



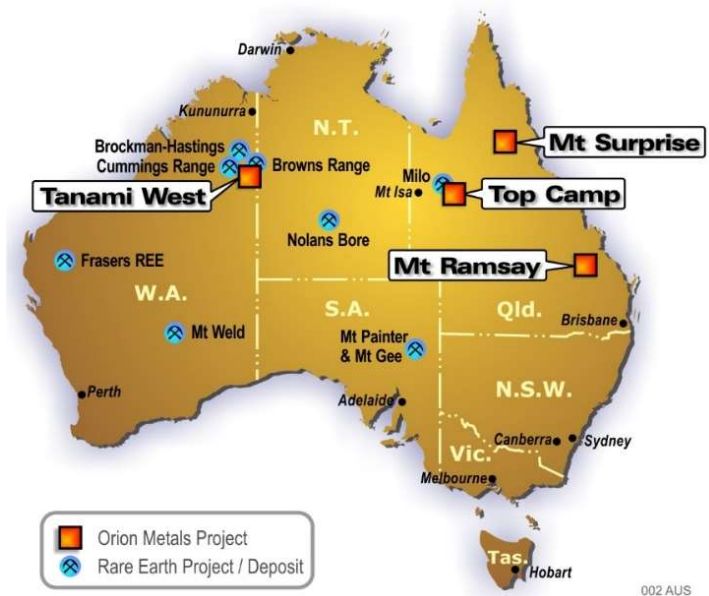
ORION METALS LIMITED (ASX: ORM)

ACTIVITIES REPORT FOR QUARTER ENDING 31st AUGUST 2019

EXPLORATION ACTIVITIES

At the end of the reporting period a Tenement Sale Agreement was executed between PVW Resources NL (PVW) and Orion Metal’s wholly-owned subsidiary, Rich Resources Investments Pty Ltd (RRI). Under the Tenement Sale Agreement RRI has agreed to sell the seven exploration tenements in the Tanami West Project to PVW Resources for a total of \$250,000.

No on-ground exploration activities were conducted on Orion’s other exploration projects during the reporting period.



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.

Orion Metals has entered into a Tenement Sale Agreement with PVW Resources wholly-owned subsidiary, PVW Tanami Pty Ltd. Under the Tenement Sale Agreement Orion Metals wholly-owned subsidiary, Rich Resources Investments Pty Ltd (RRI) has agreed to sell RRI’s 65% interest in the the seven exploration tenements in the Tanami West Project to PVW Resources for a total of \$250,000.

PVW has continued discussions with the Kimberley Land Council and the Aboriginal traditional owners of the area, the Tjurabalan Native Title Land Aboriginal Corporation, in order to establish a formal heritage protection protocol and work through some of the historical access and heritage issues in this area. PVW hopes to be able to commence on-ground work on the project, later in the year, once some of these issues have been resolved.

An Extension of Term application submitted by PVW for Tanami West tenement E80/4029 was granted during the current reporting period.

Orion Metals' Tanami West Project stands at 107 sub-blocks, for 321 square kilometres, of highly prospective, under explored REE and gold terrane. The Tanami region is being explored by several major gold mining companies, including Newcrest Mining, Northern Star Resources and St. Barbara. Newmont Mining have been operating in the Tanami region at the world-class Callie and Granites gold mines for several years. The region is widely acknowledged to be one of the most under-explored gold terranes in Australia.

MT SURPRISE PROJECT

RARE EARTH ELEMENT (REE), TIN, TUNGSTEN PROJECT

Northeast of Mt Surprise, North Queensland

EPM 18850

All Mt Surprise Project tenure is 100% held by Orion Metals Limited. No on-ground exploration was conducted during the current reporting period.

The Mt Surprise tenement package remains highly prospective for tin, tungsten and rare earth elements.

EPM 18331 was not renewed and expired during the 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.

ORM considers there is an opportunity for an alluvial gold operation at Top Camp. The Project is considered prospective for IOCG (iron oxide copper gold) type deposits in addition to the alluvial gold potential.

A renewal application for ML 2764 was lodged during the reporting period.

Mt RAMSAY PROJECT

RARE EARTH ELEMENT (REE) PROJECT

200 km west of Gladstone, Queensland

EPM 25677

No on-ground exploration was conducted during the current reporting period. EPM 25677 was not renewed and expired during the reporting period.

TENEMENT SCHEDULE

ORM TENEMENT LIST at 31 August 2019						
Tenement ID	Location	Registered Holder	Status	Granted Date	Expiry Date	Area (Sub-blocks)
TANAMI WEST PROJECT - WA						
E80/4029	Tanami Region, WA	RRI* 65%	Granted	16/04/2009	15/04/2021	10
E80/4197	Tanami Region, WA	RRI * 65%	Granted	15/10/2009	14/10/2019	3
E80/4558	Tanami Region, WA	RRI * 65%	Granted	13/12/2012	12/12/2022	5
E80/4869	Tanami Region, WA	RRI * 65%	Granted	17/05/2016	16/05/2021	61
E80/4919	Tanami Region, WA	RRI * 65%	Granted	17/05/2016	16/05/2021	22
E80/4920	Tanami Region, WA	RRI * 65%	Granted	17/05/2016	16/05/2021	3
E80/4921	Tanami Region, WA	RRI * 65%	Granted	17/05/2016	16/05/2021	3
MT SURPRISE PROJECT - QLD						
EPM 18850	Mt Surprise Area, Qld	ORM 100%	Granted	21/10/2013	20/10/2023	50
EPM 18331	Mt Surprise Area, Qld	ORM 100%	Expired	26/06/2014	25/06/2019	19
MT RAMSAY PROJECT - QLD						
EPM 25677	W of Gladstone, Qld.	ORM 100%	Expired	11/08/2014	10/08/2019	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	19/01/1989	31/01/2020	103
ML 2785	SSW of Cloncurry	ORM 100%	Granted	6/02/1992	28/02/2022	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	28/02/2022	103.5
<i>* Rich Resources Investments Pty Ltd - wholly owned Subsidiary of Orion Metals Limited</i>						
<i>*Orion Metals has entered into a Tenement Sale Agreement with PVW Resources wholly-owned subsidiary, PVW Tanami Pty Ltd. Under the Tenement Sale Agreement Orion Metals wholly-owned subsidiary, Rich Resources Investments Pty Ltd (RRI) has agreed to sell RRI's 65% interest in the the seven exploration tenements in the Tanami West Project to PVW Resources for a total of \$250,000.</i>						

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

At the end of the reporting period the Directors entered into an Agreement for the sale of the group's remaining 65% interest in the Tanami West tenements for \$250,000 as it was decided that this was in the best interests of Orion. Initial payment of \$130,000 was received by Orion after the end of the reporting period and the balance of \$120,000 will be received on completion which will occur as soon as reasonably practical.

There has been no further exploration/evaluation of the Company's other Projects during the reporting period. However, the Directors decided to let two tenements expire during the period because they concluded that there was no longer any benefit in retaining them: one was at Mt. Surprise, where only one tenement now remains, and the other was the tenement at Mt. Ramsay where, consequently, the Company no longer retains any interest.

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 at Top Camp.

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

Financial

On 31 July 2019 major shareholder Excellence Holdings HK Limited (EHHK) exercised 12,000,000 options at 0.5¢ each to provide an additional \$60,000 working capital. EHHK still holds 55,000,000 options which are exercisable at 0.5¢ each to raise up to a further \$275,000 that will ensure continuity of corporate expenses and meet minimum tenement and exploration commitments. EHHK has indicated that further options will be exercised over coming months as funds are required.

CORPORATE DIRECTORY

ORION METALS LIMITED

ASX Code: ORM

ABN: 89 096 142 737

Issued Capital as at 31 August 2019

490,097,443 shares issued & listed

386 shareholders

Top 20 shareholders

Hold 98.95% of listed shares

Largest shareholders

Excellence Holdings HK Limited 70.39%
Conglin Group / Mr Conglin Yue 21.52%
Jien Mining Pty Ltd 4.70%

Board

Mr Yi Yang – Chairman
Mr 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 2019

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	3	8
1.2 Payments for		
(a) exploration & evaluation	(53)	(84)
(b) development	-	-
(c) production	-	-
(d) staff costs	(43)	(54)
(e) administration and corporate costs	(47)	(75)
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	(140)	(205)

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	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

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	60	60
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	60	60

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	100	165
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(141)	(206)
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)	60	60
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	19	19

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	7	17
5.2 Call deposits	12	83
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)	19	100

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	12
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	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

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

	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.		

An agreement to sell the remaining 65% interest in the Tanami West Tenements to PVW Tanami Pty Ltd was signed on 30 August 2019 and \$130,000 deposit received on 2 September 2019. The balance due of \$120,000 will be received on completion.

In addition, the Company still has 55,000,000 options outstanding which are exercisable at 0.5¢ each to raise up to \$275,000 when additional funds are required.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	20
9.2 Development	
9.3 Production	
9.4 Staff costs	45
9.5 Administration and corporate costs	40
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	105

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	Mt Surprise EPM18331	Expired 25 June 2019 & was not renewed	100%	0%
	Mt Ramsay EPM25677	Expired 10 August 2019 & was not renewed	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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)

Date: 30 September 2019

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.