



Orion Minerals

ASX/JSE RELEASE: 25 January 2019

Tembo Capital extends new \$3.6M Loan Facility to advance the Prieska Zinc-Copper Project and maturity date of Convertible Notes extended to 30 September 2019

- ▶ Private equity group Tembo Capital confirms its continued support of Orion through a \$3.6M Loan Facility.
- ▶ Loan Facility balance convertible into Orion Shares at a price of 2.6 cents per Share, being the same conversion price as the existing 2017 Convertible Notes.
- ▶ Existing Convertible Notes maturity date extended to 30 September 2019.
- ▶ Completion of bankable feasibility study on track for completion in Q2 2019.

Orion's Chairman, Denis Waddell, commented:

"We are very pleased with Tembo's ongoing support as well as the support of the holders of the Convertible Notes, as it enables the continued rapid advance of the Prieska Zinc-Copper Project through to the completion of bankable feasibility studies. Our focus is on bringing Prieska into production as quickly as possible, based on the parameters outlined in the positive Scoping Study released in December 2018. The BFS is well advanced and on track to be completed in Q2 2019."

Orion Minerals Limited (**ASX/JSE: ORN**) (**Orion** or **Company**) is pleased to announce that Tembo Capital Mining Fund II LP (**Tembo**) continues its strong support of Orion through providing a new unsecured \$3.6M Bridge Loan Facility (**Loan Facility**).

Under the terms of the Loan Facility, Tembo may at its election, have the balance of the Loan Facility (including capitalised interest and fees) (**Outstanding Amount**) repaid by the issue of ordinary shares in Orion (**Shares**) to Tembo at a deemed issue price of 2.6 cents per Share (subject to receipt of Shareholder approval), being the same conversion price as the 2017 Convertible Notes.

Proceeds from the Loan Facility will be used principally to progress the bankable feasibility study, which is on track for completion in Q2 2019 and to repay the current Bridge Loan (\$0.6M).

The key terms of the Loan Facility are:

- **Loan Facility Amount:** Up to \$3.6M, available in two tranches. The first tranche is to be in one instalment of \$0.6M to repay all amounts owing under the current Bridge Loan, with further tranches to be in minimum instalments of \$1M each;
- **Interest:** Capitalised at 12% per annum accrued daily on the amount drawn down;
- **Repayment:** Tembo may elect for repayment of the Outstanding Amount to be satisfied by the issue of Shares by the Company to Tembo at a deemed issue price of 2.6 cents per Share, subject to receipt of Shareholder approval. The Outstanding Amount must be repaid by 25 January 2020, or if Tembo elects

to receive Shares in repayment of the Outstanding Amount in lieu of payment in cash, the date on which the Shares are to be issued to Tembo (or such later date as may be agreed between Tembo and Orion);

- **Establishment fee:**
 - Cash - capitalised 5% of the Loan Facility Amount, payable on the Repayment date; and
 - Options - 11M unlisted Orion options, exercisable at a price of 3.0 cents per option, expiring on the date which is 5 years after the date of issue of the options, provided that Orion's obligation to issue Shares on exercise of the options is subject to receipt of shareholder approval.
- **Security:** Loan Facility is unsecured.

About Tembo

Tembo is a private equity group targeting junior and mid-tier mining investment opportunities in developing countries. Tembo has technical and financial experience with in-house expertise in the fields of geology, mine engineering, metallurgy, mining finance and private equity. This experience, coupled with a strong network of relationships in the mining industry, enables Tembo to add long-term value to its investments through technical input, strategic guidance, financial structuring advice and industry introductions. Tembo aims to work collaboratively with its investee companies through a long term partnership-type approach.

Extension of Maturity Date of Convertible Notes

On 7 February 2017 Orion announced a proposed capital raising through the issue of convertible notes to various sophisticated and professional investors, each with a face value of 2.6 cents (**Convertible Notes**). The Company obtained Shareholder approval for the issue of the Convertible Notes on 13 March 2017 and on 17 March 2017, the Company announced the issue of 232.69M Convertible Notes to the value of \$6.05M (each with a face value of 2.6 cents). Key terms of the Convertible Notes are set out in the Company's ASX release dated 8 March 2017.

In accordance with the Convertible Note terms, the Maturity Date of each Convertible Note was 17 March 2019. In support of the ongoing capital requirements of the Company, the Noteholders have approved extension of the Maturity Date from 17 March 2019 to 30 September 2019.



Denis Waddell
Chairman

ENQUIRIES

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