



Orion Minerals

ASX/JSE RELEASE: 14 May 2020

Tembo Capital extends new \$1M Loan Facility to Orion

- ▶ **Private equity group Tembo Capital confirms its continued support of Orion through a \$1M Loan Facility.**
- ▶ **Loan Facility balance will be set off against the amount subscribed for by Tembo under any future capital raising undertaken by Orion.**
- ▶ **Updated Prieska Copper-Zinc Project Bankable Feasibility Study due for completion shortly.**

Orion Minerals Limited (**ASX/JSE: ORN**) (**Orion** or **Company**) is pleased to announce that Tembo Capital Mining Fund II LP (**Tembo**) has continued its strong support of Orion by providing a new unsecured \$1.0M loan facility (**Loan Facility**).

Under the terms of the Loan Facility, the Loan Amount, interest and any amount capitalised under the Loan Facility (**Outstanding Amount**) will be automatically set off against the amount to be paid by Tembo for the issue and allotment of ordinary shares in Orion (**Shares**) to Tembo under any capital raising undertaken by Orion on or before 31 October 2020 (**Subscription Amount**) (subject to Tembo Board approval and any shareholder and regulatory approvals required to permit Tembo to participate in any capital raising).

If Orion does not undertake a capital raising by 31 October 2020, Tembo may elect to receive Shares in repayment of the Outstanding Amount, at an issue price of the 10 trading day ASX VWAP of the Shares, prior to the date that Tembo issues a conversion notice to Orion (subject to shareholder and regulatory approvals).

Orion's key focus is the completion of Bankable Feasibility Study (**BFS**) optimisation studies for the development of the Prieska Copper-Zinc Project and preparations for mine construction. Value engineering and optimisation studies being undertaken since the completion of the BFS in June 2019 are delivering positive results, with key studies now concluded and an updated BFS due for completion shortly.

Proceeds from the Loan Facility will be used principally to support Orion's ongoing working capital requirements in light of the current COVID-19 circumstances. The key terms of the Loan Facility agreement are:

- **Loan Amount** – \$1.0M;
- **Interest** – capitalised at 12% per annum;
- **Set-off under capital raising** – the Outstanding Amount will be automatically set off against the amount to be paid by Tembo for the issue and allotment of Shares to Tembo under any capital raising undertaken by Orion on or before 31 October 2020 (Subscription Amount) (subject to shareholder and regulatory approvals required to permit Tembo to participate in any capital raising);
- **Conversion** – if Orion does not undertake a capital raising by 31 October 2020 (**Repayment Date**), Tembo may elect to receive Shares in repayment of the Outstanding Amount at an issue price of the volume weighted average price (**VWAP**) of Shares on the ASX over the ten trading days prior to the date that Tembo issues a conversion notice to Orion (subject to shareholder and regulatory approvals);
- **Repayment** – if Orion does not undertake a capital raising by the Repayment Date and Tembo does not elect to receive Shares in repayment of the Outstanding Amount by the Repayment Date, or if all regulatory and shareholder approvals required to permit Tembo to participate in any capital raising or to be issued Shares in repayment of the Outstanding Amount have not been obtained by the later of the Repayment Date and specified dates to obtain the required shareholder and regulatory approvals, the Outstanding Amount is to be repaid within 10 business days;

- **Security** – the Loan Facility is unsecured;
- **Undertakings** – Orion has provided undertakings which are customary for an agreement of this type, including in relation to the incurring of debt, granting of security, compliance with laws, and operational matters; and
- **Warranties** – customary warranties for a transaction of this nature are given by each of Orion and Tembo.

About Tembo

Tembo is a private equity group targeting junior and mid-tier mining investment opportunities in developing countries. Tembo has technical and financial experience with in-house expertise in the fields of geology, mine engineering, metallurgy, mining finance and private equity. This experience, coupled with a strong network of relationships in the mining industry, enables Tembo to add long-term value to its investments through technical input, strategic guidance, financial structuring advice and industry introductions. Tembo aims to work collaboratively with its investee companies through a long term partnership-type approach. Tembo is Orion's largest shareholder with a shareholding of 24%.

For and on behalf of the Board.



Denis Waddell
Chairman

ENQUIRIES

Investors

Errol Smart – Managing Director & CEO

Denis Waddell – Chairman

T: +61 (0) 3 8080 7170

E: info@orionminerals.com.au

Media

Nicholas Read

Read Corporate, Australia

T: +61 (0) 419 929 046

E: nicholas@readcorporate.com.au

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).