



Orion Minerals

ASX/JSE RELEASE: 4 February 2020

## Option Agreement to Purchase Mills Follows Successful Metallurgical Optimisation of the Prieska Copper-Zinc Project Bankable Feasibility Study

- ▶ **Success in ore processing value engineering studies culminates in securing the right to purchase mills, that are normally long-lead items for the Prieska Copper-Zinc Project.**
- ▶ **The option secured, is over a pair of SAG and Ball mills ideally suited to the Prieska ore and could realise a significant project capital cost saving.**
- ▶ **Revised processing plant layout provides for significant improvements in the planned capital expenditure, operating costs and plant operability.**

*"We are very pleased that we can now begin to lock in the anticipated project optimisations with associated positive CAPEX and OPEX savings. The plant optimisation studies progressed alongside studies on improved water treatment and optimisation of our mine-to-market schedule, all of which are now nearing completion. The successful metallurgical optimisation of the process flowsheet has culminated in securing the right to purchase two new mills which are available at a significant discount to mills which would otherwise have to be placed on order as a long-lead item. These optimisations all promise to deliver an uplift on the already excellent investment case for the Prieska Project."*

Orion Minerals Limited (**ASX/JSE: ORN**) (**Orion** or the **Company**) is pleased to announce that, following the successful conclusion of value engineering studies on the ore processing plant design and layouts for the Prieska Copper-Zinc Project (**Prieska Project**), the Company has moved to secure specific mills required to realise the identified improvements via an option agreement.

The Company has identified two new 3,600kW mills, that are immediately available at a significant discount to similar mills which would only be available from manufacturers on long order.

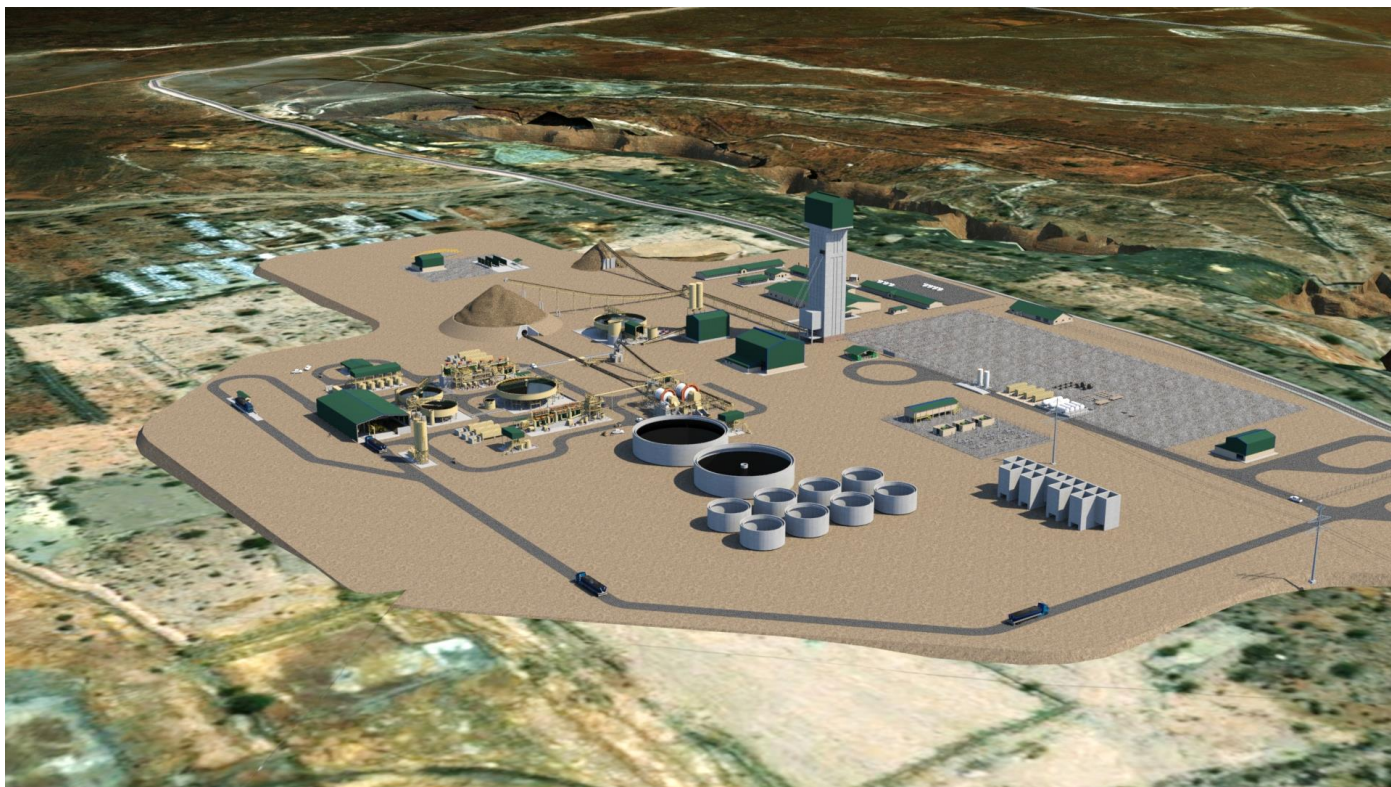
The mills consist of a 22-foot diameter x 26-foot long ball mill and a 16.5-foot diameter x 27-foot long semi-autogenous grinding (**SAG**) mill, complete with all motors, gearboxes, ancillary fittings, with associated commissioning spares.

Securing these new mills facilitates the incorporation of SAG milling into the ore processing flowsheet, in place of the ball milling arrangement selected in the Prieska Project Bankable Feasibility Study (**BFS**) (refer ASX release 26 June 2019).

The revised ball and SAG mill configuration will allow significant operational flexibility and facilitate processing of Prieska ore at a rate of up to 20% above design throughput, allowing capacity for future expansion.

The use of SAG milling simplifies plant layout and operation, with significantly reduced upfront capital expenditure and a reduction in estimated operating cost, removing the requirement for multi-stage crushing and screening of rock ahead of milling (refer Figures 1, 2 and 3).





**Figure 3: Optimised ore processing plant layout on a reduced footprint and using a combination of SAG and ball milling.**

For and on behalf of the Board.

Errol Smart  
**Managing Director and CEO**

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