



Orion Minerals

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Signing of Non-binding Term Sheet for Financing of US\$200 million to US\$250 million and Offtake with Glencore

Orion Minerals Limited (**ASX/JSE: ORN**) (**Orion** or the **Company**) is pleased to announce that its subsidiary, Prieska Copper Zinc Mine (Pty) Ltd (**PCZM**), has signed a non-binding term sheet with a wholly owned subsidiary of Glencore plc (**Glencore**) for financing of US\$200 million to US\$250 million and concentrate offtake (**Offtake**) for the Prieska project.

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 60 commodities.

The financing will be made available to PCZM as follows:

- Tranche A of US\$40 million to be used for the construction and startup of the Uppers at Prieska;
- Tranche B of US\$160 million – US\$210 million to be used for the construction and startup of the Deeps at Prieska, of which up to US\$50 million may be drawn early to commence early works on the Deeps (**Early Drawdown**), based on certain conditions being fulfilled,

(together, the **Facilities**).

Key terms of the Facilities:

- Conditions precedent to funding under the Facilities include Glencore completing satisfactory due diligence (which Glencore has commenced), Glencore agreeing an acceptable intercreditor agreement with existing secured lenders to PCZM and the parties entering into binding legal documentation for the Facilities and the Offtake as well as other conditions typical for financing and offtake arrangements of this nature;
- Drawdown will be based on milestones for each tranche to be agreed during the due diligence process, with first drawdown under Tranche A targeted for November 2025;
- The Facilities shall bear interest at market rates for transactions of this nature, and include a step-down in the interest rate once commercial production is declared. Interest is payable quarterly and PCZM has the option to capitalise interest until approximately 18 months after first production from the Uppers;
- PCZM has the right to repay the Facilities early without penalty;
- Glencore has the right to offset amounts payable by it to PCZM under the Offtake against amounts payable by PCZM to Glencore under the Facilities;
- First ranking security, pari passu with other secured lenders to PCZM;
- Orion will guarantee the obligations of PCZM under the Facilities, and
- The Facilities otherwise contain such undertakings, warranties and terms and conditions as would be standard and customary to include in transactions of this nature.

Key terms of the Offtake:

- Competitive market pricing and payables terms;
- 100% of Bulk Concentrates from the Uppers for 5 years (subject to a maximum of Uppers total production);
- 100% of Copper Concentrates from the Deeps for 10 years;
- 100% of Zinc Concentrates from the Deeps for 10 years;
- Respective market Benchmark Treatment and Refining Charges as set by large producers and large smelters;

- Flexibility for global delivery in accordance with prevailing market conditions; and
- PCZM option for advance sales and payments for stockpiled concentrates.

Orion's Managing Director and CEO, Tony Lennox, commented:

"This is a watershed moment for Orion with the proposed Glencore funding enabling the Company to transition into a producer. I am pleased that an industry major such as Glencore will be working with us to move to a binding agreement over the next four to six weeks.

"Tranche A enables the Company to move swiftly into first production and first cash flow from mining of the Uppers at Prieska. Crucially, the Early Drawdown of Tranche B allows Orion to commence early works on the Deeps in accordance with the Prieska Definitive Feasibility Study (refer ASX/JSE release 28 March 2025). This will allow for smooth and continuous operations as we move from the Uppers towards full-scale operations from the Deeps.

"In parallel with the due diligence process with Glencore, we will continue discussions with our current funding partners."

Glencore's Toby Spittle, Copper Marketing, commented:

"We have been following Orion and PCZM's progress at the Prieska project for some time and look forward to playing our part in financing the mine's development and subsequent marketing of the concentrates. We are committed to completing our due diligence expeditiously and seeing Prieska recommence production as soon as possible."

IDC's Acting Divisional Executive IPPD, Rian Coetzee, commented:

"As a significant early funder of PCZM, IDC is excited about the prospects of advancing the project to implementation. The early support provided by IDC in developing the project is key to our mandate. The implementation of the project will bring significant job creation in the Northern Cape and add to the socio-economic development of the region. IDC will maintain its support for the project and be part of its successful implementation."

For and on behalf of the Board.



Anthony Lennox
Managing Director & CEO

About Orion Minerals

Orion Minerals is a base metals company which is developing two complementary base metal production hubs in South Africa's Northern Cape Province, a richly endowed mineral province and well-established mining jurisdiction – the Prieska Copper Zinc Mine (**PCZM**) and the Okiep Copper Project (**OCP**). Orion is well advanced in its transition to developer and operating mining company, focused on the production of metals that are crucial to a decarbonising world, and which have strong market fundamentals.

The Company is targeting first production from its flagship PCZM project in late 2026 / early 2027, with the aspirational goal of ramping up copper production to more than 30ktpa and zinc production of 65ktpa when both projects are in steady state production.

Prieska Copper Zinc Mine (PCZM)

- Prieska is one of the world's Top-30 volcanogenic massive sulphide (VMS) base metal deposits, with recorded historical production of over 430kt of copper and 1Mt of zinc.
- Mineral Resources of 31.0Mt at an average grade of 1.2% copper and 3.6% zinc (refer ASX/JSE release 28 March 2025).
- The 2025 Definitive Feasibility Study (**DFS-25**) (refer ASX/JSE release 28 March 2025) outlines an optimised two-phase development strategy aimed at de-risking the development pathway and fast-tracking value-creation from a safe, modern, long-life, mechanised, underground base metal mine:
 - Uppers – based on mining near-surface supergene sulphide ore which is accessible from an existing decline, with first production expected 13 months after start of construction and continuing for 4.3 years.
 - Deeps – to commence following completion of mine de-watering, refurbishment of the main shaft and construction of the mining infrastructure. Mining of the Deeps has a life of mine (**LoM**) of 11 years and will overlap with the last 2.2 years of the Uppers. This gives a combined LoM of 13.2 years.

About Glencore

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 60 commodities that advance everyday life. Through a network of assets, customers and suppliers that spans the globe, we produce, process, recycle, source, market and distribute the commodities that support decarbonisation while meeting the energy needs of today.

With over 150,000 employees and contractors and a strong footprint in over 30 countries in both established and emerging regions for natural resources, its marketing and industrial activities are supported by a global network of more than 50 offices.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, battery manufacturing and oil sectors. It also provides financing, logistics and other services to producers and consumers of commodities.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals.

Glencore is an active participant in the Extractive Industries Transparency Initiative. It will support the global effort to achieve the goals of the Paris Agreement through its efforts to decarbonise its own operational footprint. For more information see our 2024-2026 Climate Action Transition Plan, available on its website at [glencore.com/publications](https://www.glencore.com/publications).

ENQUIRIES

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