COMMUNITY BRIEF

Orion Minerals

SIYATHEMBA

Orion focuses on completing updated Bankable Feasibility Study

Orion Minerals is progressing with the completion of the updated Bankable Feasibility Study and finalising the conditions needed to begin production at the Prieska Copper-Zinc Mine (PCZM) after reaching an agreement with the Industrial Development Corporation (IDC) for funding.

The agreement will see the IDC lend R250 million to fund early works at its flagship Prieska Project. This funding unlocks a key condition needed for the previously announced R120 million Triple Flag early funding arrangement bringing the total funding to around R370 million. However, Orion will not have access to these funds immediately and will still need to meet certain conditions before receiving the funds. This means that Orion will not immediately begin hiring but encourages the community and potential suppliers to continue to register on the website and via the supplier portal in preparation for when production begins.

What will the funds be used for?

The funds will be used for the mine dewatering and the trial mining needed to complete the early production plan at PCZM. The trial mining phase and an updated Bankable Feasibility Study (BFS) are expected to be completed by September 2023. A BFS is a study that estimates all costs and revenue which are used by banking organisations to provide financing for the mine development.

Next steps

Orion and the IDC expect to finalise the agreements for the loan this year, with the IDC funding expected to be available by late 2022, subject to meeting certain conditions. Then the first step towards mine construction is to complete the updated BFS. Orion is currently in discussions with some financers.

Mine dewatering and early production

Orion aims to begin mine dewatering in the early part of 2023. The dewatering is expected to take about three years before we can begin the main mine production.

However, Orion is investigating early production with trial mining expected to begin in the first quarter of 2023. The trial mining will include drilling and blasting to access the ore, or the mineral containing rock, above the current water level in the mine. This will be a key step in testing our planned mining method and is an important step to complete the updated BFS at Prieska. The smaller-scale production will run while we build the mine which is expected to come online in around four years' time.

MQA Learnership Postponement

It is with regret that Orion have been advised by Murray and Roberts that, due to an increase in their training commitments to pre-existing mining clients for the rest of 2022, they are unable to accommodate our learners at their training Academy in Carletonville as planned from 31 October 2022.

Orion is therefore forced to postpone the learnership opportunity provided by the Mine Qualification Authority (MQA). We are engaging with relevant parties to reschedule at the earliest possible time; however, we cannot give any certainty as to alternative timing and venue.

Orion remains committed to the training, development and upskilling of our host community members and we will be exploring a range of other training initiatives that will be tailored to meet the employment requirements of our projects as they move into construction and operational phases.

We thank you for your ongoing support and interest in Orion and look forward to hosting the learnership opportunity at the earliest possible time.