COMMUNITY BRIEF

Orion receives key funding from IDC to begin early works at Prieska Copper-Zinc Mine

Orion has reached an agreement with the Industrial Development Corporation (IDC), which will lend it R250 million to fund early works at its flagship Prieska Project.

The funds will be used for the mine dewatering and the trial mining needed to complete the early production plan at Prieska Copper-Zinc Mine (PCZM). The trial mining phase and a revised Bankable Feasibility Study (BFS) are expected to be completed by September 2023.

"We are thrilled to have reached this landmark funding arrangement with the IDC which, when finalised, will allow us to finally get pre-development work underway at the fully-permitted Prieska Copper-Zinc Mine. This is a huge milestone for all our stakeholders, particularly for the shareholders who have supported us and the local communities that stand to benefit as this very significant new mining project for the Northern Cape region comes to life," Orion's Managing Director and CEO, Errol Smart, commented.

In May 2022, Orion announced that it had signed an agreement with Triple Flag for a combined US$87 million funding package for PCZM.

The IDC funding now also satisfies a key condition of the earlier Triple Flag funding arrangement, bringing the total pre-development funding to over R350 million.

Next steps

Orion and the IDC anticipate finalising the agreements for the loan this year still, with the IDC funding expected to be available by late 2022, subject to the fulfilment of certain conditions.

The early mining works BFS for the Prieska Project is well advanced, with targeted completion in mid-2023. The dewatering project is also underway, with underground storage dams and pump site construction completed.