



ORMINEX

ASX ANNOUNCEMENT

ASX Code: ONX

31 January 2020

DIRECTORS & MANAGEMENT

Daryl Henthorn
Executive Chairman

John Correia
Non-Executive Director

Michael Foulds
Non-Executive Director

Dean Hely
Non-Executive Director

Kelly Moore
Company Secretary

Share Capital – 539,102,168
Unlisted Options – 9,452,055

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31 DECEMBER 2019 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- October processing campaign and gold pour from Comet Vale delivers 1,940 recovered gold ounces - 97% recovery at an average head grade of 4.01 g/t
- December processing campaign and gold pour from Comet Vale delivers 2,160 recovered gold ounces - 95% recovery at an average head grade of 3.62 g/t
- Drilling commenced at Comet Vale to target extension of current mine plan
- Progress to mining at 100%-owned Penny's Find Gold Project continues – final dewatering licence received during the quarter
- Non-Executive Director appointed to the Board

Orminex Limited (ASX: ONX) ('the Company' or 'Orminex') is pleased to provide its quarterly activities report for the period ended 31 December 2019.

COMET VALE PROJECT (51% ONX; 49% Sand Queen Gold Mines Pty Ltd)

Mining Development Update

During the quarter, production at Kings Bounty continued towards achieving the targeted 10,000tpm of ore processing from Comet Vale. Development activities focused on strike driving the 4.6 and 5 levels and the development of the decline.

During the quarter, a drilling program comprising both infill and extensional drilling commenced adjacent to current mining operations aimed at extending mining operations at Comet Vale below the current mine plan (see previous ASX releases dated 14 January 2019, 16 April 2019 and 29 October 2019). Initial results from this program and plans for follow-up drilling will be reported in February.

Processing Update

During the quarter, the Company completed its second gold pour from Comet Vale ore resulting in total gold production of 1,940 recovered ounces, at 97% recovery with an average head grade of 4.01 g/t.

A total of 15,480t of ore from the underground mining operations at Kings Bounty (located within the broader Comet Vale mine plan) was processed at the Lakewood Mill during October.

Post quarter end, the Company reported reconciled results from the December processing campaign and gold pour, highlighted by total gold production of 2,160 recovered ounces, at 95% recovery with an average head grade of 3.62 g/t.

A total of 19,575t of ore from underground mining operations at Kings Bounty was processed at the Lakewood Mill facility in December.

Both recovery and grade continue to be in line with the Company's expectations given the campaign comprised 70% development ore and 30% production ore. Grade is expected to improve as the ratio of production ore to development ore increases in line with the mine plan development.



Figure 1. Gold bar from October processing campaign

PENNY'S FIND PROJECT (100% ONX)

During the quarter, GBF and their associate consultants continued to make steady progress towards the commencement of mining at Penny's Find Gold Mine. The focus during the quarter was on securing the pre-requisite mining approvals ahead of the commencement of initial site works.

CORPORATE UPDATE

On 17 October 2019, Mr Dean Hely was appointed to the Board as a Non-Executive Director.

During the quarter, the Company held its Annual General Meeting ('AGM') on 28 November 2019. All resolutions put to shareholders at the AGM were passed.

On 3 December 2019, the Company held an investor teleconference with Mr Daryl Henthorn and Mr Michael Foulds providing an update on mining operations and the overall position of the Company as detailed in the Investor Presentation released on the same date.

MANAGEMENT COMMENTARY

Commenting on the December quarter Orminex's Executive Chairman, Daryl Henthorn, said:

"Our team continued to build momentum at Comet Vale during the quarter, with over 4,000 ounces of gold recovered from our two processing campaigns and the continued steady ramping up of production from the Kings Bounty decline.

Another key focus was the commencement of infill and extensional drilling aimed at extending the current Comet Vale mine plan. Initial results are being finalised and the Company looks forward to providing an update to shareholders shortly.



The near-term prospect of mining commencing at our 100%-owned Penny's Find Gold Mine and the potential to expand the current mine plan at Comet Vale provide exciting opportunities to increase gold production across the business."

MINERAL VENTURES MODEL OVERVIEW

In 2018, Orminex entered into a strategic alliance with WA-based contract mining company GBF to form the Mineral Ventures model. The primary aim of the Mineral Ventures model is to source, develop and fund stranded, high-grade gold assets into production.

Orminex currently has a 51% joint venture interest in the producing Comet Vale gold project and 100% ownership of the high-grade Penny's Find Gold Mine near Kalgoorlie. The Company also owns 100% of the Golden Lode project located 130km from Coolgardie and 100% of the Happy Jack project located 30km south of Menzies.

GBF was recently acquired by mining services company Macmahon Holdings Limited (ASX: MAH) which has significantly enhanced Orminex's ability to expand the Mineral Ventures Model to include surface mining projects. Importantly, the strategic alliance with GBF remains unchanged, with GBF continuing to oversee all operational management across the Mineral Ventures portfolio.

Orminex is currently reviewing several potentially suitable projects that could be developed under the Mineral Ventures model and further updates will be provided on these opportunities in due course.

This announcement was approved and authorised for release by the Board of ONX.

Investor queries:

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About Orminex Limited

Orminex has a strategic alliance with underground mining contractor GBF Underground Mining who oversee operational management of the Company's projects. This strategic alliance facilitates a Mineral Ventures Model that provides capital and mining service solutions to suitable near-term production gold projects.



INTERESTS IN MINING TENEMENTS HELD

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 P30/1101 P30/1102 P30/1103 P30/1104 P30/1105 P30/1131	Western Australia	100%	100%	-	-
Happy Jack Project	P29/2271	Western Australia	100%	100%	-	-
Penny's Find Project	M27/156 G27/01 L27/90 L27/91 L27/92 L27/93	Western Australia	100%	100%	-	-

SUMMARY OF CASH EXPENDITURE PER PROJECT

Project	Cash Expenditure \$'000
Comet Vale Project	27
Golden Lode Project	4
Happy Jack Project	-
Penny's Find	175
Total	206