

ASX/JSE RELEASE: 31 January 2023

December 2022 Quarterly Activities Report

HIGHLIGHTS

- ▶ **Definitive agreements for US\$87 million funding package signed with subsidiaries of Triple Flag Precious Metals Corp. to advance the Prieska Copper-Zinc Mine (PCZM).**
 - US\$80 million (~A\$118 million) of Precious Metal Stream funding to be advanced against the delivery of 84% of future gold and silver by-product production, with each stream rate reducing to 50% after certain milestones. Orion will also receive payments of 10% of the delivered precious metal value at spot gold and silver prices at the time of delivery.
 - An additional A\$10 million (~US\$7 million) to be advanced against calculated payments equal to 0.8% of gross revenue from future mineral sales. First draw-down of funds from the A\$10 million Funding Arrangement expected in Q1 CY2023.
- ▶ **Funding terms agreed with South Africa's Industrial Development Corporation (IDC), and recorded in a non-binding term sheet, in terms of which the IDC will advance ZAR250 million (~A\$22 million) as a senior secured, convertible debt facility to fund early works at the Prieska Copper-Zinc Project. Definitive agreements are progressing well, with funding expected to be available for draw-down in Q1 CY2023.**
- ▶ **The A\$10 million from the funding arrangement with Triple Flag, combined with the IDC Convertible Loan, will underpin the completion of a Feasibility Study for early mining at Prieska and enable commencement of mine dewatering.**
- ▶ **Pre-development funding secured for the Okiep Copper Project, with the IDC acquiring a 43.75% stake in New Okiep Mining Company (NOM). IDC has now advanced its share of pre-development costs, amounting to ZAR34.6 million (~A\$3.0 million), and will facilitate meaningful economic participation by Historically Disadvantaged South Africans to further the ownership objectives of the Mining Charter 2018.**
- ▶ **Notarial execution of the mining rights for SAFTA (Okiep Copper Project – Flat Mines) and Namaqua Nickel Mining (Jacomynspan Project).**
- ▶ **Tembo Capital continued its strong support for Orion through a US\$0.50 million (~A\$0.72 million) convertible loan facility.**
- ▶ **Highly experienced corporate finance executive, Mr Peet van Coller, appointed as Orion's new South African-based Chief Financial Officer, with effect from 1 April 2023, in preparation for the imminent transition to mine development and production in South Africa.**

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

"While 2022 delivered a number of challenges – both for Orion and more broadly, for South Africa – I am pleased that the Company demonstrated strong resilience and was able to quickly adapt to the evolving operating environment."

"Orion made significant progress in the Quarter, finishing the year with a series of important funding and personnel announcements, and I believe Orion is now well on its way to achieving its goal of unlocking the incredible base metals potential in the Northern Cape."

"Key achievements during the December Quarter included securing a funding package to progress pre-development activities at the Prieska Copper-Zinc Project and the completion of permitting and early stage funding for our second base metals hub at the Okiep Copper Project. These milestone funding arrangements also saw the introduction of the IDC as a new development partner at Okiep."

"The combined pre-development funding being provided by Triple Flag and the IDC for Prieska now totals over ZAR350 million (~A\$32 million). This will provide funding for Orion to carry out demonstration trial mining and allow dewatering to commence from underground mine workings. Both of these work streams are critical to our Early Works BFS, which we expect to complete by mid-2023, and marks the official start of development at PCZM."

"Orion is entering an exciting phase of its development and I would like to take this opportunity to thank our partners and dedicated team for their hard work and tenacity."

Commodity Markets

Base metals prices continued their upwards trajectory during the December 2022 Quarter on the back of relatively bullish sentiment, although the movement was not uniformly upwards.

Copper remains volatile, having seen over US\$1,000/t variation in the last three months, ranging from a low point of US\$7,420/t in mid-October to a high of US\$8,537/t in early December. It started the quarter at US\$7,647/t and remained steady at US\$8,381/t in mid-December.

Zinc prices fell to a three-month low of US\$2,682/t in early November and have rallied since, reaching a quarter high of US\$3,288/t in mid-December.

Nickel prices started the Quarter low at US\$22,245/t and peaked at US\$31,075/t in the first week of December, before easing off to US\$28,800/t in mid-December 2022.

The World Bank's October Commodity Markets Outlook notes that copper (and aluminium) "prices will likely remain volatile as the energy transition unfolds and as global commodity demand shifts from fossil fuels to renewables, which are metals intensive. For metal-exporting countries, the energy transition may bring windfalls, but it could also increase their exposure to price volatility".

Three-month copper futures on the London Metal Exchange (**LME**) traded at US\$8,543/t on 12 December in Europe, after posting November as their strongest month since April 2021 on hopes for a demand boost if China eased its zero-Covid policies. Goldman increased its 12-month forecast for copper from US\$9,000/t to US\$11,000/t and upgraded its average price forecast to US\$9,750/t for 2023 and US\$12,000/t for 2024.

Bank of America commodity strategists believe copper could rally to US\$12,000/t in the second quarter of 2023, given the right set of circumstances.

Fitch Ratings however have kept their copper assumptions unchanged, reflecting "softer market sentiment linked to the global economic slowdown in 2023, offset by supportive short- and medium-term supply-demand drivers". The same also remains the case for zinc, noting "smelter and refining bottlenecks that kept the market tight in 2022 will continue in 2023, despite growing mine supply".

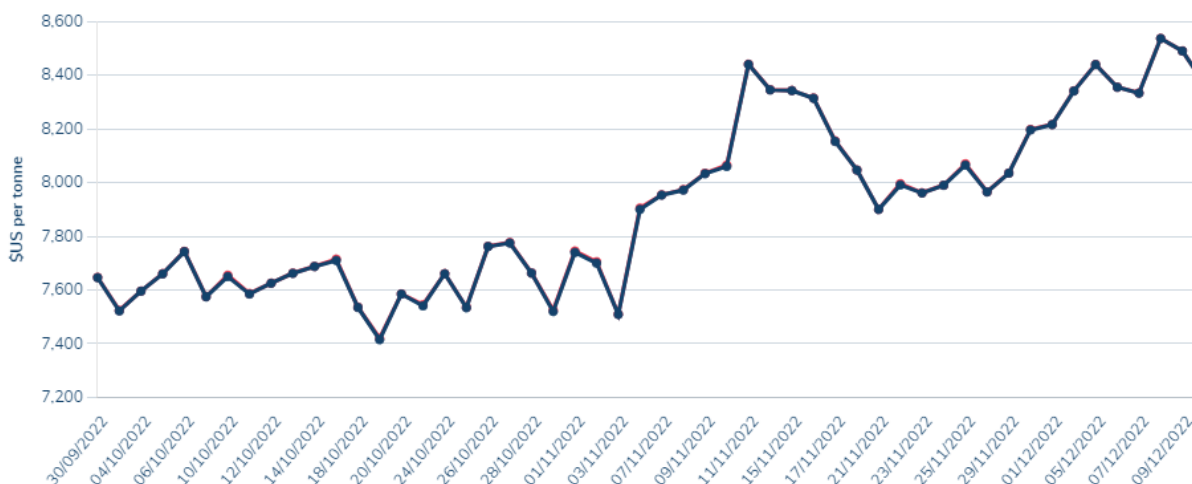
Concentrates surpluses will remain until 2024, when new Chinese smelting capacity comes on stream, alleviating refined metal scarcity. Nickel bucks this trend, with an increased price assumption for 2023 that "reflects a price rally in a rather illiquid and volatile market, although our fundamental views on supply and demand remain unchanged".

In October 2022, Trafigura warned that global copper stocks were dipping perilously low, with the market expected to end the year with inventories covering just 2.7 days of global consumption – as opposed to the usual week of consumption that might be expected. It has been noted that these constrained inventories represent a very real risk of sudden price spikes, should there be any sudden drawdowns.

Also, in October, Wood Mackenzie noted that: "Unrelenting negative news weighed heavily on the zinc price in October. Rising interest rates and inflationary pressures in the US and Europe and fresh Covid lockdowns in China offset the fact that the month of October was bookended by the closure of Budel and Nordenham (European smelters). Consequently, the price drifted lower. The evident tightness of the European market is making the discussions for next year's annual contract premiums difficult. The key uncertainty is if and when the idled smelters will restart and the performance and survivability of the remaining plants".

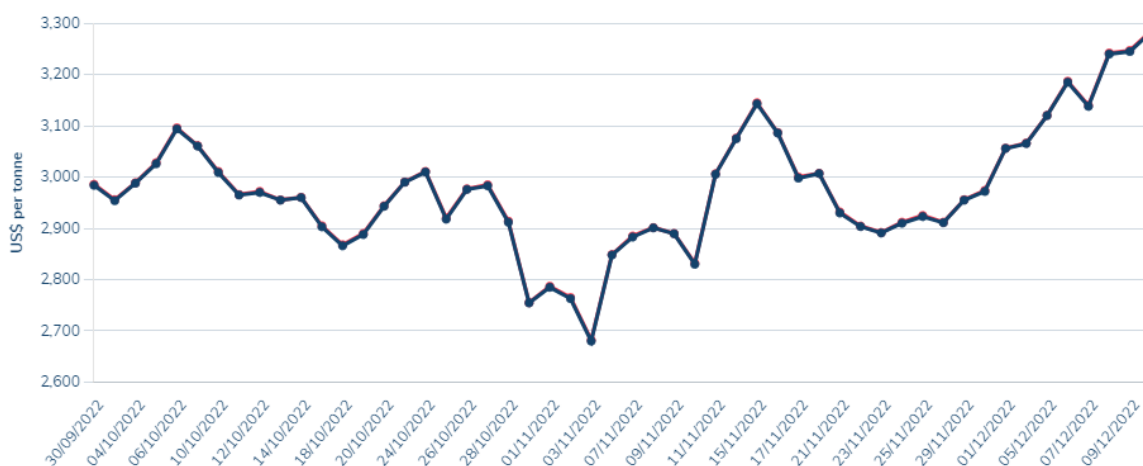
On nickel, S&P Global notes: "With the primary market expected to be in surplus from 2022 to 2026, prices are expected to decrease year over year through 2025 while remaining above 2021 levels. However, November's 2.1% increase to the 2026 consensus price forecast indicates that prices might start a new upward trend".

LME COPPER PRICES OCTOBER 2022 – DECEMBER 2022



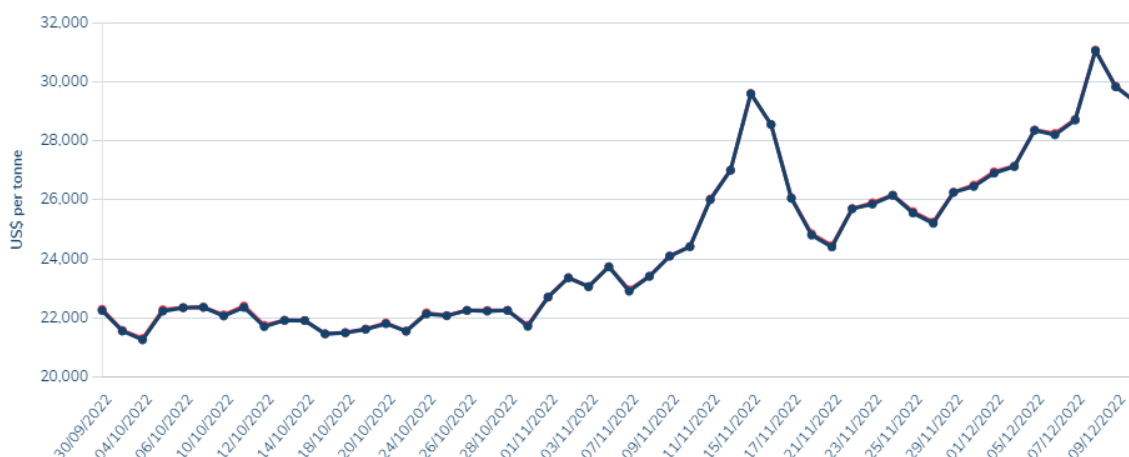
Source: London Metal Exchange

LME ZINC PRICES OCTOBER 2022 – DECEMBER 2022



Source: London Metal Exchange

LME NICKEL PRICES OCTOBER 2022 – DECEMBER 2022



Source: London Metal Exchange

Operations Report

Health and Safety, Environmental Management and Community Engagement

Health and Safety

No injuries were recorded during the Quarter. Hours worked for the Quarter and financial year to date are shown below:

Table 1: Hours worked at the Group's Areachap and Okiep Copper Projects (South Africa).

Category of Work	Hours Worked	
	Quarter	FY2023 YTD Total
Exploration	336	8,375
Mine Re-entry	8,346	21,012
Contractors	7,555	18,709
Total	16,237	48,096

The Lost-Time Injury Frequency Rate (**LTIFR**) per 200,000 hours worked is **0** for the Quarter.

At the end of the Quarter, the team celebrated 223 shifts without a Lost Time Injury (**LTI**). The safety campaign for the festive season focused on "the task at hand".

The Company continues to manage the risks from the COVID-19 pandemic in the workplace in line with government and industry guidelines. During the Quarter, no COVID-19 cases or hospitalisations were reported.

Community and Stakeholder Engagement

Orion continues meaningful engagement with its host communities.

Orion held a meeting with the Siyathemba Stakeholder Engagement Forum (**SEF**) in November 2022 to provide updates on the progress at the Prieska Copper-Zinc Project.

During this meeting, Orion provided an update on ongoing funding efforts, plans for the revised Bankable Feasibility Study (**BFS**) as well as the early production and dewatering plans at the Prieska Copper-Zinc Mine (**PCZM**). The forum also discussed the ongoing Bosberaad Task Team Process which concluded its mandate at the end of the Quarter. A report on the roadmap developed by the Task Team for the achievement of the aspirational host community employment and procurement targets (agreed at the

Bosberaad in October 2021) is anticipated to be concluded and circulated to stakeholders during Q1 CY2023.

Orion introduces the New Okiep Mining Company BEE partner and the Community & Employee Trusts to the community.

The Company held its third successful meeting with the Nama Khoi SEF in November 2022, where the Black Economic Empowerment (**BEE**) transaction for the New Okiep Mining Company Proprietary Limited (**NOM**) was unveiled.

Orion, together with the Industrial Development Corporation of South Africa Limited (**IDC**), will be facilitating the sale of shares to a black economic empowerment consortium and securing employee and community ownership in NOM. The IDC will sell 22.22% of the shares it buys in NOM to BEECo, which is a "BEE Entrepreneur" entity led by Mr Lulamile Xate.

At the meeting, Lulamile Xate introduced himself to the community and explained the transaction, emphasising his commitment to economic development in the Namakwa District.

In addition, the independent founding trustee of the Orion Nama Khoi Community and Employee Trusts, Mr Shaheem Samsodien, introduced himself and explained the objectives, structure, governance and establishment process of the Community Trust.

Springbok community liaison office reopens.

Orion reopened its Nama Koi community liaison office in Springbok on 1 October 2022 following a temporary closure in August. The office continues to serve as a base for community interaction and provides development and operational updates to the community.

Environmental Management

Orion recognises that its environmental performance is a critical component of its success.

The Company strives to deliver the highest level of environmental compliance, with a commitment to monitoring and managing the environmental impacts of its activities during and beyond the life of its operations.

There were no environmental incidents recorded during the December 2022 Quarter.

Prieska Mine Development and Exploration

Prieska Copper-Zinc Project Development

A number of key workstreams progressed during the Quarter as part of formulating the Early Production Plan for the Prieska Copper-Zinc Project (**Prieska Project**). The new plan brings forward revenue generation and potentially reduces the upfront external peak funding requirements by phasing the mine build while retaining the option to scale up to the full-scale BFS-20 project as sufficient funding becomes available.

Leveraging off the information gathered, and material assumptions made in Orion's 2020 Bankable Feasibility Study (**BFS-20**), and supplemented by additional information obtained from recent drilling campaigns and the planned trial mining exercise, the Early Production Plan will comprise:

- A revised mine sequence to extract the mine's crown pillar (+105 Level Crown Pillar), which is above the accumulated water level, using underground mining methods. Extraction of the +105 Level Crown Pillar was originally planned to occur at the end of the mine life using open pit mining. Mining the crown pillar upfront offers the potential advantage of earlier concentrate production and allows for dewatering to be undertaken at lower pumping rates and concurrent with early revenue generation;

- The potential opportunistic extraction of the mineralised pillars left behind from previous mining and located above the accumulated water level. Production from the remnant pillars could supplement the early mining;
- Commencing with dewatering of the underground workings using a modular configuration, with the first modules being commissioned in Q2 CY2023 at one-third of the full-scale pumping rate proposed in the BFS-20 Plan and ahead of the project being fully-funded for full-scale construction; and
- Extraction of the Deeps Sulphide deposit, below the previously mined area, as a future expansion phase.

Orion is planning to proceed with trial mining as early as Q2 2023, first targeting the +105-level Crown Pillar and then developing into the remnant pillars.

While preparations for early dewatering are already underway, the whole pumping and water discharge system is planned to be commissioned by March 2023, subject to funding being in place. The Early Production Plan BFS could then be ready during 2023, paving the way for securing project development funding and a Final Investment Decision (FID).

Operational Readiness

During the Quarter, the Company finalised access and usage rights for the explosive magazines from the Armaments Corporation of South Africa (Armcor) and commenced the process to licence the magazines. This entails maintenance of the magazines and submitting an application to the relevant authority. Feedback is expected early in 2023 on the transfer of the current licence to PCZM. Additionally, the Company has secured all permitting required to receive and use explosives on site.

Discussions with the national power utility company, Electricity Supply Commission (**Escom** or **Eskom**), progressed during the Quarter to secure a 3MVA supply as early as February 2023 and the 15MVA supply required for expanded mining activities by mid-year 2023. Once the power supply upgrades are completed, operations can commence at the project with uninterrupted power supply.

Drilling and blasting of the +105 level drive, which will provide access to the ore zone for trial mining, commenced and the installation of ventilation required for increased underground rehabilitation and trial mining activities was completed.

The decline portal area, which is excavated in the weathered horizon, was re-supported in preparation for increased underground traffic. This work was undertaken by PCZM personnel with assistance from the appointed rock engineer. The works on the portal have been inspected and declared safe.

The last underground water retention dam was constructed on 178 level during the Quarter, concluding the critical work to set up the underground infrastructure for the dewatering campaign. The focus of activity will now move to surface infrastructure setup, which includes the receiver dam design and construction, as well as the evaporation paddocks and the surface electrical reticulation. Once dewatering has started, construction of the reservoir dam at the 210 level, designed to store around 30,000m³ of water for future use, will begin.

Early Dewatering

The Early Dewatering Setup, referred to as *Project Metsi-ka-Pela* ('Water in-front'), consists of a mine dewatering and water treatment network, with a pumping rate that will build up from 120m³/hr to 500m³/hr over time compared to full-scale dewatering in BFS-20 planned at 1,500m³/hr. The Early Dewatering Setup will be established in a modular form that allows the system to be scaled up should the need arise and sufficient funding becomes available. Preparations are on schedule to allow dewatering to commence during Q1 CY2023.

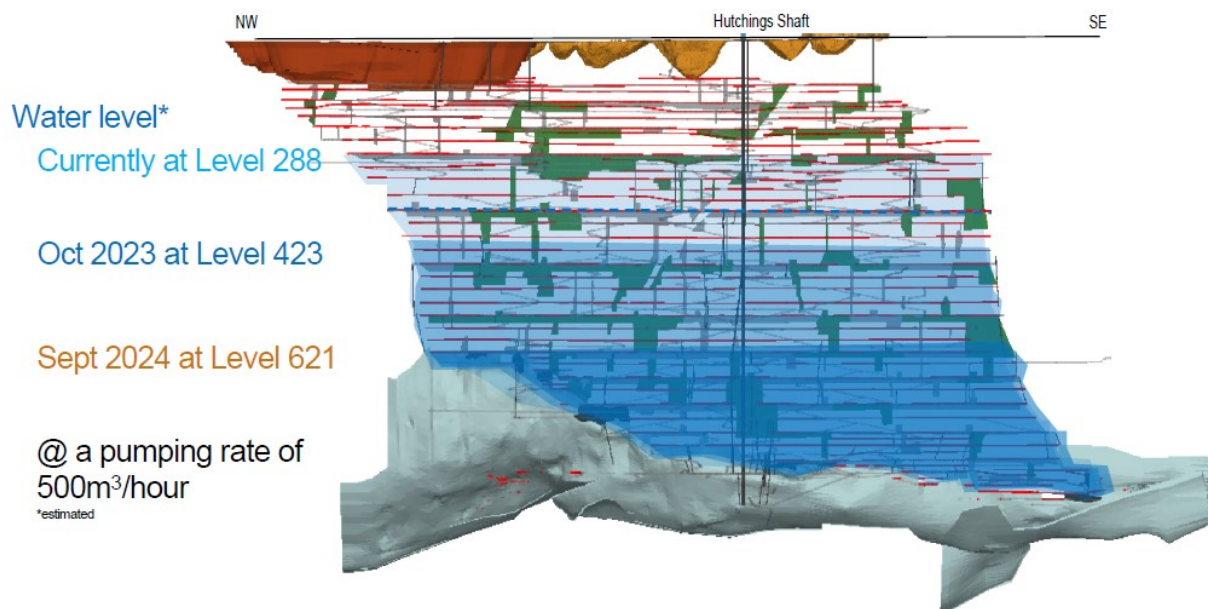


Figure 1: Planned dewatering at Prieska Copper-Zinc Mine for the next three years.

Prieska Project Funding Arrangements

Triple Flag Funding Package.

In December 2022, Orion signed definitive agreements with certain subsidiaries of Triple Flag Precious Metals Corp. (**TSX/NYSE: TFPM**) (with its subsidiaries, **Triple Flag**) for an US\$87 million¹ secured funding package for PCZM made up of a precious metals stream and additional early funding arrangement.

The precious metal stream, which comprises US\$80 million (~A\$118 million) of funding to be drawn down in tranches, alongside other bank and/or third-party funding during mine development, is conditional on the mine development being fully funded, finalisation of an executable mine plan to Triple Flag's satisfaction, South African regulatory approvals, and fulfilment of conditions precedent standard for such arrangements.

Triple Flag will also provide an additional A\$10 million (~US\$7 million) to complete the Early Works BFS. Draw down on the A\$10 million funding agreement is conditional on the completion of due diligence, entering into definitive agreements and Orion securing an additional A\$20 million funding to execute the agreed work focused on the early mining works and the dewatering.

Triple Flag has confirmed to Orion that draw-down of the Industrial Development Corporation of South Africa Limited (**IDC**) Convertible Loan (refer below) will be sufficient for this A\$20 million funding condition to be satisfied. Draw-down of the A\$10 million Funding Arrangement will be in tranches and will pro rata match the draw down requests that Orion will make under the ZAR250 million IDC Convertible Loan (refer below). The first draw-down of funds from the funding agreement is expected in early Q1 CY2023.

Refer to the Corporate Section for further detail.

IDC Convertible Loan.

In October 2022, Orion entered a non-binding term sheet with the IDC for a ZAR250 million (~A\$22 million) senior secured loan facility (**IDC Convertible Loan**) to fund early mining works and key pre-development activities at PCZM.

¹ FX Source: Oanda.com. Values are converted at period end date or funding date.

The proceeds of the IDC Convertible Loan will support the completion of the BFS on the Early Production Plan, while also allowing the Company to commence dewatering of the existing underground mine.

The BFS for the mining of the crown and remnant pillars down to the 385m level at PCZM and the commissioning of pumping and water treatment facilities to dewater the mine at a rate ramping up to 500m³ per hour are key pre-development workstreams.

Orion expects a definitive agreement on the IDC Convertible Loan to be signed with the IDC in Q1 CY2023.

Refer to the Corporate Section for further detail.

Prieska Copper-Zinc Project Exploration

105 Level Mineral Resource In-fill Drilling.

Orion has established a program to first proceed with trial mining targeting the +105-level Crown Pillar and then moving into the remnant pillars starting in Q1 CY2023. In-fill drilling of the +105-level Crown Pillar Mineral Resource, required to support the Early Mining Scenario, commenced in the March 2022 Quarter, and was completed in July 2022 with results confirming the presence of enriched copper mineralisation in the previously drilled supergene sulphide mineralisation (refer ASX/JSE release 11 July 2022).

The orebody model interpretation has been updated and the Mineral Resource will be re-estimated and re-classified where appropriate with an anticipated updated JORC Mineral Resource in Q1 CY2023.

Okiep Copper Project Development and Exploration

Environmental Management

Water Use Licence Application (WULA).

The Water Use Licence Application process commenced in November 2022, with the initiation of a public participation process (**PPP**) where comment on the draft Water and Waste Management Plan (**WWMP**) was sought from Interested and Affected Parties (**IAP's**). The Draft WWMP has been posted on the consultant's (ABS-Africa) website and distributed to registered IAP's in accordance with the applicable legislation. The PPP will remain open until mid-February 2023, after which submission of the WULA to the Department of Water and Sanitation can proceed.

Results from the Radiological Risk Classification of flotation tailings and development waste rock are imminent. The laboratories of the Nuclear Energy Corporation of South Africa (**NECSA**) were used for this analysis to ensure best possible accuracy. All indications received thus far indicate no significant radiological risks exist, but confirmation by NECSA laboratories is awaited.

Waste classification of the flotation tailings, development waste rock, ore sorting discard material and the in-situ evaporation paddy material has been completed and will form the basis of the Tailings Storage Facility (**TSF**) design. Test work confirms that leachable concentrations of all metals and compounds in the waste materials are below the thresholds for Class 3 waste classification and only the small mass of existing evaporation paddy residue material generates a leachate which could potentially impact on groundwater quality.

All planned aquifer drilling and testing in and downstream of the TSF basin has been completed and water analysis results received. The hydrological report including the groundwater and pollution-plume modelling around the planned TSF is complete.

The conclusion from all this work is that groundwater migration in aquifers in and around the TSF is very slow as indicated by elevated levels of sulphides being confined within a small distance from the source (existing evaporation paddies).

Tailings Storage Facility (TSF).

The designed TSF facility is located on an area previously impacted by prior mining operations and comprises an embankment mechanically constructed using mine development waste and ore-sorter discard material.

The design of the TSF embankment is for construction in four phases of downstream embankment raises. This process ensures adequate storage capacity for tailings deposition throughout the Project life, while creating a single deposition site for all waste and tailings from the mining operation.

Collection of data to support the use of an unlined TSF has been comprehensive. The existing paddy material, identified as the source of existing elevated sulphate levels in the groundwater in the proposed TSF basin, will be relocated to an impoundment facility of less than 1.5 Ha with a Class B liner system located within the proposed TSF basin, resulting in an overall positive long-term impact on groundwater.

Mine Planning

The layouts of the underground mining areas were completed in the September 2022 Quarter. In the December 2022 Quarter, various iterations of the mining schedule were investigated, aimed at improving early availability and grade of ore.

A site visit to the existing Flat Mine North underground workings was conducted by a geotechnical engineer to confirm local rock conditions. Final recommendations for stope and pillar layouts are included in the resultant geotechnical report based on observations of drill core and underground conditions, as well as rock strength tests.

Drafting of the mine planning report is in progress.

Infrastructure.

The design and costing of refurbishing and upgrading the Nama Khoi Municipal (**NKM**) electrical infrastructure to accommodate the 10 MVA supply to the mine site has been completed and approved by the Orion-NKM Power Supply Steering Committee. A mechanism for determination of an applicable electricity tariff based on Eskom tariffs and a cost of supply study has been agreed. This will be submitted to the National Energy Regulator (**NERSA**) for approval as required by municipal legislation.

A decision has been taken to limit the main incoming power supply to the distribution substation at the process plant site to 11 kV to avoid stringent environmental requirements for 66 kV overhead lines and provision of early construction power from the grid. The surface 11 kV reticulation design for all the remote decline portals and ventilation exhaust fans has been finalised.

Planned surface infrastructure servicing the operations includes prefabricated and containerised offices, change-houses and workshops for low cost and speedy construction. Layouts and specifications for these have been concluded and costed.

Potable water and process water sources, distribution and storage facilities have been finalised for inclusion in the WULA. Potable water for the mine site will be drawn from a drill hole with good quality water close to the process plant. It has been decided to source process make-up grey-water from the Nababeep Municipality Wastewater Works (**Water Works**) effluent. Orion is advising NKM on the appointment of consultants for the Water Works upgrade which is planned to use budget allocated from the South African National Government for this purpose.

Land Access.

As reported previously, a lease agreement with the NKM for the use of municipal land for the construction of surface infrastructure required for the proposed mining operation has been concluded. The process for the rezoning of land use from agriculture to industrial (mining) has been initiated and will run concurrently with the WULA. Landowner support for this has been given and no impediments to this process are foreseen.

Negotiations between Orion's Commercial and Legal team and other landowners are ongoing.

New Okiep Mining Company Tenements

The status of the tenement holdings, the Mining Right and prospecting right applications pertinent to the NOM operations are as follows:

- The SAFTA mining right (Flat Mines area), which was granted by the Department of Mineral Resources and Energy (**DMRE**) in July 2022, was brought into effect through the notarial execution of the right with the DMRE in December 2022. The right is being lodged for registration with the Mineral and Petroleum Titles Registration Office (**MPTRO**);
- Land access negotiations with the landowners on the Mining Right and adjacent prospecting right areas are continuing; and
- SAFTA prospecting right applications over the areas contiguous to the mining area are in process with the authorities.

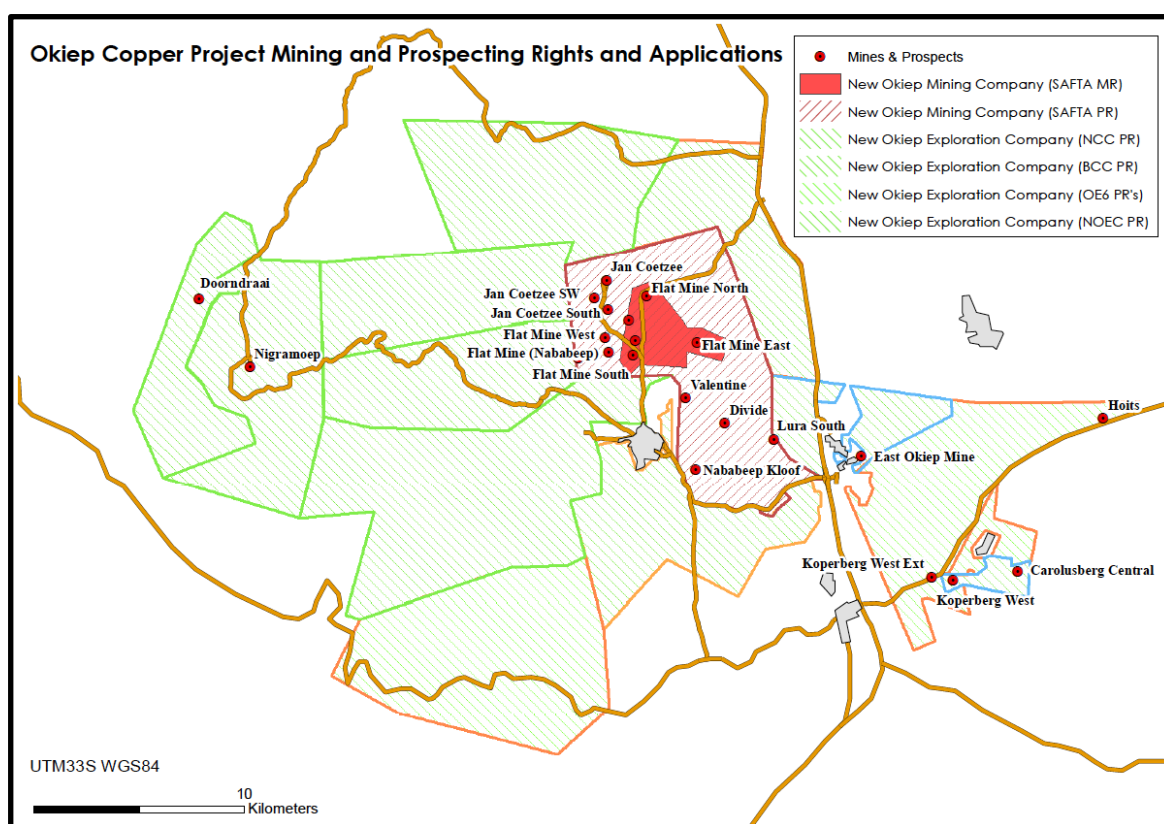


Figure 2: Location of the OCP tenements, the NOM - SAFTA Mining Right and prospecting right applications.

Okiep Copper Project Exploration

Exploration activities continued with ongoing target generation over the Okiep Copper Project (**OCP**) area using SKYTEM™ magnetic and electro-magnetic (**EM**) data together with geological and structural interpretive work.

Digital compilation of historical drilling information over various old mines and prospects has continued, together with remodelling of the mineralisation aimed at re-estimating the Mineral Resources. The current focus of this work has been on the NOM-SAFTA Mining Right and contiguous prospecting right application areas, with the objective of including additional prospects as JORC Mineral Resources in Q1 CY2023.

Areachap Near-Mine Exploration

Areachap is an under-explored belt with multiple Cu-Zn and Ni-Cu-Co-PGE-Au intrusive targets within Orion's tenements; chief among these are:

- The Prieska Cu-Zn near mine, open pit and underground targets with high-grade intersections;
- The Jacomynspan Project with potential for sulphide Ni-Cu-PGE-Au open pit and shallow underground mining. The Namaqua Nickel Mining Right, which was granted by the DMRE in September 2016, was brought into effect through the notarial execution of the right with the DMRE in December 2022. The right is being lodged for registration with MPTRO;
- Several high-grade Cu-Au targets with historical and recent drill hole intersections; and
- Several Li, Be, Rare Earth Element (**REE**) occurrences and old diggings to be investigated.

No exploration work was undertaken during the Quarter.

Australian Projects

Fraser Range – Nickel-Copper Projects (Western Australia)

The Fraser Range Project in Western Australia extends over a total strike distance of some 430km. The Project area is highly prospective for high-value magmatic nickel-copper-cobalt sulphide discoveries.

Orion maintains a sizeable tenement package in the Fraser Range Province of Western Australia in a joint venture with IGO Limited (ASX: IGO). Under the terms of the joint venture, IGO is responsible for all exploration of the tenements and provides regular updates to Orion on activities and results.

Importantly, Orion maintains exposure to the ongoing exploration and development of the Fraser Range Project without the additional financial commitment, given that Orion is free-carried by IGO through to the first pre-feasibility study on any of the tenements.

During the Quarter, IGO completed five aircore holes at the Artemis Target, geological logging of core and down hole EM data from diamond drilling on E28/2367 and moving loop EM (**MLEM**) surveys were conducted at CE, Pennor North and Porpoise target areas.

In Q1 CY2023, IGO plans to undertake the following work (Figure 3):

- Geochemical review of assay results from Artemis aircore program;
- Geochemical review of assay results from Pike North diamond hole 22AFDD207;
- Structural review of data collected for Pike North diamond hole 22AFDD207;
- Geological review of CE MLEM target; and
- Data review of tenements, from programs undertaken and results received in prior Quarters.

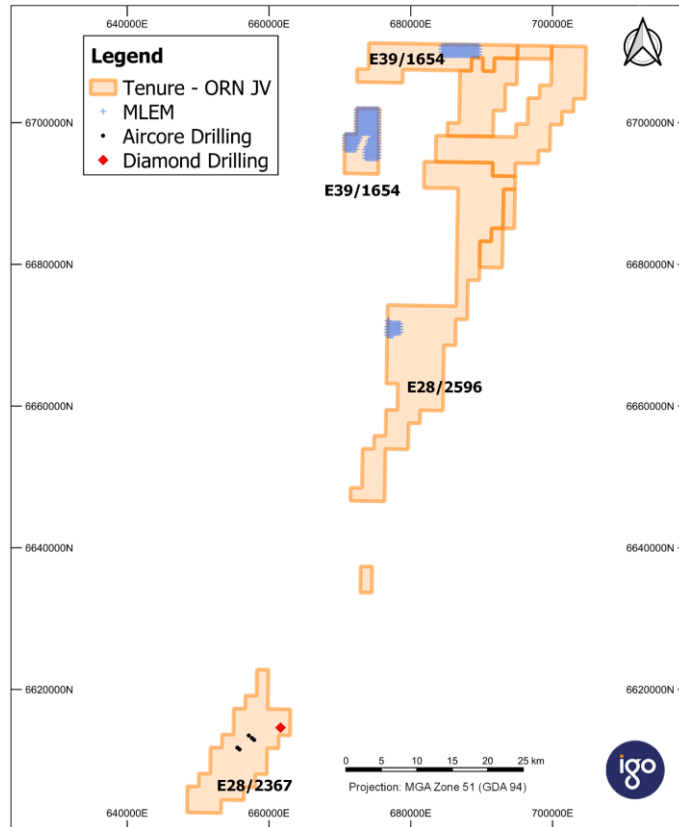


Figure 3: Location of work on Orion JV tenure in Q2 and Q3 FY2023.

Walhalla – Gold and Polymetals Project (Victoria)

No field or exploration work was carried out on the Walhalla Project during the Quarter. During the Quarter, the Company continued to progress its licence applications over prospective areas of Walhalla.

Corporate

Cash and Finance

Cash on hand at the end of the Quarter was \$2.73 million. Payments made to related parties and their associates during the Quarter was \$90k and relates to Director fees and consulting fees, as listed in Section 6 of the Company's Quarterly Cash Flow Report (Appendix 5B).

Following Quarter end, on 3 January 2023, Orion announced that Tembo Capital Mining Fund II LP (**Tembo**) has continued its strong support of Orion, through a US\$0.50 million (~A\$0.72 million) unsecured Convertible Loan Facility (see Convertible Loan Facility details below).

Prieska Project Funding

Triple Flag Funding Arrangements.

In May 2022, Orion took a pivotal step towards the development of its flagship Prieska Project in South Africa's Northern Cape Province after signing non-binding term sheets with TF R&S Canada Ltd. and Triple Flag International Ltd. (together **Triple Flag**), for a US\$87 million secured funding package.

In December 2022, definitive agreements were signed with Triple Flag for the US\$87 million secured funding package.

The funding package comprises two components, being a precious metals stream (**Precious Metal Stream**) and additional early funding arrangement (**Funding Arrangement**).

The Precious Metal Stream comprises US\$80 million (~A\$118 million) of funding to be drawn down in tranches, alongside other bank and/or third-party funding during mine development. Orion will also receive payments of 10% of the value of delivered precious metal paid at spot London Bullion Market Authority (**LBMA**) pricing at the time of delivery.

The proposed stream rates for gold and silver to be delivered under the stream agreement are 84% of "Payable Gold" until 94.3k ounces of gold are delivered and 84% of "Payable Silver" until 5,710k ounces of silver are delivered, with each stream rate reducing to 50% after the respective milestones.

The Precious Metal Stream is conditional on the mine development being fully funded, finalisation of an executable mine plan to Triple Flag's satisfaction, South African regulatory approvals and fulfilment of conditions precedent standard for such arrangements.

Orion and Triple Flag have also entered into a definitive agreement for an additional A\$10 million TF Funding Arrangement, with this funding to be made available to Orion to complete the Feasibility Study for the mining of the +105 crown pillar and remnant pillars down to the 385m level at PCZM (**Early Mining Works BFS**) and the simultaneous commissioning and operation of pumping and water treatment facilities, to allow dewatering of the PCZM mine at a rate ramping up to 500m³ per hour (**Dewatering Project**).

The Early Mining Works BFS and the Dewatering Project are both key pre-development workstreams that are already well advanced. The Dewatering Project is a critical long-lead item for the development of the Prieska Project, given that total dewatering of the mine to facilitate access to the main sulphide VMS orebody (the Deeps Sulphide deposit) will take approximately three years at the slower rate.

The A\$10 million Funding Arrangement draw-down is conditional on Orion securing an additional A\$20 million funding to execute the agreed work focused on the Dewatering Project and the Early Mining Works BFS, as well as South African regulatory approvals and fulfilment of conditions precedent standard for such agreements. Triple Flag has confirmed to Orion that draw-down of the IDC Convertible Loan (refer below) will be sufficient for this A\$20 million funding condition to be satisfied. Draw-down of the A\$10 million Funding Arrangement will be in tranches and will pro rata match the draw down requests that Orion will make under the ZAR250 million IDC Convertible Loan (refer below).

Under each of the Precious Metal Stream and Funding Arrangement, PCZM (a majority-owned subsidiary of Orion) and other obligors will agree to grant a first ranking security in favour of Triple Flag over certain assets and claims, with the security in respect of the Precious Metal Stream to be subordinated to Prieska Project financiers.

The Triple Flag Funding Arrangement is expected to be available for draw-down in Q1 CY2023.

A summary of the material terms of the Precious Metal Stream and Funding Arrangement is provided in Appendix 1 and 2 of the 13 December 2022 ASX/JSE release.

A key approval for the cross-border transaction was obtained from the South African Reserve Bank on 22 December 2022.

IDC Convertible Loan.

On 21 October 2022, Orion announced a pivotal non-binding term sheet with the IDC for a ZAR250 million (~A\$22 million) senior secured loan facility (IDC **Convertible Loan**) to fund early mining works and key pre-development activities at the Prieska Project. Orion, Agama Exploration and Mining Proprietary Limited (a wholly-owned subsidiary of Orion) (**Agama**) and PCZM (a majority-owned subsidiary of Orion) have reached agreement with the IDC on the key terms of the IDC Convertible Loan, which have been recorded in a non-binding term sheet (**Term Sheet**), with IDC Executive Committee approval.

Under this Term Sheet, the IDC will provide the ZAR250 million (~A\$22 million) IDC Convertible Loan to Agama, or its wholly-owned subsidiary, which will be on-lent to PCZM on similar terms to fund the completion of the BFS for the previously articulated Early Production Plan at Prieska (refer ASX/JSE release

20 January 2022), while also allowing the Company to commence dewatering of the existing underground mine – a critical path activity required for the broader long-term development of the project. The Early Mining Works BFS and the Dewatering Project are key pre-development workstreams that are already well advanced.

Orion expects a definitive agreement on the IDC Convertible Loan to be signed with the IDC in Q1 CY2023.

A summary of the material terms of the Term Sheet is provided in Appendix 1 of the 21 October 2022 ASX/JSE release.

Next Steps.

The Triple Flag A\$10 million early Funding Arrangement, together with the IDC Convertible Loan, will enable Orion to complete the Early Mining Works BFS and commission and carry out the Dewatering Project.

The Early Mining Works BFS for the Prieska Project is well advanced, with targeted completion in mid-2023. The Dewatering Project is also well advanced, with underground storage dams and pump site construction completed and the shaft platform installed to facilitate pump installation.

Refer to the Prieska Mine Development and Exploration (Prieska Project Funding Arrangements) section for further detail.

Okiep Copper Project Funding

IDC Share Acquisition and Pre-development Funding.

During the Quarter, Orion and the IDC entered into definitive agreements in terms of which the IDC acquired 43.75% of the issued ordinary shares in New Okiep Mining Company Proprietary Limited (**NOM**) and triggered pre-development funding arrangements for the Flat Mines SAFTA area (**Flat Mines Project**), as announced on 7 September 2022.

The IDC funding of pre-development costs in the aggregate amount of ZAR35 million (~A\$3.0 million) will be advanced to NOM on the same terms as the pre-development funding amount of ZAR44 million (~A\$3.84 million) that Orion had already advanced to NOM, including that the loan is unsecured, interest free until such time as the Flat Mines Project commences commercial production and will be repaid when NOM is in a financial position to make repayment. Pursuant to the definitive agreements having been implemented during the Quarter, and the IDC becoming a shareholder in NOM, during the Quarter, the IDC advanced ZAR21.91 million (~A\$1.89 million) of its pre-development funding commitment.

The execution of definitive agreements, and acquisition of shares in NOM by the IDC, follows Orion's 7 September 2022 announcement that it had entered into non-binding term sheets with the IDC and Lulamile Xate regarding the key principles of the funding and Historically Disadvantaged South African (**HDSA**) ownership participation arrangements for NOM.

Orion, the IDC and Lulamile Xate anticipate finalising and executing the definitive agreements for the HDSA ownership arrangements within the coming months, with the implementation of the HDSA ownership arrangements being conditional on the transfer of the assets from SAFTA to NOM, per the terms and conditions of the SAFTA Asset Acquisition Agreement (refer ASX/JSE releases 2 February 2021 and 2 August 2021).

Loans

Tembo Capital – Convertible Loan Facility.

On 3 January 2023, Orion announced that Tembo continues its strong support of Orion, through an unsecured convertible loan facility of US\$0.50 million (~A\$0.72 million) (**Tembo Convertible Loan Facility**).

Under the terms of the Loan Facility, in certain instances, amounts outstanding under the Convertible Loan Facility (including capitalised interest and fees) (**Outstanding Amount**) may be repaid by the issue of ordinary shares in Orion (**Shares**) to Tembo (subject to receipt of shareholder and regulatory approvals).

Proceeds from the Tembo Convertible Loan Facility will be used principally for working capital purposes, and any other purposes as agreed by Tembo in writing. The key terms of the Tembo Convertible Loan Facility agreement are:

- Loan Amount: US\$0.50 million.
- Interest: Capitalised at 12% per annum.
- Conversion or Repayment:
 - The Outstanding Amount must be repaid in cash by 30 April 2024, or, if Tembo elects (or is required) to receive Shares in repayment of the Outstanding Amount in lieu of payment in cash (as set out below), the date on which those Shares are issued (or such later date as agreed between Orion and Tembo) (**Repayment Date**);
 - If Orion undertakes a placement raising a minimum of US\$2.0 million from investors other than Tembo (**Placement**) prior to 31 May 2023 (**Placement End Date**), subject to receipt of necessary shareholder and regulatory approvals, Tembo must participate in any such Placement, with Shares being issued by Orion to Tembo in repayment of the Outstanding Amount (in lieu of payment in cash by Orion).
 - Tembo may also elect, subject to receipt of shareholder and regulatory approvals, for repayment of the Outstanding Amount to be satisfied by the issue of Shares by Orion to Tembo between the Placement End Date and the Repayment Date. The deemed issue price of those Shares shall be:
 - where Tembo elects to participate in a Placement conducted by Orion during that period, the subscription price payable by investors under any Placement conducted during that period; or
 - otherwise, the 10 day volume weighted average price of Orion's Shares prior to an election by Tembo to convert the Outstanding Amount to Shares.
 - Where necessary shareholder or regulatory approvals are not obtained for issues of Shares, Orion must repay the Outstanding Amount in cash.
- Security: The Convertible Loan Facility is unsecured.
- Conditions: The availability of funding is subject to certain customary conditions.

Anglo American sefa Mining Fund.

In November 2015, PCZM (a 70% owned subsidiary of Orion) and Anglo American sefa Mining Fund (**AASMF**) entered into a ZAR14.25 million loan agreement for the further exploration and development of the Prieska Project (**Loan Facility**). Under the terms of the Loan Facility, on 1 August 2017, AASMF advanced ZAR14.25 million to PCZM. The key terms of the Loan Facility are:

- Loan amount: ZAR14.25 million (~\$1.23 million);
- Interest rate: Prime lending rate in South Africa; and
- Security: 29.17% of the shares held in PCZM by Agama (a wholly owned subsidiary of Orion), have been pledged as security to AASMF for the performance by PCZM of its obligations in terms of the Loan Facility.

As at 31 December 2022, the balance of the Loan Facility was ZAR22.99 million (~A\$1.98 million) (including capitalised interest). PCZM and AASMF are engaged in negotiations to agree a repayment plan in relation to the Loan Facility.

Appointment of Chief Financial Officer

On 15 December 2022, Orion announced the appointment of highly experienced corporate finance executive, Mr Peet van Coller, as the Company's new South African-based Chief Financial Officer (**CFO**), with effect from 1 April 2023. The appointment forms part of a series of recent and planned appointments to Orion's leadership team in South Africa, as it gears up for operational readiness at its flagship Prieska Copper-Zinc Project and Okiep Copper Project, in South Africa's Northern Cape Province.

Mr van Coller will succeed Orion's long-serving CFO, Mr Martin Bouwmeester, who will remain as Orion's Company Secretary and as a corporate consultant on a part-time basis, ensuring that Orion will continue to benefit from Martin's valuable corporate experience, financial and strategic capabilities.

Mr van Coller's appointment follows a comprehensive executive search process which was aimed at recruiting a South African-based CFO to support Orion's near-term transition to mine development and production in South Africa.

Annual General Meeting

The Annual General Meeting of shareholders of Orion was held at the offices of Clayton Utz, Level 27, QV1 Building, 250 St Georges Terrace, Perth, Western Australia on Thursday 24 November 2022. All resolutions were passed by poll.

Tenement Table

Tenement	Project	Ownership Interest	Change in Quarter	Joint Venture Partner
South Africa				
NC30/5/1/1/2/11850PR	Bartotrax	100%	---	---
NC30/5/1/2/2/10138MR	Prieska Copper-Zinc Mine	70%	---	---
NC30/5/1/2/2/10146MR	Prieska Copper-Zinc Mine	70%	---	---
NC30/5/1/1/2/11840PR	Doonies Pan	70%	---	---
NC30/5/1/2/2/10032MR	Namaqua-Disawell	25%	---	Namaqua Nickel Mining (Pty) Ltd
NC30/5/1/1/2/12216PR	Namaqua-Disawell	25%	---	Namaqua Nickel Mining (Pty) Ltd
NC30/5/1/1/2/10938PR	Namaqua-Disawell	25%	---	Disawell (Pty) Ltd
NC30/5/1/1/2/11010PR	Namaqua-Disawell	25%	---	Disawell (Pty) Ltd
NC30/5/1/1/2/12292PR	Masiqhame	50%	---	Masiqhame 855 (Pty) Ltd
NC30/5/1/1/2/12197PR	Bokspuits North	70%	---	---
NC30/5/1/1/2/11125PR	Okiep	100%	---	---
NC30/5/1/1/2/12357PR	Okiep	100%	---	---
NC30/5/1/2/2/10150MR	Okiep	56.25%	---	Industrial Development Corporation of South Africa Limited (IDC)
Western Australia				
E28/2367	Fraser Range	30%	---	IGO Limited
E28/2378	Fraser Range	30%	---	IGO Limited
E28/2462	Fraser Range	30%	---	IGO Limited
E28/2596	Fraser Range	30%	---	IGO Limited
E39/1653	Fraser Range	35%	---	IGO Limited & Geological Resources Pty Ltd
E39/1654	Fraser Range	10%	---	IGO Limited & NBX Pty Ltd

This Quarterly Report is authorised by the Board.