Orion Minerals

ASX/JSE RELEASE: 3 January 2023

Tembo Capital provides US$0.50M Convertible Loan Facility

Orion Minerals Limited (**ASX/JSE**: **ORN**) (**Orion** or the **Company**) is pleased to announce that substantial holder, Tembo Capital Mining Fund II LP (**Tembo**) continues its strong support of Orion, through providing a new unsecured Convertible Loan Facility of US$0.50M (~AUD0.73M) (**Loan Facility**).

Under the terms of the Loan Facility, in certain instances, amounts outstanding under the Loan Facility (including capitalised interest and fees) (**Outstanding Amount**) may be repaid by the issue of ordinary shares in Orion (**Shares**) to Tembo (subject to receipt of shareholder and regulatory approvals).

Orion's Managing Director and CEO, Errol Smart, commented:

"This funding provides valuable bridging finance to Orion, in order to maintain momentum for commencement of the trial mining and dewatering operations at the Prieska Copper Zinc Mine in January 2023, while the IDC and Triple Flag funding facilities are finalised and draw down on that funding is achieved.

*"It has been exactly six years since Orion exercised its option to acquire the Prieska Copper Zinc Project and Tembo provided its first funding to Orion, in the form of a convertible note to fund the acquisition of the project and undertake the first drilling in 2017. The project has since lived up to our technical expectations and with Tembo's support, Orion has taken the project from a prospecting right application to a fully permitted mining right, supported by a bankable feasibility study (**BFS**), demonstrating potential for attractive financial returns. This is a relatively short time to take a base metal project of this scale from closure over thirty years ago, to a fully permitted project with a long mine life.*

"Our revised strategy announced in 2022, to accelerate start-up of production with mining from near surface ore sources, while dewatering the mine to access the Prieska Deeps Ore and ramp up to the BFS design of 2.4M tonne per annum run-of-mine operation, is fully supported by Tembo, who continue to provide financial support to unlock the investment."

Proceeds from the Loan Facility will be used principally for working capital purposes, and any other purposes as agreed by Tembo in writing. The key terms of the Loan Facility agreement are:

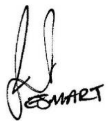
- **Loan Amount**: US$0.50M.
- **Interest**: Capitalised at 12% per annum.
- **Conversion or Repayment**:
    - The Outstanding Amount must be repaid in cash by 30 April 2024, or, if Tembo elects (or is required) to receive Shares in repayment of the Outstanding Amount in lieu of payment in cash (as set out below), the date on which those Shares are issued (or such later date as agreed between Orion and Tembo) (**Repayment Date**);
    - If Orion undertakes a placement raising a minimum of US$2.0M from investors other than Tembo (**Placement**) prior to 31 May 2023 (**Placement End Date**), subject to receipt of necessary shareholder and regulatory approvals, Tembo must participate in any such Placement, with Shares being issued by Orion to Tembo in repayment of the Outstanding Amount (in lieu of payment in cash by Orion).
    - Tembo may also elect, subject to receipt of shareholder and regulatory approvals, for repayment of the Outstanding Amount to be satisfied by the issue of Shares by Orion to Tembo between the Placement End Date and the Repayment Date. The deemed issue price of those Shares shall be:

        - where Tembo elects to participate in a Placement conducted by Orion during that period, the subscription price payable by investors under any Placement conducted during that period; or
        - otherwise, the 10 day volume weighted average price of Orion's Shares prior to an election by Tembo to convert the Outstanding Amount to Shares.
    - Where necessary shareholder or regulatory approvals are not obtained for issues of Shares, Orion must repay the Outstanding Amount in cash.
- **Security**: The Loan Facility is unsecured.
- **Conditions:** The availability of funding is subject to certain customary conditions.

About Tembo

Tembo is a private equity group targeting junior and mid-tier mining investment opportunities in developing countries. Tembo has technical and financial experience with in-house expertise in the fields of geology, mine engineering, metallurgy, mining finance and private equity. This experience, coupled with a strong network of relationships in the mining industry, enables Tembo to add long-term value to its investments through technical input, strategic guidance, financial structuring advice and industry introductions. Tembo aims to work collaboratively with its investee companies through a long-term partnership-type approach. Tembo is Orion's largest shareholder with a shareholding of ~22%.

For and on behalf of the Board.



Errol Smart
Managing Director and CEO

ENQUIRIES

Investors	Media	JSE Sponsor
Errol Smart – Managing Director & CEO	Nicholas Read	Monique Martinez
Denis Waddell – Chairman	Read Corporate, Australia	Merchantec Capital
T: +61 (0) 3 8080 7170	T: +61 (0) 419 929 046	T: +27 (0) 11 325 6363
E: info@orionminerals.com.au	E: nicholas@readcorporate.com.au	E: monique@merchantec.co.za