



ORMINEX

ASX ANNOUNCEMENT

ASX Code: ONX

2 March 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

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

A: 1A Agnew Way,
Subiaco WA 6008

P: PO Box 924,
SUBIACO WA 6904

PH: +61 8 6558 1859
FAX: +61 8 9380 8300

e: admin@orminex.com.au
www.orminex.com.au

ACN: 008 740 672
ABN: 45 008 740 672

COMET VALE DRILLING PROGRAM CONFIRMS MULTIPLE HIGH-GRADE EXTENSIONS BELOW CURRENT MINE PLAN

Highlights

- Underground diamond drilling successfully completed testing Comet Vale mineralisation down dip of current mining operation – best intersections include:
 - CVUG004: 1.64 m (true width) @ 48.2 g/t Au from 137.8m down hole
 - CVUG001: 0.6 m (true width) @ 25.2 g/t Au from 165.05m down hole
 - CVUG005: 0.41 m (true width) @ 12.6 g/t Au from 104.9m down hole
 - CVUG005: 0.40 m (true width) @ 15.45 g/t Au from 105.0m down hole
 - CVUG002: 0.50 m (true width) @ 10.50 g/t Au from 107.7m down hole
- Presence of the multiple generation of quartz reefs along the Comet Vale system confirmed - with significant intersections recorded both north and south of the current underground workings
- Planning for follow-up drilling to test high-grade extensions now underway

Orminex Limited ('Orminex' or 'the Company'; ASX:ONX) is pleased to provide the following update on the recent underground diamond drilling campaign completed at its joint venture Comet Vale gold project (51% ONX; 49% Sand Queen Gold Mines Pty Ltd) in the Goldfields region of Western Australia.

The diamond drilling program was strategically designed to test the northern and southern extension of the known Comet Vale mineral system, down dip of historic mining activity, with the aim of providing geological information for medium term mine planning.

The six-hole diamond drilling program consisted of 1,131.1 metres of core containing geological information that is integral to understanding the Comet Vale mineral system for further exploration and mining success. The results of the program have confirmed the presence of the multiple generation of quartz reefs along the Comet Vale system. Figure 1 shows the locality of the holes in long section and Figures 2, 3 and 4 show significant intersections both north and south of the current underground workings.

Three diamond core holes were drilled targeting mineralisation to the north below the historic Sand Queen and Gladsome workings. Two parallel reef systems are present at Sand Queen with hole CVUG001 intersecting a laminated quartz vein in the footwall position with a true width of 0.6 meters at 25.2 g/t Au with visible gold present in the lode.

An additional three holes targeted mineralisation to the south of the current workings of the Sand George lodes. Once again, parallel quartz reefs were identified by this drilling with 1.64 meters true width at 48.2 g/t Au being intersected in a footwall position in hole CVUG004.

Orminex is currently finalising plans for follow-up drilling at Comet Vale to further test a number of these high-grade mineralised extensions.

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

MANAGEMENT COMMENTARY

Orminex's Executive Chairman, Daryl Henthorn, said:

"We are very pleased with these initial drill results which support our view that there is strong potential to extend the Comet Vale mine plan below existing mining operations. We are now working toward finalising a follow-up drilling program which will help steer future underground development work at Comet Vale."

"Plans to commence a resource drilling program at Penny's Find are also well advanced, following receipt of all necessary statutory approvals. This program will provide our team with important structural information on the existing Penny's Find resource prior to the recommencement of mining operations."

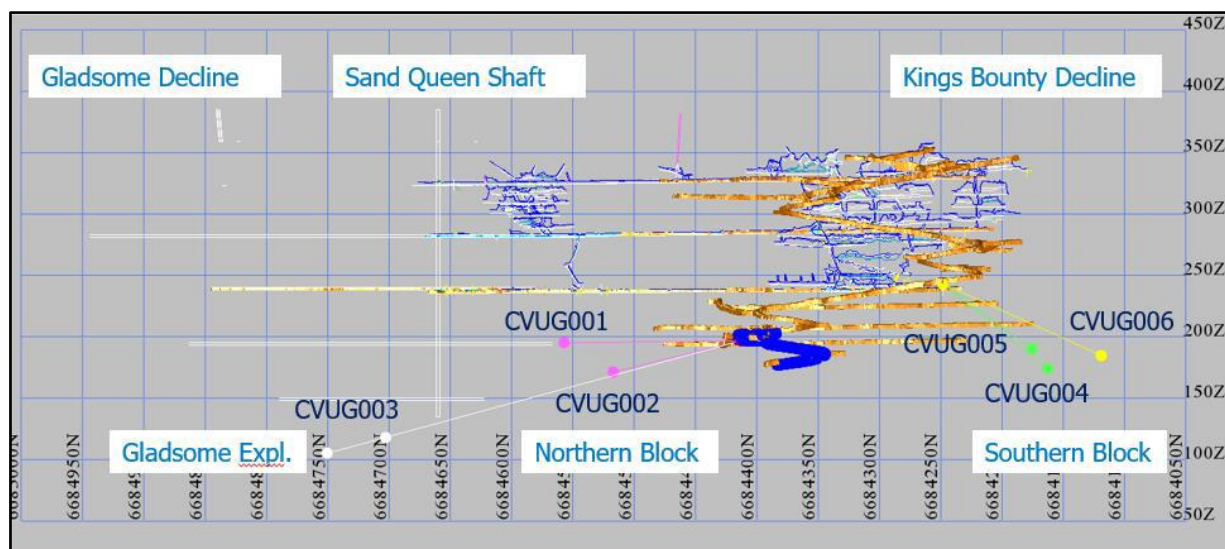


Figure 1 - Long section of Comet Vale workings showing spatial relationship of the six-hole program

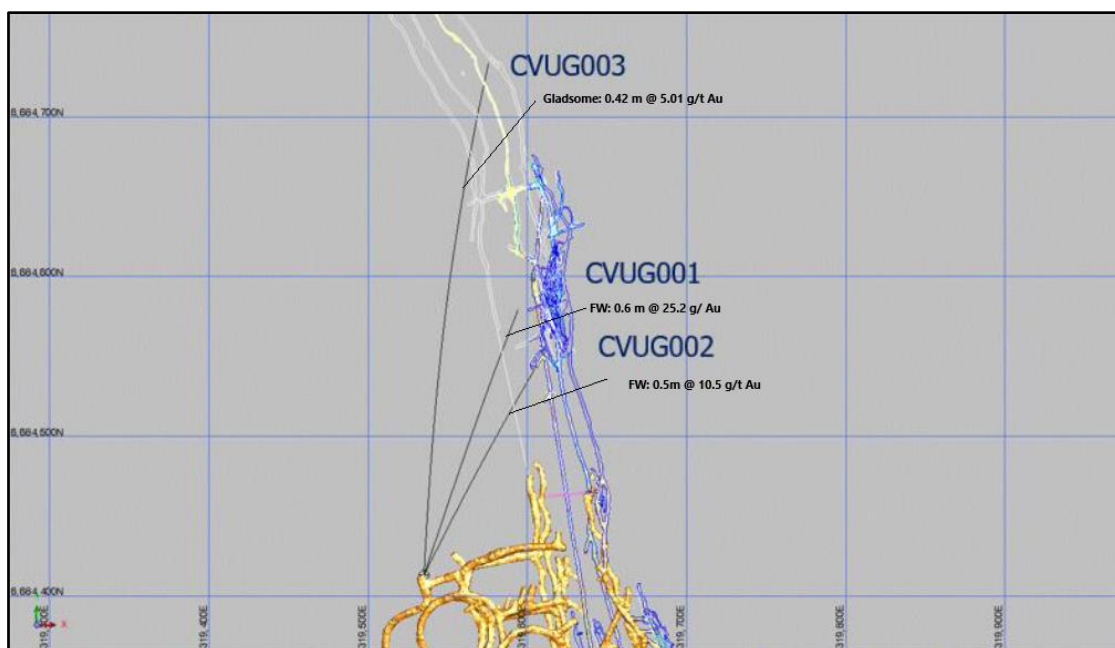


Figure 2 - Plan view of the northern drilling intersecting economic mineralisation beneath the historic Sand Queen lodes



Figure 3 - Visible gold in the Sand Queen lode at 176.5 metres down hole in CVUG001

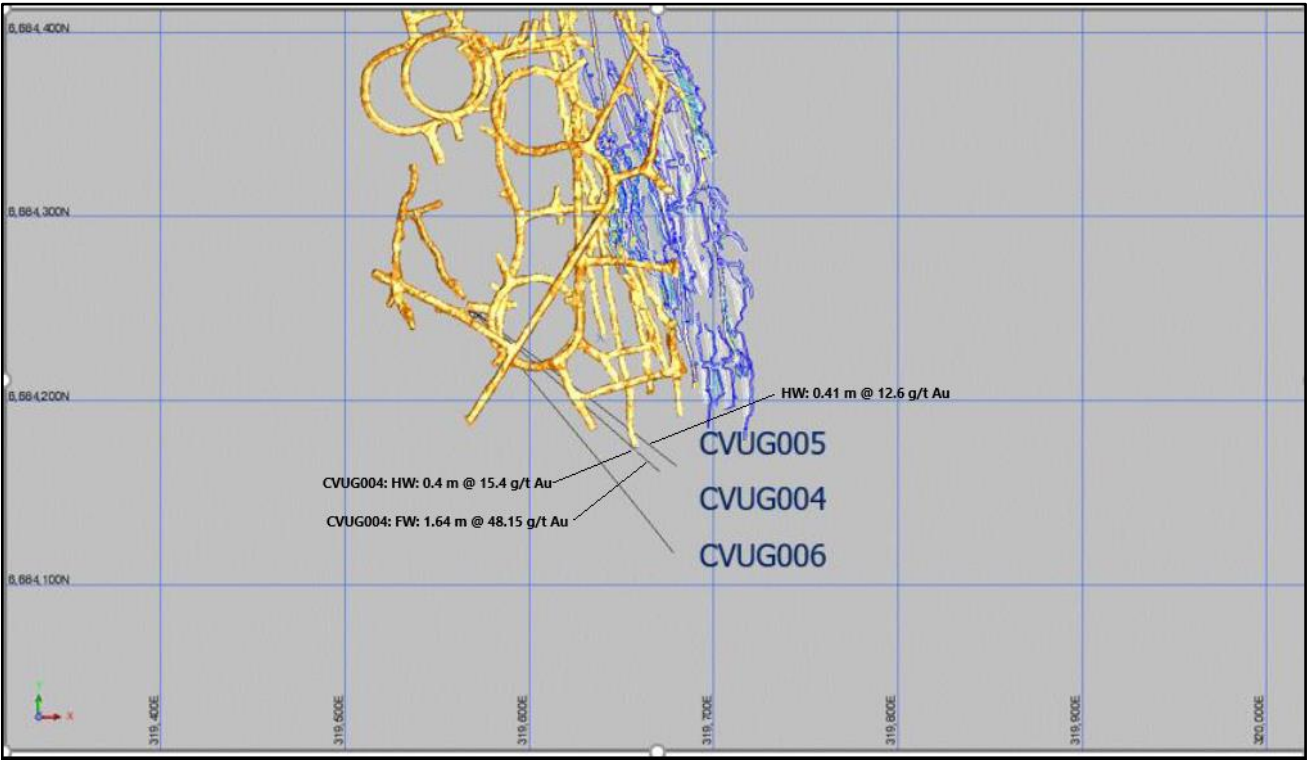


Figure 4 - Plan view of the southern drilling intersecting economic mineralisation south of the Sand George workings

Investor enquiries:

Daryl Henthorn

Executive Chairman

dhenthorn@orminex.com.au

For more information, visit www.orminex.com.au

For media enquiries please contact Sam Burns, Six Degrees Investor Relations, M: +61 400 164 067



Follow [@Orminex](https://twitter.com/Orminex) on Twitter



Follow [Orminex Limited](https://www.linkedin.com/company/orminex-limited) on LinkedIn

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.

Competent Person's Statement

The information in this report that relates to exploration results was authorised by Mr Darryl Mapleson, a Principal Geologist and a full time employee of BM Geological Services, who are engaged as consultant geologists to Orminex Limited. Mr Mapleson is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Mapleson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to act as a competent person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Mapleson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 1

TABLE OF SIGNIFICANT INTERCEPTS

December 2019 CVUG Drilling													
Hole ID	mE	mN	mRL	Dip	Azimuth	EOH	From	To	Intersect Length (m)	True Width (m)	Au Assay (g/t)	Target Location	Vein ID
CVUG001	319535.01	6684413.51	198.644	-0.5	019	176.5	145	145.95	0.95	0.67	0.77	5L Nth	Sand Queen HW QV
CVUG001	319535.01	6684413.51	198.644	-0.5	019	176.5	165.05	165.70	0.65	0.60	25.16	5L Nth	Sand Queen FW QV
CVUG002	319535.13	6684413.49	197.986	-12	026	164.8	107.70	108.40	0.70	0.50	10.50	5.6L Nth	Sand Queen HW QV
CVUG002	319535.13	6684413.49	197.986	-12	026	164.8	130.32	131.00	0.68	0.49	1.17	5.6L Nth	Sand Queen FW QV
CVUG003	319534.19	6684413.41	198.036	-15	003	341.0	264.11	264.60	0.49	0.42	5.01	Gladsome	Gladsome HW QV
CVUG003	319534.19	6684413.41	198.036	-15	003	341.0	279.20	280.10	0.90	0.78	0.10	Gladsome	Gladsome FW QV
CVUG004	319570.26	6684248.30	243.272	-27	131	146.0	105.00	105.48	0.48	0.40	15.45	5.6L Sth	Comet Vale HW QV
CVUG004	319570.26	6684248.30	243.272	-27	131	146.0	137.78	138.50	0.72	1.64	48.17	5.6L Sth	Comet Vale FW QV
CVUG005	319570.26	6684248.30	243.272	-23	127	128.8	104.92	105.45	0.53	0.41	12.60	5.3L Sth	Comet Vale HW QV
CVUG005	319570.26	6684248.30	243.272	-23	127	128.8	127.90	128.50	0.60	0.46	0.01	5.3L Sth	Comet Vale FW contact
CVUG006	319570.26	6684248.30	243.272	-18	140	174.0	132.68	133.16	0.48	0.34	0.54	5.3L Sth	Comet Vale HW QV
CVUG006	319570.26	6684248.30	243.272	-18	140	174.0	167.60	167.94	0.34	0.24	0.25	5.3L Sth	Comet Vale FW contact

APPENDIX 2

JORC CODE, 2012 EDITION – TABLE 1

COMET VALE GOLD PROJECT DECEMBER 2019 UNDERGROUND DIAMOND DRILLING

SECTION 1 SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> A BMGS (site contractor) Geologist managed the drilling for Orminex for the duration of the program. Diamond core (NQ) = 6 Holes / 1,131.1 metres Diamond core was cut using an Almonte automated core saw on selected geological intervals. The core was cut in half and one half of the core was submitted for gold analysis. The drill hole collar locations were surveyed before and after drilling using Kalgoorlie based registered surveyors Minecomp Pty Ltd. Sampling was carried out under BMGS protocols and QAQC procedures as per industry best practice. See further details below. Samples are analysed using a 50 gram fire assay charge with an AAS finish.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> An Australian Underground Drilling (AUD) jumbo mounted 110 KW customised drill rig was used to complete the programme. The diamond core drilled was NQ2.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Core recovery was estimated to have 100% recovery and was measured in tray. It is not known if a relationship exists between sample recovery and grade. No sample loss occurred.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	<ul style="list-style-type: none"> Core logging of this programme has been digitally captured and is capable of being included in a Mineral Resource Estimation. Holes have been digitally logged at both site and at BMGS’s Core

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> Facility in Boulder and uploaded into the main database. Diamond core logging for lithology, alteration, geotechnical and structural elements was completed.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> Drill core was sawn in half using an Almonte automatic core saw. The half core was used for assay analysis. The remaining half of the drill core was stored. Core was sampled to geological units. Individual quartz veins were selectively sampled; varying in size between 30 cm to 1 metres down hole. CRM standards and blanks duplicates submitted with assays
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> Samples are assayed by Fire Assay, 50 g charge at ALS, Kalgoorlie. The techniques is considered to be appropriate for the material and style of mineralization. Three different gold grade CRM standards, duplicates and blanks have been submitted at a rate of approximately 6 (3 CRMs, 2 duplicates, 1 Blank) / 100 samples. Analysis on individual standards is ongoing with each standard inserted performing reasonably well with no major variance observed. No distinct or systemic bias has been detected. No geophysical tools were used to determine any element concentrations used for these results.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> The Competent Person has independently verified mineralisation by taking a second sample and sending to an alternative commercial laboratory. Results produced are within realms of acceptability for a high-grade gold deposit. Significant intersections have been assessed by Mine Geology staff. Laboratory data is supplied electronically to site and head office.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> Each system is backed up on a regular basis. Geological logging is entered by technical staff and reviewed for correctness. Samples for assay are collected from drill site and upon collection are transported to Kalgoorlie to be cut. The samples are then transported to the Kalgoorlie based laboratory for assaying. No adjustments have been made to the original assay data.
<i>Location of data points</i>	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> All ore headings are surveyed, and face data is measured relative to a survey of the underground drive. The mine is surveyed in GDA 94 Zone 51 by registered mine surveyors. All collars have been surveyed by registered surveyors using a theodolite as part of mine site surveying. Surface landform is generally flat and has been surveyed by a drone (Phantom 4 RTK) and incorporated into a topographic surface.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> Drill holes were drilled targeting specific areas on an approximate 20 meter spacing. Holes are designed to intersect ore lodes at regular vertical depths sufficient to be used in and Ore Resource Estimation Drilling results will be used in a future Mineral Resource update.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> The drilling is limited by underground cuddies and the drill setup is not orthogonal to the strike of the orebody. The sub-optimal position of the cuddy relative to the orebody is compensated by the ability to model the deposit in 3D. The orebody geometry is well understood by historical and recent geological mapping which has limited sampling bias.
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> During sample cutting and bagging of all drill holes, a BMGS staff member is always present. Samples are delivered to the laboratory in batches by BMGS.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> Sampling and assaying techniques are industry standard. No specific audits or reviews have been undertaken at this stage in the program.

SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The drilling was carried out on granted M29/52 and M29/321 with a Mining Approval in place. The Comet Vale Project is on tenements M 29/35, M 29/52, M 29/85, M 29/185, M 29/186, M 29/197, M 29/198, M 29/199, M 29/200, M 29/201, M 29/232, M 29/233, M 29/235, M 29/270, M 29/321, E 29/927. BMGS are not aware, after reviewing client supplied documentation, of environmental liabilities, historical sites or impediments to obtaining operating licences for these tenements.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Not applicable to this announcement.
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The deposit is an Archaean greenstone shear hosted system with gold mineralisation predominantly located within structurally controlled laminated quartz veins. Other Archaean granite-greenstone linear belt deposits are Kanowna Bell, Jundee, and Bronzewing.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> All physical information relating to face samples is captured in the site database. Appendix 1 shows the Table of Significant Intersections with all relevant drill hole information.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. 	<ul style="list-style-type: none"> As per Table 1 in the attached release There has been no top-cutting applied

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Down hole lengths and true widths are reported. The latter has been calculated using the 3D software package Surpac.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> See Figures X, Y and Z in the body of the text.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All relevant drill intercepts are reported and there is nothing misleading regarding the reporting of these results.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> No additional exploration data is considered meaningful or material to the context of this report.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Further drilling has been planned and will be drilled at a time Mine Management deem fit.