



Orion Minerals

ASX/JSE RELEASE: 13 July 2020

Orion consolidates ownership of highly prospective Jacomynspan Nickel-Copper-PGE Project, South Africa

Extensive intrusive complex is highly prospective for large-scale Ni-Cu occurrences and represents an outstanding opportunity for base metal exploration in the Northern Cape Province

Key Points:

- ▶ Orion enters agreement to acquire the remaining minority vendor interest in the **Jacomynspan Project**, located 65km north of its flagship Prieska Copper-Zinc Project. As a result, Orion will become 70% owner with Orion's BEE partners, staff and employee trusts to hold an aggregate 30% interest in compliance with Mining Charter III.
- ▶ The Jacomynspan Intrusive Complex has important characteristics in common with major global nickel-copper occurrences such as Voisey's Bay, Kabanga and Nova-Bollinger.
- ▶ An airborne electromagnetic (EM) and magnetic survey, with follow-up ground truthing, has identified several high-priority targets for follow up work.
- ▶ The geophysical targets are centred around a maiden JORC Mineral Resource of 6.8Mt containing 39,480 tonnes of Ni, 22,800 tonnes of Cu and 1,800 tonnes of Co at a 0.4% Ni cut-off with grades of 0.57% Ni, 0.33% Cu and 0.30% Co, drilled between 1971 and 2012.

Orion's Managing Director and CEO, Errol Smart, commented:

"This is a well-timed deal that simplifies the ownership and management structure of the Jacomynspan Project against the backdrop of surging global nickel, copper, PGE and zinc prices and a resurgence of global investor interest in exploration for these commodities."

"Through this transaction, we also welcome our Namaqua and Disawell joint venture partners as Orion shareholders, giving them exposure to our world-class exploration and development portfolio including the Prieska Copper-Zinc Project, for which we recently published an updated BFS demonstrating a compelling investment case. The Areachap Belt in the Namaqualand region of the Northern Cape, where Orion holds over 3,200km² of Prospecting and Mining Rights, is superbly placed to become the focus of base metal exploration in South Africa."

Orion Minerals Limited (**ASX/JSE: ORN**) (Orion or the **Company**) is pleased to announce that it has entered into an agreement whereby Orion (or its nominated subsidiary) will acquire the remaining minority interests in the Jacomynspan Nickel-Copper-PGE Project (South Africa) (**Jacomynspan Project**) held by two companies, Namaqua Nickel Mining (Pty) Ltd (**Namaqua**) and Disawell (Pty) Ltd (**Disawell**) (**Agreement**).

In September 2017, Orion entered into a binding earn-in agreement to acquire the earn-in rights over the Jacomynspan Project held by Namaqua and Disawell.

Orion's earn-in is held via its wholly-owned subsidiary company, Areachap Investments 3 S.À R.L, and its South African subsidiary company, Area Metals Holdings No 3 (Pty) Ltd (**AMH3**).

Since finalising the earn-in agreement, AMH3 has advanced exploration programs on the Jacomynspan Project, with expenditure held in a shareholder loan account and AMH3 having reached an earn-in right stage, which will see its shareholding increase by a further 25% interest (increasing its total interest to 50%) and, upon receipt of regulatory approval, AMH3 being issued with the additional shares earned. Orion is the manager and operator of the joint venture.

The key terms of the Sale Agreement are:

- **Sale**

- Orion will acquire all of the:
 - Remaining issued shares in Namaqua and Disawell held by the Namaqua and Disawell minority shareholders (**Selling Shareholders**); and
 - Claims of any nature which any of the Selling Shareholders may have against either Namaqua and/or Disawell, including (without limitation) the Shareholders' loans held by each Selling Shareholder and the founders' royalty held by each founding Shareholder, (collectively, **Sale Equity**).

- **Purchase Price**

- The purchase price payable by Orion to the Selling Shareholders for the Sale Equity will be a total amount of \$0.75M (**Purchase Price**);
- The Purchase Price will be settled by way of Orion issuing its ordinary shares (**Shares**) to each Selling Shareholder (**Consideration Shares**), where:
 - The Purchase Price will be converted into South African Rand (**ZAR**) at the average ZAR/AUD exchange rate in the 30 days prior to the date on which the last of the Suspensive Conditions (refer below) is fulfilled (**Fulfilment Date**); and
 - The issue price of the Consideration Shares will be equal to the 30-day volume weighted average price of the Orion Shares traded on the Johannesburg Stock Exchange as at the Fulfilment Date.
- The Consideration Shares will be issued by Orion to the Selling Shareholders within 10 business days after the Fulfilment Date (**Closing Date**) against the transfer of the Sale Equity to Orion.

- **Suspensive Conditions**

- Orion and the Selling Shareholders (**Sale Parties**) entering into comprehensive formal written agreement/s incorporating the principal terms and conditions set out in the Offer Letter and such other terms and conditions as are usual for a transaction of this nature (**Sale Agreement**);
 - Approval and/or ratification of the Sale Agreement and the implementation of the proposed transaction by the board of directors or trustees (if and where applicable) of each the Sale Parties;
 - Approval, where required, from Orion's shareholders for the proposed transaction;
 - Receipt of any and all regulatory approvals (on terms reasonably acceptable to the Sale Parties) as may be required for the purposes of implementing the proposed transaction; and
 - There being no material adverse change in the business, operations, assets, compliance, position (financial, trading or otherwise) or prospects of either Namaqua or Disawell between the date of signature of the Sale Agreement and the Closing Date.
- Such other suspensive conditions, undertakings, warranties and terms and conditions as would be standard and customary to include in transactions of this nature.

About the Jacomynspan Project

The Jacomynspan Project, located on the Namaqua and Disawell mining and prospecting rights, contains a significant intrusive-hosted, sulphide Ni-Cu-PGE Mineral Resource. Importantly, the Mineral Resource remains open along strike and down-dip, presenting a compelling exploration opportunity.

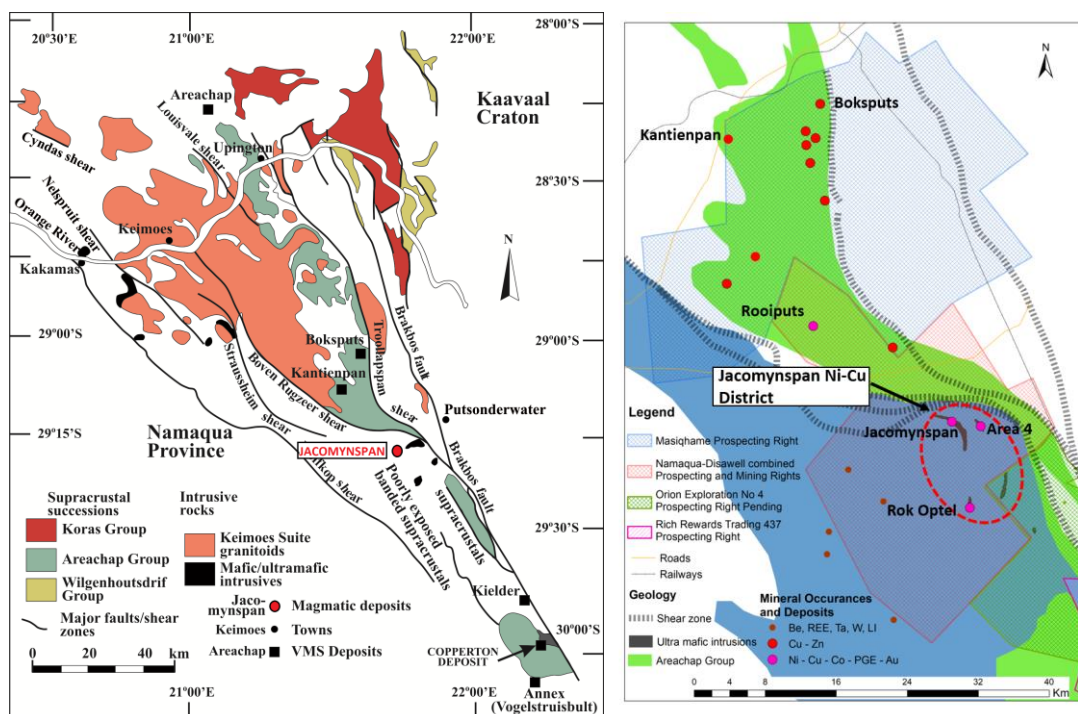


Figure 1: Simplified geological maps showing the locality of the Jacomynspan Ni – Cu deposit in the Areachap Belt.

Indicated Mineral Resource for the Jacomynspan Project at various Ni cut-off grades														
			Ni		Cu		Co		Pt		Pd		Au	
Cut off % Ni	Volume (m³)	Tonnes	Grade (%)	Metal Tonnes	Grad e (%)	Metal Tonnes	Grade (%)	Metal Tonnes	Grade (g/t)	Metal Ounces	Grade (g/t)	Metal Ounces	Grade (g/t)	Metal Ounces
0.20	11 252 000	33 000 000	0.26	86 000	0.18	58 000	0.02	6 000	0.10	101 000	0.05	53 000	0.04	44 000
0.25	4 205 000	12 393 000	0.32	40 000	0.20	25 000	0.02	3 000	0.11	45 000	0.06	25 000	0.05	19 000
0.30	1 501 000	4 461 000	0.42	19 000	0.24	11 000	0.02	1 000	0.14	20 000	0.08	12 000	0.05	8 000
0.40	584 000	1 780 000	0.55	10 000	0.29	5 000	0.03	1 000	0.17	10 000	0.11	6 000	0.07	4 000
0.50	284 000	872 000	0.66	6 000	0.37	3 000	0.04	300	0.16	5 000	0.11	3 000	0.07	2 000
Inferred Mineral Resource for the Jacomynspan Project at various Ni cut-off grades														
			Ni		Cu		Co		Pt		Pd		Au	
Cut off % Ni	Volume (m³)	Tonnes	Grade (%)	Metal Tonnes	Grad e (%)	Metal Tonnes	Grade (%)	Metal Tonnes	Grade (g/t)	Metal Ounces	Grade (g/t)	Metal Ounces	Grade (g/t)	Metal Ounces
0.20	11 022 000	32 304 000	0.29	94 000	0.20	63 000	0.02	6 000	0.10	108 000	0.06	60 000	0.04	44 000
0.25	3 974 000	11 863 000	0.42	49 000	0.26	31 000	0.02	2 000	0.15	55 000	0.09	34 000	0.05	20 000
0.30	2 303 000	7 008 000	0.52	36 000	0.31	22 000	0.02	2 000	0.19	42 000	0.12	27 000	0.06	14 000
0.40	1 647 000	5 056 000	0.58	29 000	0.35	18 000	0.03	1 000	0.19	31 000	0.13	21 000	0.07	11 000
0.50	982 000	3 041 000	0.67	20 000	0.41	13 000	0.03	1 000	0.17	16 000	0.12	11 0003 000	0.07	7 000

Table 1: Indicated and Inferred Mineral Resource for the Jacomynspan Project at various cut-offs¹.

¹ Mineral Resources reported in ASX release of 8 March 2018: "Modelling Confirms Targets Surrounding Jacomynspan Intrusive", available to the public on www.orionminerals.com.au/investors/asx-jse-announcements. Competent Person: Orion's Mineral Resource: Mr. Jeremy Witley. Orion confirms it is not aware of any new information or data that materially affects the information included above. For the Mineral Resources, the company confirms that all material assumptions and technical parameters underpinning the estimates in the ASX release of 8 March 2018 continue to apply and have not materially changed. Orion confirms that the form and context in which the Competent Person's findings are presented here have not materially changed.

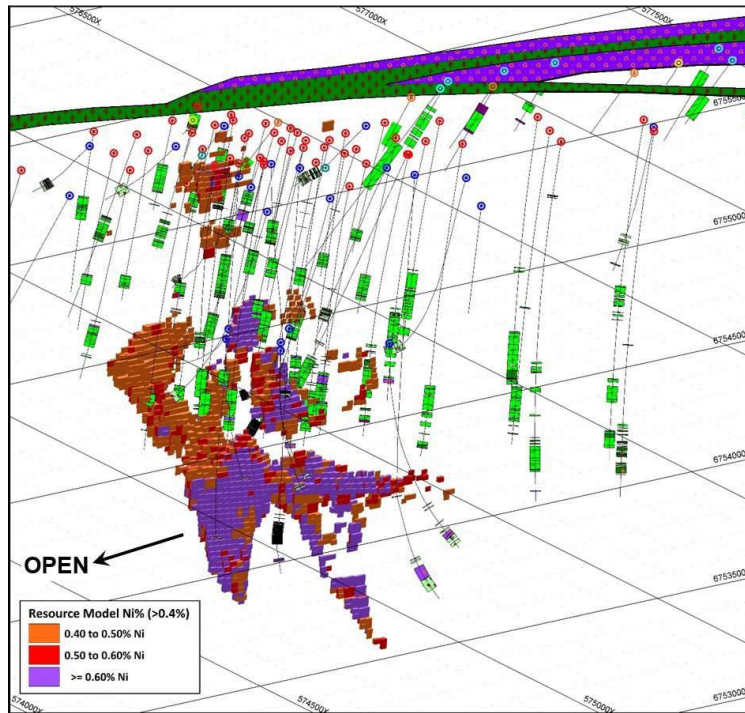


Figure 2: Oblique section showing the Jacomynspan Mineral Resource with potential strike and dip extensions.

Since commencing exploration on the Joint Venture in 2017, Orion has identified high priority targets for potential massive sulphide, base metal mineralisation (refer ASX release 3 July 2018). Orion has identified these massive sulphide targets as having potential to host both intrusive sulphide Ni-Cu-PGE and also Volcanogenic Massive Sulphide (VMS) copper-zinc mineralisation, similar to Orion's Prieska Copper-Zinc Project located 65km to the south, where Orion recently published an updated Bankable Feasibility Study (refer ASX release 26 May 2020).



Figure 3: Type 2 mineralisation hosted by all lithological units at Jacomynspan. Including massive sulphide stringers, with higher tenor (>4% Ni), and which has coarse loop texture (red arrow) (JMP038) (refer ASX release 8 March 2018).

Once field operations resume, Orion intends to drill test several geophysical targets with the potential to host concentrations of Type 2 sulphide mineralisation and potential large bodies of high tenor nickel.

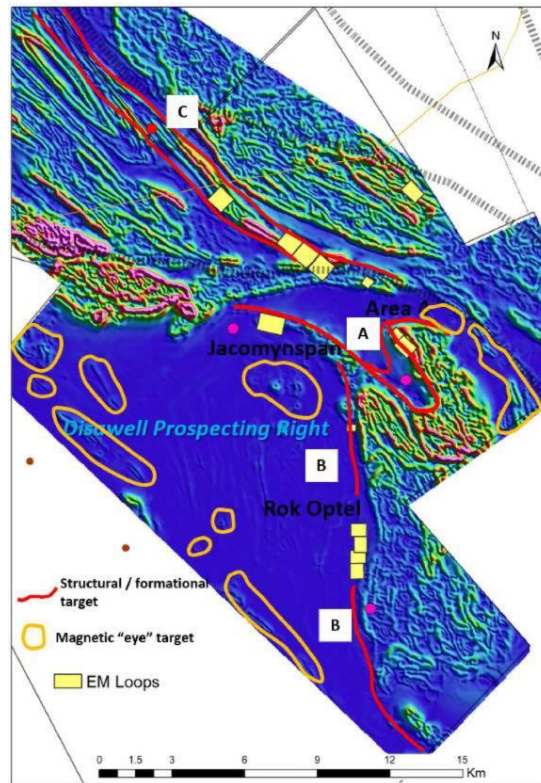


Figure 4: High priority geophysical targets for base metal sulphides identified by Orion following High Power SkyTEM™ survey (refer ASX release 1 February 2018).

For and on behalf of the Board.

Errol Smart
Managing Director and CEO

ENQUIRIES

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