



Orion Minerals

ASX/JSE RELEASE: 30 April 2019

Quarterly Activities Report For Period Ended 31 March 2019

HIGHLIGHTS

- **Prieska Project Bankable Feasibility Study nearing completion:**
 - Preliminary drafts of the Bankable Feasibility Study (**BFS**) have been completed, with reviews and refinements underway.
 - The Company has confirmed environmental approval from a key affected party, the Square Kilometre Array Radio Telescope Project (**SKA**).
 - Mining Right approval is expected in Q2 2019.
- **Prieska Project Extensional Exploration Program:**
 - Results of down-hole Time Domain Electro Magnetic (**DHTDEM**) survey indicate strong potential for extensions to the Deep Massive Sulphide body.
- **Prieska near-mine exploration:**
 - Final interpretation of the Airborne Electro Magnetic (**SkyTEM™**) survey over near-mine prospecting rights indicates 14 areas for priority follow-up, utilising ground electro-magnetic (**EM**) surveys.
- **Regional Ni-Cu-Co exploration program advancing:**
 - Final assay results were received for Rok Optel drill-hole samples.
 - Field mapping in the Area 4 – Rok Optel area indicates that the mafic and ultra-mafic intrusive bodies are more extensive than previously thought.
 - Orientation soil sampling at Area 4 produces positive results.
- **Regional VMS exploration continues on the Masiqhame Prospecting Right:**
 - Zinc soil geochemistry shown to be effective in detecting mineralisation at Kantienpan. Soil sampling and mapping along strike is progressing well.
- **Corporate:**
 - Subsequent to Quarter-end, the Company announced a pivotal \$8M capital raising underpinned by a group of high-profile South African investors as part of a proposed restructure of the Company's Black Economic Empowerment equity participation at project level, achieving accelerated compliance with the ownership aspects of South African Mining Charter III.

Operations Report

Orion Minerals Limited (**Orion** or **Company**) strives to achieve a sustainable balance between intense operational effort and maintaining a strong focus on social responsibility.

Health and Safety, Environmental Management and Community Engagement

Health and Safety

No lost-time injuries were reported during the Quarter.

Table 1: Hours worked at the Areachap Projects (South Africa).

Category of Work	Hours Worked	
	Quarter	Financial Year to Date
Exploration	19,845	182,345
Mine Re-Entry	2,146	6,638
Total	21,991	188,983

The Lost Time Injury Frequency Rate (**LTIFR**) per 200,000 hours worked is 0.0 for the Quarter and 0.0 for the financial year to date.

Environmental Management

The Prieska Zinc-Copper Project (**Prieska Project**) falls inside a legislated zone around the Square Kilometre Array (**SKA**) Project. The Company continues to constructively engage with the SKA authorities with respect to the electromagnetic emissions from equipment planned to be used at the mine site. The SKA authorities have confirmed their acceptance of the interference mitigation and control plans proposed by the Company to be implemented prior to, and during, project construction, in order to ensure compliance with the relevant legislation. The parties liaise regularly as the project progresses.

Community and Stakeholder Engagement

During the Quarter, the Company progressed the establishment of the Orion Stakeholder Engagement Forum (**SEF**). The objective of the SEF is to provide a platform for the communication of updates on the Prieska Project to representative community interest groups and to receive input on community needs, concerns and ideas. The SEF will eventually be composed of representatives of the Orion management team, employees and shareholders, local authorities and representatives of community interest groups.

Additionally, the SEF is intended to channel broad stakeholder input to the trustees of the Prieska Mine Community Trust who, in compliance with the Mining Charter III (**MC3**) obligations, will become 5% shareholders in the mine (refer ASX release 16 April 2019).

In February 2019, a public participation workshop, facilitated by Beulah Africa, a human resources and community development consultancy, was held in Prieska. The workshop was attended by more than 250 members of the community from Prieska, Marydale and Niekerkshoop.

Resulting from the workshop:

- o Eight community interest groupings ("roles") were identified that are to be represented on the SEF – namely, education, social development, unemployed, skilled elders and individuals, sports and recreation, safety and security, religious groups and business;
- o It was agreed that each of the five Siyathemba Municipal wards would be represented on the SEF, within the abovementioned roles, to ensure geographical diversity; and
- o Follow-up public meetings are planned in May 2019 to conclude the community representation selection process such that the SEF can be operational before the end of Q2 2019.

The Company is also providing free introductory mining familiarisation short courses to enable the local community to participate fully in future mine employment opportunities. An initial group of 400 individuals was selected to attend this course commencing on 1 April 2019 and which will run throughout the next Quarter.

During the Quarter, collaborations between the Company and the Siyathemba Municipality (**Municipality**) regarding water infrastructure and residential upgrades continued (refer ASX release 31 January 2019). With respect to the latter, the process required in terms of the proposed Spatial Planning and Land Use Management Act (SPLUMA) is anticipated to take at least 12 months and interim accommodation in mobile units is being planned to now be located at the mine site.

Exploration and Mine Development

Areachap Belt Projects (South Africa)

Prieska Zinc-Copper Project

Project Overview

The Prieska Project remains the focus of the Company's activities and is at an advanced stage of Feasibility Studies. The Prieska Project covers un-mined dip and strike extensions from an historical underground mining operation, where mineralisation had been delineated through extensive drilling undertaken by previous owners and more recently by the Company. The near-surface target comprises oxide, supergene and primary sulphide material to a depth of 100m which is potentially accessible via an initial open pit (**+105 Level Target**). The deeper target comprises primary sulphide mineralisation which is planned to be accessed via underground mining (**Deep Sulphide Target**).

The Company is now focused on completing a Bankable Feasibility Study, having delineated JORC-compliant mineral resources and tested their commercial viability by completing a scoping-level study (refer ASX releases 18 and 19 December 2018).

Feasibility Studies and Mining Right Applications

Capital and Operating Cost Estimates

Preliminary drafts of capital and operating cost estimates for the Prieska Project were compiled during the Quarter. A review of the details supporting the estimates has been underway and a number of alternative designs and philosophies have been identified that are expected to result in cost savings. This work is ongoing and is planned to be completed by mid-May 2019.

BFS Mine Design

The mine planning process has advanced, with a number of Life-of-Mine (LoM) schedules produced. Ongoing iterations are in progress and are aimed at reducing the production ramp-up period and optimising the grade profile. Based on the latest iterations of the mining layout, long-hole open stoping with paste-fill (**LHOS**) and Drift-and-Fill mining remain the preferred mining methods (see Figure 1 below).

Transverse LHOS will be used in the wider sections of the resource while Drift-and-Fill is planned for the flatter dipping sections. Detailed work is also in progress on extracting the economic areas of the sill pillar later in the mine's life.

The Company is assessing the use of underground mining contractors and discussions have commenced with potential service providers.

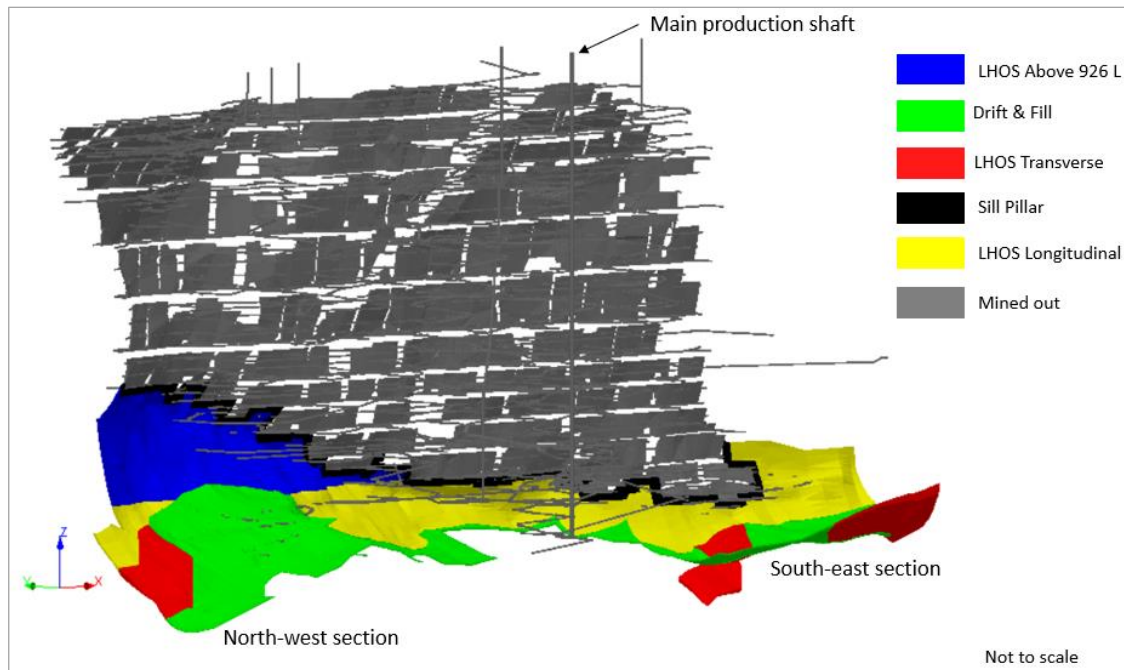


Figure 1: Mining layout indicating proposed locations for the various mining methods (LHOS and Drift and Fill) of the Deep Sulphide Mineral Resource.

Processing investigations

The ore processing design was concluded during the Quarter, with a number of optimisation work streams now in progress as part of the cost review process. Investigations are underway to further streamline the crushing, screening and milling sections of the plant. A general view of the proposed layout of the plant and surface area is illustrated in Figure 2.

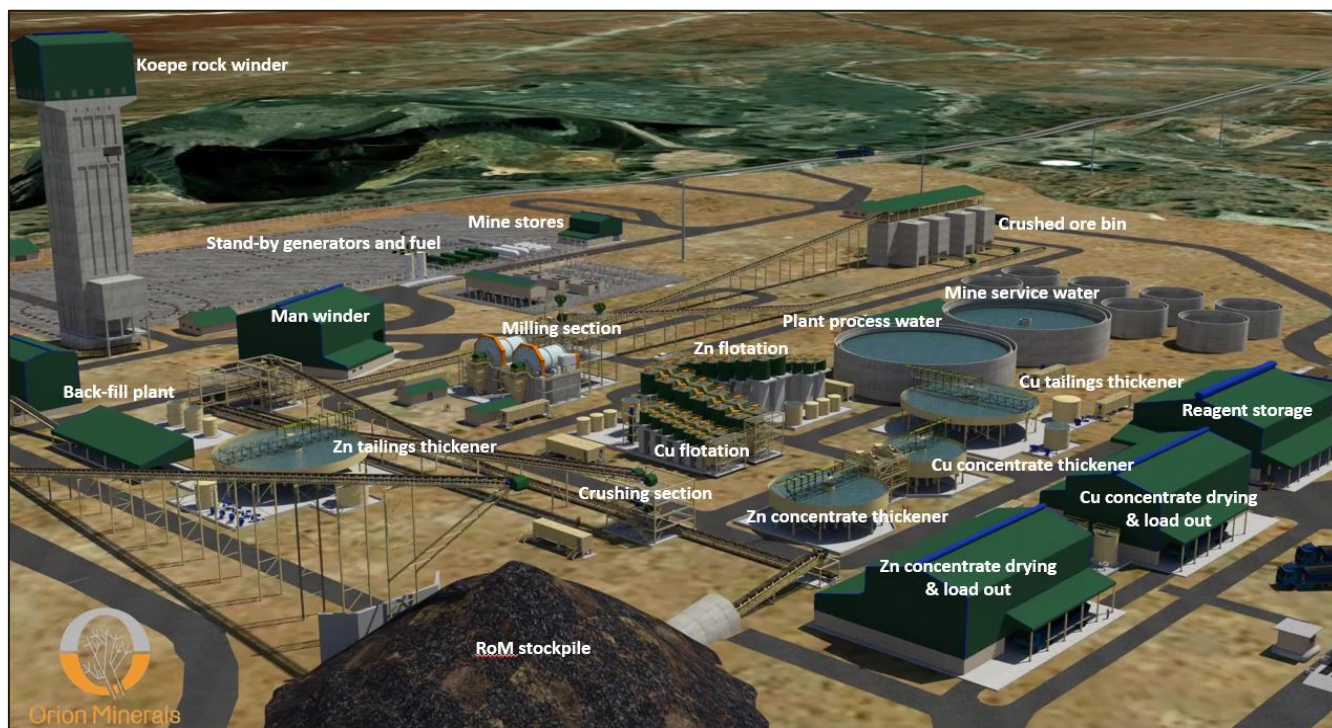


Figure 2: General view of proposed layout of the processing plant at the Prieska Project.

Infrastructure Studies

Power Supply – Written approval has been granted by Eskom for construction of the 132kV feeder bay at the Cuprum Sub-station. Feasibility design of the mine's 132kV-11kV sub-station has been completed. The mine sub-station will receive power from the Cuprum Sub-station. The project-wide electrical reticulation design is being reviewed.

Investigations into the use of renewable energy power supply for the project continued with the signing of a collaboration agreement with juwi Renewable Energies (Pty) Ltd. juwi has global and local experience in the establishment of hybrid renewable energy supply facilities, having built five utility-scale solar plants totalling 121 MW and developed the 138 MW Garob Wind Farm, which will soon start construction (refer ASX release 5 March 2019).

Water Supply – Execution of the water supply agreement is pending, subject to conclusion of pricing discussions with the Municipality.

Product Logistics and Marketing

The process of selecting off-takers for the copper and zinc concentrates continues, with numerous expressions of interest having been received and currently being assessed. Discussions with potential concentrate sales partners are expected to progress concurrently with completion of the BFS.

Mining Right Applications

In the Company's previous Quarterly Report (refer ASX release 31 January 2019), it was stated that the Repli Environmental Authorisation was expected to be granted in Q1 2019. The Company has provided the Department of Mineral Resources (**DMR**) with supplementary information subsequently requested and the Environmental Authorisation is now expected early in Q2 2019. The Mining Right approval is also expected in Q2 2019. The Department of Water and Sanitation requested clarifications and supplementary information on certain aspects of the Water Use Licence application. These points have been addressed by the Company, and approval is expected during Q2 2019.

For the Vardocube application, the final Environmental Impact Report, including the Environmental Management Program, was submitted to the DMR in March 2019. Approvals are expected in early Q3 2019 and the Mining Right approval is expected in late Q3 2019.

Mineral Resource Definition

Down-hole Time Domain Electro Magnetic Surveys (DHTDEM)

Final results were received during the Quarter from the modelling of DHTDEM surveys undertaken in four drill holes at the Deep Sulphide Target, to assess whether there are any off-hole conductors indicating extensions of the known mineralisation (refer ASX release 25 February 2019¹) (Figure 3).

Conductive plates detected at suitable depths in three of the holes, OCOD059_D3, OCOD118_D1 and OCOD123_D2, correspond well to the depth and structural orientation of the intersected mineralisation (Figure 4), confirming that DHTDEM is an effective tool to locate off-hole mineralisation at the Prieska Deposit.

An off-hole conductor in the south-eastern most hole drilled by the Company, OCOD137_D2, which intersected 11.3m @ 3.70% Cu and 4.47% Zn (refer ASX release 5 November 2018²), implies that thick, massive sulphide persists to the south and east beyond the drilled area (Figure 5).

¹ Exploration Results reported in ASX release of 25 February 2019: "Compelling extensional and near-mine targets identified by Airborne and Down-Hole EM Surveys at Prieska" available to the public on www.orionminerals.com.au/investors/market-news. Competent Person: Mr Errol Smart. Orion confirms it is not aware of any new information or data that materially affects the information included in the market announcement. Orion confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

² Exploration Results reported in ASX release of 5 November 2018: "Thick, high-grade zinc-copper intercepts in final assays from Deep Sulphide drill-out ahead of impending Resources update at Prieska" available to the public on www.orionminerals.com.au/investors/market-news. Competent Person: Mr JE Potgieter. Orion confirms it is not aware of any new information or data that materially affects the information included in the market announcement. Orion confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

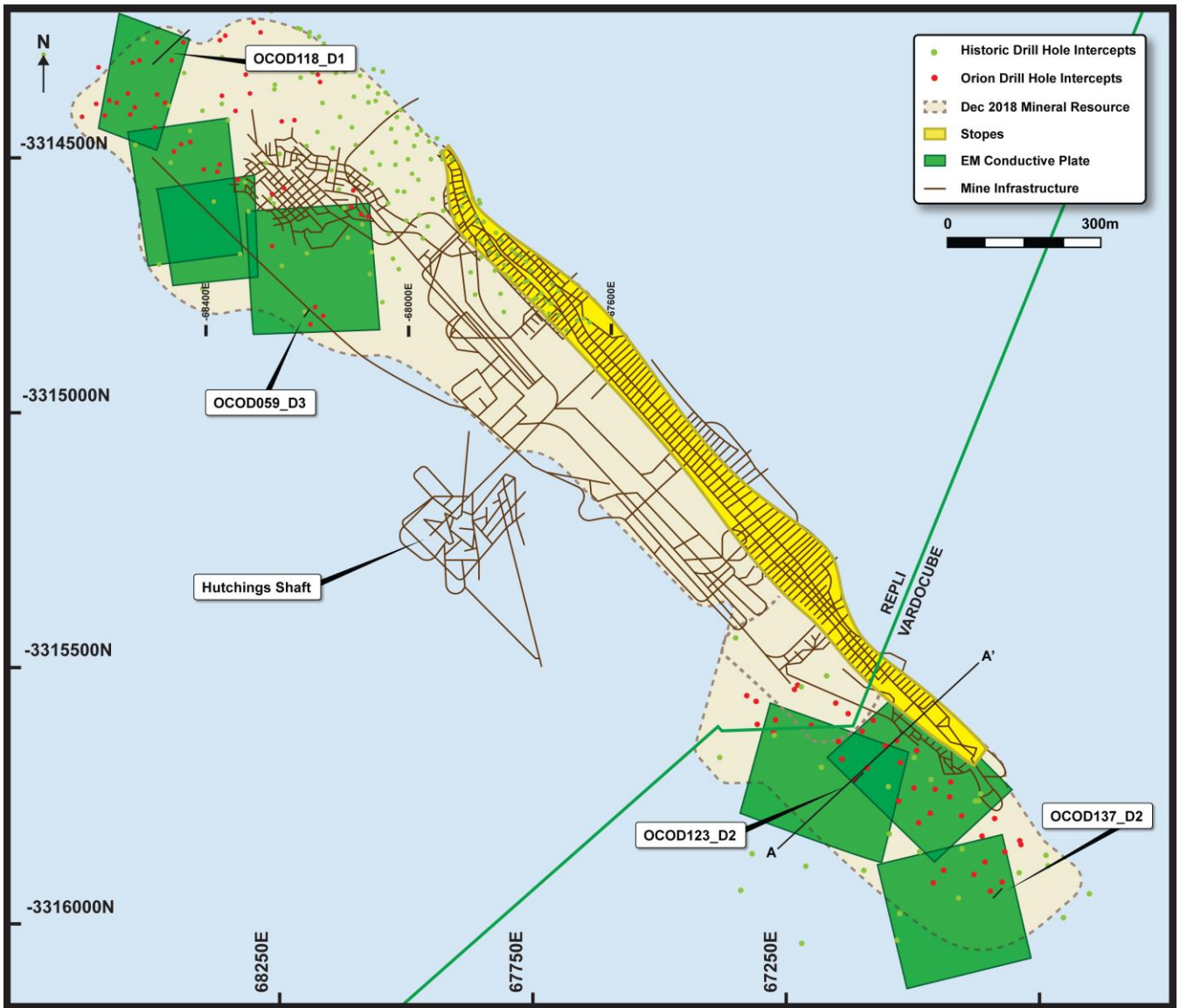


Figure 3: Plan-view of the Deep Sulphide Mineral Resource showing location of drill holes surveyed with DHTDEM and conductive plates indicated in green.

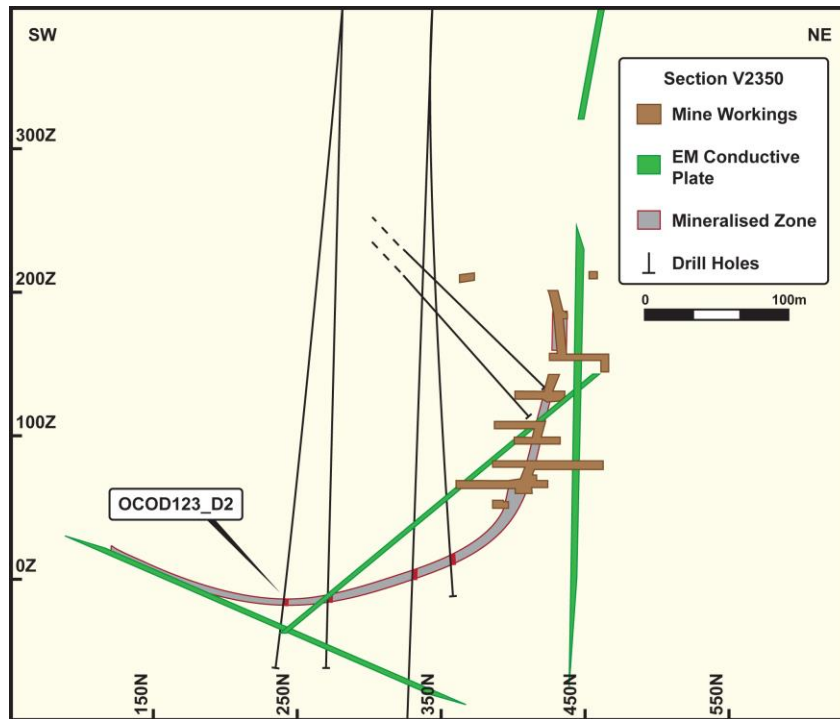


Figure 4: Cross section A-A' (refer Figure 3) through drill hole OCOD123_D2 indicating three conductive plates which correspond to the structure of known massive sulphide mineralisation intersected in this hole.

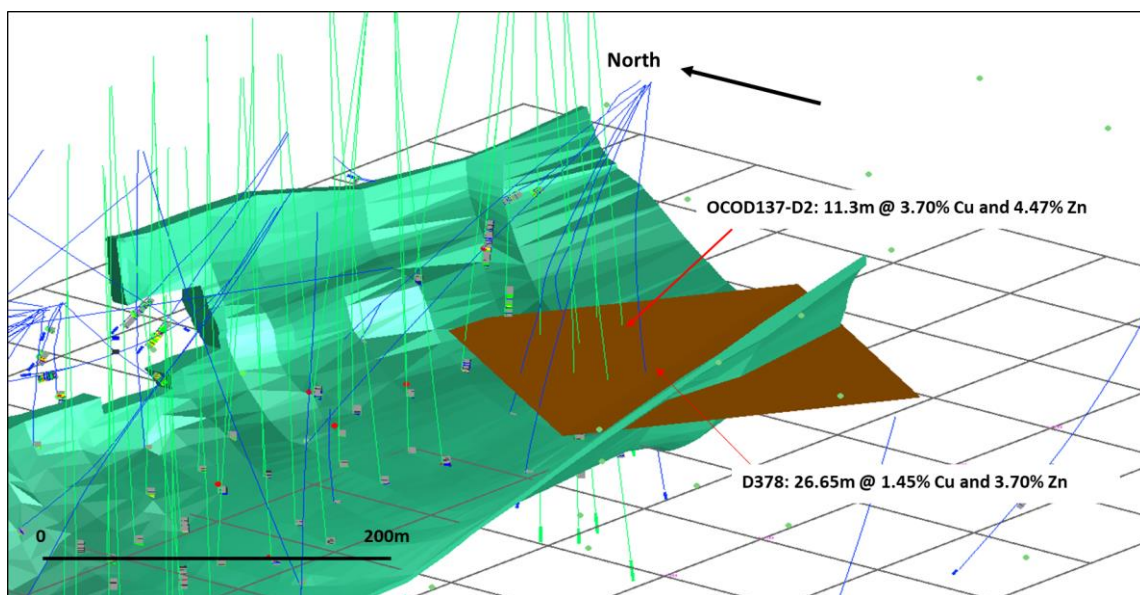


Figure 5: Isometric view of the south-eastern part of the Deep Sulphide Resource (green) showing an off-hole conductive plate (brown) in hole OCOD137_D2, indicating the continuation of the massive sulphide mineralisation along strike to the south and east.

Near-Mine Projects

The near-mine projects fall within prospecting rights held by Repli, Repli (Doonies Pan), Vardocube and Bartotrax adjacent or close to the giant Prieska Deposit (Figure 6). Five smaller deposits occur on the near-mine project areas. These include Annex, and three deposits on Doonies Pan (Kielder) referred to as the PK1, PK3 and PK6 deposits (Figure 6). Exploration targets currently defined on the near-mine project area include the north-western and south-eastern strike extent of the Prieska Deposit, the western and eastern strike extent of the Annex Deposit, the Ayoba Discovery and the Magazine Antiform (Figure 7).

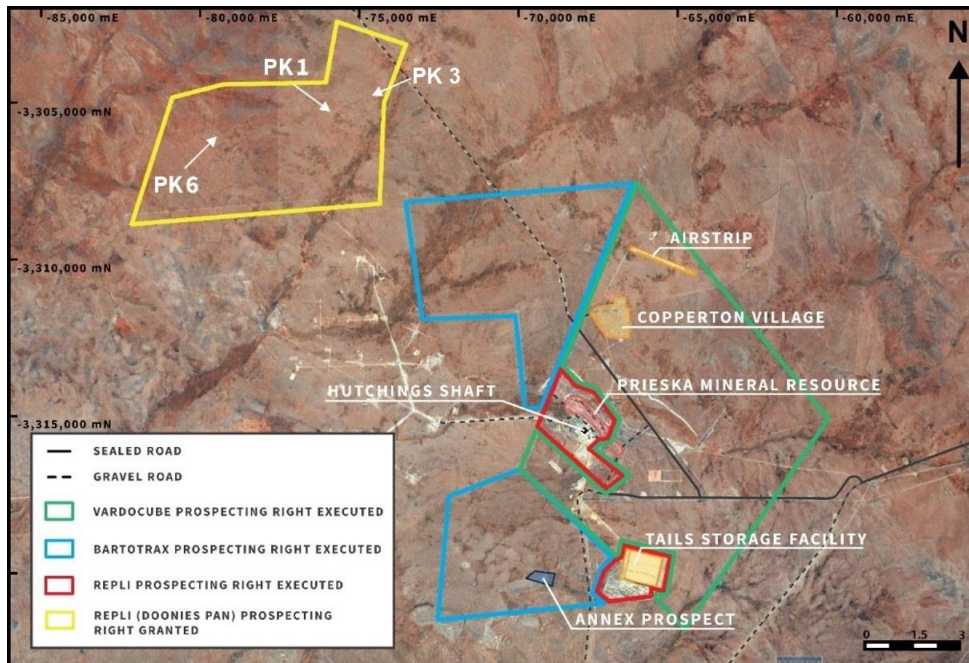


Figure 6: Surface plan showing the near-mine tenements and the location of the Annex and Kielder (PK1, PK3 and PK6) deposits.

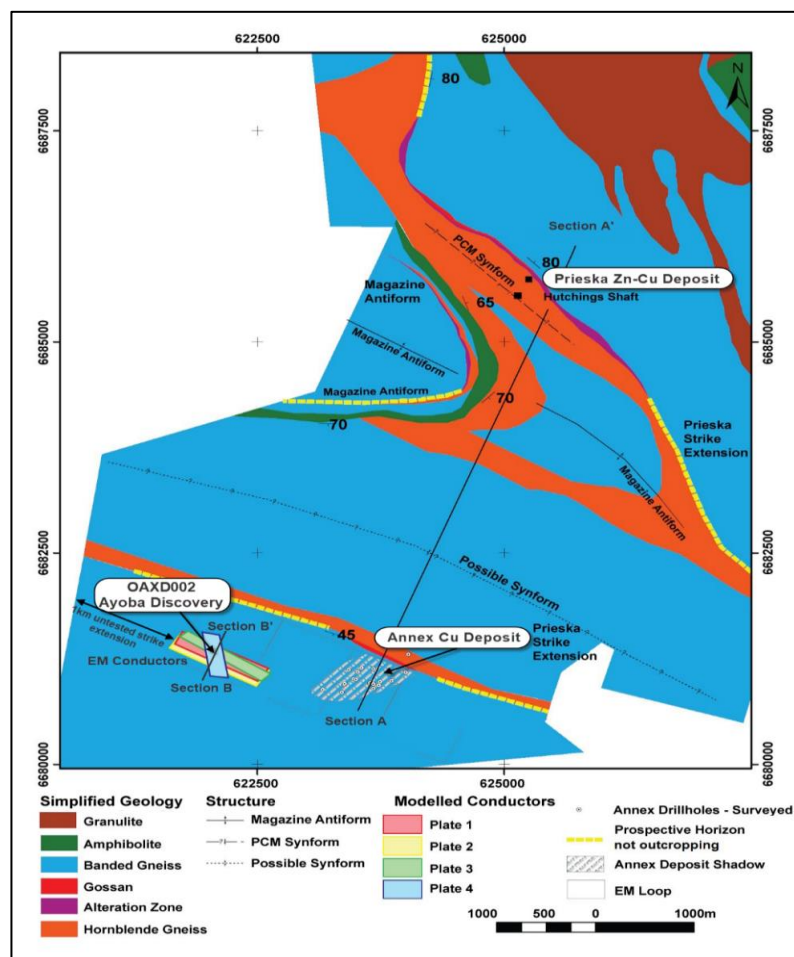


Figure 7: Geological plan showing near-mine prospective horizons and the EM conductor where the Ayoba discovery was made.

Ayoba Target

Drilling at the Ayoba Target, where a new zinc-copper bearing massive sulphide body was discovered in Q4 2018 (refer ASX release 28 November 2018), continued during the Quarter. Follow-up ground EM surveys are planned to cover the area of duplication in the stratigraphy of the fold closure (Figure 7) which represents an excellent target (refer ASX release 31 January 2019).

SkyTEM™ Survey

Final results of the SkyTEM™ (AEM) survey, conducted in December 2018 over the near-mine project area (refer ASX release 16 January 2019³), were received from the Company's Perth-based geophysical consultants, Southern Geoscience Consultants (SGC), during the Quarter. A total of 14 AEM conductors, labelled COP1 to 9 and VOG 1 to 5, were identified by SGC as targets for follow-up work (Figure 8).

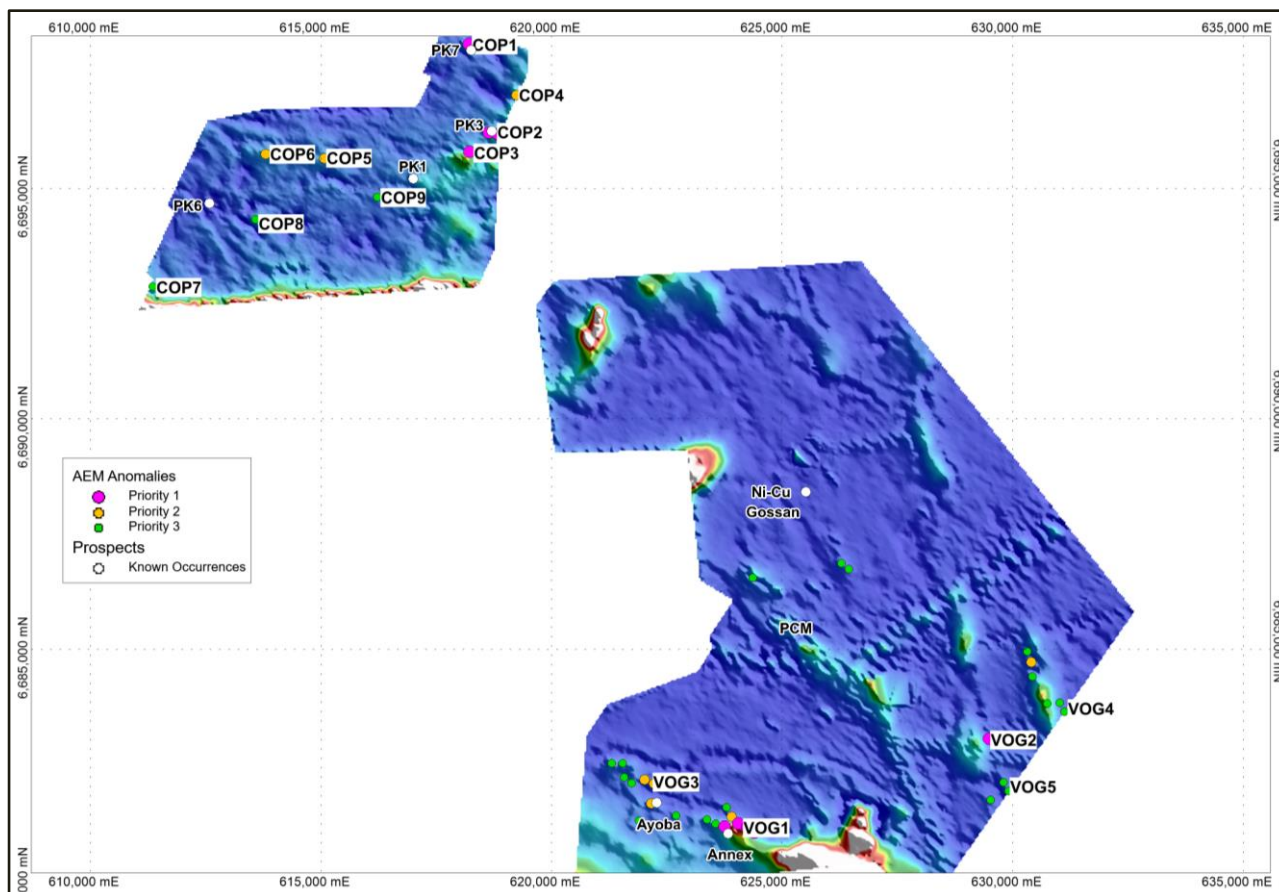


Figure 8: AEM anomalies and known base-metal deposits and occurrences shown on the AEM Channel 25 map. Anomalies considered by SGC as follow-up targets are labelled (COP and VOG) whereas those without labels are considered low potential targets.

The Company plans to rank and prioritise the AEM anomalies with the integrated use of existing geological and geophysical data, supported by detailed field mapping. Selected anomalies will be followed-up with high-powered ground EM before further testing through diamond drilling.

³ Exploration Results reported in ASX release of 16 January 2019: "First Assays from Ayoba Satellite VNS Discovery and Preliminary Airborne EM Data, Confirm Excellent Near-Mine Potential at Prieska Zinc-Copper Project" available to the public on www.orionminerals.com.au/investors/market-news. Competent Person: Mr Pottie Potgieter. Orion confirms it is not aware of any new information or data that materially affects the information included in the market announcement. Orion confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

Regional Exploration (South Africa)

Overview of Regional Activity

The Company maintains a substantial and prospective land-holding in the Areachap Belt (Figure 9). The Areachap Belt is analogous to other Proterozoic mobile belts hosting major VMS and magmatic Ni-Cu-Co-PGE deposits.

VMS deposits almost always occur as “clusters” associated with volcanic spreading centres, with four such centres having been identified in the Areachap Belt. The Company is prospecting for VMS deposits on its near-mine projects and on the Masiqhame Prospecting Right (Figure 9). The Kantienpan and Boksputs Zinc-Copper Deposits are currently the two most prominent prospects on the Masiqhame Prospecting Right.

Similarly, world-class nickel deposits tend to also occur in clusters both on prospect and regional scale. Within these intrusive centres, a small number of the intrusions tend to host the best mineralisation, depending upon the intrusion magma-flow dynamics and timing of magmatic sulphide immiscibility and transport. Several mafic intrusive bodies with nickel and other associated mineral occurrences are known on the Namaqua-Disawell prospecting rights (Figure 9). The setting of mineralisation has been confirmed to be analogous to other orogenic-hosted, deep-seated magma conduit complexes such as Kabanga (Tanzania), Nova (Australia), Ntaka Hill (Tanzania), Akelikongo (Uganda), and Limoeiro (Brazil). Conduit-style mineralisation is currently the top priority global target for magmatic Ni-Cu-PGE sulphide exploration.

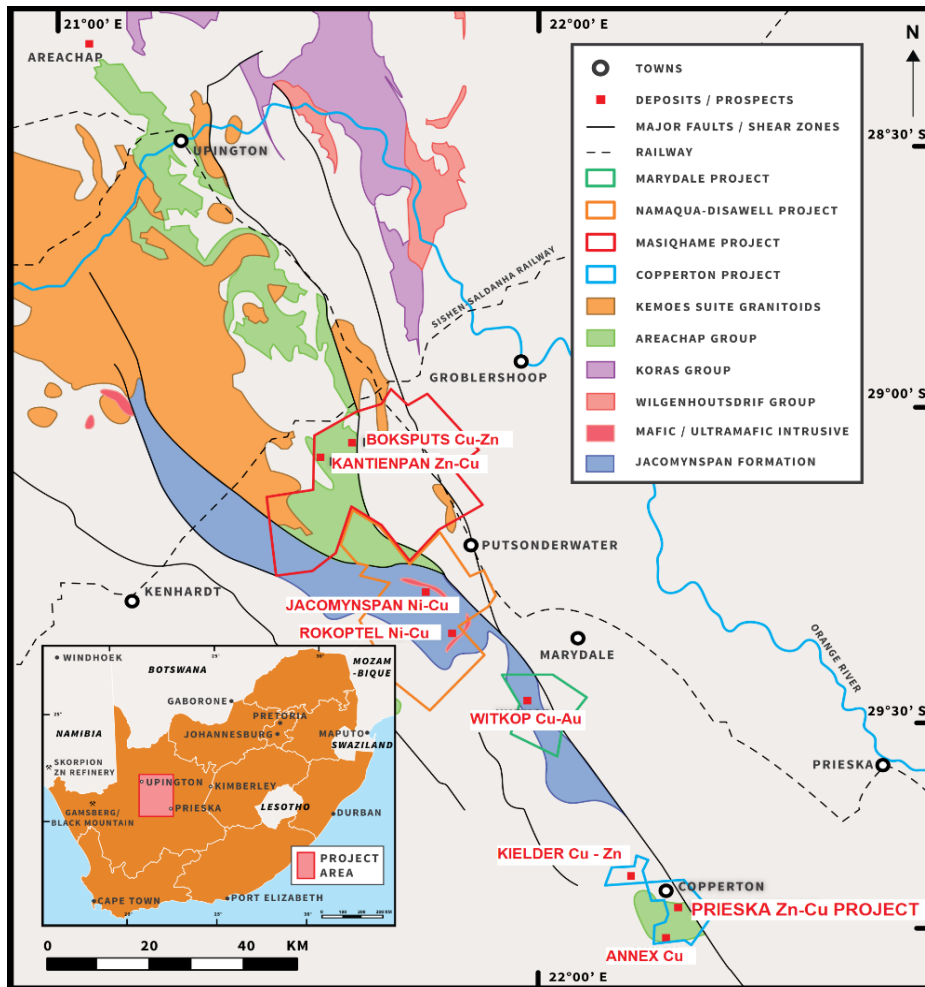


Figure 9: Regional geology map of the Areachap Belt showing prospecting rights held by, or currently under option to, the Company, and noted mineral occurrences as per published data from South African Council for Geoscience.

Namaqua Disawell Project Area

Work during this Quarter within the project area focused on the intrusions in the Rok Optel and Area 4 areas (Figure 10), with the following work completed:

- Final assay results were received for the Rok Optel drill-hole samples;
- Mapping of the area between Jacomynspan and Rok Optel to further define the geology;
- Orientation soil geochemical surveys over known mineralisation using a hand-held XRF instrument; and
- Geological mapping over SkyTEM™ anomalies prioritised from the 2018 regional SkyTEM™ survey (refer ASX release 1 February 2018⁴).

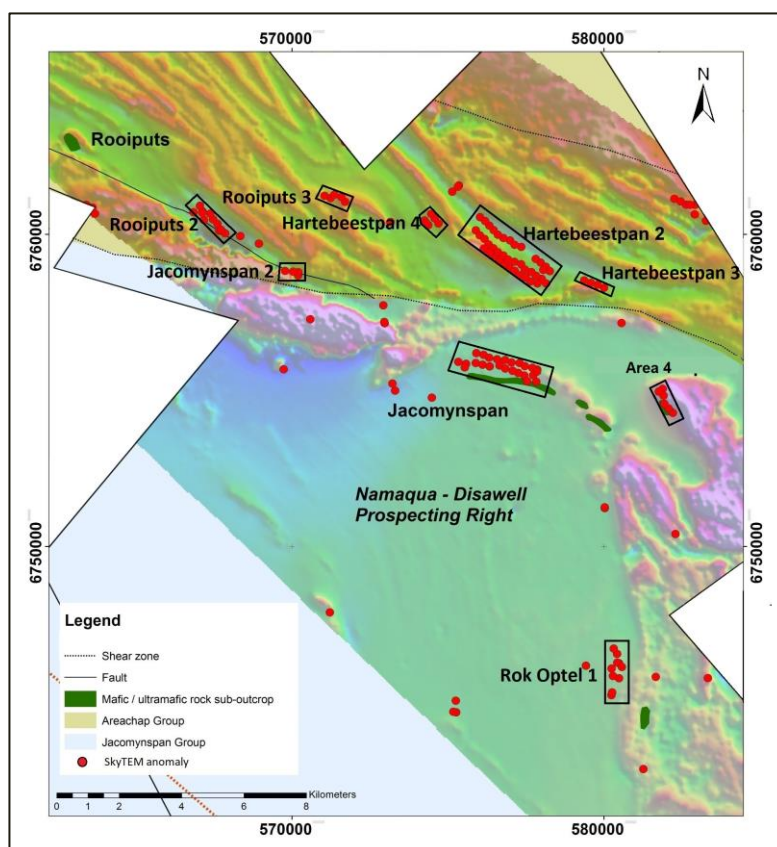


Figure 10: Locality map showing SkyTEM™ anomalies followed up on the Disawell Prospecting Right.

Rok Optel Prospect

The Rok Optel Prospect was discovered during the early 1970s and was initially explored by Phelps Dodge and Hochmetals SWA. Mapping, Induced Polarisation (IP) geophysics, and drilling were carried out. At the time, the intrusion was interpreted to be a mafic dyke emplaced parallel to the gneissose foliation, striking north to north-north-east and dipping 65-75° to the west.

In 2018, Orion completed fixed loop time domain electromagnetic (FLTDEM) surveys, diamond drilling and down-hole time domain electromagnetic (DHTDEM) surveys.

⁴ Exploration Results reported in ASX release of 1 February 2018: "Airborne EM Survey on the Areachap Belt, Northern Cape, South Africa completed with positive initial results" available to the public on www.orionminerals.com.au/investors/market-news. Competent Person: Mr Errol Smart. Orion confirms it is not aware of any new information or data that materially affects the information included in the market announcement. Orion confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

At the end of the Quarter, final assay results were returned from the four diamond holes drilled by the Company to test the more conductive FLTDEM anomalies and subsequent DHTDEM conductors on Rok Optel. These results are currently being reviewed, with holes drilled by the Company on the Rok Optel Prospect summarised in Table 2 (refer ASX release 24 October 2018⁵).

OROD001 intersected 8.99m from the 201.05m down-hole depth at 0.24% Ni, 0.16% Cu, 0.02% Co and 0.22g/t 2PGE & Au and 7.29m from the 292.09m down-hole depth at 0.28% Ni, 0.11% Cu, 0.01% Co and 0.66g/t 2PGE & Au.

Table 2: Rok Optel diamond drill status at 31 December 2018.

Drill Hole	X UTM34S	Y UTM34S	Elevation (m)	Final Depth (m)	Dip (degrees)	Azimuth (degrees)
OROD001	580 215	6 746 005	1,059	412.06	-60	120
OROD002	580 360	6 749 760	1,059	491.95	-65	90
OROD003	580 142	6 745 874	1,057	532.73	-70	102
OROD004	580 352	6 746 760	1,050	531.52	-80	47

Table 3: Drill intersections from OROD001 and OROD002 calculated using SG-weighting at various cut-off grades. The widths are intersection widths and have not been corrected to true width.

Drill Hole	Cut Off	From m	Width m	Ni wt%	Cu wt%	Co wt%	2PGE + Au g/t	
OROD001	0.2% Ni	201.05	8.99	0.24	0.16	0.02	0.22	
		292.09	7.29	0.28	0.11	0.01	0.66	
	0.3% Ni	297.44	1.94	0.38	0.15	0.02	1.45	
	0.5% Ni	201.05	1.22	0.45	0.57	0.05	0.16	
OROD002	0.2% Ni	149.16	1.27	0.39	0.10	0.03	0.03	
		159.95	0.94	0.22	0.11	0.03	0.05	
		174.08	0.66	0.24	0.24	0.04	0.02	
		215.49	0.37	0.90	0.18	0.14	0.03	
		222.36	1.68	0.22	0.07	0.01	0.33	
		338.09	2.37	0.15	0.13	0.01	0.87	
		356.08	2.46	0.33	0.20	0.05	0.08	
	0.3% Ni	0.5% Ni	363.47	2.86	0.17	0.04	0.01	0.21
	0.3% Ni	149.16	1.27	0.39	0.10	0.03	0.03	
		215.49	0.37	0.90	0.18	0.14	0.03	
		356.08	2.46	0.33	0.20	0.05	0.08	
	0.5% Ni	149.16	0.57	0.61	0.14	0.05	0.04	
		215.49	0.37	0.90	0.18	0.14	0.03	

The geological model shows a stacked complex of at least five sills orientated north-south and dipping 40° west (Figure 11). This model is in contrast with previous interpretations of a steeply dipping dyke like body (refer ASX release 24 October 2018⁵).

⁵ Exploration Results reported in ASX release of 24 October 2018: "Third Diamond Hole Intersects Massive Sulphide Stringer Veins at Rok Optel Nickel-Copper Target, Northern Cape, South Africa" available to the public on www.orionminerals.com.au/investors/market-news. Competent Person: Mr Richard Hornsey. Orion confirms it is not aware of any new information or data that materially affects the information included in the market announcement. Orion confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

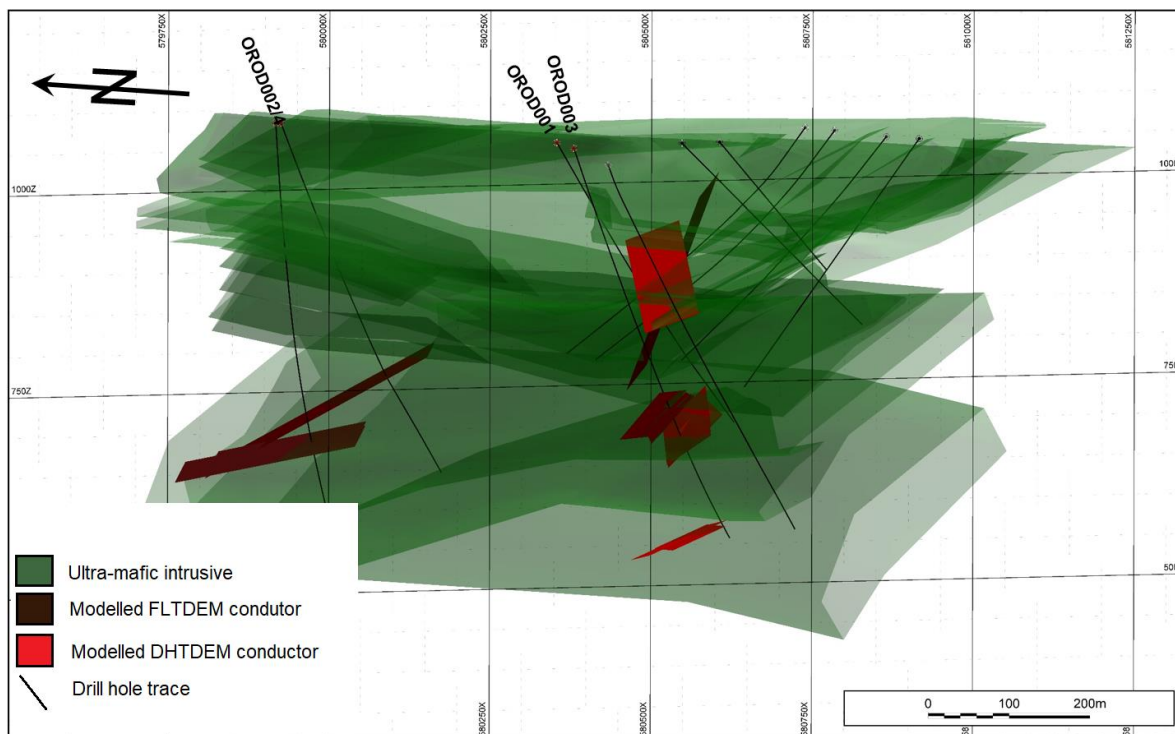


Figure 11: Oblique view looking NE showing the current sill model, diamond drilling and the DHTDEM plates at Rok Optel.

A total of 120 soil samples were collected along a single line over known mineralisation at the Rok Optel Prospect. This line followed the surface expression of the OROD003 drill section and samples were analysed using a Niton XRF instrument. Results are inconclusive with no discrete anomalies detected, and more work is required.

At Rok Optel, the intrusion remains open at depth and along strike to the north and south, with potential for economic discovery. Additional work to delineate massive sulphide drill targets should include a review of the geophysics completed to date; forward modelling; geophysical method optimisation; an investigation into geophysical methodologies to provide maximum depth penetration and resolution of potentially complex stacked mineralised intrusions and Moving Loop Time Domain Electromagnetic (**MLTDEM**) surveys to the north and south of the drilled area.

Area 4 Prospect

Area 4 was explored intermittently by Anglo American between 1975 and 1983. The Company carried out mapping, petrological studies, FLTDEM surveys and soil sampling on the prospect.

Field mapping and litho-geochemistry has confirmed that a mafic to ultramafic intrusion of similar characteristics to Rok Optel is present at Area 4. An orientation soil sample survey was conducted over the area of known mineralisation. A total of 224 soil samples were collected along six lines. The Company plans to cover the SkyTEM™ anomalies with MLTDEM prior to drill testing.

Masiqhame Project Area

Contiguous to the north of the Namaqua-Disawell Project, this project is defined in terms of the Masiqhame tenement holding and includes the Kantienpan and Bokspuits Zn-Cu VMS Deposits (Figure 9). With its known VMS deposits, numerous Cu-Zn mineral occurrences and regional geological setting, the area offers potential for new VMS Zn-Cu and Magmatic Ni-sulphide discoveries.

Ongoing work focussed on Kantienpan and included:

- Geological mapping over the 5 SkyTEM™ (and FLTEM) anomalies prioritised from the 2018 regional SkyTEM™ survey (refer ASX release 1 February 2018⁶).
- Soil sampling and mapping to the north and south along the strike of the Kantienpan Deposit. Orientation soil sampling over the Kantienpan mineralised horizon returned anomalous Zn values showing soil sampling to be effective in the area. Soil sampling over the southern strike extent of the Kantienpan stratigraphy is in progress, with seven kilometres of strike extent planned for targeting.

Marydale Gold-Copper Project (Witkop)

In addition to the Prieska Project, the Agama transaction gives the Company exploration rights over the Marydale Gold-Copper Project located 60km north of the Prieska Project.

No field work was completed during the Quarter. Revision of the previous data is ongoing with the view to reinterpreting the exploration model and designing an effective drilling program.

Australian Projects

Fraser Range – Nickel-Copper Projects (Western Australia)

Orion maintains a sizeable tenement package in the Fraser Range Province of Western Australia which Independence Group NL (ASX: IGO) is currently earning into via a Joint Venture Agreement (**JVA**, refer ASX release 10 March 2017).

During the Quarter, IGO conducted a moving loop EM survey of 51 stations in the south-west corner of E39/1654 as part of a wider survey covering prospectivity inferred from basement lithologies intersected in the 2017 Aircore Drilling program.

Drill pad clearing continued, in preparation for RC drilling, anticipated to begin within the JVA area, for identified targets, during June 2019.

Under the JVA, IGO is responsible for all exploration on the tenements and provides regular updates to Orion of its activities and results arising from them.

Walhalla Gold and Polymetals Project (Victoria)

During the Quarter, the Company did not carry out any exploration activity on the Walhalla Project.

⁶ Exploration Results reported in ASX release of 1 February 2018: "Airborne EM Survey on the Areachap Belt, Northern Cape, South Africa completed with positive initial results" available to the public on www.orionminerals.com.au/investors/market-news. Competent Person: Mr Errol Smart. Orion confirms it is not aware of any new information or data that materially affects the information included in the market announcement. Orion confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

Tenement Schedule

Tenement	Project	Ownership Interest	Change in Quarter	Joint Venture Partner
South Africa				
NC30/5/1/1/2/10445PR	PCM	73.33%	---	---
NC30/5/1/1/2/10138MR	PCM	73.33%	---	---
NC30/5/1/2/2/10244PR	Marydale	73.33%	---	---
NC30/5/1/1/2/11841PR ⁽¹⁾	Vardocube	70.00%	---	---
NC30/5/1/1/2/11850PR ⁽¹⁾	Bartotrax	74.00%	---	---
NC30/5/1/1/2/10032MR ⁽¹⁾	Namaqua-Disawell	18.50%	---	Namaqua Nickel Mining (Pty) Ltd
NC30/5/1/1/2/10938PR	Namaqua-Disawell	18.50%	---	Disawell (Pty) Ltd
NC30/5/1/1/2/11010PR	Namaqua-Disawell	18.50%	---	Namaqua Nickel Mining (Pty) Ltd
NC30/5/1/1/2/816PR	Masiqhame	49.00%	---	Masiqhame 855 (Pty) Ltd
Western Australia				
E28/2367	Fraser Range	30%	---	Independence Group NL
E28/2378	Fraser Range	30%	---	Independence Group NL
E28/2462	Fraser Range	30%	---	Independence Group NL
E28/2596	Fraser Range	30%	---	Independence Group NL
E39/1653	Fraser Range	35%	---	Independence Group NL & Geological Resources Pty Ltd
E39/1654	Fraser Range	10%	---	Independence Group NL & NBX Pty Ltd
E69/2379	Fraser Range	10%	---	Independence Group NL & Ponton Minerals Pty Ltd
E69/2380	Fraser Range	10%	---	Independence Group NL & Ponton Minerals Pty Ltd
E69/2707	Fraser Range	10%	---	Independence Group NL & Ponton Minerals Pty Ltd
Victoria				
MIN5487 ⁽²⁾	Walhalla	100%	---	---
EL5340	Walhalla	100%	---	---
EL5348	Walhalla	100%	---	---

(1) Execution of Mining Right pending.

(2) On 11 August 2015 the Company announced to the ASX that it had entered into a sale agreement with Centennial Mining Ltd (formerly A1 Gold) for Centennial Mining Ltd to acquire MIN 5487.

Corporate

Cash and Finance

Cash on hand at the end of the Quarter was \$1.1M.

Capital Raising and BEE ownership re-structure

Following Quarter end, on 16 April 2019 the Company announced a pivotal \$8M capital raising underpinned by a group of high-profile South African investors as part of a proposed restructure of the Company's Black Economic Empowerment (**BEE**) equity participation at project level, achieving accelerated compliance with the ownership aspects of South African MC3.

Placement

The \$8.0M capital raising comprises the issue of 200.9M fully paid ordinary share (**Shares**) at an issue price of \$0.04 per Share, together with one free attaching option for every two Shares issued (100.47M options at an exercise price of \$0.05 and an expiry date of 31 October 2019) (**Placement Options**), to be conducted via a placement to sophisticated and professional investors (**Placement**). The Placement Options will not be quoted on the ASX or the Johannesburg Stock Exchange (**JSE**).

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

- Tranche 1 – 117.23M Shares and 58.61M Placement Options, using the Company's 15% placement capacity under ASX Listing Rule 7.1 to raise \$4.685M; and
- Tranche 2 – 83.71M Shares and 41.85M Placement Options, to raise \$3.34M (subject to shareholder approval, to be sought at a general meeting of Orion shareholders planned to be held in early June 2019).

The Placement includes approximately \$4M placed to experienced South African BEE entrepreneurs, of which \$2M is being placed to incoming BEE equity investors who will also invest at the Prieska Project level.

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 \$2M in Tranche 1 of the Placement. In addition to the support obtained from South African BEE entrepreneurs and Tembo Capital, other key existing shareholders have supported the Placement and the proposed BEE transactions.

On 23 April 2019, Orion issued 50,625,000 Shares in the Company at \$0.04 per Share and 25,312,500 Orion Options, to raise \$2.03M, resulting from a receipt of funds from investors for Tranche 1 commitments. The Company has received commitments for the balance of Tranche 1 (being \$2.66M) and these Shares and options are expected to be issued shortly.

Proceeds from the Placement will be used principally to finalise the BFS on the Company's Prieska Project, which is on track for completion in Q2 2019. Funds will also be used to continue exploration programs on the Company's highly prospective tenements located in the Northern Cape, South Africa and for working capital.

The Company will seek the required shareholder approvals (to ratify Tranche 1 and for the issue of Tranche 2 of the Placement) at a General Meeting of shareholders planned to be held early June 2019.

BEE Restructure

The proposed BEE restructuring transactions entail existing BEE shareholders in Orion's subsidiary, Repli Trading No 27 (Pty) Ltd (**Repli**), which owns the Prieska Project with a Mining Right pending, exchanging their 26.7% holding in Repli for JSE listed Orion shares. A new BEE company (**BEE HoldCo**) will then acquire a 20% shareholding in Repli, facilitated by way of Orion vendor funding.

The members of BEE HoldCo will have the entitlement to provide their proportionate share of Prieska mine development costs on equal terms with the other shareholders of Repli. Although Repli has five years to implement the BEE ownership obligations to achieve MC3 compliance, the proposed BEE restructuring will satisfy the important ownership component of the MC3 compliance immediately.

The members of BEE HoldCo and Orion have agreed to accelerate the establishment of Employee and Community trusts, each of which will hold a 5% ownership interest in Repli.

New BEE

Orion has entered into a MOU with the BEE mining group entrepreneurs to establish BEE HoldCo, owned as outlined below:

BEE Entity Name	Ownership of BEE HoldCo	Principals	BEE Status
Black Star Minerals (Pty) Ltd (Black Star)	67%	Jowell Tobias Sharon Matthews Johanna Tobias	100% Black owned 75% Black female owned
Kolobe Nala Investment Company (Pty) Ltd (KNI)	33%	Billy Mawasha	100% Black Owned

The establishment of BEE HoldCo and the proposed acquisition of the 20% interest in Repli, is expected to be completed before 11 June 2019. Details of the terms of the acquisition of the 20% shareholding in Repli will be released once definitive agreements have been finalised.

BEE HoldCo members have demonstrated their commitment and financial capacity to complete the transaction by subscribing for \$2M in the Placement.

Founding BEE Interests Exchanged for Orion Shares

The founding BEE partners of the Prieska Project have signed agreements with Orion to relinquish their shares in Repli and other Areachap projects in exchange for approximately 135M JSE-listed Orion Shares. The proposed BEE restructure transaction is subject to conditions that are customary for transactions of this nature, including execution of definitive transaction agreements and applicable board and regulatory approvals.

Anglo American sefa Mining Fund – Preference Share Redemption

On 4 March 2019, the Company announced it had reached agreement with the value-adding South African institutional investor, Anglo American sefa Mining Fund (**AASMF**) to redeem Preference Shares held by AASMF in one of Orion's key project subsidiaries for shares in Orion.

Under the agreement, Repli (a 73.33% owned subsidiary of Orion) will voluntarily redeem the Preference Shares (see below) in consideration for which Orion will issue to AASMF, the relevant number of Shares (**Share Exchange Agreement**).

The value of the Shares to be issued by Orion in consideration for the redemption will be between ZAR23.98M – ZAR24.99M (~\$2.39M - \$2.50M).

AASMF subscribed for 15.75M redeemable preference shares in Repli in November 2015 at a subscription price of ZAR1 per redeemable preference share (ZAR15.75M (~\$1.58M)) (**Preference Shares**) as part of a seed capital investment with the previous owners of the Prieska Zinc-Copper Project.

The transaction contemplated in the Share Exchange Agreement will be completed, subject to Orion obtaining shareholder approval under ASX Listing Rule 7.1. The Company intends to convene a meeting of its shareholders to seek shareholder approval in early June 2019.

Key terms of the agreement are set out below:

- AASMF subscribed for, and is currently the holder of the Preference Shares;
- Orion and AASMF have agreed that the Preference Shares will be voluntarily redeemed by Repli in consideration for which Orion will issue the relevant number of Shares to AASMF;
- Repli shall within 3 business days after the satisfaction of the conditions precedent, deliver to AASMF a redemption notice and a certificate setting out the Issue Price and the number of Orion Settlement Shares to be issued.
 - Exchange Date: the next date set out in Table 4 that is to occur after the notice expiry date (being 10 business days following the delivery of the redemption notice by Repli to AASMF), or such other date as Repli and AASMF may agree in writing;
 - Redemption Amount: the redemption amount pertaining to the Exchange Date as set out in Table 4;
 - Issue Price: 30 day VWAP of the Orion Shares in the period up to and including the date of satisfaction of the Conditions Precedent;
 - VWAP: Volume weighted average price of all Orion Shares traded on the JSE on any trading day; and
 - Orion Settlement Shares: the number of Orion Shares as is equal to the Redemption Amount divided by the Issue Price to be issued by Orion to AASMF.

- In settlement of Repli's obligation to pay the Redemption Amount to AASMF, Orion shall issue the Orion Settlement Shares on the Exchange Date;
- The issuing by Orion to AASMF of the Orion Settlement Shares shall be in full and final settlement of any and all obligations that Repli may owe to AASMF in relation to the Preference Shares;
- Orion shall procure that the Orion Settlement Shares issued to AASMF are admitted to trading on the JSE within 10 business days after the Exchange Date; and
- The end date for fulfillment of the conditions precedent shall be 31 May 2019, or such later date as may be agreed in writing between the parties.

Table 4: Exchange Date and Redemption Amount.

Exchange Date	Redemption Amount ^(a)
3 May 2019	ZAR 24.51M
10 May 2019	ZAR 24.57M
17 May 2019	ZAR 24.63M
24 May 2019	ZAR 24.69M
31 May 2019	ZAR 24.75M
7 June 2019	ZAR 24.8M
14 June 2019	ZAR 24.87M
21 June 2019	ZAR 24.93M
28 June 2019	ZAR 24.99M

(a) Dividend rate – based on a prime lending rate in South Africa of 13.5%.

Tembo Loan Agreement

On 25 January 2019, the Company announced that Tembo Capital has continued its strong support of Orion through providing a new unsecured \$3.6M Bridge Loan Facility (**Loan Facility**).

Under the terms of the Loan Facility, Tembo Capital may at its election, have the balance of the Loan Facility (including capitalised interest and fees) (**Outstanding Amount**) repaid by the issue of Shares to Tembo Capital at a deemed issue price of \$0.026 per Share (subject to receipt of Shareholder approval), being the same conversion price as the 2017 Convertible Notes.

Proceeds from the Loan Facility will be used principally to progress the BFS, which is on track for completion in Q2 2019 and to repay the current Bridge Loan (\$0.6M).

The key terms of the Loan Facility are:

- Loan Facility Amount: Up to \$3.6M, available in two tranches. The first tranche is to be in one instalment of \$0.6M to repay all amounts owing under the current Bridge Loan, with further tranches to be in minimum instalments of \$1M each;
- Interest: Capitalised at 12% per annum accrued daily on the amount drawn down;
- Repayment: Tembo Capital may elect for repayment of the Outstanding Amount to be satisfied by the issue of Shares by the Company to Tembo Capital at a deemed issue price of \$0.026 per Share, subject to receipt of Shareholder approval. The Outstanding Amount must be repaid by 25 January 2020, or if Tembo Capital elects to receive Shares in repayment of the Outstanding Amount in lieu of payment in cash, the date on which the Shares are to be issued to Tembo Capital (or such later date as may be agreed between Tembo Capital and Orion);

- Establishment fee:
 - Cash - capitalised 5% of the Loan Facility Amount, payable on the Repayment date; and
 - Options - 11M unlisted Orion options, exercisable at a price of \$0.03 per option, expiring on the date which is 5 years after the date of issue of the options, provided that Orion's obligation to issue Shares on exercise of the options is subject to receipt of shareholder approval.
- Security: Loan Facility is unsecured.

At Quarter end, the balance of the Loan Facility was \$3.84M (including capitalised interest and fees).

Extension of Maturity Date of Convertible Notes

On 25 January 2019, in support of the ongoing capital requirements of the Company, the Noteholders approved an extension of the Maturity Date of the Convertible Notes from 17 March 2019 to 30 September 2019.

On 7 February 2017 the Company announced a proposed capital raising through the issue of convertible notes to various sophisticated and professional investors, each with a face value of \$0.026 (**Convertible Notes**). The Company obtained Shareholder approval for the issue of the Convertible Notes on 13 March 2017 and on 17 March 2017, the Company announced the issue of 232.69M Convertible Notes to the value of \$6.05M (each with a face value of \$0.026). Key terms of the Convertible Notes are set out in the Company's ASX release dated 8 March 2017.

Appointment of New Non-Executive Directors

Following Quarter end, the Company announced the appointment of two highly experienced South African-based mining executives who have specific knowledge and skill in the South African mining industry.

Godfrey Gomwe

Mr Godfrey Gomwe has extensive experience as an executive in the metals and mining industries. He is the former Chief Executive Officer of Anglo American plc.'s Thermal Coal business, where his responsibilities included oversight over Anglo's Manganese interests in joint venture with BHP. Previously Executive Director of Anglo American South Africa until August 2012, his career included roles as Head of Group Business Development Africa, Finance Director and Chief Operating Officer of Anglo American South Africa. Previously, Godfrey was Chairman and Chief Executive of Anglo American Zimbabwe Limited. He also served on a number of Anglo American Operating Boards and Executive Committees including Kumba Iron Ore, Anglo American Platinum, Highveld Steel & Vanadium and Mondi South Africa, the latter two in the capacity of Chairman.

Tom Borman

Mr Tom Borman is a respected and highly experienced global mining executive who served more than 11 years working for the BHP Billiton Group in various senior managerial roles, including that of Chief Financial Officer of an Australian-listed mining company. He also held senior roles in strategy and business development and served as the project manager for the merger integration transaction between BHP Limited and Billiton.

After leaving BHP Billiton in 2006, Mr Borman joined Warrior Coal Investments (Proprietary) Limited, where he formed part of the executive team which established and consolidated the portfolio of assets which became the Optimum Group of companies. Optimum listed on the Johannesburg Stock Exchange in 2010 and was subsequently acquired by Glencore for R8.5 billion in March 2012.

Concurrent with the appointment of Mr Gomwe and Mr Borman, Michael Hulmes stepped down as a non-executive director, due to his increased commitments as an executive in a new role elsewhere. The Directors thank Michael for his significant contribution during the Feasibility Study period and wish him well in his new role.

Expiry of Unlisted Options

The following unlisted options expired during the Quarter:

Exercise Price	Number of Options	Expiry Date
\$0.0462	94,321,464	31 March 2019

Interim Financial Report – December 2018

The Company recorded a loss for the half year ended 31 December 2018 of \$4.76M. The result was driven primarily by exploration expenditure incurred of \$1.42M which, under the Company's deferred exploration, evaluation and development policy, did not qualify to be capitalised and was expensed and finance expenses of \$0.79M, principally related to Bridge Loan interest of \$0.2M, Convertible Note interest of \$0.4M and interest on AASMF Preference Shares and loan of \$0.2M.

The Company focused strongly on exploration within its Areachap Belt projects in South Africa. Expenditure of \$8.66M in exploration activities was incurred by the Company during the half year.