



ORECORP
LIMITED

ASX RELEASE
26 SEPTEMBER 2023

Completion of Early Contractor Involvement Process

Highlights

- **No capital cost increase within the scope of the Early Contractor Involvement process**
- **Savings identified of 4% to 6% of the August 2022 Definitive Feasibility Study pre-production capital cost estimate**
- **Improvement of the Definitive Feasibility Study execution schedule by 14 weeks**
- **Receipt of an executable EPCM contract from each ECI consultant**

OreCorp Limited (**OreCorp** or the **Company**) (ASX: ORR) is pleased to announce that the Early Contractor Involvement (**ECI**) process for the development of the Nyanzaga Gold Project (**Nyanzaga** or **Project**) is complete. The Company's subsidiary, Sotta Mining Corporation Limited (**SMCL**) awarded ECI contracts earlier this year to both Ausenco Services Pty Ltd (**Ausenco**) and DRA Global Limited (**DRA**) following the Definitive Feasibility Study (**DFS**) completed in August 2022.

The DFS pre-production capital cost estimate totalled \$US 474 million, which included mine establishment (open pit and underground), process infrastructure, non-process infrastructure, accommodation village, resettlement, operational readiness and a \$US 36 million contingency.¹ Of the original DFS pre-production capital cost estimate, the ECI scope was \$US 215 million.

The ECI process involved Ausenco and DRA, in parallel but independently, completing early engineering and design activities, including value identification and optimisation studies. This comprised development for the process plant and related infrastructure, engineering plans, schedules, execution methodology, resource requirements and cost estimates. Ultimately, the aim of the ECI process was to deliver the Engineering, Procurement and Construction Management (**EPCM**) package for Nyanzaga.

Detailed costings were developed through consultant databases and supply market verification, including tendering of the comminution equipment supply. The revised pre-production capital cost estimates and Project schedules submitted by both Ausenco and DRA identified notable savings and importantly, did not exhibit the significant cost inflation recently seen in some projects in Western Australia and other jurisdictions. Cost savings for the ECI/EPCM scope were in the order of 9% to 13% (of the ECI/EPCM scope) which relates to an overall Project cost saving of between 4% to 6% compared to the DFS pre-production capital cost estimate. Optimisation work identified reductions in the Project schedule of approximately 14 weeks.

¹ Refer OreCorp ASX announcement dated 22 August 2022 ("*Nyanzaga DFS Delivers Robust Results*"). Financial metrics were completed on a 100% Project basis based on a long-term gold price of US\$1,750/oz. The pre-production capital costs were estimated on Project level only.

An executable EPCM contract, which was an ECI deliverable, has been provided by both Ausenco and DRA. Both contracts include incentivisation for the successful EPCM consultant to achieve costs, schedule and safety targets as defined in their ECI submissions.

Completion of the process, by both Ausenco and DRA, was within the agreed timeframe and contract sum. OreCorp is very pleased with the outcome of the ECI process and will continue to evaluate the ECI submissions, taking into account the proposed transaction with Silvercorp Metals Inc. which the Company is currently progressing.

OreCorp CEO & Managing Director Henk Diederichs commented:

“The initial findings of the ECI submissions provide confidence that the capital cost estimate and Project schedule, developed during the DFS, are conservative and targets are achievable.

The ECI process has provided OreCorp with valuable data including current market rates from suppliers and contracting companies operating in Tanzania and will be beneficial in the continued optimisation and progress of the Project.”

Authorised for release on behalf of the Company by the CEO & Managing Director.

For further information please contact

Henk Diederichs
 CEO & Managing Director
 +61 9381 9997

Nathan Ryan
 Investor Relations
 nathan.ryan@nwrcommunications.com.au
 +61 (0) 420 582 887

For more information

 Follow us on [LinkedIn](#)  Follow us on [Twitter](#)

 Visit our investor websites: www.orecorp.com.au

 Subscribe to our [mailing list](#) to receive business updates and investor information

ABOUT ORECORP LIMITED

OreCorp Limited is a Western Australian based mining exploration company listed on the Australian Securities Exchange (ASX) under the code 'ORR'. The Company is well funded with no debt. OreCorp's key project is the Nyanzaga Gold Project in northwest Tanzania. In August 2023, OreCorp signed a binding Scheme Implementation Deed with Silvercorp Metals Inc. whereby, subject to satisfaction of various conditions, including OreCorp shareholder approval, Silvercorp will acquire all fully paid ordinary shares of OreCorp pursuant to an Australian scheme of arrangement under the *Corporations Act 2001* (Cth). A scheme booklet with detailed information and next steps will be dispatched to OreCorp shareholders in due course. Shareholders are encouraged to review the scheme booklet in its entirety when it becomes available.

DISCLAIMER / FORWARD-LOOKING STATEMENTS

This announcement may contain certain forward-looking statements, guidance, forecasts, estimates, prospects and projections in relation to future matters that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events, which as at the date of this announcement are considered reasonable, that may or may not eventuate (**Forward-Looking Statements**). Forward-Looking Statements can generally be identified by the use of forward-looking words such as, 'anticipates', 'estimates' 'will', 'should', 'could', 'may', 'expects', 'plans', 'forecast', 'target' or similar expressions and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs. Indications of, and guidance on future earnings, cash flows, costs, financial position and performance are also Forward-Looking Statements.

Persons reading this announcement are cautioned that such statements are only predictions, and that actual future results or performance may be materially different. Forward-Looking Statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change, without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward-Looking Statements are provided as a general guide only and should not be relied on as a guarantee of future performance.

No representation or warranty, express or implied, is made by OreCorp that any Forward-Looking Statement will be achieved or proved to be correct. Further, OreCorp disclaims any intent or obligations to update or revise any Forward-Looking Statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.