

## JUNE 2021 QUARTERLY ACTIVITIES REPORT

*Strong quarter of strategic momentum and Penny's Find progression provides excellent platform for growth.*

Orminex Limited (ASX: ONX) ('the Company' or 'Orminex') is pleased to provide its quarterly activities report for the period ended 30 June 2021.

### HIGHLIGHTS

- Multiple high-grade results received from Penny's Find Joint Venture RC and diamond drilling program, paving the way for delivery of an updated Mineral Resource Estimate early in July 2021.
- Mr Mel Ashton appointed as Non-Executive Director, bringing over 40 years of experience as a Chartered Accountant and demonstrated success in assisting organisations achieve growth and strategic change.
- Discussions commenced with key stakeholders of a number of strategic gold projects in the proven and prospective Abitibi region, located in the Tier-1 jurisdiction of Quebec, Canada.
- Cash inflow of \$1.14m received from Working Capital Facility Repayments and exercise of options, providing strong financial position of \$4.6m cash on hand and no debt.

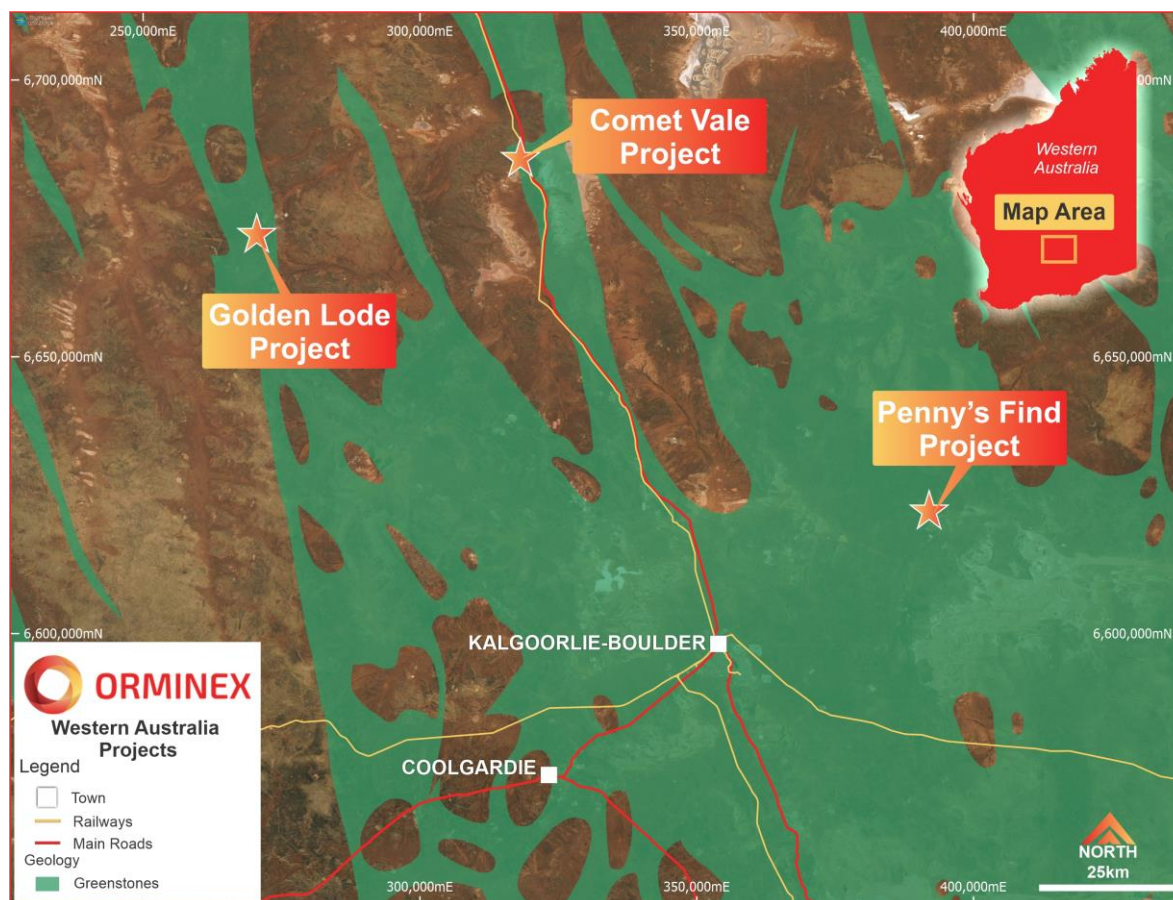


Figure 1- Orminex Western Australia Projects Map

## **PENNY'S FIND PROJECT (ONX 50%)**

The Penny's Find Project is located 50km northeast of Kalgoorlie in Western Australia and comprises a completed open pit with a high-grade underground mine opportunity on a granted Mining Lease with pre-requisite mining approvals well advanced.

During the quarter, all results were received from the resource definition and extension drilling program facilitated by joint venture partner Horizon Minerals Ltd (**ASX: HRZ**) which comprised a total of 21 drill holes, with 2,103m of RC and 2,785m of diamond to a maximum depth of 282m. The pleasing results demonstrated strong grade continuity and width, with mineralisation open at depth and along strike to the north, and exciting significant intercepts<sup>1</sup> including:

- **5m @ 5.27g/t gold from 180.3m in P1\_010**
- **3.7m @ 7.46g/t gold from 215.3m in P1\_005**
- **2.7m @ 8.46g/t gold from 171.4m and 1.7m @ 17.91g/t gold from 178.9m in P1\_007**
- **1.9m @ 13.95g/t gold from 251m in P1\_009**
- **2m @ 8.47g/t gold from 227m in P1\_008**
- **2.5m @ 7.45g/t gold from 226m P1\_020**
- **0.9m @ 23.56g/t gold from 216.7m in P1\_006**

Post quarter end, an updated independent Mineral Resource estimate was compiled delivering **250,000t @ 5.22g/t gold for 42,000oz<sup>2</sup>**. Crucially, over 83% of the resource is now in the Indicated category (**188kt @ 5.71g/t gold**) and an updated underground mining study and economic evaluation has commenced with Entech Pty Ltd, leading towards a maiden Ore Reserve and decision to mine expected in the December quarter. During the June quarter, UON Pty Ltd were awarded the contract for the installation of powered pumping infrastructure to enable commencement of pit dewatering expected in the September quarter.

The high-grade gold mineralisation at Penny's Find is hosted in quartz veins at the contact between footwall sediments and siltstone and a hangingwall basalt. The quartz veins dip about 60° to the northeast and collectively average 1m to 5m true width.

Open cut mining to 85m (242m RL) was completed by Empire Resources Limited in 2018 with toll treatment processing at Lakewood (Kalgoorlie) and Burbanks (Coolgardie). Production from the open pit totalled 18,300oz at 4.47g/t Au<sup>3</sup>.

Metallurgical test work and toll milling data from open pit ore processing has shown fresh mineralisation to be free milling with a high gravity recoverable gold component and a total gold recovery which exceeded 90%.

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<sup>1</sup> Refer to ASX announcements 14 and 30 April 2021 for detailed results, competent person's statement and JORC tables. There have since been no material changes to the information contained within the announcement.

<sup>2</sup> Refer announcement 14 July 2021 for JORC tables, data and competent person's statement. There have since been no material changes to the information contained within the announcement.

<sup>3</sup> As announced to the ASX by Empire Resources Limited (ASX: ERL) on 25 July 2018.

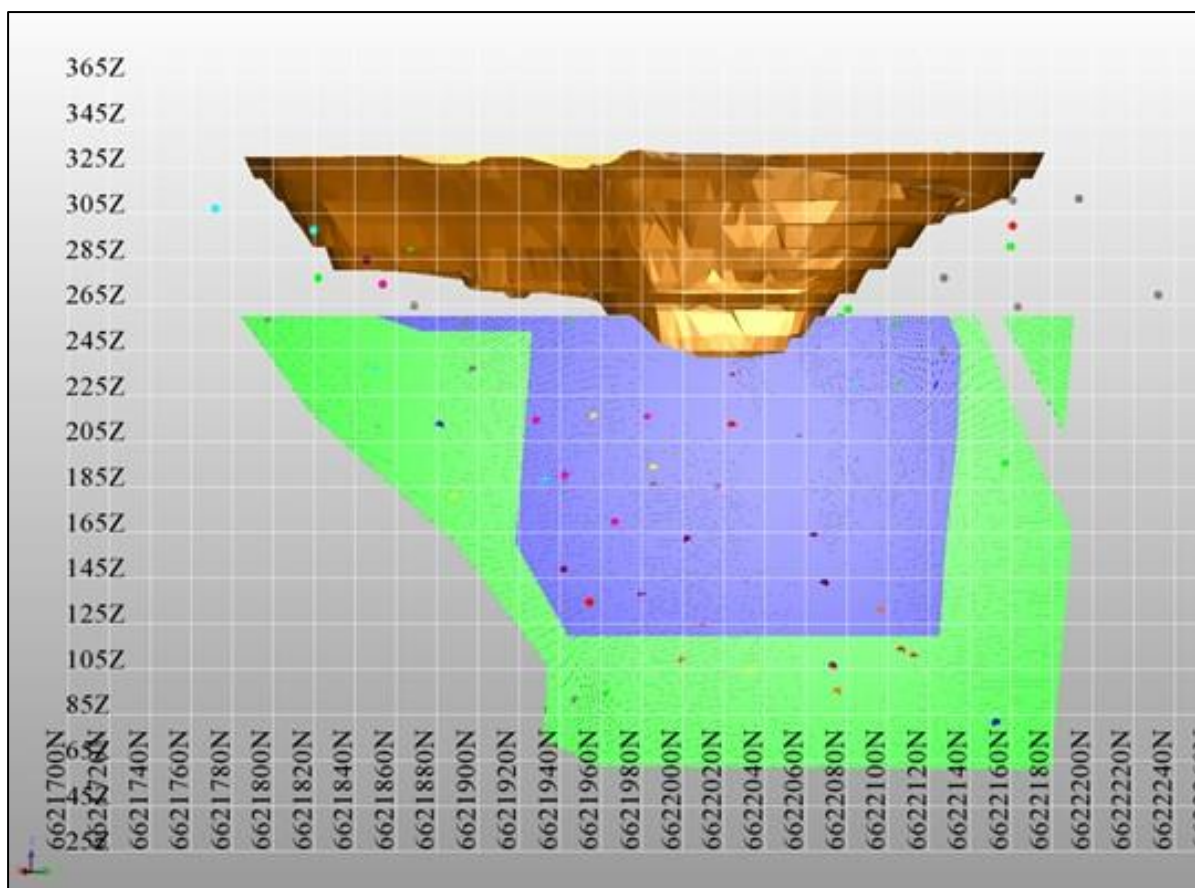


Figure 2 - Long section of Ore Classification (Purple = Indicated, Green = Inferred ore)

### COMET VALE PROJECT (ONX 51%)

The Comet Vale Project is centred on the old mining town of Comet Vale, 100 km north-northwest of Kalgoorlie, Western Australia and is a joint venture with Sand Queen Gold Mines Pty Ltd. Operations were suspended in September 2020 to allow a full geological and mining review to be completed. Chief Operating Officer, Mr Matt Nixon is leading the internal review, engaging assistance from an independent geologist with significant experience and expertise in similar gold mineralisation deposits, with the intent to realise maximum value for shareholders from the highly prospective existing JORC 2012 Mineral Resource of 750kt @ 8.5g/t for 203koz<sup>4</sup>. The review progressed well during the quarter, with the Company expected to finalise the review and subsequent decision pathway with the joint venture partners in the second half of 2021.

The deposits within the Comet Vale project are typical Archaean narrow, high-grade gold quartz lode deposit within a shear hosted system. Numerous economic deposits of this mineralisation style exist in Western Australia and include the best known and giant Golden Mile deposit at Kalgoorlie in the Norseman – Wiluna Belt of the Yilgarn Craton. Other deposits include Norseman, Kanowna Bell, Mt Charlotte, Jundee, Kanowna Bell and Bronzewing.

<sup>4</sup> Refer to ASX announcement 15 May 2018, no material changes to the resource since this announcement. Since preparation of this Mineral Resource, 167kt of material has been mined yielding 17,858oz hence current estimate for the Comet Vale Mineral Resource is 185.2koz



The Comet Vale deposit is hosted in the Ora Banda Sequence of mafic-ultramafic volcanic and metasedimentary rocks. Economic gold mineralisation is predominantly within quartz boudins from 0.1 to 4.5m in width with free gold spatially associated with pyrite/marcasite, pyrrhotite and elevated base metal values (sphalerite, galena, chalcopyrite).

The Sand George (including Sand Queen, Sand King and Sand George) deposit comprises fifteen mineralised lodes striking approximately north-south (local grid) and dipping around 70° towards the west. Domain 1 is the main lode and has been the focus of previous and current underground mining activities. The Sand Prince West deposit consists of six mineralised domains and Princess Grace a single domain. Both are located approximately 150 to 250m to the west of the Sand George deposit and are associated with flat west-north-west dipping, weakly sulphidic, milky quartz veins surrounded by an alteration halo.

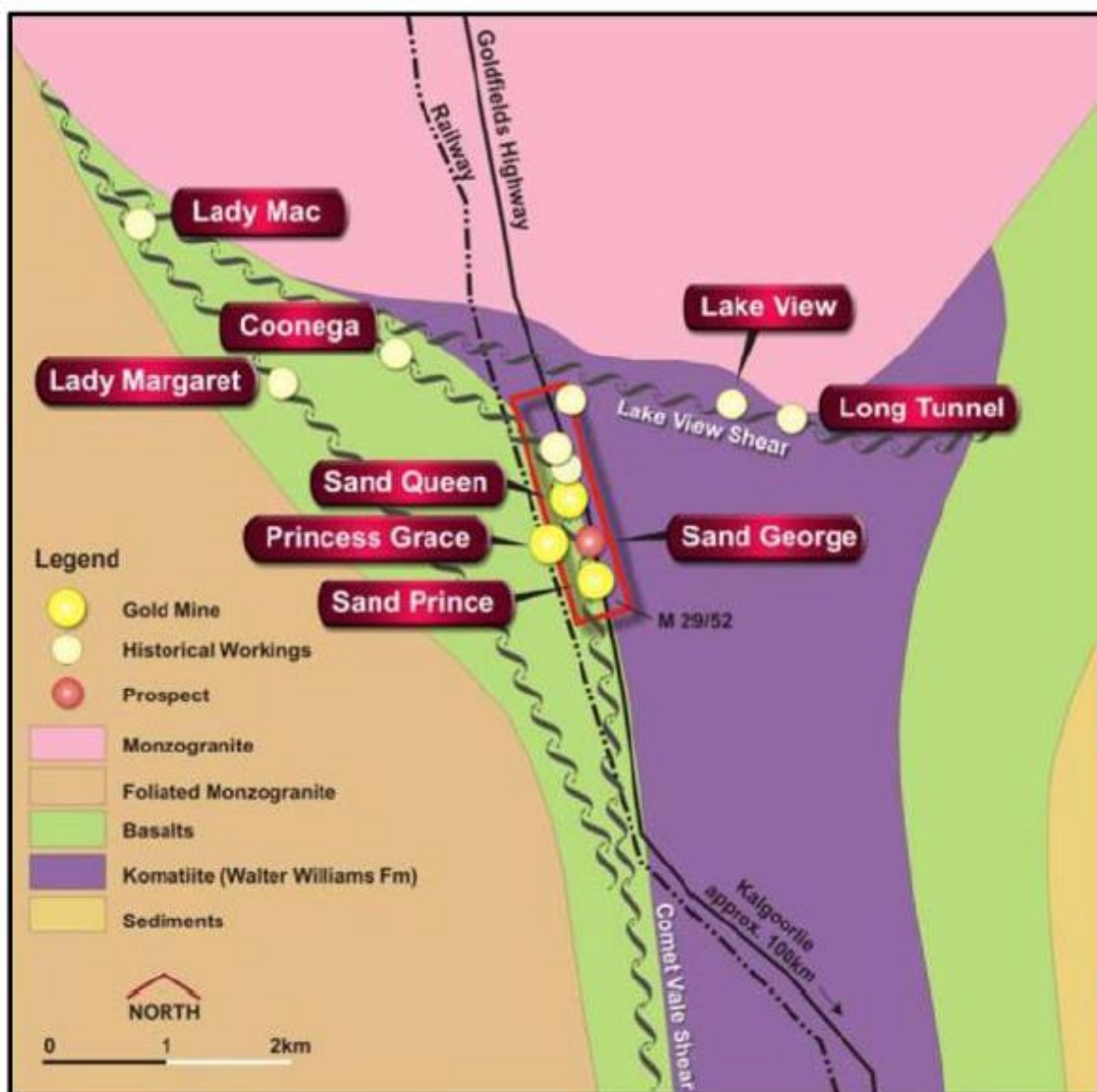


Figure 3 - Comet Vale Geology and Exploration Prospects (Source: Cube, 2011)

**GOLDEN LODGE PROJECT (ONX 100%)**

The Golden Lode Project comprises 7 tenements located 110km NW of Kalgoorlie and the deposit forms part of the broader Davyhurst area, which produced approximately 523.8koz of gold between 1986 and 1999. A well-defined vertical to steeply west dipping lithological contact extends north through the Golden Lode Project area, to the west is a sequence of metasediments and to the east mafic to ultramafic schists.

During the quarter, a soil program comprising 226 sites was designed and commenced for the Golden Lode project. The sites are situated on licenses P30/1102, P30/1104 and P30/1131 and the sampling grid is 100m x 100m in a staggered diamond configuration. Samples will be collected from 10-30cm below surface using standard practices and analysis will be low level detection Fire Assay (Au).

The portions selected for sampling represent areas of greatest prospectivity (P30/1102 and P30/1103) and the sites within P30/1131 will assist with definition of the anomalism footprint at the southern extent of Golden Lode, they are also located in an area where there has been limited historical soil sampling.

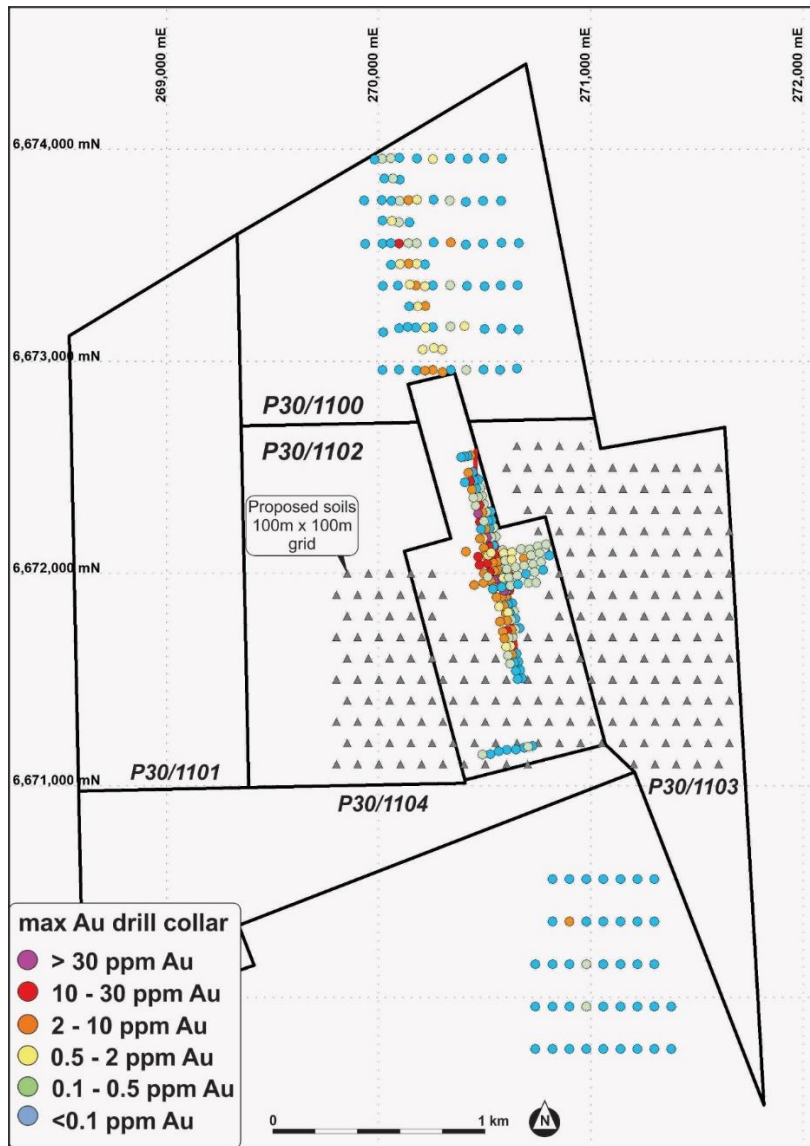


Figure 4 - Location of sites within the tenements with historical drill collars coloured by maximum gold content represented

## **INDONESIAN GOLD ASSET TRANSACTION**

To allow Orminex to continue to conduct appropriate due diligence and progress negotiations with PT Amman Mineral Internasional ('AMI'), the Company and AMI agreed to extend the exclusivity period pertaining to a binding framework letter to 30 July 2021 (refer announcement 30 May 2021). The binding framework letter is in respect of progressing a transaction for the acquisition of economic interests in all or a substantial part of a significant epithermal gold project in Indonesia from AMI (or a related entity). Orminex continues to work closely with AMI whilst, as remains the case globally in regards to Covid-19, priority focus is placed on the health and wellbeing of all personnel at the active Indonesian operations.

## **CORPORATE**

### **BOARD RESTRUCTURE**

As announced 9 June 2021, Mr Mel Ashton was appointed to the position of Non-Executive Director. Mr Ashton is an Australian Chartered Accountant who has over 40 years' experience with significant hands-on experience and leadership roles in multiple industries, including Agriculture, Banking & Finance and Mining & Exploration. Mr Ashton currently serves as the Non-Executive Chairman of Quintis Sandalwood Pty Ltd, a Non-Executive Director of Aurora Labs Ltd (**ASX:A3D**) and Non-Executive Chairman of Venture Minerals Ltd (**ASX:VMS**).

Concurrent with the appointment of Mr Ashton, Mr Dean Hely transitioned from Non-Executive Director to the position of Non-Executive Chairman and Mr Wayne McGrath resigned from his position of Non-Executive Director. The Company would again like to extend thanks to Mr McGrath for his strong contribution and wish him all the best in future endeavours.

### **SECURITIES INFORMATION**

During the quarter, a total of 6,984,616 options with an exercise price of \$0.03 and expiry of 15 April 2021 were exercised. This resulted in the Company receiving \$189k in cash upon exercise of these options for the quarter, with total cash of \$279k from the exercise of options received for FY2021. The balance of 681,438 options expired on 15 April 2021 unexercised. At June 30, issued capital for the Company stands at 547,894,524 fully paid ordinary shares and nil options.

### **WORKING CAPITAL FACILITY**

Since the start of 2021, the outstanding amount of the Working Capital Facility ('Facility') was reduced by \$1,074,000 following repayments to Orminex by Mineral Ventures Pty Ltd. In the 11 months following the 28 July 2020 ASX announcement detailing the variation to the Facility, a total of \$2,224,000 has been repaid to Orminex.

### **FINANCIAL INFORMATION**

The net cash position of the Company on 30 June 2021 was \$4.60M. The Appendix 5B detailing the consolidated cash flows for the quarter is provided in a separate report.

In accordance with Listing Rule 5.3.1, there were no substantive mining production and development activities undertaken during the June quarter.

In accordance with Listing Rule 5.3.5, Orminex advises that the payments to related parties as advised in the Appendix 5B pertain to legal fees of \$24,779 and rental costs of \$3,150.



This announcement has been authorised and approved for release by the Board of Orminex.

**Investor queries:**

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**INTEREST IN MINING TENEMENTS**

Project	Tenement	Location	Ownership at the beginning of the quarter	Ownership at the end of the quarter	Acquired during the quarter	Disposed of during the quarter
Comet Vale Project	E29/927 L29/67 M29/35 M29/52 M29/85 M29/185 M29/186 M29/197 M29/198 M29/199 M29/200 M29/201 M29/232 M29/233 M29/235 M29/270 M29/321	Western Australia	51%	51%	-	-
Golden Lode Project	P30/1100 P30/1101 P30/1102 P30/1103 P30/1104 P30/1105 P30/1131	Western Australia	100%	100%	-	-
Penny's Find Project	M27/156 G27/01 L27/90 L27/91 L27/92 L27/93	Western Australia	50%	50%	-	-

**SUMMARY OF CASH EXPENDITURE PER PROJECT**

Project	Cash Expenditure \$'000
Comet Vale Project	31
Golden Lode Project	16
Penny's Find	1
<b>Total</b>	<b>48</b>