



ORMINEX

ASX ANNOUNCEMENT

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30 April 2019

DIRECTORS & MANAGEMENT

Daryl Henthorn
Executive Chairman

Emmanuel Correia
Non-Executive Director

John Correia
Non-Executive Director

Kelly Moore
Company Secretary

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Unlisted Options – 9,452,055

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31 MARCH 2019 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Comet Vale key milestone achieved as decline development reaches unmined 4.3 level
- Higher grade ore developed on the 3.3 and 3.6 levels of Comet Vale
- 5,000 tonnes of ore stockpiled for processing
- Agreement reached for the acquisition of 100% of the Penny's Find Gold Mine
- Penny's Find mineral resource of 248,000 tonnes at 7.04g/t Au for 56,000 ounces with mineralisation open at depth

Orminex Limited (ASX: ONX) ('the Company' or 'Orminex') is pleased to provide its quarterly activities report for the period ended 31 March 2019.

COMET VALE PROJECT (51% ONX; 49% Sand Queen Gold Mines Pty Ltd)

Mining Development Update

Mining development at the Company's Comet Vale project in the Goldfields region of Western Australia has advanced during the quarter. To date, the decline has progressed to the 4.3 level providing access to the 4.3 level ore drives that form part of the mine plan and access to historically high-grade unmined ore. Once ore is being mined from below the 4-level, it is expected that mining and processing will reach a steady state of production.

Ore Sampling and High Grades

The gold bearing structure at Comet Vale has been sampled along the strike and up dip in the slot rises and the assay results have provided good grades and indicate the high grade potential of the project.

Sampling and assaying of the 10.2 metre long, 3.3 level north slot rise has produced an uncut average grade of 32.39g/t. Face sampling of the 3.6 level north ore drive also demonstrates the high-grade potential for the project with the average grade of the ore drives being extremely encouraging (refer to ASX announcement released on 16 April 2019 for further details).



Gold Processing Mill Update

As announced on 14 January 2019, the Company's strategic partner, GBF Mining Pty Ltd ('GBF'), had secured the right to enter a 12-month lease with an attached option to buy 50% of the Burbank's Gold Processing Mill. On 9 April 2019, the Company announced that it had been informed by GBF, that they had received a termination notice in relation to the acquisition of the Burbank's Mill and that GBF would be contesting the validity of the termination notice.

Post quarter end, GBF advised Orminex that they have entered into a new Toll Milling Agreement for the processing of ore from the Comet Vale project at the Lakewood gold processing facility. Lakewood is located close to Kalgoorlie and is a similar transport distance from the Comet Vale site as the Burbank's Mill. This new Toll Milling Agreement is at no additional cost to Orminex.

Orminex advises that the current Burbank's Mill transaction dispute has not caused any short-term impact on mining at Comet Vale.

Second Gold Pour

During the quarter, the Company completed the second gold pour after processing of 5,000t of remnant ore from its Comet Vale project. Development and remnant stoping ore is currently being stockpiled on site ready for the next processing campaign at the Lakewood gold processing mill - an estimated 5,000t of ore is ready for transport and processing.



Figure 1. Ore stockpiled at the mine ROM pad ready for the next processing campaign at the Lakewood gold processing facility.



Updated Long Section

During the quarter, the Company provided an updated long section showing the current mine plan, current decline level, historical mine information and previously announced drill results for the Comet Vale project (refer to ASX announcement released on 14 January 2019 for further details). Previously announced drill results below the 6-level show multiple high-grade hits up to 200m below the existing mine plan. Successful further resource definition drilling could potentially support extending the current mine plan.

PENNY'S FIND PROJECT (100% ONX)

During the quarter, the Company entered into an agreement with Empire Resources Ltd (ASX: ERL) to acquire 100% of the Penny's Find Gold Mine ('**Penny's Find**'), subject to detailed documents being executed and all necessary approvals being obtained. Consideration for the acquisition consists of staged cash payments totalling \$600,000 and a net smelter royalty of 5% on the first 50,000 ounces produced and thereafter 2.5% for the life of the mine.



Figure 2. Penny's Find gold mine recently completed open pit providing access to proposed underground mine.

Penny's Find is located 50km northeast of Kalgoorlie in Western Australia and is strategically located within 1 hour's drive from Orminex's operational Comet Vale mine. This will provide operational efficiencies for GBF during start-up and mining.

Penny's Find has 56,000 ounces of high-grade gold mineralisation hosted by quartz veins at the contact between sediments and basalt. Metallurgical test work has shown fresh mineralisation to be free milling with a high gravity recoverable gold component and a total gold recovery which has historically exceeded 90%.



The underground 2012 JORC compliant mineral resource of 248,000 tonnes at 7.04g/t Au (refer to Table 1 below) extends from the base of the completed open pit to at least 250m below surface and remains open at depth. The underground resource only reports fresh mineralisation and is defined by a 1.5g/t Au lower cut-off wireframe model.

Table 1: Penny's Find Gold Mine Reportable in situ Mineral Resource below completed open pit Fresh mineralisation only			
Class	Tonnes	Au g/t	Ounces
Indicated	147,000	8.06	38,000
Inferred	101,000	5.57	18,000
TOTAL	248,000	7.04	56,000

Refer to ASX announcement released on 4 March 2019 for full JORC details relating to Penny's Find for which there have been no material changes.

On completion of the purchase of Penny's Find, GBF will apply for an underground mining licence and all other statutory approvals required to commence mining. The current plan is to commence mining within 12 months from final legal documentation being signed.

MANAGEMENT COMMENTARY

Commenting on the March quarter Orminex's Executive Chairman, Daryl Henthorn, said:

"We are pleased with the successful progress of mining at Comet Vale during the March quarter, particularly the decline now having reached the 4.3 level and access to previously unmined high-grade ore."

"Our Mineral Ventures model has continued to deliver at Comet Vale and we are excited about the future of the Mineral Ventures model across the multiple new projects that our team continues to review."

MINERAL VENTURES MODEL OVERVIEW

In 2018, Orminex entered into a strategic alliance with WA-based contract mining company GBF to form the Mineral Ventures model. The primary aim of the Mineral Ventures model is to source, develop and fund stranded, high-grade gold assets into production.

The Company currently has a 51% joint venture interest in the producing Comet Vale gold project and 100% ownership of the Golden Lode, Happy Jack and Penny's Find projects. In addition, Orminex continues to review several suitable projects that, if successfully concluded, will provide significant scalability to the Mineral Ventures model.

**Investor queries:**

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About Orminex Limited

Orminex is a newly formed near-term gold producer. It has a 51% Joint Venture interest in the high grade Comet Vale Project with an approved mine plan, near term production and 100% of the Golden Lode, Happy Jack and Penny's Find Projects, with historical high grade mining and drill results, plus exploration potential at Comet Vale. An opportunity has been identified in undeveloped high grade gold assets due to limited resource and project scale, insufficient funding and limited operational and mining expertise. This creates an opportunity to develop projects through a combined funding and mining model. Orminex will use the Mineral Ventures Model for sourcing, funding and developing high grade gold assets through their strategic alliance with experienced mine operators GBF Mining Pty Ltd. For more information, visit www.orminex.com.au



INTERESTS IN MINING TENEMENTS HELD

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%	-	-
Happy Jack Project	P29/2271	Western Australia	100%	100%	-	-

SUMMARY OF CASH EXPENDITURE PER PROJECT

Project	Cash Expenditure \$'000
Comet Vale Project	500
Golden Lode Project	26
Happy Jack Project	3
Total	529