



ORMINEX

ASX ANNOUNCEMENT

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30 January 2020

DIRECTORS & MANAGEMENT

Daryl Henthorn
Executive Chairman

Michael Foulds
Non-Executive Director

John Correia
Non-Executive Director

Dean Hely
Non-Executive Director

Kelly Moore
Company Secretary

Current Share Price \$0.09

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

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COMET VALE DECEMBER PROCESSING CAMPAIGN AND KINGS BOUNTY MINING DEVELOPMENT UPDATE

Highlights

- Comet Vale gold pour delivers 2,160 recovered gold ounces – 95% recovery at an average head grade of 3.62 g/t
- Production ramp-up continues at Kings Bounty decline with next processing campaign booked for 3 February 2020
- Drilling underway at Comet Vale targeting extension of current mine plan – initial results currently being finalised and will be reported shortly
- Work continues at 100%-owned Penny's Find Gold Project towards commencement of onsite operations this quarter

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) in the Goldfields region of Western Australia.

Comet Vale December Processing Campaign and Gold Pour

Orminex is pleased to report that total gold production from the December processing campaign Comet Vale gold pour was 2,160 recovered ounces, at 95% recovery with an average head grade of 3.62 g/t.

A total of 19,575t of ore from underground mining operations at Kings Bounty was processed at the Lakewood Mill facility in December.

As previously advised, further improvement in grade is expected in future campaigns as the ratio of production ore to development ore increases in line with the mine plan development. The grade in this campaign was influenced by a slightly higher than planned amount of development ore being processed (ratio of 70% development ore and 30% production ore) due to the mining sequence.

Kings Bounty Mine Development Update

Steady state production at Kings Bounty continues to progress towards a target production capacity of 10,000tpm. Current development activities are focused on advancing the 5.3 level north and south ore drives, decline and associated capital development.

Management Commentary

Executive Chairman Daryl Henthorn commented:

"We are pleased to report the completion of the December processing campaign and gold pour from Comet Vale, as we continue to ramp-up production towards the targeted 10,000tpm."

Notwithstanding a higher than planned percentage of development ore being processed in the December campaign, we continue to be encouraged by the strong recovery and grade being achieved at Comet Vale and both are expected to improve considerably as the ratio of production ore to development ore is increased in line with the mine plan."

The Company will also be providing an update on initial infill and extensional drilling recently completed at Comet Vale along with a comprehensive update on near-term plans for the development of the high-grade Penny's Find gold project."

I look forward to reporting on these important developments in the near-term."

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.

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

-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.