



Orion Minerals

# MEDIA RELEASE

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## Orion Minerals outlines robust development pathway across its two Northern Cape base metal production hubs

*Orion well positioned to become a near-term producer with the delivery of positive Definitive Feasibility Studies for its flagship Prieska Copper Zinc Mine and the Flat Mines Project at Okiep*

**Johannesburg, 28 March 2025** – Orion Minerals Limited (ASX/JSE: ORN) is firmly on track to become a near-term base metals producer with the release of the Definitive Feasibility Studies (DFS) for its flagship project, the Prieska Copper Zinc Mine (PCZM), and the Flat Mines project, which is part of the Okiep Copper Project (OCP).

The development of these projects in South Africa's Northern Cape will play an important role in unlocking economic development and community development opportunities, which are both essential for the region's long-term prosperity.

### PCZM DFS

The Prieska DFS outlines an optimised two-phase development strategy aimed at de-risking the mine's development pathway and accelerating value creation.

CEO Errol Smart commented: "The 2025 DFS for our flagship Prieska Copper Zinc Mine marks the culmination of a major strategic and technical re-think of the development strategy for this large-scale base metal mine undertaken over the past few years. The outstanding results confirm the potential to develop a long-life, financially robust mining operation through a two-phase development plan which substantially derisks the mine development pathway and fast-tracks initial cash flow."

### PCZM DFS financial highlights

- Net Present Value (NPV) (at an 8% discount rate)
  - Pre-tax: AUD797 million (ZAR9,966 million)
  - Post-tax: AUD568 million (ZAR7,105 million)
- Internal Rate of Return (IRR) of 31% pre-tax (26% post-tax)
- Payback period of 4.8 years – from start of production
- Peak funding requirement of AUD578 million (ZAR7,230 million)
- Total project capital expenditure (including contingency) of AUD607 million (ZAR7,592 million)
- Capital intensity of USD9,174/t, based on nameplate annual copper equivalent production



- All-in-sustaining costs of USD4,550/t (USD2.06/lb) of copper equivalent metal sold
- All-in-sustaining cost net of by-product credits of USD2,359/t (USD1.08/lb) of payable copper sold
- All-in-sustaining margin of 52%
- Ore processing rate of 240ktpa for the Upper-Level Phase and 2.4Mtpa for the Deeps Phase
- Nameplate annual copper production for the Deeps of 22ktpa and zinc production of 65ktpa
- Capex to achieve first production, within 13 months, of AUD49 million (ZAR560 million)

## Flat Mines DFS

Orion is also implementing a phased development strategy at the OCP, with the Flat Mines Project as the first step. The initial phase focuses on developing Flat Mines North and constructing a processing plant which will operate at 50% capacity. This will be followed by the expansion of Flat Mines East and the ramp-up of the plant to full capacity of 65ktpm over 24 months. This approach enables Orion to unlock value in a scalable and manageable way.

"The completion of the Flat Mines DFS marks an important step towards our objective of unlocking the long-term potential of the OCP. We see immense prospectivity in the Okiep district and strongly believe that the Flat Mines Project will be the first of several mines that Orion will develop in the region. Our aspirational goal is to restore production from the OCP to historical levels, and believe this is an important first step towards achieving that ambition. We remain committed to rapid resource and reserve growth and will have a targeted and disciplined approach to exploration with the aim of delivering additional value from the Okiep region to all stakeholders," said Smart.

## Flat Mines DFS financial highlights

- A NPV (at an 8% discount rate)
  - Pre-tax: AUD114 million (ZAR1,423 million)
  - Post tax: AUD75 million (ZAR935 million)
- IRR of 23%, pre-tax (19%, post-tax)
- Payback period of 5.3 years
- Peak funding requirements of AUD103 million (ZAR1,290 million)
- Total project capital expenditure (including contingency) of AUD128 million (ZAR1,604 million)
- Capital intensity of USD10,383/t, based on nameplate annual copper production
- All-in-sustaining costs of USD5,270/t (USD2.39/lb) of copper metal sold
- All-in-sustaining margin of 41%

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- Average annual production of 6.5kt of copper (peak production of 9.5kt of copper), with a mine life of 12 years

Simultaneously, while moving to the next phase of development, implementation planning is underway to facilitate a seamless transition from study to construction. This includes finalising agreements with service providers for key early works activities and securing long-lead time items essential to the project's timeline.

Orion is also advancing concentrate off-take negotiations, engaging with strategic partners to secure agreements that will optimise commercial terms and enhance long-term revenue streams.

These initiatives will position the Company for a timely and efficient project execution, ensuring maximum value delivery for investors and stakeholders.

The completion of these studies marks a key milestone, allowing Orion to advance its project financing strategy, which will likely be a combination of debt, equity and off-take related funding. While employment opportunities and skills development remain key priorities, these will be realised once project funding is secured.

"With a clear path forward, we are focused on transforming these projects into long-term value drivers and working alongside our stakeholders to deliver meaningful economic and social benefits," concluded Smart.

For more information, visit [www.orionminerals.com.au](http://www.orionminerals.com.au)

Media Contact:

Andiswa Ntantiso

R&A Strategic Communications

Tel: +27 (0)11 880 3924

Mobile: +27 (0)82 391 1101

Email: [andiswa@rasc.co.za](mailto:andiswa@rasc.co.za)