



ORMINEX

ASX ANNOUNCEMENT

ASX Code: ONX

10 September 2019

DIRECTORS & MANAGEMENT

Daryl Henthorn
Executive Chairman

Michael Foulds
Non-Executive Director

John Correia
Non-Executive Director

Kelly Moore
Company Secretary

Current Share Price \$0.12

Share Capital – 539,102,168
Unlisted Options – 9,452,055

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FIRST MAJOR GOLD POUR

STEADY STATE PRODUCTION ACHIEVED AT COMET VALE

PARTNER SECURES BURBANKS PROCESSING PLANT

Highlights

- First processing campaign delivers 2,069 recovered gold ounces
- Total of 20,628t of ore processed at Lakewood Mill including 17,050t from Comet Vale's Kings Bounty mine and 3,578t of ore from the Penny's Find mine
- Comet Vale ore processed was a mix of predominately development ore and Penny's Find ore sourced from remnant stockpiles from previous open cut mining
- Reconciled head grade from Kings Bounty of 3.53g/t Au exceeds forecast mine plan development grade
- Steady state production now achieved at Kings Bounty mine and mining progressing in line with the mine plan
- Mining at Kings Bounty progressing in line with the mine plan with stoping at Kings Bounty commenced on the 4.3 level, ore driving continuing on the 4.6 level and 5 level access nearing completion
- Next processing campaign at Lakewood Mill booked for early October with 8,500t of broken ore currently on ROM pad
- Strategic partner secures Burbanks Gold Processing Plant, positioning Orminex as a fully integrated gold producer
- Orminex on track to commence mining operations at Penny's Find gold project this calendar year

Orminex Limited ('Orminex' or 'the Company'; ASX: ONX) is pleased to provide the following update on processing and mining operations at its joint venture Comet Vale gold project (51% ONX; 49% Sand Queen Gold Mines Pty Ltd) and its Penny's Find gold project (100% ONX) in the Goldfields region of Western Australia.

Processing Update – July Campaign Reconciliation

Ore processing of the first mine plan campaign was recently completed at the Lakewood Mill. This campaign processed a total of 20,628t of ore, which included 17,050 t from underground mining operations at the Kings Bounty mine located within the Comet Vale gold project and 3,578t of ore from previous open cut mining that was stockpiled onsite at the Penny's Find gold project.

The processing campaign has now been reconciled, confirming total gold production of 1,818 recovered ounce, at 94% recovery from Kings Bounty at an average head grade of 3.53 g/t. This is above expectations given the campaign comprised predominantly development ore from the 4.3 level. Grade is expected to improve as the ratio of production ore to development ore increases as stoping continues to ramp up in line with the mine plan.

The 3,578t of ore processed from Penny's Find produced 251 recovered gold ounces with an average grade of 2.75 g/t.

In line with the Mineral Ventures model, total gold proceeds from Kings Bounty will be applied towards project development capital, with gold proceeds from Penny's Find received by Orminex as revenue.

October Processing Campaign

Orminex advises that the next processing campaign is planned for early October at the Lakewood Mill. With underground mining progressing in line with the mine plan at Kings Bounty, there is currently 8,500t of broken ore on the ROM pad ready for transport and processing. A further 60,000t of toll milling capacity has been secured at Lakewood Mill for future campaigns.



Figure 1 – Broken ore on the ROM pad from Kings Bounty ready for transport

Comet Vale Mining Development – Steady State Production at Kings Bounty Mine

Orminex is pleased to report that the mine is in continuous production and therefore is nearing steady state production at maximum planned capacity. Current mining activities are focused on continued development of the 4.6 level ore drives, airleg stoping of the 4.3 north and 4.3 south hanging wall ore drives, with long-hole drilling of the 4.3 south footwall drive in preparation for the commencement of long-hole stoping. Access development is also nearing the intersection of the orebody on the 5 level, which further enhances the mine's progress to steady state production.



Figure 2 – High grade ore vein on the 4.6 ODS heading

Strategic Partner Secures Burbanks Gold Processing Plant

Orminex's strategic partner has secured the Burbanks Processing Mill, which positions Orminex as a fully integrated gold producer, and will enable Orminex to treat ore from multiple projects including Kings Bounty, Penny's Find and other Mineral Venture's projects. Acquisition of the Burbanks processing mill provides Orminex with a significant operational advantage and complete autonomy over the entire processing operations including scheduling and costs.

Mineral Ventures Pty Ltd, an entity owned by GBF's Michael Foulds (Director of Orminex) and Ross Graham (alternate Director of Orminex) —who are also major shareholders of Orminex—have entered into a binding sale agreement for the purchase of the Burbanks Mill. Orminex proposes to enter into commercial arrangements with regards to ongoing processing at the mill and details will be provided in due course.



Figure 3 – Burbanks Processing Mill

Penny's Find Gold Mine Update (100% ONX)

The Penny's Find Gold Mine, located 50km northeast of Kalgoorlie in Western Australia, is strategically located within 1 hour's drive from Orminex's Comet Vale mine. GBF and their associate consultants continue to work towards commencement of operations later this calendar year. Recent work has focused on the pre-requisite mining approvals including water licensing, explosives license, Project Management Plan and Mining Proposal.

Management Commentary

Executive Chairman Daryl Henthorn commented:

"This is a transformational milestone for Orminex, as we have now successfully completed our first mine plan processing campaign and achieved steady state production of around 10,000t of ore per month at Comet Vale in less than 18 months since acquiring the project.

"We will continue to deliver ore for processing with our next campaign booked for October and grades are improving in line with historical high-grade unmined ore. The onsite ore at Penny's Find alone paid for more than 70% of the purchase price of the mine, which is a huge financial bonus.

"The acquisition of the Burbanks Processing Mill by our strategic partner is another tremendous outcome that provides us with the required flexibility and control over our processing operations to aggressively grow gold production from our Mineral Ventures portfolio.

"We remain committed to adding further projects to our Mineral Ventures portfolio and with a healthy pipeline of projects currently under assessment, I look forward to reporting further details on these opportunities in due course."

Mineral Ventures Model Overview and Strategy

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.

Orminex currently has a 51% joint venture interest in the producing Comet Vale gold project and 100% ownership of the high-grade Penny's Find Gold Mine near Kalgoorlie. The Company also owns 100% of the Golden Lode project located 130km from Coolgardie and 100% of the Happy Jack project located 30km south of Menzies.

GBF was recently acquired by mining services company Macmahon Holdings Limited (ASX: MAH) which has significantly enhanced Orminex's ability to expand the Mineral Ventures Model to include surface mining projects. Importantly, the strategic alliance with GBF remains unchanged, with GBF continuing to oversee all operational management across the Mineral Ventures portfolio.

Orminex is currently reviewing several potentially suitable projects that could be developed under the Mineral Ventures model and further updates will be provided on these opportunities in due course.

-ENDS-

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About Orminex

Orminex has a strategic alliance with underground mining contractor GBF Underground Mining who oversee operational management of the Company's projects. This strategic alliance facilitates a Mineral Ventures Model that provides capital and mining service solutions to suitable near-term production gold projects.