
Expected credit loss provision	-	-	-	-	-
Net carrying amount	**432**	**4**	**-**	**-**	**436**
31 December 2022:					
Gross carrying amount	626	-	-	178	804
Specific loss provision	-	-	-	(162)	(162)
Expected credit loss provision	-	-	-	-	-
Net carrying amount	**626**	**-**	**-**	**16**	**642**

Based on review at the date of reporting, the expected credit loss rate is 0% (2022: 0%).

12. INVENTORIES

	31 Dec 2023 $000	31 Dec 2022 $000
Consumables and stores	1,229	1,181
Allowance for obsolescence	-	-
Total Inventories	**1,229**	**1,181**

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.

An on-going review is conducted in order to ascertain whether items are obsolete or damaged, and if so determined, the carrying amount of the item is written down to its net realisable value.

13. PROPERTY, PLANT AND EQUIPMENT

	31 Dec 2023 $000	31 Dec 2022 $000
Plant and equipment		
Cost	4,155	3,362
Disposal	-	(147)
Accumulated depreciation	(2,367)	(1,682)
Net carrying value - plant and equipment	**1,788**	**1,533**
Leasehold Improvements		
Gross carrying value at cost	259	257
Less accumulated depreciation	(249)	(233)
Net carrying value - leasehold Improvements	**10**	**24**
Office furniture and equipment		
Gross carrying value at cost	693	689
Less accumulated depreciation	(515)	(474)
Net carrying value - furniture and equipment	**178**	**215**
Total net carrying value	**1,976**	**1,772**

	Plant and equipment $000	Leasehold Improve-ments $000	Office furniture and equipment $000	Total $000
Net carrying value at 1 January 2022	**1,648**	**36**	**114**	**1,798**
Additions - general	385	5	202	592
Additions - machines under construction	200	-	-	200
Disposal	(149)	-	-	(149)
Foreign exchange rate difference	(64)	(3)	(6)	(73)
Depreciation expense	(487)	(14)	(95)	(596)
Net carrying value at 31 December 2022	**1,533**	**24**	**215**	**1,772**
Net carrying value at 1 January 2023	**1,533**	**24**	**215**	**1,772**
Additions - general	948	-	62	1,010
Disposal	(7)	-	-	(7)
Foreign exchange rate difference	(4)	-	(1)	(5)
Depreciation expense	(682)	(14)	(98)	(794)
Net carrying value at 31 December 2023	**1,788**	**10**	**178**	**1,976**

14. RIGHT-OF-USE ASSETS

	31 Dec 2023 $000	31 Dec 2022 $000
Office and lab premises		
Cost	2,741	2,413
Accumulated depreciation	(1,936)	(1,490)
Net carrying value – office and lab premises	**805**	**923**

	Office and lab premises $000
Net carrying value at 1 January 2022	**508**
Lease modifications	836
Foreign exchange rate difference	(36)
Depreciation expense	(385)
Net carrying value at 31 December 2022	**923**
Net carrying value at 1 January 2023	**923**
Lease modifications	256
Foreign exchange rate difference	25
Depreciation expense	(399)
Net carrying value at 31 December 2023	**805**

Short-term leases with lease terms of less than 12 months are not recognised as right-of-use assets and lease liabilities, as permitted by AASB 16. The Group recorded short-term lease expenses of $25,000 in 2023 (2022: nil).

15. INTANGIBLE ASSETS

	31 Dec 2023 $000	31 Dec 2022 $000
Patents and trademarks		
Cost	320	285
Accumulated depreciation	(224)	(175)
Net carrying value – patents and trademarks	**96**	**110**
Development assets (amortising)		
Gross carrying value at cost	5,738	5,550
Less accumulated depreciation	(3,449)	(2,834)
Net carrying value - development assets (amortising)	**2,289**	**2,716**
Development assets (non-amortising)		
Gross carrying value at cost	-	2,842
Less costs abandoned	-	(2,842)
Net carrying value - development assets (non-amortising)	**-**	**-**
Total net carrying value	**2,385**	**2,826**

15. INTANGIBLE ASSETS (continued)

	Patents and trademarks $000	Dev assets (amortising) $000	Dev assets (non-amortising) $000	Total $000
Net carrying value at 1 January 2022	**111**	**2,191**	**3,778**	**6,080**
Additions	46	-	510	556
Transfer to amortising category	-	1,106	(1,106)	-
Costs abandoned	-	-	(2,876)	(2,876)
Foreign exchange rate difference	(11)	(207)	(306)	(524)
Amortisation expense	(36)	(374)	-	(410)
Net carrying value at 31 December 2022	**110**	**2,716**	**-**	**2,826**
Net carrying value at 1 January 2023	**110**	**2,716**	**-**	**2,826**
Additions	24	-	-	24
Foreign exchange rate difference	3	78	-	81
Amortisation expense	(41)	(505)	-	(546)
Net carrying value at 31 December 2023	**96**	**2,289**	**-**	**2,385**

Intangible assets relate to development undertaken to develop the Group's mineral scanning technology and machines.

Non-amortising development assets pertain to intangible assets in the development phase. Amortising development assets pertain to assets that are completed and ready for use. Intangible assets transfer from the non-amortising class of asset to the amortising class of asset once constructed to the point of completion. All intangible assets are considered to have a finite useful life.

At 31 December 2023, the carrying value of non-amortising development assets was nil (2022: nil).

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, the consolidated entity is able to use or sell the asset, the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably.

The Company currently has development assets available for use and these are tested for impairment when there are indicators of impairment. The Company has tested such available for use development assets for impairment in accordance with the valuation methodology referenced in note 1.4.13.

Once available for use, capitalised development costs are amortised over the period of their expected life.

16. TRADE AND OTHER PAYABLES

	31 Dec 2023 $000	31 Dec 2022 $000
Trade payables	353	583
Expense accruals	69	101
Payroll-related payables	179	269
Other payables	88	81
	689	**1,034**

Trade and other payables are unsecured and are usually paid within 30-60 days of recognition.

17. PROVISIONS

	31 Dec 2023 $000	31 Dec 2022 $000
Current		
Provision for annual leave	308	223
Provision for short-term incentives	210	140
	518	**363**
Reconciliation of movement in current provisions:		
Balance at 1 January	363	102
Increase in provision for annual leave	83	131
Increase in provision for short-term incentives	70	140
Foreign exchange rate difference	2	(10)
Balance at 31 December	**518**	**363**
Non-current		
Provision for long service leave	15	5
	15	**5**
Reconciliation of movement in non-current provisions:		
Balance at 1 January	5	-
Increase in provision for long service leave	10	5
Foreign exchange rate difference	-	-
Balance at 31 December	**15**	**5**

18. LEASE LIABILITIES

	31 Dec 2023 $000	31 Dec 2022 $000
Current		
Lease liabilities related to right-of-use assets	435	389
Total current lease liabilities	**435**	**389**
Non-current		
Lease liabilities related to right-of-use assets	423	576
Total non-current lease liabilities	**423**	**576**
Net carrying value – office and lab premises	**858**	**965**

Leases – Group as Lessee
The Group has entered into two commercial property lease contracts, one in Sweden and one in Australia. Both leased properties contain office and laboratory space and have remaining terms of 2 years with the lessor retaining the underlying assets. Both lease contracts contain clauses for rental reviews in line with the Consumer Price Index (CPI). The Group does not have an option to purchase the leased premises at the expiry of the lease period. Lease liabilities related to right-of-use assets are secured by the related right-of-use assets.

The average interest rate is 2.5% (2022: 2.1%).

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18. LEASE LIABILITIES (Continued)

The Sweden premises lease contains an extension option for a further 3 years. The Australian premises lease has no lease extension provision.

Upon termination of the lease held in Australia and the restoration of the property to the agreed condition, the associated bond of $39,490 will be released, or the residual value after lessor deductions, if any.

There are no non-commercial restrictions or covenants imposed by the leases.

Short-term leases with lease terms of less than 12 months are not recognised as right-of-use assets and lease liabilities, as permitted by AASB 16. The Group recorded short-term lease expenses of $25,000 in 2023 (2022: nil).

AASB 16 related amounts recognised in the Statement of Profit or Loss

	31 Dec 2023 $000	31 Dec 2022 $000
Depreciation charge related to right-of-use assets	399	385
Interest expense on lease liabilities	25	17

Changes in liabilities arising from financing activities

	31 Dec 2023 $000	31 Dec 2022 $000
Net carrying value at 1 January	**965**	**564**
Cash changes:		
Repayments	(389)	(394)
Non-cash changes:		
Lease modifications	235	837
New lease agreements	21	-
Foreign exchange rate difference	26	(42)
Net carrying value at 31 December	**858**	**965**

19. ISSUED CAPITAL

	31 Dec 2023 $000	31 Dec 2022 $000
Issued capital	43,282	39,153
Share issue costs	(432)	-
Closing balance at 31 December	**42,850**	**39,153**

All shares are ordinary fully paid shares and carry one vote per share and the right to dividends.

The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

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19. ISSUED CAPITAL (continued)

Movements in ordinary share capital:

	31 Dec 2023		31 Dec 2022	
	No.	$000	No.	$000
Balance at 1 January	**103,664,196**	**39,153**	**93,914,196**	**36,716**
Shares issued – priority offer	-	-	9,750,000	2,437
Shares issued – placement	39,919,352	1,796	-	-
Shares issued – non-renounceable entitlement offer	51,832,098	2,333	-	-
Share issue expenses – cash settled	-	(347)	-	-
Share issue expenses – share-based payment	-	(85)	-	-
Balance at 31 December	**195,415,646**	**42,850**	**103,664,196**	**39,153**

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

During FY23, the Company undertook a capital raising whereby it raised a total of $4,129,000 through a two tranche placement to sophisticated and professional investors and a 1 for 2 pro-rata underwritten entitlement offer to eligible shareholders. All shares issued as a result of this process were issued at a price of 4.5 cents per share with new shares issued as follows:

	Date	No. of shares issued
Tranche one placement shares	14 September 2023	15,549,628
Entitlement offer shares	4 October 2023	51,832,098
Tranche two placement shares	27 October 2023	24,369,724
		91,751,450

Issue of options

On 27 October 2023, the Company issued 5,862,469 unlisted options to the manager and underwriter of the Company's share placement and entitlement offer. The options are exercisable at a price of 9 cents per option and may be exercisable at any time prior to or on 31 October 2025.

20. FOREIGN EXCHANGE RESERVE

	31 Dec 2023 $000	31 Dec 2022 $000
Opening balance at 1 January	(816)	(18)
Other comprehensive gain/ (loss) for the year	89	(798)
Closing balance at 31 December	**(727)**	**(816)**

The foreign currency translation reserve records exchange differences arising on translation of Orexplore AB and Orexplore Chile SpA to presentation currency.

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21. SHARE-BASED PAYMENT RESERVES

	31 Dec 2023 $000	31 Dec 2022 $000
Opening balance at 1 January	1,258	1,137
Share based payments – performance rights plan	145	121
Share based payments – options granted as part of equity capital raise	85	-
Closing balance at 31 December	**1,488**	**1,258**

Employee incentive plans

The Group had previously established an Incentive Performance Rights Plan under which rights were granted at no cost to participants on 22 December 2021 and which will convert into ordinary shares on achieving the required performance and service conditions.

On 1 October 2022, amendments to the Corporations Act were introduced, simplifying the regulatory process for incentivising participants under employee share schemes (**ESS**). *Division 1A* was introduced into *Part 7.12 of the Corporations Act*, providing a separate regime for the making of offers in connection with an ESS. This new regulatory regime replaced the relief afforded by ASIC Class Order 14/1000.

In order to ensure that the Company is able to rely on the relief provided by the new regulatory regime, the Company adopted a new ESS that makes reference to the new regulatory regime and includes the changes that came into effect on 1 October 2022. The Orexplore Technologies Limited Employee Securities Incentive Plan was adopted by Shareholders on 30 May 2023 and performance rights were subsequently granted under this new plan as shown below.

A summary of the movements of performance rights on issue is as follows:

	31 Dec 2023 No.	31 Dec 2022 No.
Opening balance at 1 January	8,293,136	8,293,136
Performance rights granted – Series 4	5,289,935	-
Closing balance at 31 December	**13,583,071**	**8,293,136**

During the year, no performance rights were vested, exercised or lapsed and there has been no alteration of the terms and conditions of performance rights since their grant date. The terms and conditions of performance rights (**PR**) granted are as follows:

PR series	Grant date	Number granted	Value on grant date ($)	Value per PR ($)	Vesting date and conditions
Series 1	22/12/2021	2,767,834	196,517	0.071	Vest 100% on or before 22 December 2025 upon the 20-day VWAP equalling or exceeding $0.375 as long as the participant is still employed by the Company.
Series 2	22/12/2021	2,767,834	179,909	0.065	Vest 100% on or before 22 December 2026 upon the 20-day VWAP equalling or exceeding $0.50 as long as the participant is still employed by the Company.
Series 3	22/12/2021	2,757,468	165,449	0.060	Vest 100% on or before 22 December 2026 upon the 20-day VWAP equalling or exceeding $0.625 as long as the participant is still employed by the Company.
Series 4	29/06/2023	5,289,935	91,215	0.0172	Vest 100% on 28 February 2025 upon the 20-day VWAP equalling or exceeding $0.20 at any time before 28 February 2025 as long as the participant is still employed by the Company on 28 February 2025.

VWAP – volume weighted average share price

21. SHARE-BASED PAYMENT RESERVES (continued)

The fair value of the performance rights issued during the year ended 31 December 2023 was determined as follows:

Share Price per share	$0.06
Share Price Volatility	68.93%
Interest Rate	3.368%
Dividend Yield	N/A
Model Used	Monte Carlo
Resultant value per option	$0.0172

The Share price reflects Fair Value as per assessment by an independent and external valuer who determined the amount in accordance with Appendix A of AASB 2. The valuation methodology applied is a binomial model, which has been tailored specifically for use in valuing employee rights and is an amended Black, Scholes, Merton methodology with a 100,000 iteration Monte Carlo extrapolation.

The share price volatility is the historical volatility of returns on the Company's shares from commencement of trading on ASX on 21 January 2022. No dividend yield has been factored into the valuation of the performance rights in line with the Group's strategy during its initial growth phase.

22. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

Capital management
The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the Group's ability to commercialise its product offering and expand activities to maximise the ultimate return to shareholders.

This is consistent with the prior year strategy. The Group does not currently have any interest bearing loans or other borrowings.

None of the Group's entities are subject to externally imposed capital requirements.

Financial assets and liabilities
The Group's financial instruments consist mainly of cash and cash equivalents, trade and other receivables, prepayments, trade and other payables and lease liabilities.

The totals for each category of financial assets are as follows:

	31 Dec 2023 $000	31 Dec 2022 $000
Cash and cash equivalents	3,064	7,039
Trade and other receivables	436	642
Prepayments	219	192
	3,719	**7,873**

The totals for each category of financial liabilities are as follows:

	31 Dec 2023 $000	31 Dec 2022 $000
Trade and other payables	689	1,034
Lease liabilities	858	965
	1,547	**1,999**

22. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT (continued)

Financial risk management objectives
The Group is exposed to a number of financial risks from its use of financial instruments – such risks include exposure to market risk, credit risk, liquidity risk and foreign exchange risk.

The Group's overall risk management strategy seeks to assist it in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management is reviewed by the Board of Directors on a regular basis, including monitoring credit risk and future cash flow requirements.

This note provides further information on the Group's exposure to each of these financial risks.

Market risk
Market risk is the risk of financial loss to the Group through changes in market prices including changes in interest rates and changes in foreign exchange rates. The objective of market risk management is to manage such risks within acceptable parameters whilst optimising return.

Interest rate risk
The financial instruments that expose the Group to interest rate risk are limited to cash and cash equivalents. This exposure relates to the risk associated with floating interest rates on cash and cash equivalents.

The Group invests excess cash held in short term deposits to maximise returns and ensure the Group has sufficient available cash to fund ongoing operations.

Foreign exchange risk
Foreign exchanges risk arises from future commercial transactions, recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investment in foreign operations. The Group seeks to minimise its exposure to foreign exchange risks primarily through ensuring that all financial assets and liabilities denominated in a currency other than Australian dollars are of a short term nature and through the close management of operating cash requirements of Group entities.

Credit risk
Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 to 60 days from the date of invoice. Further information about the concentration of credit risk and the aging of outstanding trade receivables is contained in note 11.

Risk is also minimised through investing surplus funds into financial institutions that maintain high credit ratings assigned by international credit rating agencies.

Liquidity risk
Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities, maintaining a reputable credit profile, managing credit risk related to financial assets, only investing surplus cash with major financial institutions, and comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

22. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT (continued)

The table below reflects the undiscounted contractual maturity analysis for non-derivative financial liabilities.

	31 Dec 2023		31 Dec 2022	
	Within 1 year $000	1 – 5 years $000	Within 1 year $000	1 – 5 years $000
Trade and other payables	689	-	1,034	-
Lease liabilities	449	428	403	585
	1,138	**428**	**1,437**	**585**

Fair value measurement
At the current and previous balance date, all financial assets and liabilities are measured at amortised costs and their carrying value is equivalent to their fair value.

23. PARENT ENTITY DISCLOSURES

As at, and throughout, the year ended 31 December 2023, the legal parent entity of the Group was Orexplore Technologies Limited.

	31 Dec 2023 $'000	31 Dec 2022 $'000
Results of parent entity:		
Loss for the year	8,100	10,648
Other comprehensive income	-	-
Total comprehensive expense for the year	**8,100**	**10,648**
Financial position of parent entity:		
Current assets	497	-
Total assets	8,035	12,208
Current liabilities	-	-
Total liabilities	-	-
Total equity of parent entity comprising of:		
Share capital	54,171	50,474
Reserves	351	121
Accumulated losses	(46,487)	(38,387)
Total equity	**8,035**	**12,208**

Parent entity contingent liabilities
There were no contingent liabilities of the parent entity as at 31 December 2023 and as at 31 December 2022.

Parent entity capital commitments for acquisition of property, plant and equipment
There were no capital commitments of the parent entity as at 31 December 2023 and as at 31 December 2022.

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24. CONSOLIDATED ENTITIES

Details of the Group entities are as follows:

Name	Country of Incorporation	Date of Incorporation	Functional currency	Financial year end
Orexplore Technologies Limited	Australia	29 Oct. 2020	Australian Dollar	31 December
Orexplore AB	Sweden	26 July 2010	Swedish Krona	31 December
Orexplore Australia Pty Ltd	Australia	24 Oct. 2017	Australian Dollar	31 December
Orexplore Chile SpA	Chile	5 Oct 2022	Chilean Pesos	31 December
Orexplore Canada Inc	Canada	23 Oct. 2018	Canadian Dollar	31 December
Orexplore USA Inc	USA	23 Oct. 2018	US Dollar	31 December

The principal place of business is the same as the "country of incorporation" for each entity.

25. RELATED PARTY TRANSACTIONS

Ultimate parent
The ultimate parent entity that exercises control over the Group is Orexplore Technologies Limited. In the prior financial year up until 7 January 2022 when it made an in-specie distribution of the shares it held in Orexplore Technologies Limited to its own shareholders, Swick Mining Services Limited, a company incorporated in Australia, was the ultimate parent company.

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided of received for any related party receivables or payables.

Key management personnel compensation
Any person having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of a Group entity is considered key management personnel ("**KMP**").

The total remuneration paid to KMP of the Group during the year is as follows:

	31 Dec 2023 $000	31 Dec 2022 $000
Short-term employee benefits	1,239	1,090
Post-employment benefits	113	88
Other long-term benefits	3	1
Termination benefits	-	-
Share-based payments	137	118
Total KMP compensation	**1,492**	**1,297**

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26. CONTINGENT LIABILITIES AND COMMITMENTS

	31 Dec 2023 $000	31 Dec 2022 $000
Bank guarantee	39	39
Performance bond	21	-
	60	**39**

A bank guarantee facility is in place for an amount of $39,490 in order to secure the property leased by Orexplore Australia Pty Ltd is secured by a term deposit of the same amount.

A Chilean bank has issued a performance bond on behalf of Orexplore Chile SpA for an amount of USD14,157 in favour of a customer in Chile with an expiry date of 29 February 2024. The performance bond is secured by a deposit of the same amount provided to the bank.

27. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There has been no matter or circumstance that has arisen after the end of the financial period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

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In the opinion of the Directors of Orexplore Technologies Limited:

(a) the 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 31 December 2023 and of its performance for the year ended on that date; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001* (Cth);

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors by the Managing Director and the Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 December 2023.

Signed in accordance with a resolution of the Directors:

Alan Bye
Chairman
28 February 2024

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Independent Auditor's Report

To the Members of Orexplore Technologies Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Orexplore Technologies Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1.3 in the financial statements, which indicates that the Group incurred a net loss of $8.101 million during the year ended 31 December 2023, and as of the year ended that date, operating cash outflows of $6.342 million. As stated in Note 1.3, these events or conditions, along with other matters as set forth in Note 1.3, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of development cost asset – Note 15	
AASB 136 *Impairment of Assets* requires intangible assets available for use to be tested for impairment when indicators of impairment exist. The Group reported net assets of $8.034 million on the statement of financial position as of 31 December 2023**.** This amount exceeds the Group's market capitalisation as at that date, which serves as an indicator of potential impairment. This area is a key audit matter due to management judgement involved in assessing the assumptions and inputs required to prepare a fair value less costs of disposal model and to satisfy the impairment testing requirements of AASB 136.	Our procedures included, amongst others: • understanding management's policies and procedures regarding impairment testing; • evaluating the model against the requirements of AASB 136; • obtaining evidence to support the key assumptions used by management in the fair value less costs of disposal model and challenging those assumptions; • performing sensitivity analysis to stress test the key assumptions used in the fair value less costs of disposal model; and • assessing the appropriateness of financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

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

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 26 to 34 of the Directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Orexplore Technologies Ltd, for the year ended 31 December 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 28 February 2024

The following information was reflected in the records of the Company as at 23 February 2024.

Distribution of Equity Security Holders

	Number of holders Fully paid shares	Performance rights	Options
1 - 1,000	436	-	-
1,001 - 5,000	290	-	-
5,001 - 10,000	167	-	-
10,001 - 100,000	364	1	-
100,001 and over	195	8	1
	1,452	**9**	**1**

There are 1,027 shareholders holding less than a marketable parcel of ordinary shares (based on a market price of $0.024 per share).

Substantial shareholders

The following shareholders have lodged a notice of substantial shareholding in the Company.

Shareholder	Number of shares	%
Kent Jason Swick and Tanya Michelle Swick	35,612,854	18.22
Circle 5 Management Pty Ltd	29,544,295	15.12

Twenty largest holders of fully paid shares

Shareholder		Shares	%
1.	Circle 5 Management Pty Ltd	29,544,295	15.12
2.	Kent Jason Swick & Tanya Michelle Swick	17,029,112	8.71
3.	J P Morgan Nominees Australia Pty Ltd	7,300,535	3.74
4.	Kent Jason Swick	6,591,205	3.37
5.	Tanya Michelle Swick	6,591,205	3.37
6.	Kenneth Joseph Hall	6,000,000	3.07
7.	K & T Swick Pty Ltd	4,797,000	2.45
8.	Justin O'Neil Malouf	4,200,000	2.15
9.	Oscarsborg Fort Pty Ltd	2,707,000	1.39
10.	Robert Boorman & Laura Boorman	2,500,002	1.28
11.	Mark Jones & Margaret Tai	2,500,000	1.28
12.	Rosanne Thelma Swick	2,324,842	1.19
13.	Vanace Pty Ltd	2,239,566	1.15
14.	M E J C Pty Ltd	2,000,000	1.02
15.	Peter Croke Holdings Pty Ltd	1,621,480	0.83
16.	HSBC Custody Nominees (Australia) Limited	1,573,262	0.81
17.	Onkaparinga Holdings Pty Ltd	1,500,000	0.77
18.	Donald James Miller	1,500,000	0.77
19.	Mizpocha Pty Ltd	1,450,000	0.74
20.	Vincenzo Vallelonga & Teresa Vallelonga	1,400,000	0.72
		105,369,504	53.93

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Unquoted securities

The following classes of unquoted securities are on issue:

Security	Number on issue	Holders of greater than 20% of each class of security Name of holder	Number	%
Performance rights (2025)	5,289,935	Steelpoint Pty Ltd	2,247,578	42.49
Performance rights (2025/2026)	8,293,136	Steelpoint Pty Ltd	5,183,210	62.50
		Megan Bye	3,109,926	37.50
Options (exercisable at $0.09 each on or before 31.10.25)	5,862,469	Berne No 132 Nominees Pty Ltd	5,862,469	100.00

Restricted securities

There are no restricted securities on issue.

Classes of shares and voting rights

At meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or attorney or representative. On a show of hands every holder of ordinary shares present in person or by proxy is entitled to one vote, and on a poll, every person present in person or by proxy has one vote for each ordinary share held.

Register of securities

The register of securities is kept at the office of the Company's share registry, Automic Pty Ltd at Level 5, 191 St Georges Terrace, Perth, Western Australia.

Stock Exchange listing

The Company's securities are quoted on the Australian Securities Exchange (Trading code: OXT).

On-market buy-back

No on-market share buy-back is currently being undertaken by the Company.

Use of funds

The Company has used and is continuing to use its cash resources at the time of admission to the official list of the Australian Securities Exchange in a manner which is consistent with the Company's business objectives as outlined in the prospectus dated 22 November 2021.

Corporate governance statement

The Company's 2023 corporate governance statement can be viewed at:
https://www.orexplore.com/corporate-governance/

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