



Orion Minerals

ASX/JSE RELEASE: 25 June 2018

Oversubscribed Capital Raising to progress Prieska Zinc-Copper Project and exploration programs in the Northern Cape, South Africa

- ▶ **Oversubscribed \$11M placement to sophisticated and professional investors at \$0.037 per Share.**
- ▶ **Placement funds to primarily advance the Prieska Zinc-Copper Project bankable feasibility study and to continue exploration programs on the Company's highly prospective tenements located in the Northern Cape, South Africa.**
- ▶ **In addition to the \$11M placement, Tembo Capital confirms its continued support through subscribing for a further \$6.3M in Shares in Orion which will increase its holding in Orion to 22.99%.**
- ▶ **Tembo Capital's \$6.3M Share subscription will enable Orion to reduce the Tembo Capital Loan Facility to \$0.60M.**
- ▶ **Shareholder approval to be sought for Orion's Chairman, Mr Denis Waddell, to subscribe for \$0.25M in Shares at the same price as the Placement Shares.**

Orion Minerals Ltd (ASX/JSE: ORN) (Orion or the **Company**) is pleased to announce an \$11M capital raising at an issue price of \$0.037 per fully paid ordinary share (**Share**), to be conducted via a placement to sophisticated and professional investors (**Placement**).

It is proposed that the Placement will occur in two stages, being:

- Tranche 1 – 91.6M Shares using the Company's 15% placement capacity under ASX Listing Rule 7.1 to raise \$3.4M; and
- Tranche 2 – 205.7M Shares to raise \$7.6M (subject to shareholder approval, to be sought at a General Meeting planned to be held in early August 2018).

Petra Capital and Euroz acted as joint bookrunners and lead managers to the Placement.

Proceeds from the Placement will be used principally to finalise the bankable feasibility study on the Company's flagship Prieska Zinc-Copper Project, which is scheduled to be completed late 2018 or early 2019. Funds will also be used to continue exploration programs on the Company's highly prospective tenements located in the Northern Cape, South Africa and for working capital.

In addition to the Placement, Tembo Capital Mining Fund II LP and its affiliated entities (**Tembo Capital**), has confirmed its continued support of Orion through subscribing for \$6.3M in Shares, at an issue price of \$0.037 per Share, being the issue price for Shares issued under the Placement. The issue of Shares to Tembo Capital will be subject to shareholder approval in accordance with ASX Listing Rule 7.1 and will occur in two stages being:

- 101M Shares, resulting in Tembo Capital's shareholding increasing to 19.99%; and
- 69.9M Shares, resulting in Tembo Capital's shareholding increasing to 22.99%, in reliance on the 3% creep exemption available under item 9 of section 611 of the Corporations Act.

Orion announced on 18 August 2017 that it had entered into a loan facility agreement with Tembo Capital, pursuant to which Tembo Capital has advanced \$6M in funds to Orion (excluding capitalised interest and fees) (**Loan Facility**). Orion has agreed with Tembo, that Tembo Capital's Share subscription will be issued in consideration for reducing the

amount re-payable to Tembo Capital under the Loan Facility at a deemed issue price of \$0.037 per Share, being the same issue price as the Shares being offered under the Placements. The balance of the Loan Facility will be reduced by \$6.3M (being the value of Shares subscribed for by Tembo). The balance of the Loan Facility (including accrued interest) following this repayment will be approximately \$0.6M.

In addition, the Company will also seek shareholder approval at the General Meeting pursuant to ASX Listing Rule 10.11 to enable the Chairman, Denis Waddell, to subscribe for 6.8M Shares at the same issue price as the Shares being offered under the Placements to raise \$0.25M.

Orion's Chairman, Denis Waddell, commented:

"We are delighted with the support received from new and existing shareholders and welcome a number of new institutional investors to the register. The quality of support for the Placement signals the change in investment grade of the Company as it moves closer to its production goals. The Placement, in addition to the recent sale of the Company's Queensland tenements to Evolution Mining for \$2.5M, a \$5M share placement to Independence Group NL and the \$6.3M share placement to Tembo, significantly strengthens the Company's financial position for future growth."

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

"We look forward to putting investors funds to work. Our primary focus is Prieska, however, given the quantum of funds raised under the placements, we are also in the fortunate position of being able to invest in the exploration of our highly prospective landholdings that present significant potential further upside for shareholders."

General Meeting

The Company will seek the required shareholder approvals for the Placement at a General Meeting of shareholders planned to be held in early August 2018. In addition, approval will also be sought at the General Meeting for Tembo and Orion's Chairman, Mr Denis Waddell, to subscribe for Shares at the same price as the Placement Shares.



Denis Waddell
Chairman

ENQUIRIES

Investors

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