FOR IMMEDIATE RELEASE

Orion Minerals is investigating early production at its Prieska Copper-Zinc Project

Johannesburg (20 January 2022) – Orion Minerals, the ASX and JSE listed base metals mining company, today advised that it is assessing the merits of early production at its flagship Prieska Copper-Zinc Project in South Africa's Northern Cape.

Investigations underway are considering an early-production scenario that re-schedules production from open-pit mining to occur concurrently with the development phase of the Prieska Deeps Mine. The company is also evaluating the potential to mine the remnant pillars.

Orion's strategy is to capitalise on the positive near-term base metals market and focus on investigating opportunities that have the potential to bring forward the start of production and revenue generation, potentially reducing the upfront external peak funding requirements of the project.

"With prevailing positive macro-economic factors and the continued long-term positive outlook for both copper and zinc prices, the Orion executive team is re-evaluating the Prieska Project development schedule to assess the potential to bring forward production, even on a reduced scale," said Orion Minerals Managing Director and CEO Errol Smart.

Orion's 2020 Bankable Feasibility Study (BFS-20) envisioned the mining of the open pit over a 19-month period at the end of the 33-month dewatering and mine development schedule. By re-scheduling the order of development, Orion can produce concentrate 14 months sooner than initially planned.

The Company is also weighing the option to phase the implementation of the BFS-20 full-scale mine dewatering plan, so that a reduced-scale first phase can be commissioned during CY2022 as part of pre-construction project preparation works. Both the open pit and reduced scale first phase assessments are expected to be completed by mid-2022.

"This alternative scenario is looking increasingly like the route we should go down," said Smart. Orion has initiated an underground drilling campaign to upgrade mineral resources categories supporting the BFS-20 open-pit plan and to evaluate the potential to extract the pillars left unmined for structural support during previous mining operations.

These pillars, which were left for geotechnical reasons, were historically necessary as no backfilling of mined voids was used at the time. Orion's engineering studies indicate many of these pillars would not be required for continued geotechnical stability of excavations if its open-pit mine tailings are placed in the historical voids using cemented tailings filling as planned in the BFS-20.

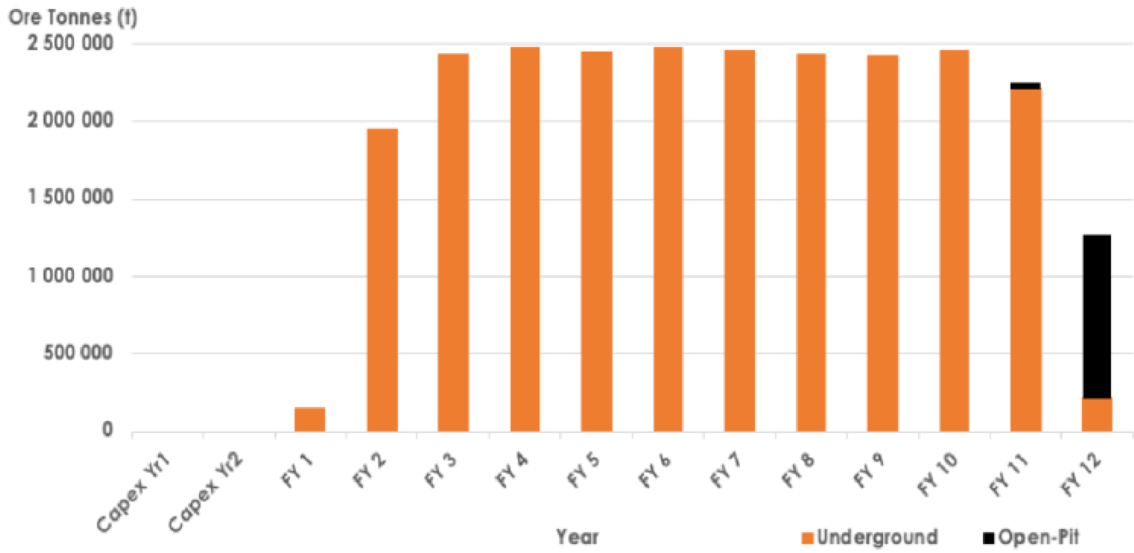
Using cemented open-pit mine tailings to back-fill the historic voids also provide an opportunity for the Company to rethink the size and the upfront capital cost of the tailings storage facility planned in the BFS-20.

Orion believes that the six-month program of intensive drilling and engineering studies will provide the required information to make an investment decision to proceed with the Early Production Scenario by June 2022.

It said the engineering and feasibility studies will focus on the merit of proceeding with the early production workstreams with capital installations all forming elements of the final Prieska Deeps Mine, as outlined in the BFS-20.

Discussions with banks and financiers regarding the financing for the Prieska Deeps Project are continuing in parallel with the engineering assessment of the early works opportunities. In addition, discussions have been initiated with potential financiers who have expressed interest in funding the early dewatering and production plan.

"Our negotiations with multiple banks and financing institutions for the funding of the Prieska Deeps Mine as per the BFS-20 continue as a priority and are not affected by the engineering studies and financial assessments of early production value enhancement scenarios, that are currently underway," said Smart.



BFS-20 plan mine production profile, showing open pit ore contribution in the last 2 years and the initial 33-month construction period during which no production occurs. The re-scheduling of the open pit mining to commence with the start of the construction period is being assessed.

Ends

For more information, please visit www.orionminerals.com.au

Contact:
Charmane Russell
R&A Strategic Communications
Tel: +27 (0)11 880 3924 or Mobile: +27 (0)82 372 5816
Email: charmane@rasc.co.za