



Orion Minerals

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Orion announces capital raising to advance early production strategy at SA base metal projects

- ▶ **Three-tranche Placement to sophisticated and professional investors to raise up to \$20 million at 2.0 cents per share (being ZAR22 cents).**
- ▶ **Committed funds for Tranche 1 and Tranche 2 total \$6 million, with commitments for Tranche 3 currently being finalised. Due to the downturn in global capital markets since the Company went into a trading halt on 10 June 2022, numerous potential participants have requested additional time to finalise their involvement.**
- ▶ **Together with other funding sources, the capital raise will put Orion in a strong position to access the recently announced US\$87 million funding package from Triple Flag Precious Metals to underpin the early production strategy for the flagship Prieska Copper-Zinc Mine.**
- ▶ **Funds to be used principally to progress the development of Prieska, including the commencement of mine dewatering and the completion of feasibility studies for the Early Production Scenario.**
- ▶ **In addition to the Placement, a Share Purchase Plan will be offered to provide eligible shareholders with the opportunity to subscribe for new Shares in parcels starting from \$2,000 (or ZAR20,000) up to a maximum of \$30,000 (or ZAR300,000) at an issue price of 2.0 cents per Share (ZAR22 cents). This will provide existing shareholders with the opportunity to participate in this capital raise at the same offer price as the Shares issued under the Placement.**

Orion Minerals Limited (**ASX/JSE: ORN**) (**Orion** or the **Company**) is pleased to advise that it is undertaking a capital raising to underpin the next phase of development of its portfolio of advanced base metal assets in South Africa's Northern Cape Province.

Thanks to the support of existing and new investors, the Company has received firm commitments for the first two tranches (~\$6 million) of a three-tranche Placement targeting up to \$20 million, to underpin its Early Production Strategy at the flagship Prieska Copper-Zinc Project.

Due to the extreme volatility which has been experienced in global financial markets since the Company went into a trading halt on 10 June 2022, the capital raising is being undertaken in three tranches to provide additional time for potential participants in the third tranche to finalise their involvement.

The Company will also offer a Share Purchase Plan to all existing eligible shareholders in parallel with the placement, providing existing shareholders with an opportunity to participate in the capital raising at the same offer price as the Shares issued under the Placement.

Together with other funding sources, the combined proceeds of the Placement and SPP will put the Company in a strong position to progress towards development of its key near-term production assets in the second half of 2022, helping to realise its vision of becoming a fully-integrated producer of future-facing metals in South Africa's Northern Cape Province.

Share Placement Details

The capital raising, which is being conducted via a three-tranche placement to sophisticated and professional investors, pursuant to Section 708A of the Corporations Act 2001 (**Placement**), comprises up to 1,000 million fully paid ordinary shares (**Share**) at an issue price of 2.0 cents (being ZAR22 cents) per Share and, in respect of the first two tranches, the issue of up to ~151 million free attaching Options.

The Placement will occur in three stages, being:

- Tranche 1: the Company has received commitments from investors to raise \$3.1 million through the issue of 156 million Shares at an issue price of 2.0 cents (being ZAR22 cents) (together with one free attaching option for each two Shares issued on the principal terms set out below (**Options**)), using the Company's 15% placement capacity under ASX Listing Rule 7.1 (**Placement One**);
- Tranche 2: the Company has received commitments from investors to raise \$2.9 million through the issue of 145 million Shares at an issue price of 2.0 cents (being ZAR22 cents) per Share (together with one free attaching Option for each two Shares issued on the terms set out below), including \$2 million from Orion non-executive Director Tom Borman and \$0.2 million from Orion's Chairman Denis Waddell (**Placement Two**). The issue of Shares and Options under Placement Two is subject to shareholder approval, to be sought at a general meeting of Orion shareholders planned to be held in August 2022; and
- Tranche 3: the Company may issue up to an additional 699 million Shares at an issue price of 2.0 cents (being ZAR22 cents) per Share to raise up to \$14 million (subject to shareholder approval, to be sought at a general meeting of Orion shareholders planned to be held in August 2022) (**Placement Three**). There are no Options attaching to any Shares that comprise Placement Three. Orion reserves the right to accept oversubscriptions.

The 151 million Options (being one option for every two Shares issued under Placement One or Placement Two) have an exercise price of 2.5 cents (being ZAR27.5 cents) and an expiry date of 30 June 2023. The Options are not transferrable and will not be quoted on the ASX or the JSE.

Use of Funds

The capital raising, combined with other funding arrangements, will allow Orion to:

- Progress the development of the Company's **Prieska Copper-Zinc Mine**, including the commencement of mine dewatering and the completion of feasibility studies for the Prieska Copper-Zinc Mine Early Production Scenario;
- Progress the Feasibility Study on the **Okiep Copper Project (OCP)**, the Company's second advanced near-term production asset in the Northern Cape;
- Undertake battery precursor product production test work on **Jacomynspan nickel-copper-cobalt PGE Project**, its third key asset in the Northern Cape; and
- Progress a significant exploration effort, both at the OCP and across numerous recently defined near-mine and regional exploration targets across the Areachap Province of the Northern Cape.

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

"Considering the events that have unfolded in global financial markets since we entered a trading halt on 10 June 2022, we are very pleased with the support we have received from existing and new investors who have supported this capital raising.

"We have decided to undertake the placement in three tranches to allow the many investors with whom we have had positive engagement in recent weeks some additional time to finalise their participation. In addition, we intend to offer a Share Purchase Plan to allow our loyal existing shareholders to participate at the same offer price as the Shares issued under the Placement.

"While financial markets have been in turmoil recently, we share the view of many experienced commentators that the broader battery metals thematic has not gone away. The prices of copper, zinc, nickel and other future-facing metals are still very strong – and underlying demand from the renewable energy and EV sectors continues to increase, and will do so for many years to come. With advanced, near-term production assets in one of the world's best mining jurisdictions, the Northern Cape, Orion stands ready to play a key role as a supplier of these metals. The funds raised through this raising will see us take major steps towards realising this vision."

Share Purchase Plan

In addition to the Placement, Orion is pleased to announce a share purchase plan (**SPP**) providing shareholders an opportunity to increase their shareholding in the Company at the same offer price as the Shares issued under the Placement.

The Company is offering its shareholders with a registered address in Australia, New Zealand, South Africa, the European Union (Germany and Netherlands), Jersey (Channel Islands), Mauritius, Seychelles, Singapore and the United Kingdom as at 7.00pm (Melbourne time) on 21 June 2022 (**Eligible Shareholders**) the opportunity to purchase Shares under a SPP. The application for SPP shares will be capped at the statutory maximum of \$30,000 per Eligible Shareholder, across all holdings.

Purpose of the SPP

The SPP offer will give Eligible Shareholders the opportunity to participate in the Company's capital raising on substantially the same terms on which Shares are being issued under the Company's Placement (refer above).

It is intended that the proceeds of the SPP will be used by the Company principally to progress the development of the Company's Prieska Copper-Zinc Mine, including the commencement of mine dewatering and the completion of feasibility studies for the Prieska Copper-Zinc Mine Early Production Scenario, progress the Okiep Copper Project feasibility study, and battery precursor product production test work on Jacomynspan nickel-copper-cobalt PGE project, in the Northern Cape of South Africa and related activities and otherwise for general working capital purposes.

Details of the SPP

The Company expects that the SPP will open on 28 June 2022 (Orion is expecting to release the SPP booklet to the ASX on this date) and is expected to close at 7:00pm (Melbourne time) on 5 August 2022.

Under the SPP, each Eligible Shareholder will be entitled to apply for parcels of new Shares from a minimum parcel of \$2,000 (or ZAR20,000) up to a maximum of \$30,000 (or ZAR300,000) without incurring brokerage or transaction costs. The issue price will be 2.0 cents per Share (being ZAR22 cents). This represents a 13% discount to the volume weighted average price of Orion's shares on the ASX during the 5 trading days immediately prior to the announcement date of the SPP.

The Company will issue up to 150 million SPP Shares under the SPP at an issue price of 2.0 cents per Share (ZAR22 cents) (being the same issue price as Shares issued under the Placement (refer above)). The Company is seeking to raise up to \$3 million from the issue of SPP Shares. The Company, however, reserves the absolute discretion to determine the final amount raised under the SPP and may accept oversubscriptions or scale back any application at Board's discretion.

The SPP Shares will be issued at 2.0 cents per Share (ZAR22 cents). All SPP Shares will be quoted on either the ASX or JSE (for South African Eligible Shareholders) and will rank equally with other fully paid ordinary shares on issue. No shareholder approval is necessary in respect of the Shares issued under the terms of the SPP.

The SPP booklet containing further details of the SPP and application forms is expected to be sent to shareholders shortly. Eligible Shareholders should read the SPP booklet before deciding whether to participate in the SPP. An indicative timetable for the SPP is set out below.

SPP Important Dates¹

Record Date	7:00pm (Melbourne time) on 21 June 2022
Share Purchase Plan offer opens (estimated)	28 June 2022
Share Purchase Plan offer closes	7:00pm (Melbourne time) on 5 August 2022
Share Purchase Plan allocation announcement and Scale-back (if any)	12 August 2022
Issue date for SPP Shares	12 August 2022
Quotation of new SPP Shares	15 August 2022
Dispatch of holding statements for SPP Shares	15 August 2022

¹ Orion may vary any of the above dates in its absolute discretion by lodging a revised timetable with the ASX and the JSE.

General Meeting

The Company will seek the required shareholder approvals for Tranche 2 and Tranche 3 of the Placement, at a General Meeting of shareholders planned to be held on or around 11 August 2022.

Appendix 3B filings for the proposed issue of Shares will follow this announcement.

For and on behalf of the Board.



Errol Smart
Managing Director and CEO

ENQUIRIES

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