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## 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

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### SHORT-FORM: ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

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Orion Minerals Ltd (**ASX/JSE: ORN**) (**Orion** or the **Company**) is pleased to advise shareholders and investors that it has today published its Annual Report for the year ended 30 June 2023, providing a comprehensive overview of project development, exploration, corporate and ESG activities across its business for the 2023 financial year. The Annual Report can be accessed on the Company's website, [www.orionminerals.com.au](http://www.orionminerals.com.au) and at the JSE cloudlink <https://senspdf.jse.co.za/documents/2023/jse/isse/orne/ye23.pdf>

#### HIGHLIGHTS:

- Strategic funding package:
  - All substantive conditions were satisfied, allowing initial draw-down of funding facilities totalling ZAR370 million (~AUD30 million) to underpin trial mining and dewatering activities at the Prieska Copper Zinc Mine in the Northern Cape region of South Africa. The funding comprises a ZAR250 million (~AUD20 million) convertible loan facility with the Industrial Development Corporation of South Africa (**IDC**) and a AUD10 million early funding arrangement with Triple Flag Precious Metals Corp. (TSX/NYSE: TFPM) (with its subsidiaries, **Triple Flag**). Initial draw-down of ~AUD13.8 million was received in August 2023.
  - Landmark equity funding package saw the introduction of privately owned South African mining group Clover Alloys (SA) as a cornerstone investor via a AUD13 million, two-tranche placement at AUD1.5 cents (ZAR18 cents) per fully paid ordinary share (**Share**):
    - Clover Alloys has extensive experience in the development of modular processing plants to support open pit and underground chrome and PGM mining operations, bringing significant strategic expertise to Orion in the staged development of its key base metal assets.
    - Placement includes a significant options package and, assuming all options are ultimately exercised, brings the total amount of the equity funding package up to ~AUD73 million.
- Prieska Copper Zinc Mine (**PCZM**) development advancing on several fronts:
  - Orion commenced the mine development and construction phase, with early dewatering and trial mining underway to provide key inputs for an updated Bankable Feasibility Study (**BFS**).
  - An updated BFS on the accelerated development strategy has been substantially advanced, focusing on bringing forward the extraction of mineralisation above the water level via underground and open pit mining to ensure early production and phasing the implementation of the original BFS-20 plan through the implementation of a staged development strategy.
  - Experienced South African-based mining contractor appointed for the trial mining of the +105 Level supergene ore to test conventional and alternative underground mining methods with learnings and efficiency improvements to feed into the updated BFS.
  - An updated Mineral Resource Estimate was completed for the +105m Level Crown Pillar Block, with an increase in both tonnes and grade to 2.3Mt at 1.7% Cu and 1.6% Zn, including an increase in the +105 Indicated Resource to 1.9Mt at 1.82% Cu and 1.70% Zn. The Prieska Copper Zinc Mine Total Mineral Resource has increased to 31Mt grading 1.2% Cu and 3.6% Zn.
  - Innovative electrowinning and ion exchange technology investigated for treatment of the water extracted during mine dewatering. This has the potential to yield agricultural quality water, agri-minerals, potassium nitrate and ammonium sulphate fertilizer.

- Okiep Copper Project (**OCP**):
  - The Mining Right for the Flat Mines Area was granted and executed, paving the way for the commencement of confirmation drilling and metallurgical sampling required to complete the Feasibility Study.
  - A Feasibility Study is well advanced for the Flat Mines Area at Orion's second base metals hub, the Okiep Copper Project, with a tailings storage facility design completed in August 2023.
  - The Industrial Development Corporation of South Africa (IDC) agreed to become a strategic partner in the New Okiep Mining Company by funding its ZAR34.6 million (~AUD3.0 million) share of the pre-development costs for the Flat Mines Area and facilitating meaningful economic participation by Historically Disadvantaged South Africans, marking a key development milestone for the Okiep Project.
- Jacomynspan Nickel-Copper-PGE Project:
  - Mining Right executed for Namaqua Nickel Mining.
  - Second phase of the metallurgical test work program underway, with the objective of producing battery precursor products and other critical metal micro-powders from Jacomynspan ore. This work is being progressed under an exclusivity agreement signed with Stratega Metals. Test work is progressing, with results pending independent review before the findings are presented to the Company.
- Australia – Fraser Range, Western Australia (IGO JV):
  - Several key targets were developed, following a desktop review of tenement data, with work undertaken during the year including diamond and Reverse Circulation drilling at more than 25 key targets.
  - A high temperature SQUID (**HTS**) moving-loop electromagnetic (**MLEM**) survey was completed at the Artemis target on tenement E28/2367. The survey was undertaken to follow up encouraging litho-geochemistry intercepts identified in the 2022 AC drill program and in-fill a gap in previous MLEM coverage.

#### **COMMENTARY:**

During the reporting period, Orion continued progressing its projects towards production, building its high-quality pipeline of future-facing base metals development and exploration assets to support the global clean energy transition. Key outcomes included securing funding to commence the mine development and construction phase at the Prieska Copper Zinc Mine, supported by a pivotal capital raise in March 2023 which saw the introduction of privately owned South African mining group Clover Alloys (SA) as a cornerstone investor. The capital raise included a significant options package, which, if all options are exercised, brings the total amount of the capital raise up to ~AUD73 million.

Initial drawdown of ~AUD13.8 million from the Prieska Copper Zinc Mine funding package, as agreed with the IDC and Triple Flag, paved the way for Orion to commence with early dewatering and trial mining, key inputs for completion of the updated BFS. An experienced and locally based mining contractor has been appointed for the trial mining and is mobilising to site.

At the OCP, South Africa's IDC acquired a 43.75% stake in NOM. The IDC funding of pre-development costs in the aggregate amount of ZAR35 million have been advanced to NOM on the same terms as the pre-development funding amount of ZAR44 million that Orion had already advanced to NOM. The local community has been introduced to BEE partners and establishment of the community and employee trusts is progressing in line with the ownership objectives of the Mining Charter 2018.

Further prospecting rights have been granted and awaiting execution for the Flat Mines Area at the OCP, while the mining right was also granted and executed, paving the way for the commencement of confirmation drilling and metallurgical sampling required to complete the Feasibility Study.

The OCP Feasibility Study has been prepared and is currently undergoing independent technical review.

At the Jacomynspan Nickel-Copper-PGE Project, the metallurgical test work program commenced early in the reporting period. From the early results of Phase One, Phase Two of the test work program recently

commenced, focusing on production of battery precursor products and other critical metal micro-powders from Jacomynspan ore. This work is being progressed under an exclusivity agreement signed with Stratega Metals.

In the Fraser Range Province in Western Australia, Orion's joint venture partner, IGO Limited (ASX: IGO), undertook diamond and Reverse Circulation drilling at more than 25 key targets. HTS and MLEM survey's were completed, to follow up encouraging litho-geochemistry intercepts identified in the 2022 AC drill program and in-fill a gap in previous MLEM coverage.

Orion strives at all times to achieve a sustainable balance between intense operational effort and maintaining a strong focus on safety, environment and community.

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

- Operating loss increased to a loss of AUD17.13 million (30 June 2022: operating loss of AUD15.53 million).
- Basic loss per share improved by AUD0.02 cents to AUD0.31 cents (30 June 2022: basic loss per share of AUD0.33 cents).
- Headline loss per share improved by AUD0.02 cents to AUD0.31 cents (30 June 2022: headline loss per share of AUD0.33 cents).

The operating loss for the reporting period was primarily driven by an unrealised foreign exchange loss of AUD9.37 million, contractor and advisor expenses of AUD3.25 million, exploration expenditure incurred of AUD4.13 million which, under Orion's deferred exploration, evaluation and development policy, did not qualify to be capitalised and was expensed and finance income of AUD3.32 million, principally related to interest receivable on the Company's investment in preference shares, issued to the Company (through its subsidiary Agama Exploration & Mining (Pty) Ltd) by Prieska Resources (Pty) Ltd. The operating loss for the previous corresponding period reflected an unrealised foreign exchange loss of AUD2.77 million and exploration expenditure incurred of AUD10.91 million.

#### **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 and going concern opinion from BDO Audit Pty Ltd, 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](mailto:info@orionminerals.com.au) or from the sponsor at [sponsorteam@merchantec.com](mailto:sponsorteam@merchantec.com), at no charge.

For and on behalf of the Board.



Errol Smart  
**Managing Director & CEO**

29 September 2023

## ENQUIRIES

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### 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:

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