



Orion Minerals

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## Independence Group to become a Substantial Shareholder in Orion through a \$5.0M Placement to Advance South African Projects

- ▶ **Leading mid-tier miner, Independence Group NL (ASX: IGO) will become a substantial shareholder in Orion via a \$5.0M share placement at 5 cents per Share.**
- ▶ **IGO secures preferential rights to joint venture or purchase Orion's nickel projects in the highly prospective Areachap Belt located in the Northern Cape, South Africa.**
- ▶ **Collaborative working relationship formed between Orion and IGO to enhance Orion's planned regional exploration programs within the Areachap Belt.**
- ▶ **The proceeds of the Placement, and the new relationship with IGO, will underpin Orion's strategy to fast-track the redevelopment of its flagship Prieska Zinc-Copper Project in South Africa and progress its highly prospective regional Nickel-Copper-Cobalt and Zinc-Copper exploration projects within the Areachap Belt.**

Orion Minerals Limited (**ASX/JSE: ORN**) (**Orion** or **Company**) is pleased to announce that it has taken another important step in its base metal development strategy in South Africa after entering into an agreement with IGO, that will see the leading mid-tier miner and explorer becoming a substantial shareholder in Orion and cementing a collaborative working relationship between the two companies.

Orion has entered into an agreement with IGO, for IGO to subscribe for a placement of ordinary shares (**Share**) in Orion at 5.0 cents per Share, to raise \$5.0M (**Placement**). The agreement also sets out the terms of an agreed collaborative working relationship between the two parties, whereby IGO has secured matching rights to any potential joint venture or sale of Orion's nickel projects located in the Areachap Belt, South Africa. If Orion wishes to assign the whole or any part of its right, title or interest in any of its South African Nickel Projects (located within a defined area of the Areachap Belt) to a third party, it must first offer to assign such interest to IGO on the same terms and conditions as the proposed terms and conditions of the assignment to the third party.

IGO's preferential rights include the Company's advanced Jacomynspan Nickel-Copper-Cobalt Project, where the Company has announced a JORC compliant Mineral Resource estimate (refer ASX release 8 March 2018). The collaborative working relationship formed between Orion and IGO will also enhance Orion's planned regional exploration programs within the highly prospective yet very much under explored Areachap Belt.

Due to the lack of favourable environments world-wide which have the potential to host major new Nickel-Copper-Cobalt and VMS discoveries, Orion's large ground holdings in the Northern Cape of South Africa provides both Orion and IGO significant exposure to exploration success.

Based on regional exploration programs already completed, Orion has identified the potential for discovery of nickel hosting massive sulphide bodies similar to IGO's Nova Bollinger Mine in the Fraser Range, Western Australia in the Areachap Belt (refer ASX releases dated 14 July 2016 and 8 March 2018). Orion intends to commit a

minimum amount equivalent to 30% of the \$5M Placement to IGO (being \$1.5M) towards its Nickel-Copper-Cobalt exploration targets.


The Placement and IGO's preferential rights further strengthen the existing relationship between Orion and IGO, following the Company's announcement on 10 March 2017 that Orion and IGO had entered into a joint venture agreement on the Fraser Range Nickel-Copper Project, Western Australia and that IGO had subscribed for a \$1.3M share placement in Orion. The additional \$5M share placement by IGO in Orion increases IGO's shareholding in Orion from 4.2% to 11.1%.

The agreement with IGO is consistent with Orion's strategy to fast-track its flagship Prieska Zinc-Copper Project and progress its highly prospective regional exploration projects located within the Areachap Belt, South Africa.

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

*"We are very pleased to cement a relationship with a strategic investor with the qualities of IGO.*

*IGO's Nova Bollinger Nickel and Jaguar Zinc-Copper mining operations in Western Australia have remarkable geological and engineering similarities to Orion's advanced stage projects in the Areachap Belt in South Africa. In addition, the exploration models and methods that Orion has employed in the Areachap Belt are very similar to those being used by IGO in a similar geological terrain in the Fraser Range, Western Australia. Clearly, there are strong synergies between the companies and a meeting of minds between our technical teams."*



Errol Smart  
**Managing Director and CEO**

**ENQUIRIES**

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