



ORION METALS LIMITED (ASX: ORM)

ACTIVITIES REPORT FOR QUARTER ENDING 31st August 2017

EXPLORATION ACTIVITIES

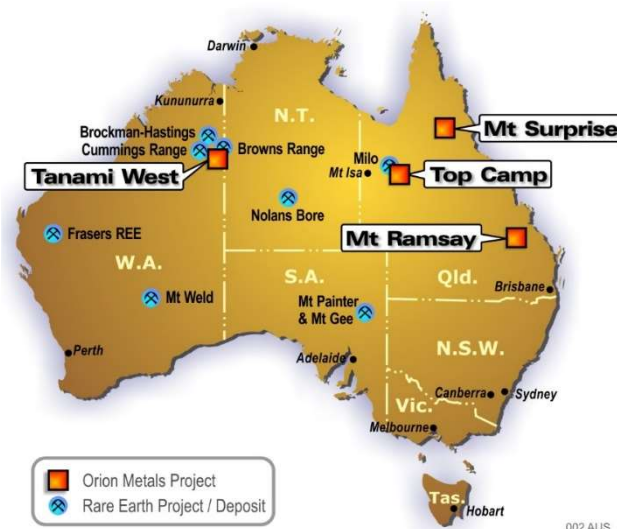
There was no on-ground exploration conducted this quarter by Orion Metals Limited, though efforts at desktop level continue to upgrade the technical information base across all four Project areas.

With renewed optimism of a metals recovery this year in the Australian mining and exploration industry, Orion Metals's highly prospective REE, gold, and base metals tenure in Western Australia and Queensland will provide a robust platform for a range of exploration investment options.

Orion's exploration activities, however, remain tightly constrained while the Orion Metals Board of Directors decides on exploration objectives and strategy.

Tanami West Project, as a consequence of its proximity to regionally important gold and REE mining activities, has had expressions of interest from external parties.

Similarly, Top Camp Project, strategically located within a world class base metal mining province, remains a high value gold copper project, courtesy of a renewed interest for base metal assets in the Cloncurry District of Queensland.



Project Updates

TANAMI WEST PROJECT

RARE EARTH ELEMENT (REE) & GOLD PROJECT

200 km southeast of Halls Creek, WA

E80/4029, E80/4197, E80/4558, E80/4869, E80/4919, E80/4920, E80/4921.

All Tanami West Project tenure is 100% Orion Metals Limited group held.

Orion Metals tenement holdings in the Tanami region now stands at 107 sub-blocks, for 321 square kilometres, of highly prospective REE and gold terrain.

Tanami West Project remains a highly valued, under explored, portfolio of tenements in an active gold and rare earth element mining district. Recently, Orion Metals neighbouring rare earth explorer, Northern Minerals, commenced open cut mining operations at its Browns Range heavy rare earth element Project, <100 kilometres north of Orion Metals Tanami West Project.

Orion Metals is well positioned, in the event of REE exploration success within Tanami West Project area, to take advantage of new REE events occurring within its region.

MT SURPRISE PROJECT

RARE EARTH ELEMENT (REE), TIN, TUNGSTEN PROJECT

Northeast of Mt Surprise, North Queensland

EPM 18449, EPM 18850, EPM 18331.

All Mt Surprise Project tenure is 100% Orion Metals Limited held.

Mt Surprise tenement package remains highly prospective for tin, tungsten and rare earth elements. No on-ground exploration was conducted this period.

TOP CAMP PROJECT

GOLD COPPER PROJECT

40 km south of Cloncurry, North Queensland

ML 2764, ML 2785, ML 2786, ML 2792.

The Top Camp mining leases are all 100% Orion Metals Limited owned.

Orion Metals is still waiting on the DNRM to progress renewals of its two granted mining leases ML2785 and ML2792. All required statutory documentation was lodged within the required periods.

There has been no further progress towards a cultural and heritage (C&H) agreement with the Mitakoodi Mayi People at this stage. The Federal Court has finally made a judgement in relation to who are the legitimate representatives for the Mitakoodi Mayi families. This is an important outcome for Orion Metals in that a complex and potentially “messy” business with transitional participants in a cultural and heritage agreement has been averted.

Mt RAMSAY PROJECT

RARE EARTH ELEMENT (REE) PROJECT

200 km west of Gladstone, Queensland

EPM 25677 – 100% ORM owned.

Mt Ramsay remains a high priority exploration area for REE, specialty metals, copper and gold. As per EPM grant conditions, 10 sub-blocks were relinquished at the end of Year 3, 10th September 2017.

TENEMENT SCHEDULE

ORM TENEMENT LIST at 22nd September 2017						
Tenement ID	Location	Registered Holder	Status	Granted Date	Expiry Date	Area (Sub-blocks)
TANAMI WEST PROJECT						
E80/4029	Tanami Region, WA	RRI * 100%	Granted	16/04/2009	15/04/2019	10
E80/4197	Tanami Region, WA	RRI * 100%	Granted	15/10/2009	14/10/2019	3
E80/4558	Tanami Region, WA	RRI * 100%	Granted	13/12/2012	12/12/2017	5
E80/4869	Tanami Region, WA	RRI * 100%	Granted	17/05/2016	16/05/2021	61
E80/4919	Tanami Region, WA	RRI * 100%	Granted	17/05/2016	16/05/2021	22
E80/4920	Tanami Region, WA	RRI * 100%	Granted	17/05/2016	16/05/2021	3
E80/4921	Tanami Region, WA	RRI * 100%	Granted	17/05/2016	16/05/2021	3
MT SURPRISE PROJECT						
EPM 18331	Mt Surprise Area, Qld	ORM 100%	Granted	26/06/2014	25/06/2019	19
EPM 18850	Mt Surprise Area, Qld	ORM 100%	Granted	21/10/2013	20/10/2018	50
EPM 18449	Mt Surprise Area, Qld	ORM 100%	Granted	14/05/2013	13/05/2018	10
MT RAMSAY PROJECT						
EPM 25677	W of Gladstone, Qld.	ORM 100%	Granted	11/08/2014	10/08/2019	16
Tenement ID	Location	Registered Holder	Status	Granted Date	Expiry Date	Area (Hectares)
TOP CAMP PROJECT						
ML 2764	SSW of Cloncurry	ORM 100%	Granted	19/01/1989	31/01/2020	103
ML 2785*	SSW of Cloncurry	ORM 100%	Granted	6/02/1992	28/02/2017	129.2
ML 2786	SSW of Cloncurry	ORM 100%	Granted	15/02/1990	28/02/2021	70
ML 2792*	SSW of Cloncurry	ORM 100%	Granted	6/02/1992	28/02/2017	103.5
* Rich Resources Investments Pty Ltd - wholly owned Subsidiary of Orion Metals Limited						
* Under application for renewal, awaiting grant.						

Competent Person Declaration. The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Peter Brookes, a part-time employee of Orion Metals Limited, who is a member of the Australian Institute of Geoscientists. Mr Brookes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brookes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

CORPORATE

Company Update

There have been no corporate activities or changes in the quarter ended 31 August 2017, or since that date. Directors continue to evaluate the Company's existing tenements and investigate potential sources of funding or any joint venture opportunities across all projects to enable the Company to continue operations and carry out its exploration program over the next twelve months. The Company also continues to seek out any other attractive assets to further increase value for the benefit of all shareholders.

Financial

Cash balance as at 31 August 2017 was approximately \$281k, following exercise of 40,000,000 options to raise \$200k. The Company has 160,000,000 options on issue outstanding, exercisable at 0.5¢ each, and the optionholder has advised that some of these options may be exercised by November 2017 to provide additional working capital.

CORPORATE DIRECTORY

ORION METALS LIMITED

ASX Code: ORM

ABN: 89 096 142 737

Issued Capital as at 31 August 2017

385,097,443 shares issued & listed

160,000,000 options (unlisted) expiring 21 July 2018

384 shareholders

Top 20 shareholders

Hold 98.49% of listed shares

Largest shareholders

Excellence Holding HK Ltd 62.32%

Conglin Group / Mr Conglin Yue 27.42%

Jien Mining Pty Ltd 5.99%

Board

Mr Yi Yang – Chairman

Ms Bo Wang – Director

Mr Feng Wu – Executive Director

Mr Bin Cai – Executive Director & CFO

Company Secretary

Mr Bill Lyne

Contact Details

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ORION METALS LIMITED

ABN

89 096 142 737

Quarter ended ("current quarter")

31 August 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	10	12
1.2 Payments for		
(a) exploration & evaluation	(114)	(169)
(b) development	-	-
(c) production	-	-
(d) staff costs	(42)	(89)
(e) administration and corporate costs	(86)	(109)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(232)	(354)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	200	200
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	313	435
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(232)	(354)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	200	200
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	281	281

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	230	12
5.2	Call deposits	51	301
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	281	313

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
13
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

Any shortfall in available cash to meet budgeted outflows will be met by further exercise of options outstanding.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	198
9.2 Development	-
9.3 Production	-
9.4 Staff costs	79
9.5 Administration and corporate costs	32
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	309

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		NIL		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		NIL		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/~~Company secretary~~)

Date: 27 September 2017

Print name: Bin Cai

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.