

# MARKET ANNOUNCEMENT

## Net Tangible Asset Backing – 30 April 2020

Month Ending:	% Change	30 April 2020 Consolidated	31 March 2020 Consolidated
Net tangible assets (NTA) (before tax)		\$1.667m	\$1.546m
<b>Pre-Tax NTA Backing per share</b>	+7.8%	<b>\$0.1065</b>	\$0.0988
Net tangible assets (after tax)		\$1.667m	\$1.546m
<b>Post-Tax NTA Backing per share</b>	+7.8%	<b>\$0.1065</b>	\$0.0988
Based on total issued share capital		<b>15,649,228</b>	15,649,228

The NTA position comprises the following items:

<b>Net Tangible Assets</b>	Current Month \$'millions	Previous Month \$'millions
Investment in listed Associated Entity:		
(a) Shares in Bentley Capital Limited (ASX:BEL)	0.026	* (refer below)
Investments in other listed securities:		
(a) Shares in Strike Resources Limited (ASX:SRK)	0.400	0.280
Investment in property (held for development/resale)	1.100	1.100
Net cash/receivables/payables/other assets/provisions	0.141	0.166
<b>Pre-Tax NTA</b>	<b>1.667</b>	1.546
Tax Provisions:		
(a) Prior year tax	-	-
(b) Current year tax	-	-
(c) Net deferred tax asset / (liability)	-	-
<b>Post-Tax NTA</b>	<b>1.667</b>	1.546

\* 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) over the page, this manner of accounting had technically reduced the carrying value of the investment to Nil as at 31 March 2020 – whereas this compared with Bentley's last bid price on ASX of \$0.026 per share (valuing Orion's investment at \$0.534m) and Bentley's after-tax NTA value of \$0.0483 per share (valuing Orion's investment based on Bentley's NTA backing at \$0.0991m), as at 31 March 2020.



**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 23 (Investments in Associates) on pages 39 and 40 of the Company's 2019 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 is reduced from historical cost 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 (after reducing the carrying value to Nil), the Company will recognise a share of BEL's net profits in this regard under the equity method, which will permit the Company to start recognising a positive carrying value for BEL. As at 31 March 2020, the investment in BEL was reduced to a Nil carrying value on this basis and as a consequence of BEL's net profit in respect of the month of April 2020<sup>1</sup>, the investment in BEL now has a carrying value of \$26k as at 30 April 2020.

Accordingly, as at 30 April 2020, the Company's 20,513,783 shares (26.95% interest) (31 March 2020: 20,513,783 shares and 26.95%) in BEL have a \$0.026m carrying value; this compares with BEL's last bid price on ASX of \$0.028 per share (\$0.574m) and BEL's after-tax NTA backing of \$0.0614 per share (\$1.26m)<sup>1</sup>, as at month end.

- (2) The fair value of investments in ASX-listed Strike Resources Limited (ASX:**SRK**) comprise 10,000,000 shares (31 March 2020: 10,000,000 shares) with a value of \$0.04 per share (based on the closing bid price as at 30 April 2020) (31 March 2020: \$0.028).
- (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 valuer (a Certified Valuer and Associate Member of the Australian Property Institute) as at 30 June 2019.
- (5) Tax Provision Item (c) 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 6 (Tax) on pages 25 to 26 of the Company's 2019 Annual Report for further details in this regard.

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<sup>1</sup> Refer BEL's ASX Announcement dated 14 April 2020: NTA Backing as at 31 March 2020