

Stars begin to align for Orion as Prieska gets its permits

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It's been five years of hard graft for Orion Minerals with its Prieska copper-zinc project in South Africa.

But the company's diligence is beginning to pay off with investors sending its shares to a near 12-month high of 3.2¢ yesterday.

Orion reported this week it had secured all permits for the refurbishment and eventual restart of the historic mine.

The milestone is no small achievement for an Australian junior operating in a country with a dubious reputation as a mining jurisdiction amid a global pandemic that has the Rainbow Nation ranked fifth in the world for infections.

Orion's South African-born managing director Errol Smart and his in-country team have kept on task and message with Prieska, ignoring the naysayers to make solid progress on the project's development.

In May, the company placed a \$480 million price tag on Prieska, 60 per cent of which will come from bank financing.

Orion is still working on locking in the balance of funding, which is likely to come from a big South African mining house.

Macquarie is running a process to find a project equity partner for Prieska but the cash could also come from a transaction at a corporate level.

Interest is understood to be strong from coal and precious metals players looking to diversify into forward-facing commodities.

Prieska represents one of the few shovel-ready copper projects of

scale in the world.

It will produce 22,000t of copper and 70,000t of zinc a year over an initial 12-year mine life with hopes it can be extended to 20 years with further exploration.

Asian and European smelters have already expressed interest in the quality concentrate the mine will produce based on test samples.

Interest in Orion has also been boosted by a two-year high in the copper price this week.

Prieska last operated in 1991 when then-owner Anglovaal decided to close it because of the deteriorating economic and political environment in South Africa at the time.

It is among the 30 biggest VMS deposits in the world and the single lode on which the

underground mine was based is among the top five VMS lodes. Orion has expanded the project's remnant resource to 30.49Mt at 1.2 per cent copper and 3.7 per cent zinc.

The project boasts existing infrastructure as well as rail access to a deepwater port at Saldanha Bay.

Smart, pictured, notes Orion is set to begin refurbishing Prieska in a post-COVID period when construction costs are expected to be low.

The Denis Waddell-chaired company also holds tenements in the prospective Fraser Range in joint venture with IGO.

Several of its targets lie just 16km north-east of Legend Mining's Mawson nickel discovery.

