
Orion Minerals Limited
Incorporated in the Commonwealth of Australia
Australian Company Number 098 939 274
ASX share code: ORN
JSE share code: ORN
ISIN: AU000000ORN1
("Orion" or "the Company")

SHORT-FORM: ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

Orion is pleased to advise shareholders that it has today published its Annual Report for the year ended 30 June 2022, providing a comprehensive overview of project development, exploration, corporate and ESG activities across its business for the 2022 financial year. The Annual Report can be accessed on the Company's website, www.orionminerals.com.au and at <https://senspdf.jse.co.za/documents/2022/jse/isse/orne/ye22.pdf>.

A summary of key operational and corporate highlights for the year is provided below:

HIGHLIGHTS:

- Orion's project holdings expanded through the acquisition of a third base metals project in the Northern Cape of South Africa. The Company's core asset portfolio now includes mining and prospecting rights on each of:
 - Prieska Copper-Zinc Project: fully permitted and 'shovel-ready'.
 - Okiep Copper Project: mineral-rich copper project with potential for near-term production restart.
 - Jacomynspan Project: Ni-Cu-Co-PGE-Au intrusive complex, potential to produce high-value battery precursor products.
- Prieska Copper-Zinc Project development advancing on several fronts.
 - Assessment fast tracked for early production, phasing project development to bring forward first concentrate production and phased dewatering.
 - Key funding milestone achieved, US\$87 million negotiated with Triple Flag to underpin Early Production Scenario.
- Okiep Copper Project.
 - Proof of concept feasibility study and maiden JORC compliant resource finalised.
 - SAFTA mining right granted.
 - IDC funding agreed for pre-development costs and ownership structure, including compliance with Mining Charter 2018, being formalised.
 - Maiden drill program completed, confirming the presence of shallow, high-grade mineralisation. Targets now being plotted for follow-up drilling.
- Jacomynspan Project.
 - Battery refining agreement signed with Stratega Metals.
 - Agreement to acquire the remaining interests in the Jacomynspan Nickel-Copper-PGE Project progressed.
- Australia – Fraser Range, Western Australia (IGO JV):
 - Diamond drilling program, to test compelling nickel-copper targets, carried out.

COMMENTARY:

Orion continued with its strategy to building and becoming a new-generation Australian-South African mining company focused on the development of our portfolio of advanced "green" metals projects in South Africa's Northern Cape Province.

This includes our 70%-owned development-ready and fully-permitted Prieska Copper-Zinc Project (**Prieska Project**), the Jacomynspan Project and the Okiep Copper Project (consolidated 56% - 100% ownership), an advanced, district-scale project which is rapidly emerging as our second base metals production hub in the same region. This area of South Africa has delivered significant historical copper production over many decades.

The Prieska Project is the centrepiece of Orion's asset portfolio. Located 270km south-west of the regional capital Kimberley, Prieska sits in the heart of a world-class mining district with access to significant local and regional infrastructure.

During the year, Orion focused on securing funding for the Prieska Project and also investigating the potential to bring forward the start of production and revenue generation, with potential to reduce upfront peak funding requirements. Several pre-development work streams were progressed during the year in order to advance the Prieska Project towards a Final Investment Decision. These included:

- Early Production Plan – revise the sequence of works to first extract the mine's crown pillar, which sits above the current accumulated water level, using underground mining methods rather than at the end via open pit;
- Dewatering of the underground using a modular configuration, working at a third of the full-scale pumping rate that was proposed in the BFS-20 plan and ahead of the project being fully funded; and
- Infill drill program, to provide a sample density sufficient to upgrade more of the +105 Level Crown Pillar Mineral Resource.

The development of the Prieska Project will be enhanced by potential future production from another brownfields project, the Okiep Copper Project, transforming Orion into a substantial diversified base metal miner. Orion announced on 2 February 2021, that it had entered into an agreement giving it exclusive rights and a clear pathway to acquire and consolidate a significant interest in the Okiep Copper Project (**OCP**), an extensive copper mining complex, located approximately 570km north of Cape Town in the Northern Cape Province and 450km west of Prieska. In July 2021, Orion exercised its exclusive option to directly acquire the mineral rights and other assets held by the selling entities in the Okiep Copper Complex.

With the potential to bring this second near-term project to production evident following due diligence work completed, Orion undertook a number of workstreams and exploration programs during the reporting period. Key items included:

- Completion a 1,872km² high-powered SkyTEM™ survey over the OCP covering twenty-six historical copper mines and a large number of known copper prospects. Sixteen priority 'late-time' electromagnetic targets were selected from an initial review of the data, including several conductors close to known copper deposits;
- Continued work on the mine feasibility study, due for completion Q1 CY2023, following the positive 'proof-of-concept' study completed in May 2021;
- Received grant of the SAFTA mining right in July 2022;
- Funding agreement reached with IDC for 43.75% of pre-development costs along with ownership structure in compliance with Mining Charter 2018; and
- Continued capturing of digital data from scanned historical information.

In May 2022, the Company signed an exclusivity agreement with Stratega Metals to undertake amenability test work on 250kg sample of Ni-Cu-Co-PGE-Au concentrate from the Jacomynspan Project. The agreement gives the Company the exclusive right to earn a 75% interest in Stratega Metals by funding the establishment of a bespoke test work facility and demonstration plant at our project sites.

These are exceptional achievements during the year, which have been attained while adhering to the highest standards of health, safety, environmental preservation and corporate governance.

Orion's main activity is exploration, evaluation and development of base metal, gold and PGE projects in South Africa (Areachap Belt, Northern Cape) and as such it does not have a source of income, rather it is reliant on debt and / or equity raisings to fund its activities. During the reporting period, the Company raised AUD2.6 million before costs to fund exploration and development of its projects, primarily in South Africa. Net cash used in operating activities and investing activities totalled AUD17.9 million (2021: AUD11.0 million) and included payments for exploration and evaluation of AUD13.2 million (2021: AUD6.8 million), principally related to the development of the Prieska Project, Okiep Copper Project and exploration within Orion's Areachap Projects, South Africa.

In addition, the following information is provided in accordance with paragraph 3.46A of the JSE Listings Requirements:

- Operating loss increased to AUD15.53 million (30 Jun 2021: loss of AUD2.6 million);
- Basic loss per share increased to AUD0.33 cents (30 Jun 2021: loss of AUD0.05 cents); and

- Headline loss per share increased to AUD0.33 cents (30 Jun 2021: loss of AUD0.05 cents).

SHORT-FORM ANNOUNCEMENT:

This short-form announcement is the responsibility of the directors and is only a summary of the information in the Annual Report.

Any investment decisions by investors and/or shareholders should be based on a consideration of the Annual Report as a whole (which includes the full unmodified auditor's report setting out, *inter alia*, the key audit matters) and investors and shareholders are encouraged to review the Annual Report, which is available as detailed herein. Copies of the Annual Report may also be requested from the Company via email at info@orionminerals.com.au or from the sponsor at sponsorteam@merchantec.co.za, at no charge.

For and on behalf of the Board.



Errol Smart

Managing Director and CEO

27 September 2022

ENQUIRIES

Investors

Errol Smart – Managing Director & CEO

Denis Waddell – Chairman

T: +61 (0) 3 8080 7170

E: info@orionminerals.com.au

Media

Nicholas Read

Read Corporate, Australia

T: +61 (0) 419 929 046

E: nicholas@readcorporate.com.au

JSE Sponsor

Monique Martinez

Merchantec Capital

T: +27 (0) 11 325 6363

E: monique@merchantec.co.za

Disclaimer

This release may include forward-looking statements. Such forward-looking statements may include, among other things, statements regarding targets, estimates and assumptions in respect of metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements inherently involve subjective judgement and analysis and are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Orion. Actual results and developments may vary materially from those expressed in this release. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Orion makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release. All information in respect of Exploration Results and other technical information should be read in conjunction with Competent Person Statements in this release (where applicable). To the maximum extent permitted by law, Orion and any of its related bodies corporate and affiliates and their officers, employees, agents, associates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this release, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).