



Orion Minerals

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Mining Right granted for Flat Mines Area of Okiep Copper Project, Northern Cape, South Africa

- ▶ Grant of the Mining Right by the South African Department of Mineral Resources and Energy marks a major milestone in the development of the Okiep Copper Project.
- ▶ Mining Right enables confirmation drilling and metallurgical sampling, required for completion of the advanced stage bankable feasibility study.

Orion's Managing Director and CEO, Errol Smart, commented:

"The grant of the SAFTA mining right is a major step forward for Orion and our objective of early production of copper and other Future Facing metals, while continuing to expand our Mineral Resources and beneficiation capacity in the Northern Cape, South Africa.

Our bankable feasibility study on the granted mining right area is at an advanced stage and can now be completed with access to the property for bulk sampling and final confirmation drilling purposes."

Orion Minerals Limited (ASX/JSE: ORN) (Orion or the Company) is pleased to announce that a Mining Right has been granted over the key Flat Mines area, that lies at the core of the Okiep Copper Project (OCP) (Figure 1). The Mining Right granted, to Southern African Tantalum Mining (Pty) Ltd (SAFTA) under the Mineral and Petroleum Resources Development Act, is valid for an initial period of 15 years and can be renewed on application for a further period which may not exceed 30 years.

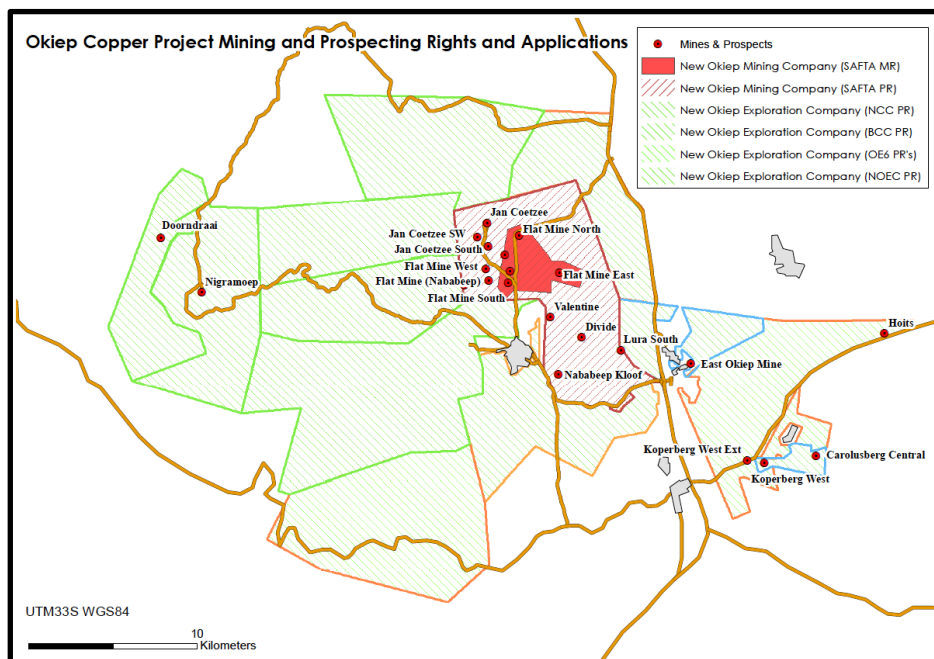


Figure 1: Location of the OCP mineral rights and SAFTA Mining Right (MR).

Orion has completed a positive Scoping Study (refer ASX / JSE release 3 May 2021; summary in Appendix 1) for the Flat Mines SAFTA area, which demonstrated the economic merit of developing a foundation phase mining operation at the SAFTA properties. The Scoping Study supported a moderate scale start up mining operation on known, drilled copper deposits. Orion's aspiration, with project partner the Industrial Development Corporation (IDC) is an early re-establishment of mining operations on the brownfields site, while conducting the required work and engineering studies to support the longer term goal of achieving production at a similar scale to past owners Newmont and later Goldfields under the Okiep Copper Company (Figure 2).

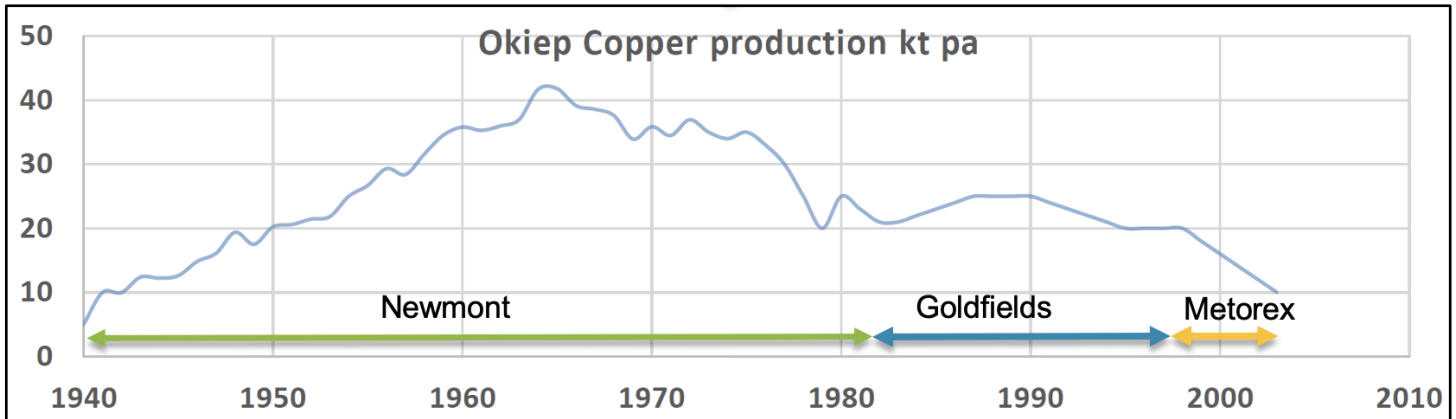


Figure 2: Okiep Copper Company production from 1940 under past ownership.

The grant of the Mining Right follows Orion's announcement on 2 August 2021 that it had exercised its restructured option (**OCP Option**) to acquire a controlling interest in the majority of the properties that form the OCP. The OCP Option was granted to Orion by each of SAFTA, Nababeep Copper Company (Pty) Ltd (NCC) and Bulletrap Copper Co (Pty) Ltd (BCC). These entities hold the majority of the large, historical mines in this significant copper-producing district, which has produced more than 2Mt of copper metal over a 150-year period to 2003.

Orion announced on 16 September 2021, that the IDC had signalled its intention to remain a key strategic partner in the SAFTA project and work with Orion in the development of the New Okiep Mining Company (**NOM**), that will acquire, the assets owned by SAFTA, which is currently 43% owned by the IDC. The shareholding in NOM will, in the future, include Orion as majority owner with 56% holding, the IDC as key strategic partner and historically disadvantaged empowerment partners in compliance with the requirements of the Mining Charter 2018. This includes a 5% participation by each of the host community and employee trusts.

The OCP is a significant growth opportunity for Orion, with the potential to become a second base metal production hub for the Company in the Northern Cape, alongside its flagship Prieska Copper-Zinc Project, located 450km east of the OCP.

Next Steps

The grant of the Mining Right represents a major step towards the development of the OCP and clears the way for final engineering studies, Mineral Resource upgrade, drilling and bulk sampling for metallurgical optimisation.

Feasibility studies upgrading the 2021 scoping feasibility study (refer ASX / JSE release 2 August 2021) for the OCP are well advanced, with targeted completion early 2023.

About the IDC

The Industrial Development Corporation (IDC) of South Africa Limited was established in 1940 by the Industrial Development Corporation Act, 22 of 1940 and is wholly owned by the South African government. IDC priorities are aligned with the national policy direction set out in the National Development Plan (NDP) and industry masterplans. The IDC mandate is to maximise development impact through job-rich industrialisation while contributing to an inclusive economy.

For and on behalf of the Board.



Errol Smart
Managing Director and CEO

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Appendix 1

OCF – Flat Mines Pilot Project Scoping Study

Executive Dashboard							
Price and Forex Assumptions	Unit	Value	Financial Performance	Unit	Value	Unit	Value
Metal price - Cu	USD/t	7,593	NPV (pre-tax) approximated @10% discount rate	ZAR (M)	1,896	AUD (M)	170
Metal price - Au	USD/oz	1,889	NPV (post-tax) approximated @10% discount rate	ZAR (M)	1,267	AUD (M)	114
Metal price - Ag	USD/oz	24	IRR (pre-tax)	%	44%		
Exchange rate	ZAR : USD	17.2 : 1	IRR (post-tax)	%	37%		
Exchange rate	ZAR : AUD	11.1 : 1	Payback from first production	years	3.25 years		
Production Metrics	Unit	Value	Undiscounted free cash flow (pre-tax)	Unit	Value	Unit	Value
Life of Mine (Proof-of-Concept Phase)	Years	11.8	Peak funding	ZAR (M)	643	AUD (M)	58
Treatment plant capacity	ktpa	780	Project Cost Metrics	Unit	Value	Unit	Value
Proof-of-Concept Phase tonnage - RoM	kt	9,011	Average cash operating unit cost (C1)	ZAR/t	781	AUD/t	70
Proof-of-Concept Phase tonnage - RoM U/G	kt	7,479	All-in-sustaining cost per unit RoM t	ZAR/t	873	AUD/t	78
Proof-of-Concept Phase tonnage - RoM O-Pit	kt	1,531	All-in-sustaining cost per unit Cu t sold	USD/t Cu	4,478	AUD/t Cu	6,904
RoM Plant Feed Grade - Cu - U/G	%	1.29%	Price received (net of NSR) - Cu	USD/t Cu	7,441	AUD/t Cu	11,473
RoM Plant Feed Grade - Cu - O-Pit	%	1.28%	All-in-sustaining margin	%	40%		
RoM Plant Feed Grade - Au	g/t conc	2.2	Operating breakeven grade - Cu	%	0.83%		
RoM Plant Feed Grade - Ag	g/t conc	34	Project Cash Flows	Unit	Value	Unit	Value
Overall Plant Recovery - Cu	%	87.4%	LoM net revenue	ZAR (M)	12,712	AUD (M)	1,142
Concentrate tonnage - Cu	kt	386	LoM operating costs (plus State Royalty)	ZAR (M)	7,320	AUD (M)	657
Concentrate grade - Cu	%	25.8%	Project Start-up Capital Expenditure	ZAR (M)	595	AUD (M)	53
NSR as % of metal price - Cu	%	96.9%	Sustaining Capital Expenditure	ZAR (M)	188	AUD (M)	17
Metal sold (in concentrates) - Cu	Tonnes	102,329	Income Tax	ZAR (M)	1,368	AUD (M)	123
Total Cu Sales	Tonnes	386,787	Cash Flow After Tax	ZAR (M)	3,241	AUD (M)	291

Level of Accuracy of Financial Model \pm 25%, LoM = Life of Mine, NSR = Net Smelter Return, NPV = Net Present Value, IRR = Internal Rate of Return

There is a low level of geological confidence associated with Inferred Mineral Resources and therefore there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target or financial forecast information referred to in this Study will be realised. Source: ORN Okiep Financial Model revision 4.0

Table: Key assumptions and project performance parameters for the Okiep Copper Project (Flat Mines Project area) (numbers may contain apparent rounding errors).

Refer ASX/JSE release 3 May 2021.