



Orion Minerals

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Orion receives Environmental Authorisation for the development of its flagship Prieska Copper-Zinc Project in South Africa

- ▶ **Granting of Environmental Authorisation by the South African Department of Mineral Resources is a key step in the development of the Prieska Copper-Zinc Project, coming less than two weeks after the release of a highly positive Bankable Feasibility Study.**
- ▶ **Represents a major milestone as a condition to award the Mining Right.**
- ▶ **Award of the Mining Right represents the key permitting milestone for Prieska, clearing the way for development to commence, subject to a Final Investment Decision.**

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

"We are rapidly ticking off the boxes towards the development of our flagship Prieska Project, with the grant of the Environmental Authorisation representing a pivotal milestone in the development pathway, and paving the way for the award of the Mining Right – the final permit required to get the project construction underway.

The Orion team has made tremendous progress over the past year, and the grant of the Environmental Authorisation is further testament to our determination to fast track the Prieska Copper-Zinc Project for the benefit of all stakeholders.

The Prieska Project Bankable Feasibility Study, which was released late last month, confirms a long-life, high-margin South African base metal mine with strong economics. We have long believed that Prieska represents a highly valuable strategic asset with the potential to become a significant source of high-quality copper and zinc concentrates – products increasingly sought after in green energy markets."

Orion Minerals Limited (**ASX/JSE: ORN**) (**Orion** or the **Company**) is pleased to announce that its subsidiary, Repli Trading No 27 (Pty) Ltd (**Repli**), which owns the Prieska Copper-Zinc Project (**Prieska Project**), has been granted an Environmental Authorisation by the South African Department of Mineral Resources.

The granting of the environmental permit is a key milestone for the development of the Prieska Project, located in South Africa's Northern Cape Province, clearing the way for the award of the Mining Right. The Mining Right represents the key permit required for the project development to commence.

Applications for the Mining Right and Environmental Authorisation over Repli were submitted in April 2018. Since then, Orion has delivered several significant milestones as it fast tracks Prieska towards development, including upgrading of the Mineral Resource to a globally significant 30.49 Mt at 1.2% copper and 3.7% zinc (refer ASX release 15 January 2019) and the release of a highly positive Bankable Feasibility Study (**BFS**) (refer ASX release 26 June 2019).

The Prieska Project BFS delivered strong project economics with undiscounted free cash-flows of AUD1.1 billion pre-tax, an NPV of AUD574M pre-tax at an 8% discount rate and an IRR of 38% pre-tax. The peak funding requirement of AUD378 million will establish a 10-year Foundation Phase that delivers payable metal production of 189kt of copper and 580kt zinc. The payback period of just 2.9 years from first production and all-in-sustaining margin of

44% confirm the operation's high-margin and strong economics. A 3-D view of the plant area is shown in Figure 1, below.

Following the delivery of the BFS, Orion's focus is now on optimising the BFS plan and advancing project financing discussions. In parallel, the Company is planning project implementation and finalising agreements with concentrate off-take partners and key suppliers.

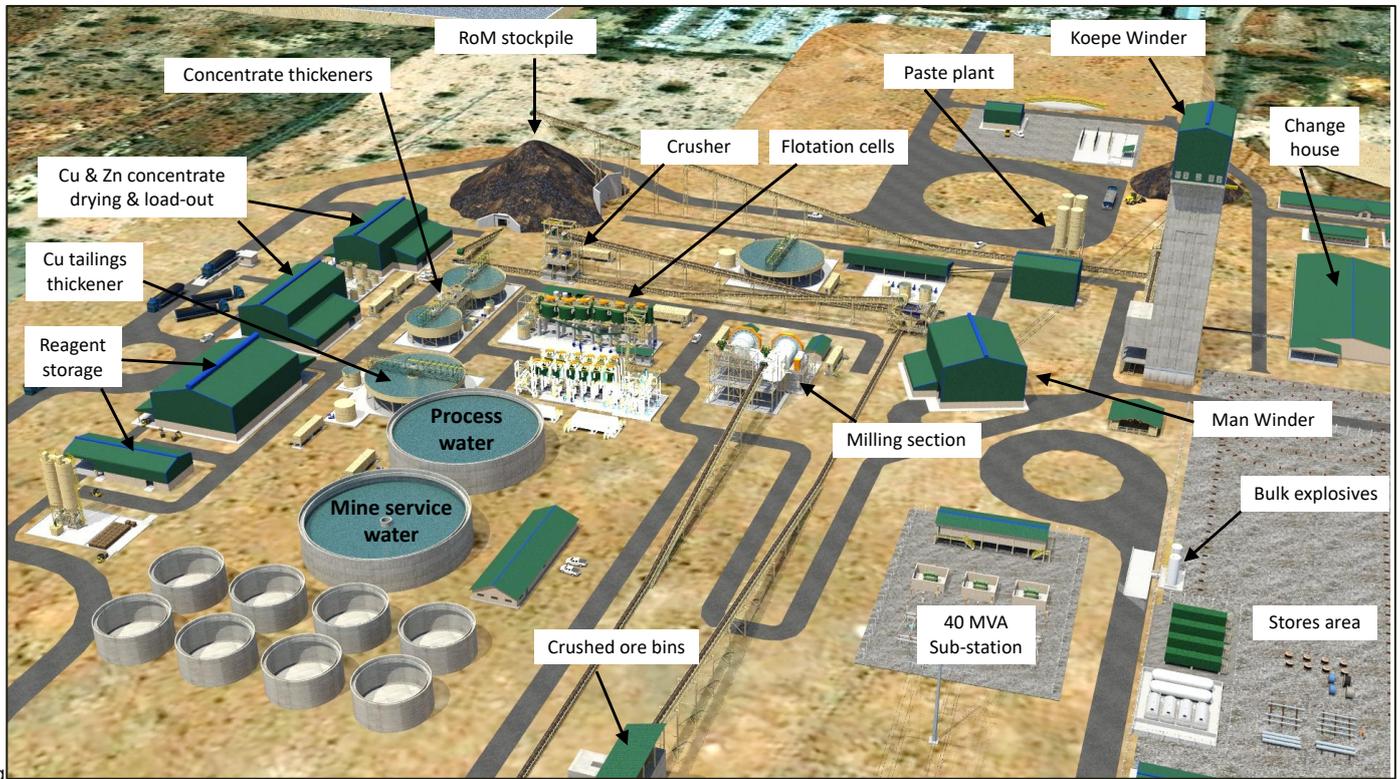


Figure 1: Project site general layout.

Errol Smart
Managing Director and CEO

ENQUIRIES

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