



Orion Minerals

ASX/JSE RELEASE: 4 March 2019

Anglo American sefa Mining Fund to become an Orion shareholder following agreement to restructure Orion Subsidiary

- ▶ Orion to issue shares to Anglo American sefa Mining Fund (AASMF) in consideration for the redemption of Preference Shares held by AASMF in Orion's, Repli Trading No 27.
- ▶ The Preference Shares were issued to AASMF as part of a seed capital investment which assisted the previous owners of Orion's flagship Prieska Zinc-Copper Project in the Northern Cape to undertake early drilling and engineering work.

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

"AASMF's original seed capital investment into Orion's Repli subsidiary in 2015 was pivotal in helping to fund the early engineering work and to drill the first holes that demonstrated the huge potential of the Prieska deposit. This in turn assisted Orion in securing substantial foreign investment that has allowed us to advance the Prieska Project to the point where we have recently published a Scoping Study and updated Mineral Resource and are poised to deliver a comprehensive Bankable Feasibility Study in Q2 2019."

Orion Minerals Ltd (**ASX/JSE: ORN**) (**Orion** or **Company**) is pleased to announce that it has reached agreement with the value-adding South African institutional investor, the Anglo American sefa Mining Fund (**AASMF**) to redeem Preference Shares held by AASMF in one of Orion's key project subsidiaries for shares in Orion, the ASX and JSE listed parent company.

Under the agreement, Repli Trading No 27 (Pty) Ltd (**Repli**) (a 73.33% owned subsidiary of Orion) will voluntarily redeem the Preference Shares (see below) in consideration for which Orion will issue to AASMF, the relevant number of Orion ordinary shares (**Shares**) (**Share Exchange Agreement**).

The value of the Shares to be issued by Orion in consideration for the redemption will be between ZAR23.98M – ZAR24.99M (~\$2.39M - \$2.50M).

AASMF subscribed for 15.75M redeemable preference shares in Repli in November 2015 at a subscription price of ZAR1 per redeemable preference share (ZAR15.75M (~\$1.58M)) (**Preference Shares**) as part of a seed capital investment with the previous owners of the Prieska Zinc-Copper Project.

The transaction contemplated in the Share Exchange Agreement will be completed subject to Orion obtaining shareholder approval under ASX Listing Rule 7.1. The Company intends to convene a meeting of its shareholders to seek shareholder approval in Q2 CY2019.

Key terms of the agreement are set out below:

- AASMF subscribed for, and is currently the holder of the Preference Shares;
- Orion and AASMF have agreed that the Preference Shares will be voluntarily redeemed by Repli in consideration for which Orion will issue the relevant number of Shares to AASMF;
- Repli shall within 3 business days after the satisfaction of the conditions precedent, deliver to AASMF a redemption notice and a certificate setting out the Issue Price and the number of Orion

Settlement Shares to be issued.

- Exchange Date: the next date set out in Table 1 that is to occur after the notice expiry date (being 10 business days following the delivery of the redemption notice by Repli to AASMF), or such other date as Repli and AASMF may agree in writing;
 - Redemption Amount: the redemption amount pertaining to the Exchange Date as set out in Table 1;
 - Issue Price: 30 day VWAP of the Orion Shares in the period up to and including the date of satisfaction of the Conditions Precedent;
 - VWAP: Volume weighted average price of all Orion Shares traded on the Johannesburg Stock Exchange (**JSE**) on any trading day; and
 - Orion Settlement Shares: the number of Orion Shares as is equal to the Redemption Amount divided by the Issue Price to be issued by Orion to AASMF.
- In settlement of Repli's obligation to pay the Redemption Amount to AASMF, Orion shall issue the Orion Settlement Shares on the Exchange Date;
 - The issuing by Orion to AASMF of the Orion Settlement Shares shall be in full and final settlement of any and all obligations that Repli may owe to AASMF in relation to the Preference Shares;
 - Orion shall procure that the Orion Settlement Shares issued to AASMF are admitted to trading on the JSE within 10 business days after the Exchange Date; and
 - The end date for fulfillment of the conditions precedent shall be 31 May 2019, or such later date as may be agreed in writing between the parties.

About Sefa Mining Fund

Launched in 2003, the AASMF is a joint initiative between Anglo American Zimele (Pty) Ltd and Small Enterprise Finance Agency (sefa) formerly known as Khula Enterprise Finance Limited, a government-owned entity that promotes small and medium enterprise development.

As a value-adding relationship investor, the AASMF helps such mining enterprises that applied before March 2017 with equity and loan finance at prime interest rates p.a., complemented by technical support during the high-risk exploration and pre-feasibility stages of projects – which can get extremely complicated. Basically, this Fund brings its beneficiaries' businesses to commercially bankable positions at which point such beneficiaries can approach lenders and raise finance to get their mining operations commissioned.

Table 1: Exchange Date and Redemption Amount.

Exchange Date	Redemption Amount ⁽¹⁾
1 March 2019	ZAR 23.98M
8 March 2019	ZAR 24.04M
15 March 2019	ZAR 24.10M
22 March 2019	ZAR 24.16M
29 March 2019	ZAR 24.22M
5 April 2019	ZAR 24.28M
12 April 2019	ZAR 24.33M
19 April 2019	ZAR 24.39M
26 April 2019	ZAR 24.45M
3 May 2019	ZAR 24.51M
10 May 2019	ZAR 24.57M

17 May 2019	ZAR 24.63M
24 May 2019	ZAR 24.69M
31 May 2019	ZAR 24.75M
7 June 2019	ZAR 24.8M
14 June 2019	ZAR 24.87M
21 June 2019	ZAR 24.93M
28 June 2019	ZAR 24.99M

(1) Dividend rate – based on a prime lending rate in South Africa of 13.5%.



Errol Smart
Managing Director and CEO

ENQUIRIES

Investors

Errol Smart – Managing
 Director & CEO

Denis Waddell – Chairman

T: +61 (0) 3 8080 7170

E: info@orionminerals.com.au

Suite 617, 530 Little Collins Street
 Melbourne, VIC, 3000

Media

Nicholas Read

Read Corporate

T: +61 8 9388 1474

E: nicholas@readcorporate.com.au

Barnaby Hayward

Tavistock, UK

T: +44 (0) 207 920 3150

E: orion@tavistock.co.uk

JSE Sponsor

Rick Irving

Merchantec Capital

T: +27 (0) 11 325 6363

E: rick@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).