



# ORION METALS LIMITED (ASX: ORM)

## ACTIVITIES REPORT FOR QUARTER ENDING 28<sup>th</sup> February 2018

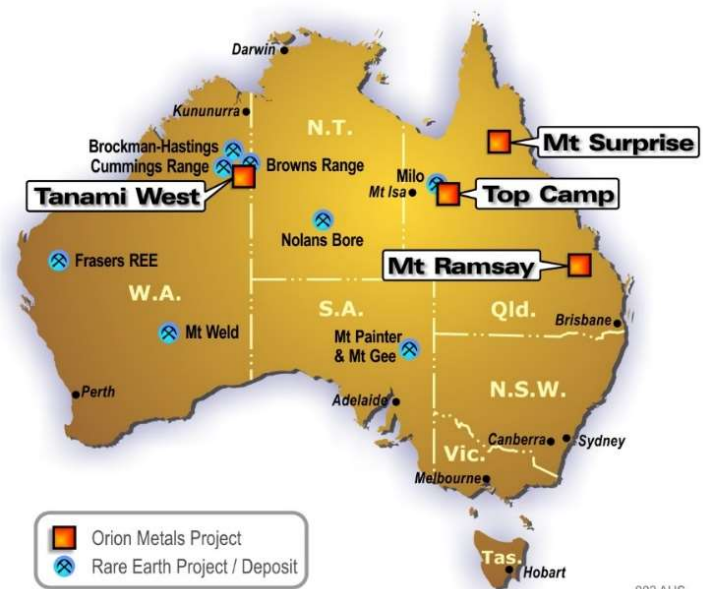
### EXPLORATION ACTIVITIES

Expressions of interest in Orion Metals’ Tanami West Project from external parties during the last quarter has evolved into a new opportunity and strategic direction for its highly prospective REE and Gold property in the Tanami.

Orion Metals has negotiated an unincorporated JV agreement with mineral exploration junior PVW Resources NL, to conduct exploration activities across its Tanami West Project area. PVW are active in the Tanami Region of Western Australia and bring to Orion Metals exploration funds, and valuable additional technical expertise.

PVW’s injection of capital will significantly bolster Orion’s exploration endeavours, and advance ground activities across its REE, gold, and base metals tenure in Western Australia.

In addition, Top Camp Project, strategically located within the world class base metal mining province of Cloncurry Queensland, remains a high value gold copper exploration project.



### 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 currently 100% Orion Metals Limited group held. With the announcement of the PVW Farm-In Agreement on the 23<sup>rd</sup> February 2018, PVW will begin to

earn-in to the joint venture property once the financial terms of the agreement are met through the expenditure of exploration funds.

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

Tanami West Project is considered a high value portfolio of tenements in an active gold and rare earth element mining district which PVW have identified as being suitable for its mineral exploration venture into the Tanami region.

It is expected that some ground based mineral exploration may be undertaken late next quarter following re-evaluation of surface sampling and drill planning completed by Orion Metals over the last twelve months.

### **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. No on-ground exploration was conducted this period.

### **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, 10<sup>th</sup> September 2017.

## TENEMENT SCHEDULE

<b>ORM TENEMENT LIST</b> at 25th March 2018						
Tenement ID	Location	Registered Holder	Status	Granted Date	Expiry Date	Area (Sub-blocks)
<b>TANAMI WEST PROJECT - WA</b>						
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	12/12/2022	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
<b>MT SURPRISE PROJECT - QLD</b>						
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
<b>MT RAMSAY PROJECT - QLD</b>						
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)
<b>TOP CAMP PROJECT - QLD</b>						
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**

In the most recent quarter Orion Metals entered into a farm-in agreement with PVW Resources NL whereby PVW will fund the joint venture activities of the Tanami West Project during the earn-in period and subsequently each of PVW and ORM will contribute to the joint venture costs in proportion to their interests in the joint venture. This will result in ORM's commitments for the Tanami West Project being significantly reduced over time. PVW will initially act as the manager of the joint venture for all day-to-day activities. The parties will establish a management committee, with appointees from both parties, for overall management and control of the joint venture.

Directors continue to evaluate the Company's other existing tenements and investigate potential sources of funding or any joint venture opportunities 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.

Orion Metals also advises that its part-time Exploration Manager, Peter Brookes, has resigned effective 31 March 2018. The Board is currently considering his replacement.

### **Financial**

Cash balance as at 28 February 2018 was approximately \$97k. The Company has 160,000,000 options on issue outstanding, exercisable at 0.5¢ each, and the optionholder has advised that 20,000,000 of these options will be exercised by the end of March to provide additional working capital. The optionholder has also advised that the remaining 140,000,000 options will be exercised before their expiry date of 28 July 2018.

## **CORPORATE DIRECTORY**

### **ORION METALS LIMITED**

**ASX Code:** ORM

**ABN:** 89 096 142 737

### **Issued Capital as at 28 February 2018**

385,097,443 shares issued & listed

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

390 shareholders

### **Top 20 shareholders**

Hold 98.68% of listed shares

### **Largest shareholders**

Excellence Holding HK Ltd 62.32%

Conglin Group / Mr Conglin Yue 27.39%

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**

35 Hamish Street, Calamvale, Queensland  
GPO Box 7115 Brisbane Qld 4001  
Phone: 61 7 3272 1725  
Email: [admin@orionmetals.com.au](mailto:admin@orionmetals.com.au)  
[www.orionmetals.com.au](http://www.orionmetals.com.au)

## 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")

February 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2	24
1.2 Payments for		
(a) exploration & evaluation	(16)	(220)
(b) development	-	-
(c) production	-	-
(d) staff costs	(36)	(182)
(e) administration and corporate costs	(24)	(161)
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(74)</b>	<b>(538)</b>

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

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>200</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	171	435
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(74)	(538)
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
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>97</b>	<b>97</b>

5. <b>Reconciliation of cash and cash equivalents</b> 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	15	20
5.2 Call deposits	82	151
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>97</b>	<b>171</b>

**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
18
-

**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

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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.		

The Company has 160,000,000 options on issue outstanding, exercisable at 0.5¢ each, and the optionholder has advised that 20,000,000 of these options will be exercised by the end of March to provide additional working capital. The optionholder has also advised that the remaining 140,000,000 options will be exercised before their expiry date of 28 July 2018.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	23
9.2 Development	-
9.3 Production	-
9.4 Staff costs	55
9.5 Administration and corporate costs	30
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>108</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
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: .... 29 March 2018 .....

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.