



ORION METALS LIMITED (ASX: ORM)

ACTIVITIES REPORT FOR QUARTER ENDING 31st AUGUST 2018

EXPLORATION ACTIVITIES

Orion Metals Limited ('Orion', 'the Company') entered into the Tanami West Farm-In Agreement with PVW Resources ('PVW') in February 2018. PVW have commenced management of exploration on the Tanami West Project tenements and have completed the Stage 1 payment of \$40,000 to Orion, which earns them the right to acquire a 35% Participating Interest in the joint venture property.

PVW have commenced data compilation, interpretation and target generation with the intention to commence limited ground based mineral exploration activities in the latter part of 2018 prior to the onset of the wet season later in the year.



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% held by Orion Metals Limited. However, with PVW Resources having completed the Stage 1 payment of \$40,000 to Orion, during the current reporting period, this earns them the right to acquire a 35% Participating Interest in the joint venture property.

During the earn-in phase of the Joint Venture, Orion continues to cooperate and work with PVW to ensure all tenements are kept in good standing.

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.

The 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 in the Tanami region. The Tanami region has attracted the attention of several major gold mining companies, including Newcrest Mining, Northern Star Resources and St.Barbara. This is in addition to Newmont Mining who have been operating the world-class Callie and Granites gold mines for several years. The recent increase in exploration activities in the region reflects the prospectivity and under-explored nature of the area.

It is expected that PVW will commence limited ground based mineral exploration activities in latter part of 2018 prior to the onset of the wet season. Further on-ground exploration is expected to take place in 2019 with drill testing of gold targets before the end of the year.

MT SURPRISE PROJECT

RARE EARTH ELEMENT (REE), TIN, TUNGSTEN PROJECT

Northeast of Mt Surprise, North Queensland

EPM 18850, EPM 18331.

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

During the reporting period a renewal application for EPM18850 was submitted to the Queensland Department of Natural Resources, Mines & Energy (DNRM).

The Mt Surprise tenement package remains highly prospective for tin, tungsten and rare earth elements. No on-ground exploration was conducted during the current reporting 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.

No on-ground exploration was conducted during this period.

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

Mt RAMSAY PROJECT

RARE EARTH ELEMENT (REE) PROJECT

200 km west of Gladstone, Queensland

EPM 25677 – 100% ORM owned.

The Mt Ramsay Project remains a high priority exploration area for REE, specialty metals, copper and gold.

No on-ground exploration was conducted during this period.

TENEMENT SCHEDULE

ORM TENEMENT LIST at 31 August 2018						
Tenement ID	Location	Registered Holder	Status	Granted Date	Expiry Date	Area (Sub-blocks)
TANAMI WEST PROJECT - WA						
E80/4029	Tanami Region, WA	RRI* 100%	Granted	16-04-09	15-04-19	10
E80/4197	Tanami Region, WA	RRI * 100%	Granted	15-10-09	14-10-19	3
E80/4558	Tanami Region, WA	RRI * 100%	Granted	13-12-12	12-12-22	5
E80/4869	Tanami Region, WA	RRI * 100%	Granted	17-05-16	16-05-21	61
E80/4919	Tanami Region, WA	RRI * 100%	Granted	17-05-16	16-05-21	22
E80/4920	Tanami Region, WA	RRI * 100%	Granted	17-05-16	16-05-21	3
E80/4921	Tanami Region, WA	RRI * 100%	Granted	17-05-16	16-05-21	3
MT SURPRISE PROJECT - QLD						
EPM 18331	Mt Surprise Area, Qld	ORM 100%	Granted	26-06-14	25-06-19	19
EPM 18850	Mt Surprise Area, Qld	ORM 100%	Granted	21-10-13	20-10-18	50
MT RAMSAY PROJECT - QLD						
EPM 25677	W of Gladstone, Qld.	ORM 100%	Granted	11-08-14	10-08-19	16
Tenement ID	Location	Registered Holder	Status	Granted Date	Expiry Date	Area (Hectares)
TOP CAMP PROJECT - QLD						
ML 2764	SSW of Cloncurry	ORM 100%	Granted	19-01-89	31-01-20	103
ML 2785	SSW of Cloncurry	ORM 100%	Granted	06-02-92	28-02-22	129.2
ML 2786	SSW of Cloncurry	ORM 100%	Granted	15-02-90	28-02-21	70
ML 2792	SSW of Cloncurry	ORM 100%	Granted	06-02-92	28-02-22	103.5
* Rich Resources Investments Pty Ltd - wholly owned Subsidiary of Orion Metals Limited						

Competent Person Declaration. *The information in this report that relates to Exploration Results is based on information compiled by Mr Robin Wilson, a part-time consultant to Orion Metals Limited, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Wilson 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 Wilson 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

Since entering into the farm-in agreement with PVW Resources NL (PVW) in relation to the Tanami West Project in February 2018 PVW have commenced management of exploration on the Project tenements and have completed the Stage 1 payment of \$40,000 to Orion, which earns them the right to acquire a 35% Participating Interest in the joint venture property.

There has been no further exploration/evaluation of the Company's other Projects during the period. However, Directors continue to investigate potential sources of funding or any joint venture opportunities to enable the Company to continue operations and carry out its exploration program.

The Company also continues to seek out any other potential good attractive assets to further increase value for the benefit of all shareholders.

The Company's Annual General Meeting of shareholders was held on Tuesday 24 July 2018 at the offices of BDO, Level 10, 12 Creek Street, Brisbane, Queensland. All resolutions put to the shareholders were passed.

Financial

Additional funds were raised during the quarter when a further \$200,000 was contributed from 40,000,000 options exercised at 0.5¢ each by the largest shareholder, Excellence Holdings HK Limited, enabling continuity of corporate commitments, and re-structured exploration activities. The balance of 100,000,000 options held by Excellence Holdings lapsed unexercised on 21 July 2018. However, that shareholder has undertaken to provide continued financial support to the Company for its ongoing operations over the next 12 months.

CORPORATE DIRECTORY

ORION METALS LIMITED

ASX Code: ORM

ABN: 89 096 142 737

Issued Capital as at 31 August 2018

445,097,443 shares issued & listed

390 shareholders

Top 20 shareholders

Hold 98.85% of listed shares

Largest shareholders

Excellence Holding HK Ltd 67.40%

Conglin Group / Mr Conglin Yue 23.69%

Jien Mining Pty Ltd 5.18%

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 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	46	52
1.2 Payments for		
(a) exploration & evaluation	(41)	(64)
(b) development	-	-
(c) production	-	-
(d) staff costs	(46)	(94)
(e) administration and corporate costs	(64)	(93)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
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	(105)	(199)

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 (6months) \$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	300
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	200	300

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	103	97
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(105)	(199)
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	300
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	198	198

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	46	11
5.2 Call deposits	152	92
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)	198	103

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
11
-

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

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

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	23
9.2 Development	
9.3 Production	
9.4 Staff costs	68
9.5 Administration and corporate costs	15
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	106

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	Tanami West: E80/ 4029 4919 4197 4920 4921 4869 4558	Farmin Agreement	100%	65%
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:

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(Director/Company secretary)

Date: 28 September 2018

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Print name:

Bin Cai

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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.