



Orion Minerals

ASX/JSE RELEASE: 29 April 2020

Directors' and Executives' Remuneration Reductions and Corporate Update

Orion Minerals Limited (**ASX/JSE: ORN**) (**Orion** or the **Company**) advises that as part of the implementation of cost savings and asset preservation initiatives across its business due to the impact of COVID-19, as announced to the ASX on 24 March 2020, a revised interim remuneration structure has been agreed with all Directors and Executives, including Orion's Managing Director and Chief Executive Officer, Mr Errol Smart, effective from 1 May 2020.

All Directors and Executives of the Company have agreed to significantly reduce the cash component of their remuneration or fee packages. Non-Executive Directors have agreed to reduce Director fees to zero and Executives' have agreed to reduce the cash component of their remuneration or fee packages by 20%.

Changes to Mr Smart's remuneration package include a significant reduction in the cash component of his package. In addition, the short term and long term incentive component of Mr Smart's remuneration package has been aligned with that of other Executives, and the Company will seek approval for the issue of the unlisted options from shareholders at the Company's next General Meeting to be held on a date to be advised. The principal components of Mr Smart's revised remuneration structure are set out in Appendix 1.

The Company has also significantly reduced the number of its employees and contractors and undertaken a range of prudent initiatives which reflect the Board's ongoing commitment to implement cost cutting measures in recognition of the disruptions to planned activities as a result of ongoing COVID-19 lock-down and the related uncertainty in financial markets. Revised short-medium term work programs are refocussed on the development of the Company's Prieska Copper-Zinc Project in South Africa's Northern Cape Province (**Prieska Project**), with exploration work currently suspended.

The Company's key focus is the completion and reporting of optimisation studies for the development of the Prieska Project. Following the completion of the Prieska Project Bankable Feasibility Study in June 2019, Orion has been progressing optimisation studies and preparations for mine construction. The outcomes of these studies are currently being incorporated into updated operating plans. Orion is targeting completion of all technical and engineering work in early May 2020 which should enable the expected positive impact of these studies to be released mid-May 2020.

Orion's Chairman, Denis Waddell, commented:

"The Directors and the management team's agreement to reduce the cash component of their fees demonstrates the team's commitment to the Company and the development of the Prieska Project. Orion has assembled an excellent management team and it is pleasing that all members of the team have agreed to a reduction in their remuneration to enable the Company to retain the team and maximise the funds available to progress the development of the Prieska Project".

This announcement is authorised by the Board.

Denis Waddell
Chairman

ENQUIRIES

Investors

Errol Smart – Managing Director & CEO
Denis Waddell – Chairman
T: +61 (0) 3 8080 7170
E: info@orionminerals.com.au

Media

Nicholas Read
Read Corporate, Australia
T: +61 (0) 419 929 046
E: nicholas@readcorporate.com.au

JSE Sponsor

Rick Irving
Merchantec Capital
T: +27 (0) 11 325 6363
E: rick@merchantec.co.za

Appendix 1: Key terms of Mr Smart's remuneration from 1 May 2020

The principal components of Mr Smart's revised remuneration structure, which is effective 1 May 2020 are as follows:

1. Fixed component of \$257,600 per annum (**FAR**) (decreased from \$300,000).
2. Mr Smart is eligible to participate in Orion's short term incentive plan, to receive awards of up to 50% of his FAR annually. Mr Smart's entitlement to any short term incentive award will be based on achievement of certain key performance indicators and performance objectives, as determined by the Board in its discretion. Any equity securities issued to Mr Smart under a short term incentive award, will be subject to shareholder approval.
3. Mr Smart is eligible to participate in Orion's long term incentive plan, to receive awards of up to 50% of his FAR. Mr Smart's entitlement to any long term incentive award will be subject to the achievement of certain key performance indicators and performance objectives, as determined by the Board in its discretion. Any equity securities issued to Mr Smart under a long term incentive award, will be subject to shareholder approval.
4. Orion may terminate Mr Smart's engagement at any time on 6 months' notice. The terms of Mr Smart's engagement permit Orion to make payment in lieu of notice, except where a payment is made upon redundancy or in the event of a reorganisation (as contemplated in paragraph 5 below) (if applicable). Mr Smart may terminate his engagement with Orion at any time on 3 months' notice (unchanged).
5. In the event that the position of Managing Director and CEO is made redundant, or on the occurrence of a reorganisation where Mr Smart gives notice of termination within 30 days of completion of the reorganisation, Mr Smart will be entitled to be paid an amount equivalent to 6 months' remuneration (unchanged).

In addition, as part of Mr Smart's remuneration package, approval for the issue of the following unlisted options will be sought from shareholders at the Company's next General Meeting to be held on a date to be advised:

Number of options	Exercise price	Vest	Expiry
10,000,000	\$0.028	31 March 2020	31 March 2025
10,000,000	\$0.035	31 March 2021	31 March 2025
10,000,000	\$0.04	31 March 2022	31 March 2025