



Orion Minerals

ASX/JSE RELEASE: 2 May 2018

Sale of Connors Arc Project, Queensland to Evolution Mining

- ▶ **Binding agreement signed for the sale of Orion's non-core Connors Arc Project to Evolution Mining Limited.**
- ▶ **Funds received from the sale will enable Orion to progress Bankable Feasibility Study work on the Prieska Zinc-Copper Project and exploration on the Jacomynspan Nickel-Copper-Cobalt Project in South Africa.**

Orion Minerals Ltd (**ASX/JSE: ORN**) (**Orion** or the **Company**) is pleased to advise that it has entered into a binding sale agreement (**Agreement**) with Evolution Mining Limited (**Evolution**), for Evolution to acquire 100% of Orion's Connors Arc Project (**Tenements**) in Queensland. Consideration for the sale of the Tenements consists of \$2,500,000 cash and a 2% royalty on net smelter returns (**NSR**) from the sale of gold recovered and sold by Evolution from the Tenements to a value of \$5,000,000.

Key terms of the Agreement are:

- an initial \$1,500,000 cash payment, payable upon conditions typical for agreements of this nature being:
 - Orion obtaining indicative approval from the Queensland Government Department of Natural Resources, Mines and Energy (**Department**), for the transfer of the Tenements to Evolution; and
 - the assignment to Evolution of the Tenements' native title agreements.
- a further \$500,000 cash payment, payable to Orion upon approval by the Department for retention of the total area of three of the Tenements included in the Agreement until the renewal of the existing term of those Tenements;
- a further \$500,000 cash payment, payable to Orion upon approval by the Department for renewal of two Tenements included in the Agreement and for retention of the total area of those Tenements for a period 12 months from the date of such renewal; and
- a 2% royalty on NSR from the sale of gold recovered and sold by Evolution from the Tenements to a value of \$5,000,000.

If the acquisition of the Tenements has not been completed prior to 31 October 2018, either party may terminate the Agreement.

The sale of the non-core Tenements is consistent with Orion's decision to place greater focus on its flagship project, the Prieska Zinc-Copper Project in the Areachap Terrain, Northern Cape, South Africa and its highly prospective regional exploration projects within the Areachap Belt, including the advanced Jacomynspan Nickel-Copper-Cobalt Project.

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

Michael Vaughan

Fivemark Partners, Australia

T: +61 (0) 422 602 720

E: michael.vaughan@fivemark.com.au

Barnaby Hayward

Tavistock, UK

T: +44 (0) 787 955 1355

E: orion@tavistock.co.uk

JSE Sponsor

Rick Irving

Merchantec Capital

T: +27 (0) 11 325 6363

E: rick@merchantec.co.za

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