



Orion Minerals

ASX/JSE RELEASE: 24 October 2019

\$5.5 million Capital Raising secures funding to reach important milestones and Share Purchase Plan announced

- ▶ **Placement of approximately \$5.5 million to sophisticated and professional investors at \$0.025 per Share.**
- ▶ **Funds will be used primarily to complete BFS optimisation studies and early stage works for the Prieska Copper-Zinc Project, ongoing exploration on the Company's tenements in the Northern Cape of South Africa and working capital.**
- ▶ **In addition to the Placement, a Share Purchase Plan will be undertaken to provide eligible shareholders with the opportunity to subscribe for new Shares in parcels starting from \$2,000 (ZAR20,000) up to a maximum of \$30,000 (ZAR300,000) at an issue price of \$0.025 per Share, being the same issue price as Shares issued under the Placement.**

Orion Minerals Limited (**ASX/JSE: ORN**) (**Orion** or the **Company**) is pleased to announce that it has received commitments from sophisticated and professional investors to raise approximately \$5.5 million by way of placement of approximately 222 million fully paid ordinary shares (**Shares**) at \$0.025 per Share (**Placement**).

As part of the Placement, Tembo Capital Mining Fund II LP and its affiliated entities (**Tembo Capital**), has confirmed its continued support of Orion through subscribing for \$2.5 million in the Placement.

The Company intends to utilise proceeds raised from the Placement for bankable feasibility study (**BFS**) optimisation studies and early works at its flagship giant VMS Prieska Copper-Zinc Project (**Prieska Project**), with the remainder earmarked for exploration on the Company's tenements in the Northern Cape of South Africa and working capital.

The Placement has been made to sophisticated investors, pursuant to Section 708A of the Corporations Act 2001. The issue of these Shares falls within the 15% capacity for issues of equity securities without shareholder approval afforded by ASX Listing Rule 7.1. Petra Capital acted as sole bookrunner and sole lead manager to the Placement.

The Placement is expected to be completed on or around 31 October 2019.

Orion's Chairman, Denis Waddell, commented:

"We are delighted with the support for the capital raising from both existing and new investors, including Tembo Capital. Importantly, the funds raised will be used to take us to the next significant milestones, being completion of optimisation studies on the already positive Prieska Copper-Zinc Project BFS study, commencement of Prieska Project early works, and progressing the financing negotiations and contracts preparation for the Prieska Project.

Optimisation study work is producing very positive early indications for potential reduction in project capital and the possibility of bringing production forward. An update on ongoing work will be provided in the near term.

We also look forward to imminent assay results from the promising exploration results announced by our joint venture partner Independence Group NL (ASX: IGO), on our free carried joint venture interest in the Fraser Range Australia, with drilling having intersected nickel copper sulphides at North West Passage. Independence has also advised that drilling is now underway at the highly prospective Pike Trend Prospect in which Orion has a 30% free carried interest (refer IGO ASX release 22 October 2019).

We have also been encouraged by interest from smaller existing shareholders who could not participate in the Placement. We have therefore decided to offer a Share Purchase Plan to provide all shareholders the opportunity to participate in a Share Purchase Plan at the same Share issue price as the Placement."

Share Purchase Plan

In addition to the Placement, Orion is pleased to announce a share purchase plan (**SPP**) providing shareholders an opportunity to increase their shareholding in the Company as it continues to advance its Prieska Project development opportunity.

The Company is offering its shareholders with a registered address in Australia, South Africa or New Zealand and certain shareholders in United Kingdom, Singapore, Mauritius or British Virgin Islands as at 7.00pm (Melbourne time) on 23 October 2019 (**Eligible Shareholders**) the opportunity to purchase Shares under a SPP.

Purpose of the SPP

The SPP offer will give Eligible Shareholders the opportunity to participate in the Company's capital raising on substantially the same terms as the Company's Placement (refer above).

It is intended that the proceeds of the SPP will be used by the Company principally to complete optimisation studies and early stage works for the Prieska, exploration on the Company's tenements in the Northern Cape of South Africa and for general working capital purposes.

Details of the SPP

The Company expects that the SPP will open on 29 October 2019 (Orion is expecting to release the SPP booklet to the ASX on this date) and is expected to close at 5.00pm (Melbourne time) on 29 November 2019.

Under the SPP, each Eligible Shareholder will be entitled to apply for parcels of new Shares from as little as \$2,000 up to a maximum of \$30,000 without incurring brokerage or transaction costs. The issue price will be \$0.025 per Share. This represents a 7.4% discount to the volume weighted average price of Orion's shares on the ASX during the 5 trading days immediately prior to the announcement date of the SPP.

The Company will issue a maximum of 80 million SPP Shares under the SPP at an issue price of \$0.025 per share (being the same issue price as Shares issued under the Placement (refer above)). The Company will raise up to \$2.0 million from the issue of SPP Shares.

The SPP Shares will be issued at \$0.025 per Share. All SPP Shares will be quoted on either the ASX or JSE (for South African Eligible Shareholders) and will rank equally with other fully paid ordinary shares on issue. No shareholder approval is necessary in respect of the Shares issued under the terms of the SPP.

The SPP booklet containing further details of the SPP and application forms are expected to be sent to shareholders shortly. Eligible Shareholders should read the SPP booklet before deciding whether to participate in the SPP.

Important Dates

Record Date	7.00pm (Melbourne time) on 23 October 2019
Share Purchase Plan offer opens (estimated)	29 October 2019
Share Purchase Plan offer closes	5.00pm (Melbourne time) on 29 November 2019
Share Purchase Plan allocation announcement and Scale-back (if any)	5 December 2019
Issue date	5 December 2019
Quotation of new Shares	6 December 2019
Dispatch of holding statements	6 December 2019

Orion may vary any of the above dates in its absolute discretion by lodging a revised timetable with the ASX.



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ENQUIRIES

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