



Orion Minerals

ASX/JSE RELEASE: 29 January 2020

Quarterly Activities Report For Period Ended 31 December 2019

HIGHLIGHTS

- **Prieska Project Mining Licence executed:**
 - Following the grant of the Mining Right to Repli in August 2019, notarial execution of the Mining Right was completed in December 2019.
- **Prieska Project water treatment trials, optimisation studies and operational readiness activities well advanced:**
 - Positive water treatment and mine dewatering field trials nearing completion, with the results continuing to demonstrate the potential to improve on the Prieska Project development execution timelines.
 - Process plant value engineering works completed, confirming that SAG milling can further simplify the process flowsheet.
 - Plant layout changes will reduce the plant footprint area, contributing to a lower capital cost of development.
 - Key supply contracts negotiations under way, with two key Memorandum of Understandings signed, in preparation for the Prieska Project construction approval.
- **Prieska near-mine exploration:**
 - Soil samples collected over 17 priority areas selected from the Airborne Electro Magnetic (SkyTEM™) survey, covering the near-mine prospecting rights and regional sampling commenced.
- **Australia - Fraser Range, Western Australia drilling in progress:**
 - IGO Limited (ASX: IGO) completed three diamond drill holes on nickel-copper targets on the Orion – IGO Fraser Range Joint Venture tenements.
 - Area D discovery reported by neighbouring company, Legend Mining Limited (ASX: LEG). Area D is located just 16km south west of IGO:ORN Pike prospect.
- **Corporate:**
 - Subsequent to Quarter end, Orion commenced a partnering process which contemplates the introduction of a strategic project-level equity partner/investor in the Prieska Project. Macquarie Capital appointed financial adviser to run the formal partner financing process on behalf of Orion.
 - \$9.5M capital raising initiatives completed during the Quarter:
 - \$7.75M raised via placements to sophisticated and professional investors; and
 - Share Purchase Plan attracted strong support from eligible shareholders, raising \$1.75M.
 - Subsequent to Quarter end, private equity group Tembo Capital extended the term of the \$3.6M Loan Facility to 25 June 2020, confirming its continued support of Orion.

Operations Report

Orion Minerals Limited (**Company** or **Orion**) strives to achieve a sustainable balance between intense operational effort and a strong focus on safety, health, environment and community.

Health and Safety, Environmental Management and Community Engagement

Health and Safety

No accidents or injuries were recorded during the Quarter. The hours worked for the Quarter and financial year to date are shown below:

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

Category of Work	Hours Worked	
	Quarter	Financial Year to Date
Exploration	13,385	27,254
Mine Re-Entry	2,841	6,310
Contractors	1,390	1,758
Total	17,616	35,322

The Lost-Time Injury Frequency Rate (**LTIFR**) per 200,000 hours worked is 2.17 for the 2019 calendar year.

Environmental Management

Work continued during the Quarter to secure approvals to commence mining operations at the Prieska Copper-Zinc Project (**Prieska Project**), which is located within the Square Kilometre Array Radio Telescope Project (**SKA**) area. The Electromagnetic Capability plan (**EMC**), a key requirement for the requisite approvals to be granted, was approved by South African Astronomy Management Authority during the Quarter.

The EMC Committee that was formed last Quarter is progressing with the licencing workstream. The EMC Committee is focusing its work on submitting permitting applications for the existing electronic equipment on site, before the end of June 2020 in line with Government Gazetted instructions.

Subsequent to this, permitting of the planned equipment included in the proposed Prieska Project layout, will be undertaken in order to have these permits in place prior to completion of mine development and the commencement of mining operations.

Community and Stakeholder Engagement

The second meeting of the Orion Siyathemba Stakeholder Engagement Forum (**OSSEF**) was held at the Prieska Project site in Copperton on 17 October 2019. The meeting was preceded by a familiarisation tour for the OSSEF members of the surface and underground infrastructure. The OSSEF is the platform for representative community interest groups to keep them apprised of developments at the Prieska Project.

During the Quarter, the Company initiated the recruitment process for a permanent Community Social Development (**CSD**) Trainee to represent Orion in Siyathemba (to be based in Prieska). An appointment will be made during Q1 CY2020 and the appointee will be trained and developed to fulfil the CSD role by Beulah Africa, an established community development consultancy with significant mining industry experience.

Engagement with the community in the town of Vanwyksvlei, located approximately 60km south-west of Copperton, continued during the Quarter with the extension of the introductory mining familiarisation short course, facilitated by accredited service provider, Mathome Training and Development (Pty) Ltd, to this town.

Two, week-long courses were held, with participation and successful completion by 84 high school graduates. As with the courses held in Siyathemba during Q2 CY2019, participants earned credits towards industry-recognised mining-related qualifications. This brings the total number of successful course completions by Siyathemba and Vanwyksvlei school leavers in 2019 to over 350.

The first Siyathemba Community Annual Sports Day was held successfully in Prieska in early December. The event was the first event organised by a joint CSI Forum, which was initiated by Orion Minerals and includes three other companies operating in Siyathemba: Copperton Wind Farm, Garob Wind Farm and the Mulilo Prieska Solar Community Trust.

Attracting nearly 600 residents from the Siyathemba community, the Sports Day was held at the Prieska High School Grounds, with netball played at the Prieska Primary Netball Courts. Sixteen teams participated in soccer and netball matches on the day.

Gate entry fees raised proceeds which will be used to fund sports days in Marydale and Niekerkshoop during Q1 CY2020. Local businesses in the hospitality industry participated by setting up food stands and kiosks at the event. A community teacher, photographer and physiotherapist volunteered their services on the day, another reflection of the charitableness within the Siyathemba community.

The event also entailed the purchase by the CSI Forum of fifty food hampers which were distributed to 50 families (10 per ward within Siyathemba), identified by the Department of Social Development and the Hospice, as being in need.

Overview

During the Quarter, Orion continued work on its highly prospective South African projects, including focusing on optimisation works, following the completion of the Prieska Project Bankable Feasibility Study (**BFS**) in June 2019 and exploration activity including soil sampling at the near-mine prospects and regional project, Masiqhame.

In the Fraser Range (Western Australia), Orion's joint venture partner, IGO Limited (**ASX: IGO**), undertook diamond drilling on nickel-copper sulphide targets identified from geophysical surveys.

Exploration and Mine Development

Areachap Belt Projects (South Africa)

Prieska Copper-Zinc Project

Project Overview

The Prieska Project continues to be the focus of the Company's activities and is now at an advanced stage, with a maiden Ore Reserve estimate and a BFS completed (refer ASX release 26 June 2019). Post-BFS activities undertaken during the Quarter, included a focus on optimisation studies and preparations for mine construction and securing project funding, with the intention to have the requisite licences to operate the mine in place by end of Q1 CY2020, so that project construction can commence during 2020, subject to project funding.

Prieska Project Bankable Feasibility Study

Optimisation

Value engineering and optimisation studies being undertaken since the completion of the BFS are delivering positive results, with key studies in progress including:

- Whittle Enterprise Optimisation – as outlined in the September 2019 Quarterly report, this process is examining the Prieska Project's entire business case with special focus on underground mining and the ore processing plant activities. As the optimisation workstream has progressed, many options are being developed and more time is being spent on this workstream which is now expected to be completed before the end of January 2020. Thereafter, selected optimisations will be incorporated into updated operating plans to determine a final business case, which will support the updated BFS Report, targeted for completion in early Q2 CY2020.
- Value Engineering on the process plant – this workstream has been completed and a semi-autogenous grinding (**SAG**) milling option has been selected to replace the previous ball mill design. As expected, this has reduced both capital expenditure and forecast operating costs. A number of changes have been made to the plant layout which has reduced the plant footprint area, also contributing to a lower capital cost. The overall capital saving is estimated to be approximately \$15M (ZAR150M), while the operating cost saving is in the region of \$0.80 (ZAR8.00) per tonne treated.
- Trials are nearing completion on water treatment which is expected to supplement forced evaporation from the shaft de-watering process. Based on the trials completed to date, one last stage of fine tuning is being tested that is expected to further improve the overall reverse osmosis process. This work is expected to be completed early Q1 CY2020. The results will contribute to an optimised water handling strategy to deal with the water pumped from the underground workings.
- The combination of the above activities will result in a revised Prieska Project business case being compiled by the end of Q1 CY2020 and reviewed by independent experts during Q2 CY2020

Underground Mining Contract

In September 2019, Orion and Byrncut Offshore (Proprietary) Limited (**BOPL**) concluded a Memorandum of Agreement envisaging an alliancing agreement for underground mine development and production at the Prieska Project. BOPL is involved in mining contracting work internationally and has previously operated in South Africa.

Progress is being made with BOPL towards finalising an alliance agreement that will include underground mining development and production services. With the expected successful completion of the alliance agreement negotiations, these metrics will be incorporated into the revised Prieska Project business case and updated BFS Report, as referred to above.

It is also envisaged that BOPL will supply and maintain the mining fleet and bring its experience in mining training and upskilling of local employees as part of its operating model.

Process Plant Operations

During the Quarter, a Memorandum of Understanding was concluded with Minerals Operations Executive (Pty) Ltd (**Minopex**), a process plant contracting company based in South Africa, that currently operates 46 plants globally. Orion is aiming to appoint Minopex as the process plant contractor. If appointed, Minopex will bring trained labour and management with the associated operating experience and procedures to the Prieska Project, enabling a rapid production ramp-up.

Minopex will then continue running the plant, leveraging off its group level technical skills and utilising its bulk purchasing power to source the most competitive pricing for the plant's operating consumables. The details of the engagement agreement are currently being negotiated, with the Company aiming to include the financial terms of the engagement agreement into the updated BFS Report.

Mining Right Applications

The Mining Right was granted on 23 August 2019 to Repli Trading No. 27 (Pty) Ltd (**Repli**), for an initial term of 24 years, with notarial execution completed on 11 December 2019. The Repli Water Use Licence approval is being processed by the Department of Water and Sanitation and is expected to be granted before the end of Q1 CY2020.

The granting of the Vardocube (Pty) Ltd (**Vardocube**) Environmental Authorisation is imminent, while the Mining Right is anticipated to be granted during Q1 CY2020. No Water Use Licence is required for the Vardocube applications.

Infrastructure

Power Supply – The Eskom approval letter for the 15MVA temporary power from the Cuprum sub-station was received by the Company during the Quarter. This level of power supply will cover the construction phase of the Prieska Project which will now proceed into detailed electrical design. As previously reported, at the last Eskom Technical Evaluation meeting, the self-build upgrade to the Cuprum sub-station was approved for the 40MVA power required for the operational phase of the Prieska Project. Orion is waiting on the formal approval letter from Eskom.

Water Supply – The water use agreement was previously submitted to the Siyathemba Municipality and approved in principle. Orion is awaiting the final agreed water tariff from the Municipality which is expected during Q1 CY2020.

Deep Sulphide Resource

Following the previous Quarter's work, re-assessment of the Inferred Mineral Resources, estimated to be 10.2Mt at 1.14% Cu and 4.08% Zn (and making up 36% of the estimated combined Indicated and Inferred Deep Sulphide Resource of 28.7Mt at 1.16%Cu and 3.77%Zn)¹, continued.

The Company's focus remains to determine the most efficient way to upgrade these resources to an Indicated Mineral Resource level of confidence. The Indicated Mineral Resource (18.5Mt at 1.17%Cu and 3.60% Zn) makes up 64% of the total resource in the current mine plan (Figure 1).

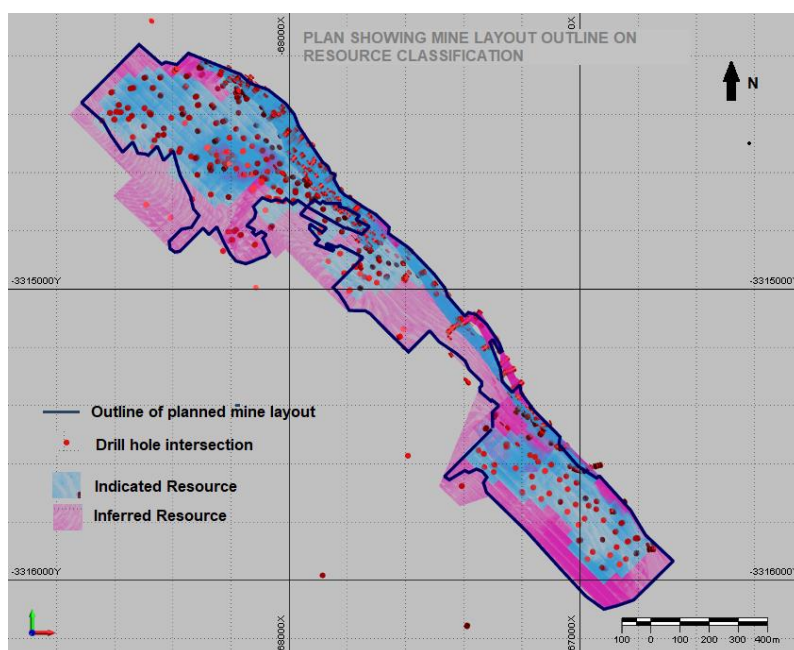


Figure 1: Plan of the Deep Sulphide Mineral Resource showing the Inferred Resources included in the current mine plan.

¹ Mineral Resources reported in ASX release of 15 January 2019: "Prieska Total Resource Exceeds 30Mt @ 3.7% Zn and 1.2% Cu. Following Updated Open Pit Resource" available to the public on www.orionminerals.com.au/investors/market-news. Competent Person: Orion's Mineral Resource: Mr. Sean Duggan. Orion confirms it is not aware of any new information or data that materially affects the information included above. For the Mineral Resources, the company confirms that all material assumptions and technical parameters underpinning the estimates in the ASX release of 15 January 2019 continue to apply and have not materially changed. Orion confirms that the form and context in which the Competent Person's findings are presented here have not materially changed.

A drill plan, designed to convert the Inferred Deep Sulphide Mineral Resources included in the mine plan to Indicated Mineral Resources was formulated in late October 2019. The drill plan includes limited drilling on strike extensions on the south eastern limits of the current Mineral Resource. Drilling both from surface and from underground platforms was considered, with the following were taken into consideration:

1. the cost of drilling from surface compared with the cost of drilling from underground;
2. the Company's intention to undertake all underground drilling from existing drives or drives that are in the current mine plan;
3. areas enclosed by stopes planned in Indicated Resource areas will be covered by grade control drilling once mining starts. These areas were excluded from the drill plan; and
4. areas adding the lowest cost per tonne to upgrade from Inferred to Indicated Mineral Resource were given priority.

The results show that drilling from surface (aiming to convert 2.6Mt from an Inferred to Indicated Mineral Resource level) would cost three times that of drilling from underground, therefore rendering the cost of a surface program impractical. The underground drill program will consist of 14,200m to be drilled in 41 diamond drill holes. The estimated cost (including drilling and assays) will be in the order of \$2.2M (ZAR22M). Exploration drilling will focus in the south eastern section of the mine while the north western section will be covered entirely in the grade control drill program (Figures 2 and 3).

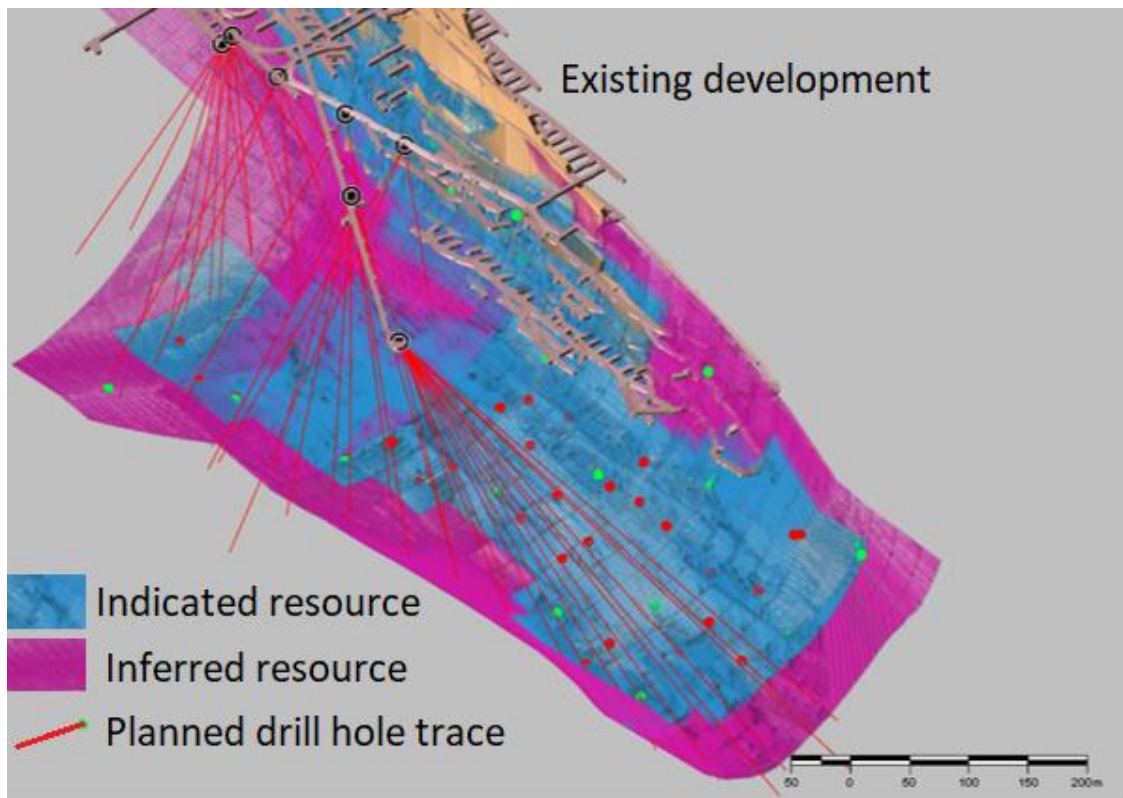


Figure 2: Oblique view of the Deep Sulphide Resource showing the planned drill layout.

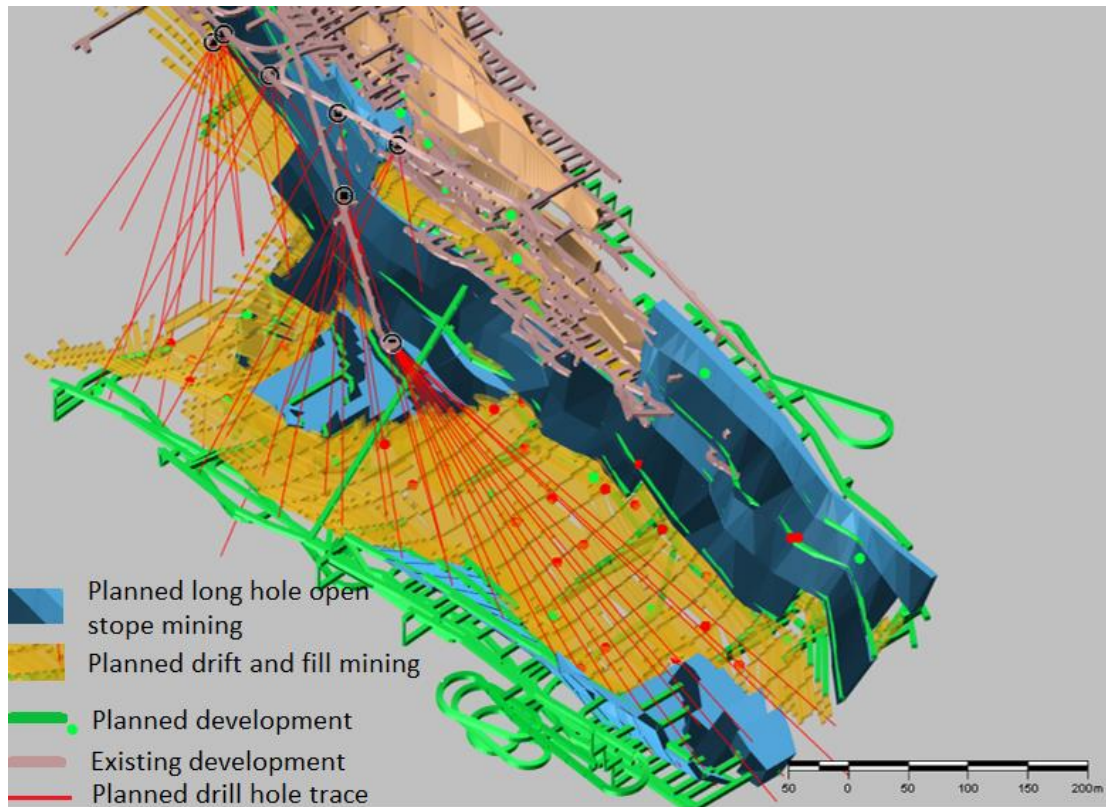


Figure 3: Oblique view of the south eastern section of the current Deep Sulphide Mine Plan showing the planned drill layout.

Near-Mine Projects

The near-mine projects are those projects within prospecting rights held by Repli, Repli (Doonies Pan), Vardocube and Bartotrax (Pty) Limited (**Bartotrax**).

Volcanic Massive Sulphide (**VMS**) deposits worldwide tend to occur in clusters and, apart from the giant Prieska Deposit, five smaller deposits occur on the near-mine project areas. These include Annex, explored by Anglovaal between 1969 and 1981; three deposits on Doonies Pan (Kielder) explored by Newmont South Africa between 1976 and 1979 and referred to as the PK1, PK3 and PK6 Deposits and the recently discovered Ayoba mineralisation (Figure 4).

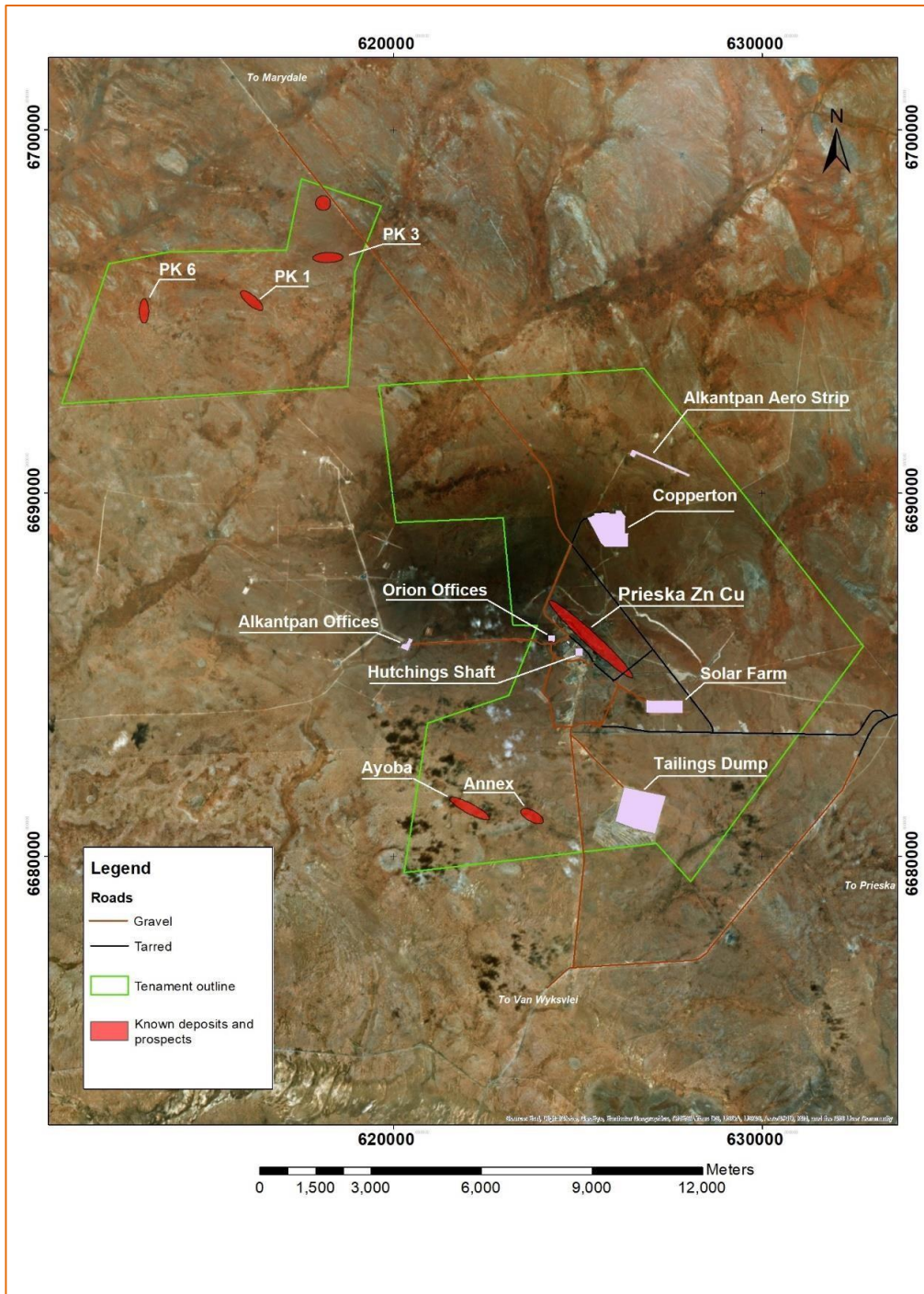


Figure 4: Surface plan showing the prospecting rights over and adjacent to the Prieska Project, and the location of the Annex, Kielder (PK1, PK3 and PK6) deposits and Ayoba Prospect.

Several Airborne Electro Magnetic or SkyTEM™ (**AEM**) anomalies were identified for follow-up work (refer ASX release 25 February 2019). Programs of soil sampling and geological mapping were completed over the AEM anomalies during the Quarter.

Soil Sampling

During the Quarter, 2,120 soil samples were collected (Figure 5). The samples were screened to -80 micron and analysed using a handheld XRF analyser. Sample results will be reported once received from the lab and reviewed by the Company. The results will be incorporated in the prioritisation of the AEM anomalies

prior to ground time domain electromagnetic surveys and diamond drilling. All of the AEM anomalies identified for follow-up have now been covered by soil sampling and geological mapping, bringing the total number of samples collected on the Near Mine Prospecting Rights to 6,064.

In addition, regional sampling, designed to cover the entire Prospecting Rights areas, is in progress.

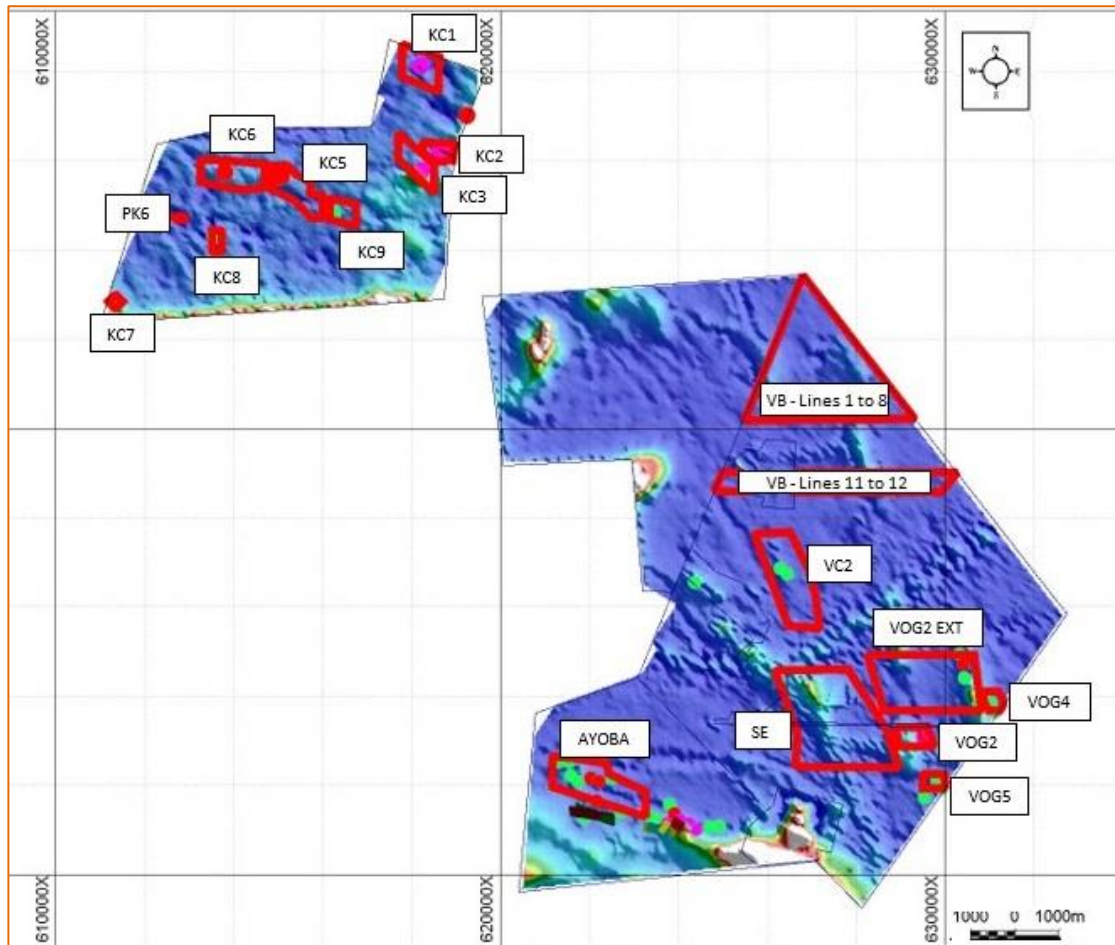


Figure 5: Aeromagnetic maps covering the Near Mine Prospecting Rights with soil sample surveys completed.

Regional Exploration (South Africa)

Overview of Regional Activity

The Company maintains a substantial and prospective land holding in the Areachap Belt (Figure 6). 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 in clusters or “districts” associated with volcanic spreading centres, with four such centres having been identified in the Areachap Belt. In addition to the Near Mine Project, the Company is also prospecting for VMS deposits on the Masiqhame Prospecting Right (Figure 6). The Kantiengan and Boksputs Zinc-Copper Deposits are the two most prominent known VMS deposits 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 associated metals are known on the Namaqua Disawell Prospecting Rights (Figure 6).

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.

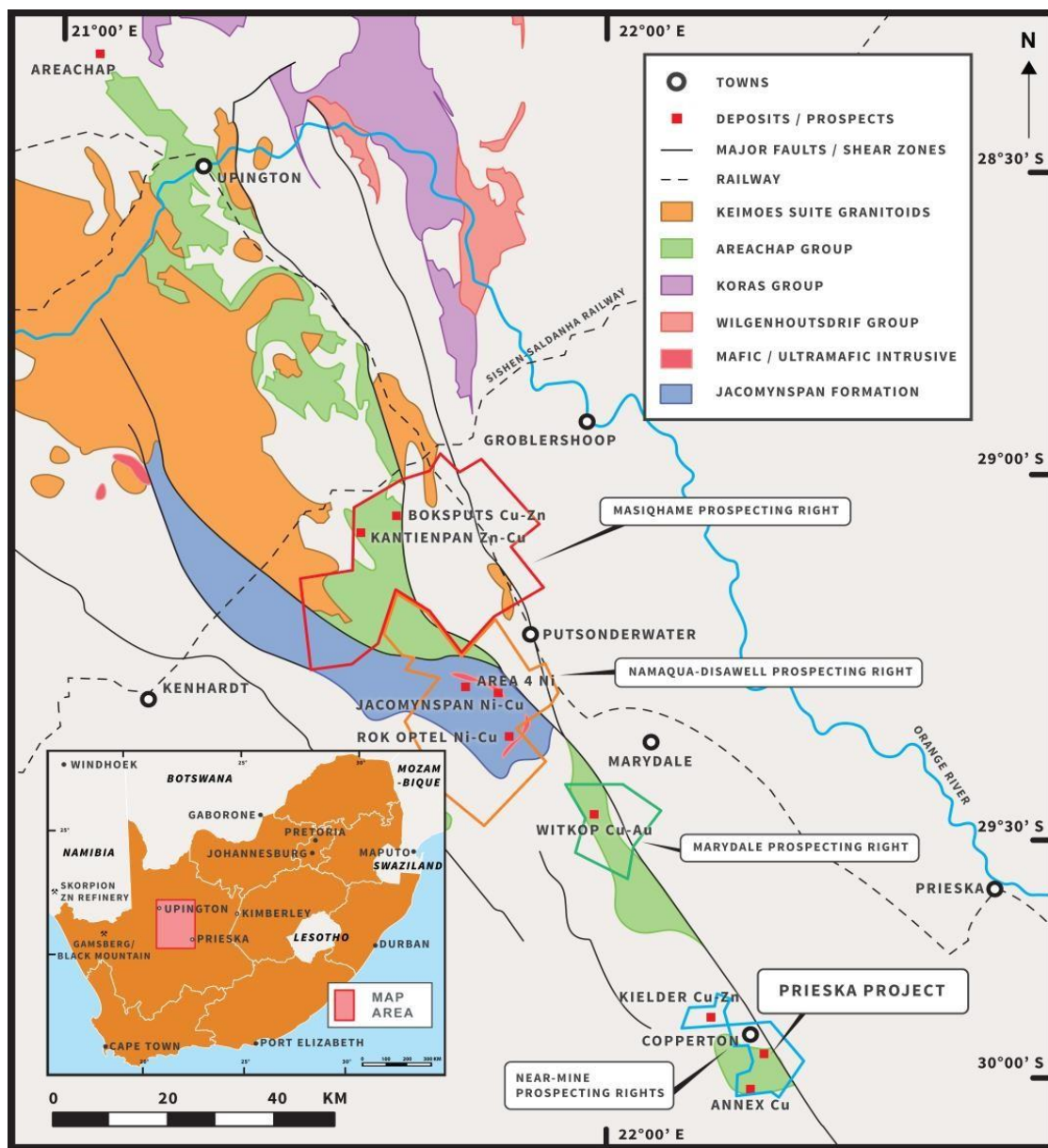


Figure 6: Regional geology map of the Areachap Belt showing prospecting rights held by, or currently under option to, the Company, and noted mineral occurrences as per published data from South African Council for Geoscience.

Namaqua Disawell Project Area

Overview

The Jacomynspan Deposit (Figure 6) was discovered by Anglo American Prospecting Services (**AAPS**) in 1971. Resource-definition drilling was carried out to a depth of 900m over 1.3km strike distance by AAPS, with disseminated nickel-sulphide mineralisation having been intersected with widths varying between 30 to 70m (refer ASX release 14 July 2016). Two other Ni-Cu deposits, Area 4 and Rok Optel, were investigated during the 1970s by AAPS, Newmont, Phelps Dodge and Hoch Metals. Subsequent and prior to the Company obtaining the prospecting and mining rights, various companies including Anglovaal, Glencor, Gold Fields and Namaqua Nickel explored the area. African Nickel and the Company conducted AEM surveys over the Prospecting Right (refer ASX release 1 February 2018).

The Company followed up a number of AEM anomalies with ground time domain electromagnetic surveys and prioritised the Rok Optel and Area 4 prospects for follow-up work (Figure 7, refer ASX release 3 July 2018). The Company drilled four diamond drill holes at Rok Optel while the Area 4 targets still remain to be tested (refer ASX release 24 October 2018). No field work was carried out during the Quarter.

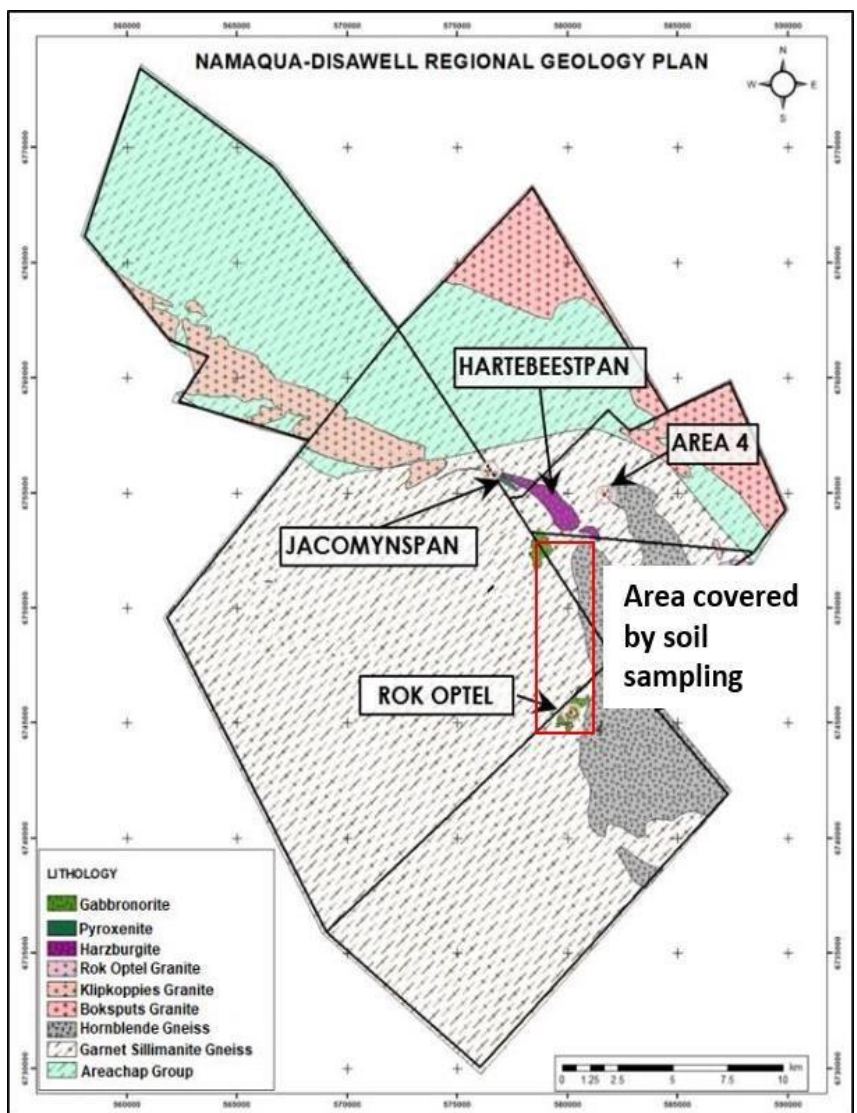


Figure 7: Simplified geology map of the Namaqua – Disawell Prospecting Rights showing the localities of known Ni-Cu prospects.

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 6).

With its known VMS deposits, numerous Cu-Zn mineral occurrences and regional geological setting, the area offers potential for new VMS Cu-Zn and magmatic Ni-sulphide discoveries. It is common for VMS districts to have small Cu-Zn deposits clustering close to a large deposit where on the Masiqhame Prospecting Right, the larger deposit is still to be discovered.

Soil sampling and mapping were undertaken during the Quarter. A total of 1,250 soil samples were collected over magnetic anomalies underlying the Koegrabe Cu-prospect (Figure 8). The total number of soil samples collected from the Masiqhame project to date amounts to 4,659, with Kantienpan and Bokspuits completed in the previous Quarter. Results from the samples taken will be reported on once received from the lab and reviewed by the Company.

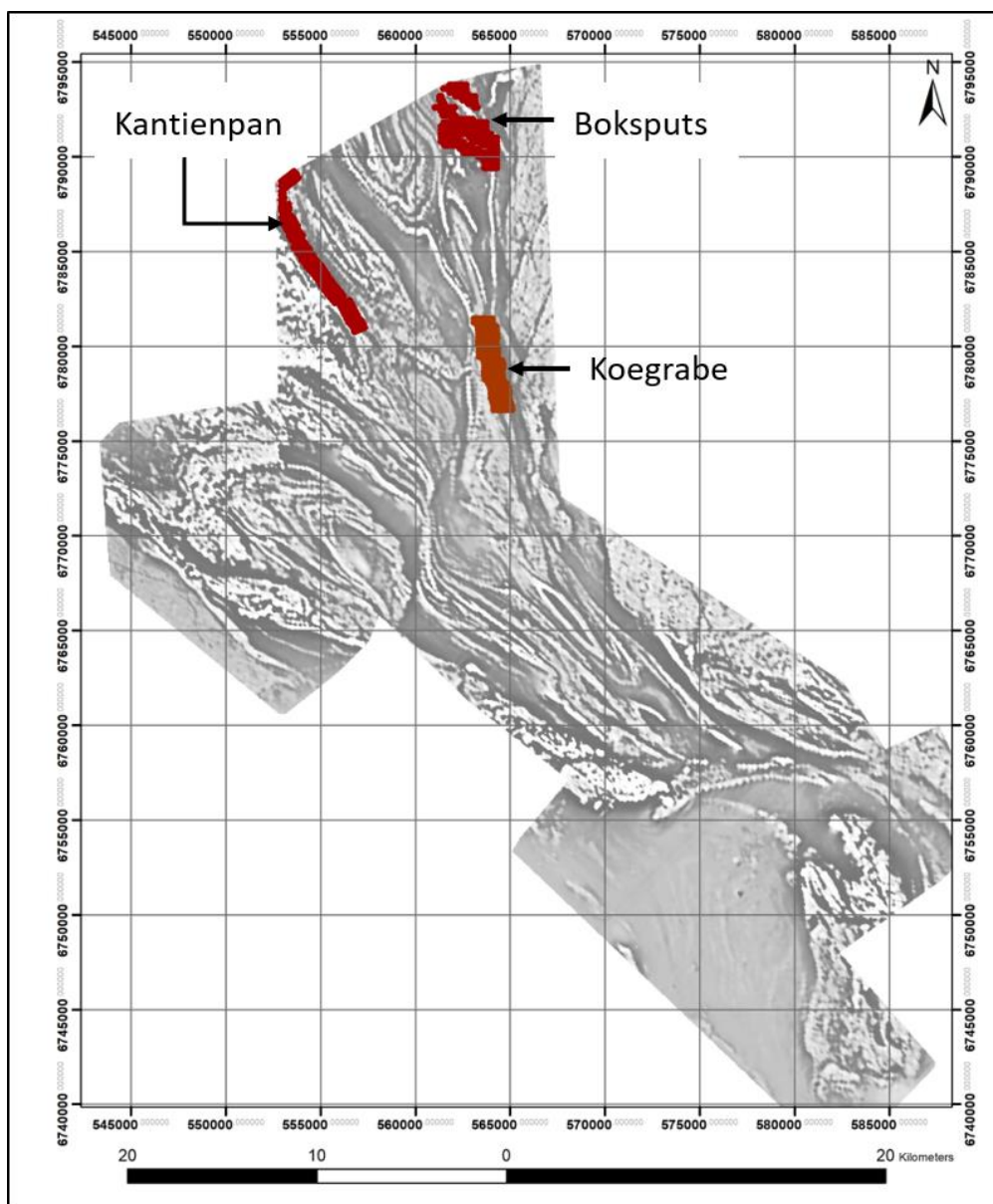


Figure 8: Aeromagnetic map of the Masiqhame Prospecting Right showing detailed soil sample grids completed.

Marydale Gold-Copper Project (Witkop)

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

Work has commenced on evaluation potential for small scale or exploratory gold mining on the Witkop gold project. The work is being undertaken in collaboration with Orion's BEE Partner Black Star Pty Ltd and Gariep Mining (**Gariep**), their subsidiary, who have extensive small scale mining experience and own an extensive surface and underground mining fleet of equipment. Orion is evaluating a potential joint venture mining opportunity with Gariep for the project.

Work during the Quarter was focussed on geological modelling of mineralisation in the area historically drilled by Anglo American and subsequently followed up with trenching and drilling by Orion (refer ASX release 17 August 2016).

Samples of drill core were also selected and submitted for metallurgical test work.

Australian Projects

Fraser Range – Nickel-Copper Projects (Western Australia)

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

Orion has been informed by IGO that drilling of three holes, with one on each of the Pike1, Hook 1 and Hook 2 mafic intrusive nickel-copper sulphide targets on tenement E28/2367 were completed during the Quarter. Intersections reported mafic intrusive bodies intruded into a volcanic sequence with minor sulphides and graphitic horizons. Follow-up drilling is planned to continue in Q2 CY2020.

During the Quarter, Legend Mining (ASX:LEG) reported the discovery of a zone of massive sulphide nickel-copper mineralisation, named Area D, which is located 16km south west of the Pike Prospect (Figure 9). The Area D intrusive is reported to be hosted by graphitic sediments similar to those reported at Pike & Hook.

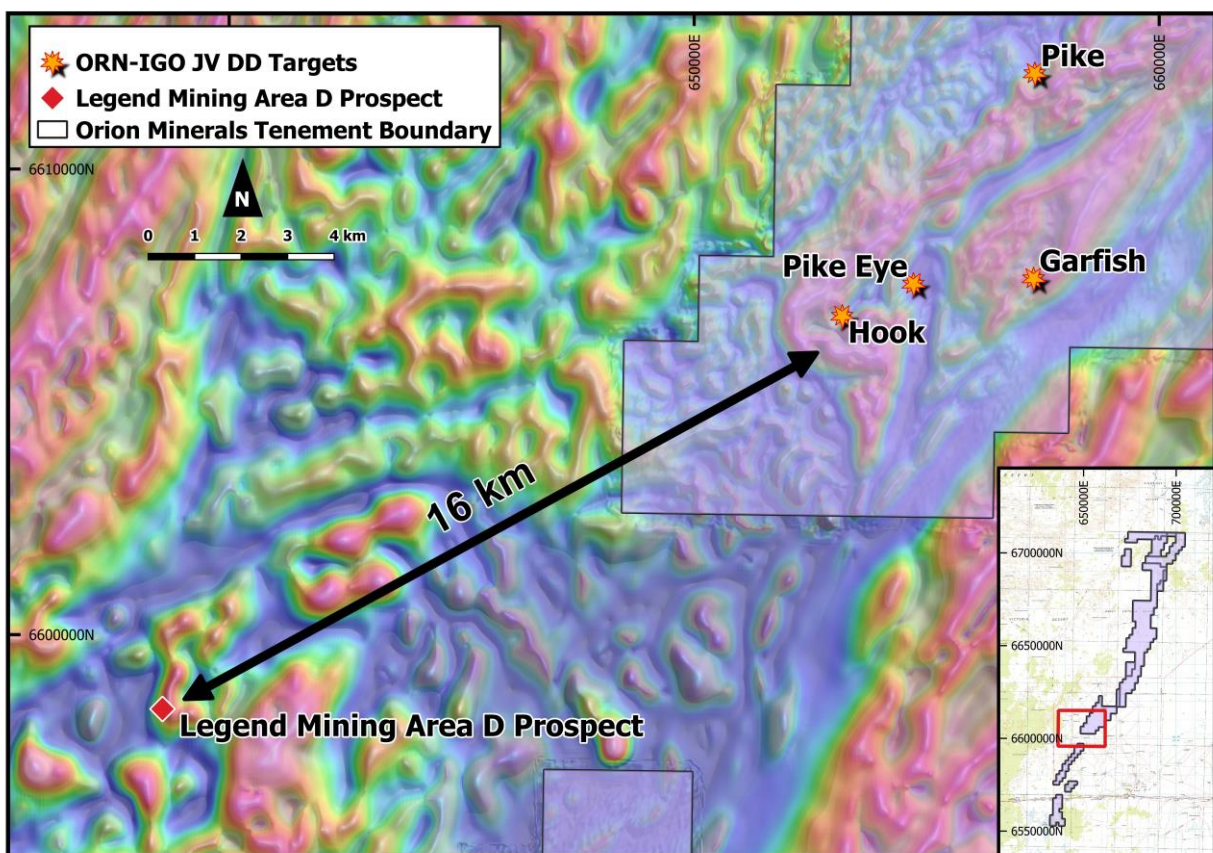


Figure 9: Aeromagnetic map showing the location of the Pike and Hook Prospects in the Fraser Range 16km northeast of Legend Mining's Area D nickel discovery.

Walhalla Gold and Polymetals Project (Victoria)

No field or exploration work was carried out on the Victoria Project during the Quarter.

During the Quarter, the Company continued to progress its two exploration licence applications over prospective areas of Walhalla. The exemption granted by Earth Resources Regulation over the area formally licenced as MIN 5487, remains in place with the Company's re-applications for a mineral licence

over the area of this previous mining licence well advanced. The Company's aim is to maintain tenure over this area and to protect the Company's gold mineral resources.

Tenement Table

Tenement	Project	Ownership Interest	Change in Quarter	Joint Venture Partner
South Africa				
NC30/5/1/1/2/10445PR	PCM	70.00%	---	---
NC30/5/1/2/2/10244PR	Marydale	70.00%	---	---
NC30/5/1/1/2/11841PR	Vardocube	70.00%	---	---
NC30/5/1/1/2/11850PR	Bartotrax	70.00%	---	---
NC30/5/1/1/2/20138MR	Prieska	70.00%	---	---
NC30/5/1/1/2/11840MR	Donnies Pan	70.00%	---	---
NC30/5/1/1/2/10032MR	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%	---	Disawell (Pty) Ltd
NC30/5/1/1/2/12292PR	Masiqhame	49.00%	---	Masiqhame 855 (Pty) Ltd
Western Australia				
E28/2367	Fraser Range	30%	---	IGO Limited
E28/2378	Fraser Range	30%	---	IGO Limited
E28/2462	Fraser Range	30%	---	IGO Limited
E28/2596	Fraser Range	30%	---	IGO Limited
E39/1653	Fraser Range	35%	---	IGO Limited & Geological Resources Pty Ltd
E39/1654	Fraser Range	10%	---	IGO Limited & NBX Pty Ltd
E69/2379	Fraser Range	10%	---	IGO Limited & Ponton Minerals Pty Ltd
E69/2380	Fraser Range	10%	---	IGO Limited & Ponton Minerals Pty Ltd
E69/2707	Fraser Range	10%	---	IGO Limited & Ponton Minerals Pty Ltd

Corporate

Cash and Finance

Cash on hand at the end of the Quarter was \$5.2M.

Tembo Convertible Loan Facility

Subsequent to Quarter end, on 24 January 2020, Orion announced that Tembo Capital Mining Fund II LP (**Tembo Capital**) has continued its support of Orion through an extension to the term of the \$3.6M Loan Facility from 25 January 2020 to 25 June 2020.

In January 2019, Orion announced that a \$3.6M unsecured convertible loan facility had been agreed with Tembo Capital (**Loan Facility**). Under the terms of the Loan Facility, Tembo Capital may elect for repayment of the balance of the Loan Facility (including capitalised interest and fees) (**Outstanding Amount**) to be satisfied by the issue of fully paid ordinary shares (**Shares**) by the Company to Tembo Capital at a deemed issue price of \$0.026 per Share (subject to receipt of Shareholder approval if applicable). The Outstanding Amount must be repaid by 25 June 2020 (previously 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) (refer ASX release 25 January 2019). At 31 December 2019, the balance of the Loan Facility was \$4.20M (including capitalised interest and fees).

Project Financing

During the Quarter while progressing BFS optimisation studies, Orion has been progressing debt and equity funding discussions with a number of parties. Orion has also received unsolicited approaches from interested parties which could potentially enhance project value through the provision of technical and/or financial support.

In light of the potential of some of these approaches to increase overall project returns and limit Orion's requirement to provide equity financing, subsequent to Quarter end, on 23 January 2020 Orion announced that it has commenced a formal partnering process to engage with these interested parties and which contemplates the introduction of a strategic project-level equity partner/investor in the Prieska Project.

Orion has engaged Macquarie Capital to act as the Company's financial adviser in relation to the transaction.

In addition, Orion's appointed debt advisor, Endeavour Financial, has received formal expressions of interest from seven banking institutions, several construction groups, and product offtake finance groups.

Orion is targeting to complete the partnering process during Q3 CY2020, following completion of the value engineering and optimisation process and the delivery of an updated BFS Report, targeted for completion in early Q2 CY2020. It is also anticipated that the financing process will be finalised following completion of the value engineering and optimisation studies and updated BFS Report.

Capital Raising

Placement - \$7.7M

On 24 October 2019, the Company announced that it received commitments from investors to raise approximately \$5.5M by way of placement of fully paid ordinary shares (**Shares**) at \$0.025 per Share. Following the announcement, the Company received additional commitments from investors, increasing the amount raised by the Company to \$7.7M, by way of the placement of 308.7M Shares at \$0.025 per Share (**Placement**).

As part of the Placement Tembo Capital confirmed its continued support of Orion, through subscribing for \$2.5M in the Placement.

On 1 November 2019 and 5 November 2019, the Company issued a total of 254.8M Shares in the Company at \$0.025 per Share, to raise \$6.4M, following the receipt of funds from investors for Placement commitments.

On 22 November 2019, the Company issued 53.9M Shares in the Company at \$0.025 per Share, to raise \$1.3M, finalising the Placement.

Share Purchase Plan

In addition to the Placement announced on 24 October 2019, the Company also announced a share purchase plan (**SPP**) providing shareholders an opportunity to increase their shareholding in the Company as it continues to advance its Prieska Project development opportunity. The SPP offered eligible shareholders the opportunity to participate in the Company's capital raising on substantially the same terms as the Company's Placement (issue price will be \$0.025 per Share) (refer above).

The SPP opened on 30 October 2019 and closed on 6 December 2019 and attracted strong support from eligible shareholders, with applications totalling \$1.75M received. On 12 December 2019, the Company issued 70.05M Shares subscribed for under the SPP.

The Company intends to utilise proceeds raised from the Placement and SPP for BFS optimisation studies and early works at the Prieska Project, with the remainder earmarked for exploration on the Company's tenements in the Northern Cape of South Africa and working capital.

BEE re-structure share issue

In April 2019, Orion entered into an Memorandum of Understanding (**MoU**) with each of the existing Black Economic Empowerment (**BEE**) participants (being the Mosiapoa Family Trust (**Mosiapoa**), Power Matla (Pty) Ltd (**Power Matla**) and African Exploration and Mining Finance Corporation (SOC) Ltd (**AEMFC**) in its South African subsidiaries (being Repli, Vardocube, Bartotrax and Rich Rewards Trading 437 (Pty) Limited (**Rich Rewards**)). In terms of those MoU, the existing BEE participants agreed to exchange their shares in Orion's South African subsidiaries for approximately 134M JSE-listed Orion Shares.

In September 2019, a major component of the BEE restructure was implemented. In terms of these transactions, Mosiapoa and Power Matla exchanged their shares in Repli, Rich Rewards and Bartotrax (as applicable) for 48.48M and 37.58M Orion Shares, respectively, at a deemed issue price of \$0.0314 per Share.

On 29 November 2019, Orion issued 47.83M Shares in the Company at a deemed issue price of \$0.0314 per Share to AEMFC and Mosiapoa (together, **Residual BEE Investors**). The Shares were issued to the Residual BEE Investors as consideration for the repurchase by Vardocube, of shares held by the Residual BEE Investors in that company, finalising the BEE restructure. The Shares were issued pursuant to shareholder approval obtained at the Company's annual general meeting held on 28 November 2019.

Annual General Meeting and General Meeting

The Annual General Meeting of shareholders of the Company was held at the offices of Clayton Utz, Level 27, QV. 1 Building, 250 St Georges Terrace, Perth, Western Australia on 28 November 2019. All resolutions put to shareholders at the meeting were carried on a show of hands.

A General Meeting of shareholders of the Company was held at the offices of Clayton Utz, Level 27, QV. 1 Building, 250 St Georges Terrace, Perth, Western Australia on 23 December 2019. All resolutions put to shareholders at the meeting were carried on a show of hands.

Expiry of Unlisted Options

During the Quarter, the following unlisted options expired:

Exercise Price	Exercise Price	Number of Options
31 October 2019	\$0.05	100,466,749
30 November 2019	\$0.045	250,000
30 November 2019	\$0.06	250,000