



ORMINEX

ASX ANNOUNCEMENT

ASX Code: ONX

31 October 2019

DIRECTORS & MANAGEMENT

Daryl Henthorn
Executive Chairman

John Correia
Non-Executive Director

Michael Foulds
Non-Executive Director

Dean Hely
Non-Executive Director

Kelly Moore
Company Secretary

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

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30 SEPTEMBER 2019 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- First major 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
- Mining development at Kings Bounty Decline at Comet Vale progressed to 4.6 level with ore development continuing at the 4.3 level
- Steady state of production now achieved at Kings Bounty mine
- Strategic partner secures Burbanks Gold Processing Plant, positioning Orminex as a fully integrated gold producer

Orminex Limited (ASX: ONX) ('the Company' or 'Orminex') is pleased to provide its quarterly activities report for the period ended 30 September 2019.

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

Mining Development Update

During the quarter, the Comet Vale mine reached a steady state of production with the mine now in continuous production.

The decline at Kings Bounty Decline is now advanced below the 4.6 level. Ore development on the 4.3 level south ore drive continues in line with expectations with preparations for airleg stoping in the 4.3 level north ore drive now underway, with some remnant mining of the 4 level also being undertaken.

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 1 – High grade ore vein on the 4.6 ODS heading



Processing Update

During the quarter, a combined total of 20,628t of ore was delivered to the Lakewood Mill, including 3,578t of residual ore from Penny's Find and 17,050t of ore from Comet Vale.

Processing was completed during the quarter, with total gold production being confirmed at 1,818 recovered ounces, at 94% recovery from Kings Bounty with an average head grade of 3.53 g/t. 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 were applied towards project development capital, with gold proceeds from Penny's Find being received by Orminex as revenue.

The next processing campaign is planned for early October at the Lakewood Mill. A further 60,000t of toll milling capacity has been secured at Lakewood Mill for future campaigns.

Burbanks Gold Processing Plant

On 10 September 2019, Orminex announced that its strategic partner had secured the Burbanks Processing Mill, positioning Orminex as a fully integrated gold producer and providing it with a significant operational advantage and complete autonomy over the entire processing operations including scheduling and costs.



Figure 2 – Burbanks Processing Mill

PENNY'S FIND PROJECT (100% ONX)

During the quarter, the 3,578t of residual ore from previous open cut mining that was stockpiled onsite at the Penny's Find gold project was processed. The 251 recovered gold ounces resulted in Orminex generating \$543k in revenue.

GBF and their associate consultants continue to work towards commencement of operations later this calendar year. Work during the quarter has focused on the pre-requisite mining approvals including water licensing, explosives license, Project Management Plan and Mining Proposal.



CORPORATE UPDATE

On 9 August 2019, Mr Michael Foulds, previous co-owner of GBF and major shareholder of Orminex, joined the Board as a Non-Executive Director. Mr Ross Graham, also a co-owner of GBF and major shareholder of Orminex, was appointed as an Alternate Director to Mr Foulds.

On 31 August 2019, Mr Emmanuel Correia resigned as a Non-Executive Director of Orminex.

Post quarter end, 17 October 2019, the Company announced the appointment of Mr Dean Hely to the Board as a Non-Executive Director.

MANAGEMENT COMMENTARY

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

"Reaching a steady state of production during the quarter was a significant milestone for Orminex. We will continue to deliver ore for processing, with grades expected to improve in line with historical high-grade unmined ore."

"Orminex has recently welcomed Mr Foulds and Mr Hely as Directors to the Board and we look forward to their ongoing contributions towards the growth of the Company."

"We continue to assess other project opportunities to grow our Mineral Ventures portfolio and look forward to continued success under the Mineral Ventures model."

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.

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.

Investor queries:

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For more information, visit www.orminex.com.au



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About Orminex Limited

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.



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%	-	-
Penny's Find Project	M27/156 G27/01 L27/90 L27/91 L27/92 L27/93	Western Australia	100%	100%	-	-

SUMMARY OF CASH EXPENDITURE PER PROJECT

Project	Cash Expenditure \$'000
Comet Vale Project	20
Golden Lode Project	16
Happy Jack Project	1
Penny's Find	16
Total	53