



## Orion Minerals

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# Orion Minerals and Byrnecut agree to collaborate on underground mining at the Prieska Copper Zinc Project

- ▶ **Orion and Byrnecut conclude a Memorandum of Agreement to collaborate on mining the Prieska deposit.**
- ▶ **Byrnecut would provide underground mine development and production services.**
- ▶ **Key agreement terms include Byrnecut's commitment to promote local employment and skills transfer, as well as to collaborate with local BEE enterprises, promoting transformation and the continued modernisation of the South African mining industry.**

Orion Minerals Limited (**ASX/JSE: ORN**) (**Orion** or the **Company**) is pleased to announce that it has concluded a Memorandum of Agreement (**Agreement**) with Byrnecut Offshore (Proprietary) Limited (**Byrnecut**) envisaging an alliancing agreement for underground mine development and production at the Prieska Copper-Zinc Project in the Northern Cape province of South Africa (**Prieska Project**).

The Agreement follows the announcement of the grant of the Mining Right for the Prieska Copper - Zinc Mine (refer ASX release 3 September 2019) and paves the way for Byrnecut to bring the benefit of its experience to the development and operation of the Prieska Project which is intended as a global-best practice mechanised mining operation. Key terms of the Agreement are that the parties will seek to enter an alliancing agreement related to underground mining at the Prieska Project, whereby Byrnecut:

- undertake to provide underground mine development and mine production services;
- commit to promoting local employment and skills transfer in support of transformation of the industry; and
- commit to collaborating with local black economic empowerment (**BEE**) enterprises, in line with Orion's commitment to the progressive transformation and modernisation of the South African mining industry.

Formalising the Agreement is one of the key project development milestones that follow the release of the positive Bankable Feasibility Study (**BFS**) (refer ASX release 26 June 2019) for the establishment of high margin and long-life underground mining operations at the Prieska Project. The planned Foundation Phase of operations would result in the mining and processing of 2.4 million tonnes a year of run-of mine feed for 10 years, to sell approximately 21kt of copper and 70kt of zinc as differentiated concentrates each year.

Other post-BFS workstreams in progress to prepare the project for execution include third-party peer reviews of the BFS in preparation for funding discussions, the value engineering of components of the BFS, mine-to-market business plan optimisation using the Whittle Enterprise Optimisation process, pilot-scale water treatment field trials of the water accumulated in the underground excavations and the expedition of the various ancillary licences required to operate a mine (refer ASX release 30 July 2019). Substantial progress is being made in all areas.

### About the Byrnecut Group

Byrnecut is a wholly-owned subsidiary of the Byrnecut Group. The Byrnecut Group has been in the underground mining business since 1987, when it was formed as an underground mining contracting services company in Australia. Byrnecut's first major international contract was won in 1999, in Tanzania to develop a decline at Bulyanhulu gold mine for Barrick. The Byrnecut Group has grown since then to employ over 4,000 people, operating

a fleet of specialised underground mining equipment world-wide. Byrnegut has successfully undertaken contracts in Ireland, Indonesia, Kazakhstan, Saudi Arabia, Zambia, Tanzania, Mali, Burkina Faso, Democratic Republic of the Congo, Ghana and South Africa.

Within the Byrnegut Group are subsidiary companies offering complementary services to underground mining contracting that will be of strategic importance for the collaboration, both in terms of skills transfer and operational efficiencies.

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

*"We are delighted to include Byrnegut into the list of partners we will be working with to establish what will be another world-class mine in the Northern Cape. Byrnegut has an impressive reputation on the African continent both in terms of their operational proficiency and their approach to skills transfer and harmonious relations with local communities. Their involvement in developing Prieska will be invaluable."*

**World class mining operations in Northern Cape**



Errol Smart  
**Managing Director and CEO**

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