

MARKET ANNOUNCEMENT

Net Tangible Asset Backing – 30 June 2024

Month Ending:	% Change	30 June 2024 Consolidated	31 May 2024 Consolidated
Net tangible assets (NTA) (before tax)		\$6.663m	\$7.002m
Pre-Tax NTA Backing per share	-4.83%	\$0.4258	\$0.4474
Net tangible assets (after tax)		\$5.163	\$5.502m
Post-Tax NTA Backing per share	-6.15%	\$0.3299	\$0.3516
Based on total issued share capital		15,649,228	15,649,228

On 8 March 2024, CXM Pty Ltd (**CXM**) (a wholly-owned subsidiary of the Company) received \$2 million¹ as part consideration on the termination of the Orion Royalty² in relation to the Paulsens East Iron Ore Project (with \$3 million receivable on 30 June 2024)³.

On 3 July 2024, CXM received the \$3 million⁴ deferred consideration component that was previously recognised as a Receivable asset. Orion has recognised a Provision for Income Tax expense of \$1.5 million in respect of this gross consideration. However, Orion is undertaking a review of this income tax position vis a vis the utilisation of available carried forward tax losses of \$12.6 million.

By way of background, Orion refers to its market announcement of 3 January 2024 entitled "5 Million Receivable on Termination of Iron Ore Royalty Entitlement" whereby the Company announced that CXM had agreed to terminate and provide releases under the Orion Royalty in relation to the Paulsens East Iron Ore Project (located in the Pilbara, Western Australia), which Strike Resources Limited (ASX:SRK) (**Strike**) had entered into an agreement to sell to Miracle Iron Holdings Pty Ltd (**Miracle**)⁵, in consideration of Miracle agreeing to pay \$2 million to CXM on completion of the sale⁶ (with a further \$3 million payment deferred to 30 June 2024).

- 1 Refer to Orion's ASX Announcement dated 8 March 2024: \$2 Million Received on Termination of Iron Ore Royalty Entitlement
- 2 Refer to the following ASX announcements: Orion's announcement dated 23 September 2005: CXL Retains a 25% Free Carried Interest in NT Uranium Tenements, Strike's announcement dated 20 September 2005: Acquisition of Uranium Tenements and Strike's announcement dated 11 August 2008: Acquisition of Outstanding Interests in Berau Coal and Paulsens East Iron Ore Projects.
- 3 Refer also Strike's ASX announcement dated 8 March 2024: Completion of Disposal of Paulsens East Iron Ore Project
- 4 Refer Orion's ASX Announcement dated 4 July 2024: \$3M Deferred Payment Received – Iron Ore Royalty Termination
- 5 Refer Strike's ASX announcement dated 2 January 2024: Proposed Divestment of Paulsens East Iron Ore Project
- 6 Refer also Strike's ASX announcement dated 8 March 2024: Completion of Disposal of Paulsens East Iron Ore Project



The NTA position comprises the following items:

Net Tangible Assets	Current Month \$'millions	Previous Month \$'millions
Investment in listed Associated Entity:		
(a) Shares in Bentley Capital Limited (ASX: BEL)	* (refer below)	-
Investments in other listed securities:		
(a) Shares in Strike Resources Limited (ASX: SRK)	0.400	0.400
Investment in property (held for development/resale)	1.850	1.850
Net cash/receivables/payables/other assets/provisions	4.413	4.752
Pre-Tax NTA	6.663	7.002
Tax Provisions:		
(a) Prior year tax	-	-
(b) Current year tax	(1.500)	(1.500)
(c) Net deferred tax asset / (liability)	-	-
Post-Tax NTA	5.163	5.502

* Orion notes that the carrying value of its 20,513,783 shareholding in Bentley is based on 'equity accounting' for Bentley as an associate entity – as set out in Note (1), this manner of accounting has technically reduced the carrying value to Nil – whereas this compares with Bentley's last closing price on ASX of \$0.02 per share (valuing Orion's investment at \$0.41m) and Bentley's after-tax NTA value of \$0.018 per share (valuing Orion's investment based on Bentley's NTA backing at \$0.372m) as at 30 June 2024.

Notes:

- (1) The Company's investment in Bentley Capital Limited (ASX:**BEL**), an Associated Entity (i.e. in which the Company has a greater than 20% interest), is accounted for under the equity method in the consolidated financial statements. Under the equity method, the carrying amount of such investment is cost plus a share of the Associate Entity's net profit or loss (after tax) for the financial year to month end as provided to the Company by such Associated Entity. Refer also Note 19 (Investments in Associates) on pages 36 and 37 of the Company's 30 June 2023 Annual Report for further details in this regard.

Under the equity method of accounting for Associate entities, the Company's carrying value of its investment in BEL has been reduced from cost to nil – as a consequence of the Company's accumulated recognition of BEL's net losses. The Company is not required to carry the BEL investment at a negative value (ie. below Nil) and if BEL should generate net profits in the future, the Company will recognise a share of BEL's net profits under the equity method, which will permit the Company to recognise a positive carrying value for BEL.

Accordingly, as at 30 June 2024, the Company's 20,513,783 shares (26.95% interest) (31 May 2024: 20,513,783 shares and 26.95%) in BEL have a nil carrying value; this compares with BEL's last bid price on ASX of 2 cents per share (\$0.41m) and BEL's after-tax NTA backing of 1.8 cents per share (\$0.372m)⁷, as at month end.

- (2) The fair value of investments in ASX-listed Strike Resources Limited (ASX:**SRK**) comprise 10,000,000 shares (30 April 2024: 10,000,000 shares) with a value of \$0.04 per share (based on the closing bid price as at 30 June 2024) (31 May 2024: \$0.04).
- (3) The fair value of investments in other listed securities is based on each security's last bid price on market at month end.
- (4) Investment in property (held for resale) was valued by an independent qualified licensed valuer of the Australian Property Institute as at 30 June 2023.
- (5) Tax Provision Item (b) (Current year tax) includes a Provision for Income Tax expense of \$1.5 million in respect of the total gross consideration received (\$2 million) and receivable (\$3 million, on 30 June 2024) on the termination of a royalty in relation to the Paulsens East Iron Ore Project⁸. The Company notes that it is undertaking a review of this income tax position vis a vis the utilisation of available carried forward tax losses of \$12.6 million.
- (6) Tax Provision Item (c) (Net deferred tax asset / (liability)) includes where applicable, a provision for income tax on net unrealised gains on the Company's investments in securities and its share of Associated Entities' after-tax net profit for the month (deferred tax liability) and the recognition of future income tax benefits on net unrealised losses on the Company's investments in securities and its share of Associated Entities' after-tax net loss for the month (deferred tax asset). Refer also Note 5 (Tax) on pages 26 to 27 of the Company's 30 June 2023 Annual Report for further details in this regard.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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⁷ Refer BEL's ASX Announcement dated 12 July 2024: NTA Backing as at 30 June 2024