



Orion Minerals

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Orion Minerals Raises \$6.2M in Strongly-Supported Share Placement to Advance Prieska Copper-Zinc Project

Proceeds will strengthen its balance sheet as it progresses pivotal funding and partnering discussions

- ▶ **Placement of approximately \$6.2M to sophisticated and professional investors at \$0.017 per Share.**
- ▶ **Tembo Capital confirms its continued support by subscribing for \$0.3M in the Placement and \$2.1M to be offset against the Tembo Capital Loan Facility, enabling Orion to repay the Loan Facility in full.**
- ▶ **Funds to be used to progress final permitting and advance key funding and partnering negotiations for the development-ready Prieska Copper-Zinc Project in South Africa's Northern Cape Province.**

Orion Minerals Limited (**ASX/JSE: ORN**) (**Orion** or the **Company**) is pleased to announce a strongly-supported \$6.2M capital raising to progress its development-ready **Prieska Copper-Zinc Project** in South Africa's Northern Cape Province.

The capital raising, which is being conducted via a two-tranche placement to sophisticated and professional investors, pursuant to Section 708A of the Corporations Act 2001 (**Placement**), comprises ~365M shares at an issue price of \$0.017 per fully paid ordinary share (**Share**).

The share placement was strongly supported by existing cornerstone shareholders and new investors, with the proceeds expected to put Orion in a strong financial position, as it progresses pivotal funding discussions and advances the previously announced Macquarie-led partnering process for the Prieska Project.

It is proposed that the Placement will occur in two stages, being:

- Tranche 1 – 346M Shares, using the Company's 15% placement capacity under ASX Listing Rule 7.1 to raise \$5.9M; and
- Tranche 2 – 19M Shares to Tembo Capital Mining Fund II LP and its affiliated entities (**Tembo Capital**), to raise \$0.3M (subject to shareholder approval, to be sought at a general meeting of Orion shareholders planned to be held in September 2020 and Foreign Investment Review Board (**FIRB**) approval).

In addition to the Placement, Tembo Capital has confirmed its continued support of Orion through subscribing for \$2.1M worth of Shares, at a deemed issue price of \$0.017 per Share, being the issue price for Shares issued under the Placement (subject to shareholder approval and FIRB approval).

Orion announced on 14 May 2020 that a \$1.0M unsecured convertible loan facility had been agreed with Tembo Capital (increased to \$2.0M on 29 June 2020) (**Loan Facility**). Under the terms of the Loan Facility, the Loan Facility amount, interest and any amount capitalised under the Loan Facility (**Outstanding Amount**) will be automatically offset against the amount to be paid by Tembo Capital for the issue and allotment of Shares to Tembo Capital under any capital raising undertaken by Orion on or before 31 October 2020 (**Subscription Amount**). As Tembo Capital's total Subscription Amount of \$2.4M exceeds the Outstanding Amount, the issue of Shares to Tembo Capital will therefore result in the Loan Facility being repaid in full.

The issue of Shares to Tembo Capital is subject to shareholder approval in accordance with ASX Listing Rule 10.11 and FIRB approval.

Tranche 1 of the Placement is not subject to shareholder approval and is expected to be completed on or around 13 August 2020.

The Company intends to utilise proceeds raised from the Placement to progress the funding and development the Company's Prieska Copper-Zinc Project and for general working capital purposes.

Orion's Chairman, Denis Waddell, commented:

"We are really pleased with the strong level of support received from both existing and new investors as part of this capital raising, including our long-term cornerstone shareholder Tembo Capital which has once again shown its commitment to bringing the Prieska mine back into production.

"The strong response to this raising reflects both the strong improvements being seen in copper and zinc prices and a growing awareness amongst investors of just how shallow the global development pipeline is for both metals. There are very few fully permitted, development-ready assets anywhere in the world capable of producing high-quality copper and zinc concentrates over a 10-year plus mine life.

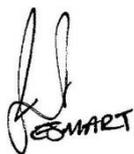
"Prieska is one of the few assets globally that ticks all of these boxes, plus it includes a fully developed underground mine and surface infrastructure that previously underpinned one of the most successful base metal mines in the world in the 1970s and 1980s. This raising puts us in a strong position moving into the back end of this year as we progress funding discussions and move to the final stage of the Macquarie-led partnering process. We are confident that positive outcomes on any of these fronts will see this world-class asset begin to move rapidly towards a final investment decision."

General Meeting

The Company will seek the required shareholder approvals for Tranche 2 of the Placement and conversion of the Loan Facility to Orion Shares, at a General Meeting of shareholders planned to be held in September 2020. An application seeking FIRB approval has been submitted on behalf of Tembo Capital.

Appendix 3B filings for the proposed issue of Shares will follow this announcement.

For and on behalf of the Board.



Errol Smart
Managing Director and CEO

ENQUIRIES

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