



Orion Minerals investigates options to

START PRODUCTION EARLIER



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As Orion, we have started to look at ways to bring the Prieska Copper-Zinc Project (Prieska Mine Project) into production earlier than we had planned. The plan we prepared in 2020 estimated that it would take almost 3 years to build the mine and start selling copper and zinc products. Of course, construction can only commence when project finance has been secured.



Why do we want to do this?

We want to start production earlier because copper and zinc prices are good at the moment. Experts highlight that

copper prices are high and likely to stay high for the next few years because copper is in high demand – it is used in equipment that produces, transmits, and consumes environmentally friendly electrical energy. More and more businesses are moving away from fossil fuels towards green energy.

An earlier start to mining at the Prieska Mine Project would bring in revenues earlier and may in fact reduce the funding requirement of the mine. It also means that we would be able to start sooner with the tendering for contracts and with the recruiting for apprenticeships and skilling opportunities for local community members who are registered on Orion's local skills database.

WHAT DO WE INTEND TO DO?

To start producing copper and zinc earlier than originally planned, we would start with mining the orebody that is near the surface, using opencast methods, whilst at the same time, pumping out the water in the old underground mine.

We had originally planned to only mine the shallower ore after 12 years; after we accessed and mined the larger and deeper deposit, using underground mining methods. This original plan needs us to pump out all the water in the mine before we can start to produce any copper or zinc, but if we start with surface mining, we do not need to wait for the whole mine to be dried out before producing copper and zinc, although it is likely to be on a smaller scale.

In our revised plan, we estimate that it will take around a year and a half to build the first part of the processing plant for treating the rock to produce copper and zinc products at half scale. It will then take about 2 years to mine out the shallow deposit we have identified.

Continued overleaf

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What do we intend to do? *continued*

By commencing with mining from the surface, we can start production 14-months earlier than we had planned.

If construction was to start in 2023, we would be producing by mid-2024. The investigation into how we bring forward this mining from the surface is being done now and will be completed by the middle of this year to present to funders.

Orion is also investigating pumping out the water from the mine at a slower rate and building up the pumping capacity in stages. This would allow the first phase of this pumping to start in 2022. Orion needs to pump out almost 9 million cubic metres of water from the existing mine before it can start mining the deeper orebody.

These investigations are expected to also be completed by the middle of this year.



SO WHAT IS HAPPENING NOW?

What will this mean for communities?

An earlier start to building and operating the mine would provide opportunities for local businesses as potential suppliers of goods and services. Employment, training, and development opportunities for local people who are registered on the Orion Minerals databases will also be accelerated. Our employment database has grown over the last three years and is still open for the submission of CVs from community members who are interested in working at Orion. Orion estimates that 840 people will eventually be employed during the operational phase at the mine, which we hope can start as soon as funding to build the mine is secured. The start of recruitment for this phase will be announced in due course.

Orion is continuing discussions with banks and investors to fund its plans to build a modern, safe, and profitable copper and zinc mine that will benefit all stakeholders, while earning a profit for the mine owners that include Orion, the community and employee trusts.

As part of the investigation work, we will shortly be starting with underground drilling on-site, to confirm the tonnage and grade of the targeted ore. Our contractors, Murray and Roberts, selected after inquiries to all drilling companies registered on our supplier database, are currently mobilising.

In keeping with our community upskilling objectives, Orion is working with Murray and Roberts to provide apprenticeship opportunities in exploration drilling during the underground drilling program. Participants will be selected from the community members who have completed the occupational assessments run by Orion during 2021. Murray and Roberts are also interviewing community members who have registered and submitted their CV's on the Orion job seeker database, and who have experience in underground mining, to work on the proposed drilling project.