



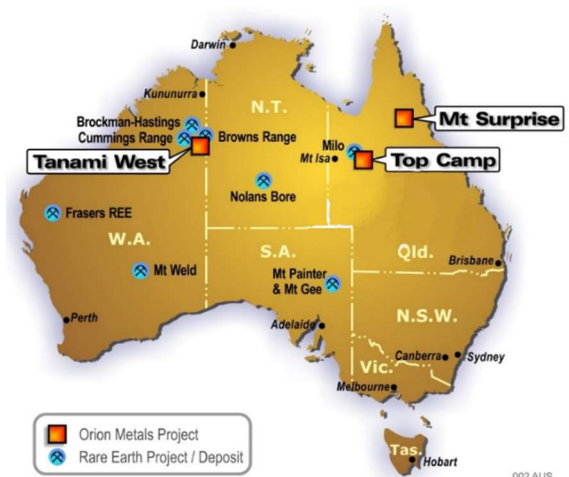
ORION METALS LIMITED (ASX: ORM)

ACTIVITIES REPORT FOR QUARTER ENDING 29th February 2020

EXPLORATION ACTIVITIES

A Tenement Sale Agreement was executed between PVW Resources NL (PVW) and Orion Metal’s wholly-owned subsidiary, Rich Resources Investments Pty Ltd (RRI) in August 2019 . 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 once some of these issues have been resolved.

An Extension of Term application for an additional 2 years submitted by PVW for Tanami West tenement E80/4197 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

A total surrender of EPM 18850 was submitted to the Queensland Department of Natural Resources, Mines and Energy on 16 December 2019 as Directors decided that further expenditure on this project was no longer warranted. The Department approved the surrender on 31 January 2020.

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 has been lodged.

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TENEMENT SCHEDULE

ORM TENEMENT LIST at 29 February 2020						
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	14/10/2021	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%	Surrendered 31/01/2020	21/10/2013	20/10/2023	50
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

In August 2019 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 and the balance of \$120,000 will be received on completion, which will occur as soon as reasonably practical. In this regard, there has been some delay in transfer of tenements due to a change of legislation in Western Australia, the application of which the Office of State Revenue is currently interpreting. Also, one of the tenements requires completion of a heritage agreement before transfer can be effected.

There has been no further exploration/evaluation of the Company's other Projects during the reporting period.

As advised last report, Directors decided to surrender EPM 18850 at Mt. Surprise and the Queensland Government approved the Company's application on 31 January 2020.

Directors continue to investigate potential sources of funding or any joint venture opportunities to enable the Company to reactivate 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

The Company's Quarterly Cash Flow Report (Appendix 5B) details funds flow for the most recent reporting period and cash on hand at period-end. These funds will be supplemented over coming periods from receipt of the balance of the Tanami West tenements sale and from exercise of further options by Excellence Holdings HK Limited (EHHK). Payments to related parties of the entity and their associates during the period aggregated \$13k and were for an executive Director's salary and statutory superannuation.

EHHK exercised 20,000,000 options on 2 January 2020 at 0.5¢ each to raise \$100,000 cash for the Company's ongoing operations.

EHHK still holds 35,000,000 options which are exercisable at 0.5¢ each to raise up to a further \$175,000 that will ensure continuity of corporate expenses and meet minimum tenement and exploration commitments over coming months as funds are required.

CORPORATE DIRECTORY

ORION METALS LIMITED

ASX Code: ORM

ABN: 89 096 142 737

Issued Capital as at 29 February 2020

510,097,443 shares issued & listed

379 shareholders

Top 20 shareholders

Hold 99.02% of listed shares

Largest shareholders

Excellence Holdings HK Limited 71.55%

Conglin Group / Mr Conglin Yue 20.67%

Jien Mining Pty Ltd 4.52%

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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Quarterly Activities Report is authorised by the Board of Directors of Orion Metals Limited

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ORION METALS LIMITED

ABN

89 096 142 737

Quarter ended ("current quarter")

29 February 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.12. months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	19
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(8)	(119)
(b) development	-	-
(c) production	-	-
(d) staff costs	(31)	(121)
(e) administration and corporate costs	(36)	(179)
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 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(75)	(400)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.12. months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	130
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	-	130

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	100	160
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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	100	160

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	30	165
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(75)	(400)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	130
4.4	Net cash from / (used in) financing activities (item 3.10 above)	100	160

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.12. months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	55	55

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	43	18
5.2	Call deposits	12	12
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)	55	30

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
13
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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing 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 35,000,000 options outstanding which are exercisable up to 21 December 2020 at 0.5¢ each to raise up to \$175,000 when additional funds are required.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(91)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(91)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	55
8.5 Unused finance facilities available at quarter end (Item 7.5)	
8.6 Total available funding (Item 8.4 + Item 8.5)	55
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.60

- 8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:
- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes, details above in item 7

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, utilising cash expected over coming months

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.

Authorised for release to the market by the board of directors.

Date: 26 March 2020



Authorised by:

Bin Cai / Director

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.