ORMINEX
LIMITED

SEPTEMBER 2021 QUARTERLY ACTIVITIES REPORT

Transformational quarter for the Company through the acquisition of two significant high-grade exploration properties in the prolific Abitibi Greenstone Belt and including an historic underground mine

Orminex Limited (ASX: ONX) ('**the Company**' or '**Orminex**') is pleased to provide its quarterly activities report for the period ended 30 September 2021.

HIGHLIGHTS

- **Entered into definitive agreement with Nippon Dragon Resources Inc. (TSX-V: NIP) ('the Vendor' or 'Nippon') to acquire a 100% interest in the Rocmec gold project and the Denain gold project, located in the highly sought-after and mining-friendly Abitibi Belt region of Tier-1 jurisdiction Quebec, Canada**
- **Firm commitments received to raise $8 million (before costs) via the issue of 266,666,667 new ordinary shares at an issue price of $0.03 per share (Placement), with Canaccord Genuity (Australia) Limited acting as Lead Manager to the oversubscribed Placement**
- **Share purchase plan (SPP) offered to existing shareholders to raise up to an additional $1.5 million at an issue price of $0.03 per share**
- **Updated independent JORC 2012 Mineral Resource compiled for Penny's Find Joint Venture**
- **Strong financial position maintained of $4.2m cash on hand and no debt**

Figure 1 Project Locations in Quebec, Canada

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Acquisition

The Rocmec (to be renamed by Orminex as Labyrinthe Gold Project) and Denain Projects are 230km apart and situated in the world class mining jurisdiction of Quebec, Canada with numerous proximal towns, including the renowned Timmins (Ontario), readily providing skilled labour and support services to mining and exploration activities. Multiple toll-milling opportunities have been identified within acceptable haulage distances of both Projects.

The Rocmec Project is located 35km west of the town of Rouyn-Noranda, situated at the Ontario/Quebec border, and comprises 34 Claims and 1 Mining Lease across an area of 14.1sqm, with an historic non-JORC NI43-101 resource at Rocmec of **2.1Mt @ 7.1g/t for 479koz of gold**, including **570kt @ 6.52g/t for 120koz**[1] classified as measured/indicated. Year-round access is readily provided by a 16km all-weather road off Highway 117 and neighbouring historical mine Kerr-Addison produced over 11Moz of gold prior to closure in 1996. The historical Rocmec underground mine is dewatered, powered and ventilated, with all three developed levels remaining accessible and many stoping blocks still existing in-situ. Surface infrastructure includes a workshop, office facilities, diesel generators and compressors that form part of the acquisition.

The Vendor, Nippon Dragon Resources Inc., is a Canadian company currently listed on the TSX Venture Exchange (TSX-V) under ticker code 'NIP'. Nippon currently holds an 85% interest in the Denain gold project, with the ability to earn the remaining 15% interest by undertaking qualifying expenditure on the project. The CAD$1,085,000 which is to be employed for expenditure under the terms of the acquisition will be qualifying expenditure, and therefore will enable Nippon to acquire a 100% interest in the Denain gold project, then to be acquired by Orminex. Nippon holds a 100% interest in the Rocmec project.

Nippon has owned the Project since 2005 and invested over CAD$33m into rehabilitation, infrastructure, exploration and primarily the development of their hybrid mining technology.

Figure 2 - Rocmec underground mine portal access (current)

[1] Refer to ASX announcement 2 September 2021 for Foreign Estimate data, JORC tables and competent person statement

The Denain Project is located 60km east of the town of Val d'Or, a gold camp that has produced over 20Moz to date. The tenure comprises 13 Claims across an area of 3.6km and neighbouring historical mine Chimo produced 380koz of gold.

The key acquisition terms are as follows:

- Total cash consideration of CAD$5,000,000 payable to Nippon in three tranches:
    - CAD$2,000,000 on the Commencement Date (anticipated for approximately 29 October 2021) (the Initial Amount);
    - CAD$1,500,000 payable 6 months thereafter (the Second Amount); and
    - CAD$1,500,000 payable 6 months thereafter (the Final Amount).
- Orminex will take operational control of the projects immediately at Commencement Date
- Legal ownership will transfer upon payment of the Final Amount; from the Commencement Date, transfer deeds will be executed and kept with a third-party escrow agent in accordance with Canadian mining exploration industry practice
- Standard termination provisions apply in the case of non-performance or default by the parties
- In order to satisfy Canadian-law expenditure requirements, Orminex will pay CAD$1,085,000 (approximately A$1,180,000) into an escrow account at the Commencement Date, to be employed at Orminex's direction for exploratory drilling on the projects prior to 31 December 2022
- Orminex will grant Nippon a 1% net smelter royalty on revenue received from certain individual veins present on the gold projects. Orminex will have the ability to purchase one half of this royalty for CAD$1,000,000
- Orminex will provide Nippon with 4,500 oz of gold within 48 months of Commencement Date, which may be satisfied from gold extracted from the projects, physical gold obtained from another source (for example from purchase on the open market), or by cash equivalent (calculated by reference to the prevailing 28-day moving average gold price published by the London Bullion Market Association)
- Nippon will be granted access to the projects, at the discretion of Orminex, for a period of 48 months to enable Nippon to demonstrate its patented 'thermal fragmentation' technology. Nippon may extract product from the existing stockpile (estimated at approximately 3,000 tonnes) on the Rocmec project (with no maximum on the amount which may be extracted) and to retain 100% of any revenue received on the sale product so extracted (less any costs incurred by the Company in relation to such extraction, if any), in return for granting the Company a net smelter royalty of 10% on any gold extracted from the projects after the first 900 ounces

The transaction is conditional on receipt by Nippon of all necessary third party, shareholder and regulatory consents or approvals. It is expected that the necessary approvals will be obtained by the end of October 2021.

PENNY'S FIND JOINT VENTURE (ONX 50%/HORIZON MINERALS LTD [ASX: HRZ] 50%)

Penny's Find is located 50km northeast of Kalgoorlie in Western Australia and comprises a completed open pit with a high-grade underground mine opportunity on a granted Mining Lease with pre-requisite mining approvals well advanced.

During the quarter, an updated independent Mineral Resource estimate was compiled delivering **250,000t @ 5.22g/t Au for 42,000oz**[2], crucially, over 83% of the resource is now in the Indicated category (**188kt @ 5.71g/t Au).** In comparison to the previous resource model, a more conservative approach was taken with respect to ore block domaining and internal dilution parameters to more appropriately reflect the mineralisation. In addition, some peripheral ore zones were excluded from the model and will be further drill tested from underground locations during the mining cycle in conjunction with the planned depth extension drilling. An updated underground mining study and economic evaluation has progressed well, led by highly regarded Entech Pty Ltd with geotechnical analysis completed by MineGeoTech Pty Ltd.

Figure 3 Pit dewatering capability established during the quarter at Penny's Find

COMET VALE (ONX 51%/SAND QUEEN GOLD MINES PTY LTD 49%)

The Comet Vale project is centred on the old mining town of Comet Vale, 100 km north-northwest of Kalgoorlie, Western Australia, with operations remaining suspended to allow a full geological and mining review to be completed. The internal review was ongoing throughout the quarter with the intent to realise maximum value for shareholders from the highly prospective existing JORC 2012

[2] *Refer announcement 14 July 2021 for JORC tables, data and competent person's statement*

Mineral Resource of 750kt @ 8.5g/t for 203koz[3] and remains on track for finalisation and subsequent decision pathway with the joint venture partners in the December quarter.

The deposits within the Comet Vale project are typical Archaean narrow, high-grade gold quartz lode deposit within a shear hosted system. Numerous economic deposits of this mineralisation style exist in Western Australia and include the best known and giant Golden Mile deposit at Kalgoorlie in the Norseman – Wiluna Belt of the Yilgarn Craton. Other deposits include Norseman, Mt Charlotte, Jundee, Kanowna Bell and Bronzewing.

The Comet Vale deposit is hosted in the Ora Banda Sequence of mafic-ultramafic volcanic and metasedimentary rocks. Economic gold mineralisation is predominantly within quartz boudins from 0.1 to 4.5m in width with free gold spatially associated with pyrite/marcasite, pyrrhotite and elevated base metal values (sphalerite, galena, chalcopyrite).

Golden Lode (ONX 100%)

The Golden Lode Project comprises 7 prospecting tenements located 110km NW of Kalgoorlie and the deposit forms part of the broader Davyhurst area, which produced approximately 523.8koz of gold between 1986 and 1999. A well-defined vertical to steeply west dipping lithological contact extends north through the Golden Lode Project area, to the west is a sequence of metasediments and to the east mafic to ultramafic schists.

During the quarter, a soil program comprising 226 sites was completed, situated on licenses P30/1102, P30/1104 and P30/1131 with a sampling grid 100m x 100m in a staggered diamond configuration. Samples were collected from 10-30cm below surface using standard practices and analysed via low level detection Fire Assay (Au). Results of the soil sampling program are expected in the December quarter.

The portions selected for sampling represent areas of greatest prospectivity (P30/1102 and P30/1103) and the sites within P30/1131 will assist with definition of the anomalism footprint at the southern extent of Golden Lode, they are also located in an area where there has been limited historical soil sampling.

During the quarter, the western and southern-most tenements P30/1101 and P30/1104 reached their 8-year expiry date and hence the Company was required to either apply for conversion to mining lease(s) or relinquish the tenements. With insufficient data or prospectivity to justify a mining lease application, the Company elected to allow the tenements to expire.

[3] *Refer to ASX announcement 15 May 2018, no material changes to the resource since this announcement. Since preparation of this Mineral Resource, 167kt of material has been mined yielding 17,858oz hence current estimate for the Comet Vale Mineral Resource is 185.2koz*

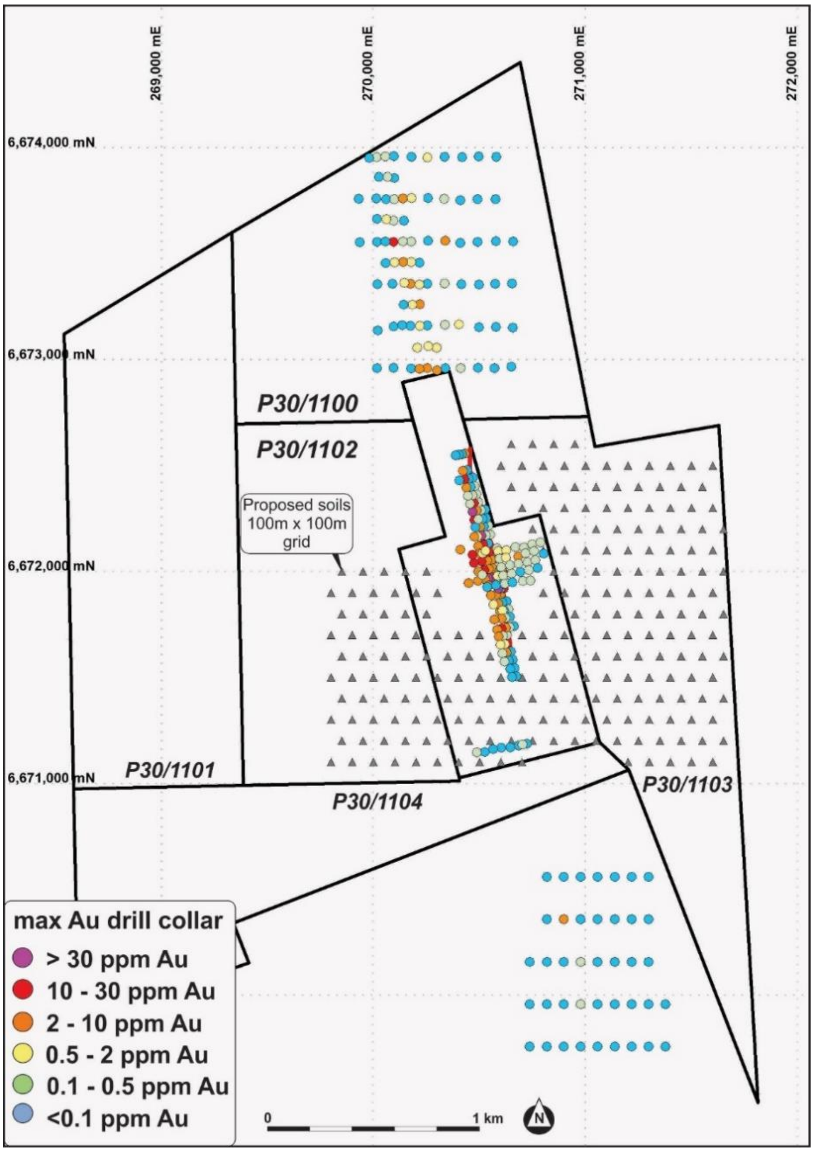

Figure 4 - Location of sites within the tenements with historical drill collars coloured by maximum gold content represented

INDONESIAN GOLD ASSET TRANSACTION

On 30 May 2021 the Company confirmed PT Amman Mineral International (**'AMI'**) had agreed to extend the exclusivity period associated with a binding framework letter to 30 July 2021, in respect of progressing a transaction for the acquisition of economic interests in all or a substantial part of a significant epithermal gold project in Indonesia from AMI (or a related entity) (**'Transaction'**).

As announced to the ASX on 29 July 2021, the positive period of due diligence and negotiations between the parties encountered significant disruptions introduced by the Covid19 pandemic, with the health and wellbeing of all personnel employed at AMI's Indonesian operations remaining the priority and key focal point throughout. In this regard, the Company chose to allow the conditions of the binding framework letter to lapse with the expiry of the exclusivity period on 30 July 2021.

Demonstrating the valuable commercial relationship established, the $1 million deposit paid by AMI to Orminex will be converted to ordinary shares in the Company via AMI participation in the Placement associated with the acquisition of Rocmec and Denain.

Corporate

Working Capital Facility

In the 14 months following the 28 July 2020 ASX announcement detailing the variation to the Working Capital Facility ('Facility'), a total of $2,224,000 has been repaid to Orminex by Mineral Ventures. During the quarter, the terms of the Facility repayment schedule were reviewed and subsequently amended, with monthly repayments to be $30,000 until a zero balance is reached, expected no later than June 2023. No further interest will be accrued on the remaining interest balance outstanding.

Financial Information

The net cash position of the Company on 30 September 2021 was $4.21M. The Appendix 5B detailing the consolidated cash flows for the quarter is provided in a separate report.

In accordance with Listing Rule 5.3.1, there were no substantive mining production and development activities undertaken during the June quarter.

In accordance with Listing Rule 5.3.5, Orminex advises that the payments to related parties as advised in the Appendix 5B pertain to legal fees of $66,000 and rental costs of $3,465.

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

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Interest In Mining Tenements

Project	Tenement	Location	Ownership at the beginning of the quarter	Ownership at the end of the quarter	Acquired during the quarter	Disposed of during the quarter
Comet Vale Project	E29/927 L29/67 M29/35 M29/52 M29/85 M29/185 M29/186 M29/197 M29/198 M29/199 M29/200 M29/201 M29/232 M29/233 M29/235 M29/270 M29/321	Western Australia	51%	51%	-	-

Golden Lode Project	P30/1100 P30/1102 P30/1103 P30/1105 P30/1131	Western Australia	100%	100%	-	P30/1101 P30/1104
Penny's Find Project	M27/156 G27/01 L27/90 L27/91 L27/92 L27/93	Western Australia	100%	50%	-	50%

Summary Of Cash Expenditure Per Project

Project	Cash Expenditure $'000
Comet Vale Project	69
Golden Lode Project	6
Penny's Find	15
Total	**90**