



ORION METALS LIMITED (ASX: ORM)

ACTIVITIES REPORT FOR QUARTER ENDING 28 February 2021

EXPLORATION ACTIVITIES

No on-ground exploration activities were conducted at the Top Camp Project during the reporting period, being Orion’s only remaining exploration project.

During the period the Tenements Sale Agreement with PVW Resources NL (PVW) and its wholly-owned subsidiary PVW Tanami Pty Ltd (PVWT) was completed and the final payment of \$120,000 was received following transfer of the Tanami West Project tenements to PVWT.

Since period-end, Orion has entered into an exclusive binding Terms Sheet for the sale the Top Camp Project to Winfield Minerals Pty Ltd (Winfield) for a total of \$500,000 plus consideration for commitments and the securities held by the Queensland Department of Resources (QDoR).

PROJECT LOCATION MAP



Project Updates

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 owned 100% by Orion Metals Limited. 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 2786 for a further 5 years lodged with the QDoR during the previous reporting period is progressing.

On 5 March 2021 Orion entered into an exclusive binding Terms Sheet with Winfield in respect of the sale and purchase of the 4 mining leases comprising the Top Camp Project for \$500,000 purchase price plus consideration to cover relevant costs incurred or committed and also an amount being the value of various securities provided by the Company to, and currently held by, the QDoR in respect of the Tenements.

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.

In August 2019 a Tenements Sale Agreement was executed between PVW and Orion's wholly-owned subsidiary, Rich Resources Investments Pty Ltd (RRI) under which RRI agreed to sell the 7 exploration tenements in the Tanami West Project to PVWT for a total of \$250,000. An initial payment of \$130,000 was received with the balance due on completion.

PVW continued the management and exploration of the Tanami West Project tenements whilst the Western Australian Department of Mines, Industry Regulation and Safety (WADMIRS) processed the transfer of the tenements to PVWT. During the transfer phase, Orion continued to cooperate and work with PVW to ensure all tenements were kept in good standing.

PVW 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.

On 12 February 2021 the WADMIRS effected a 100% transfer of the Tanami West Project tenements to PVWT and the final payment of \$120,000 was received by Orion from PVW.

TENEMENT SCHEDULE

ORM TENEMENT LIST at 28 February 2021						
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	31/01/2025	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, Renewal lodged	15/02/1990	28/02/2021	70
ML 2792	SSW of Cloncurry	ORM 100%	Granted	6/02/1992	28/02/2022	103.5
*Orion Metals has entered into an exclusive binding Terms Sheet with Winfield Minerals Pty Ltd on 5th March 2021 in respect of the sale and purchase of the 4 mining leases comprising the Top Camp Project.						

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

During the reporting period the Tenements Sale Agreement with PVW was completed with the 100% transfer of the Tanami West tenements effected and the final payment of \$120,000 received.

There has been no further exploration/evaluation of the Top Camp Project during the reporting period. However, since period-end Orion has entered into an exclusive binding Terms Sheet for the sale of the 4 mining leases (Tenements) comprising the Top Camp Project to Winfield.

Completion of the sale of the Tenements is conditional on satisfaction or waiver of the following conditions precedent:

- Indicative approval of the QDoR to the transfer of the Tenements
- Satisfactory due diligence by Winfield
- Approval of the shareholders of Orion to the sale of the Tenements

The Tenements constitute the remaining undertaking of the Company so sale of the Tenements will require shareholder approval pursuant to the ASX Listing Rules. The Company intends to dispatch notice of an Extraordinary General Meeting to approve the disposal of the Tenements as soon as practicable.

Directors consider that the sale of the Top Camp Project is in the best interests of the Company and will allow the Company to concentrate on acquiring alternative assets to further increase value for the benefit of all shareholders.

Also, since period-end, Mr Bo Wang, who has been an independent Non-Executive Director since July 2016, has resigned due to other commitments and to pursue other activities.

As a replacement Australian resident director, the Board has appointed Mr Yu Zhou as a Non-Executive Director. Mr Zhou holds a Bachelor of Economics degree in International Banking and Finance from Tianjin University of Finance and Economics. After completing his degree he worked for a number of securities and investments companies, initially in China, then in Australia after moving to Sydney a few years ago. Over the last couple of years he has acted as a consultant to the Company, particularly assisting with efforts to find JV partners or dispose of Orion's minerals leases, investigate potential new assets, and source new capital and other funding for the Company.

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. The major changes were a further loan of \$50,000 from substantial shareholder Excellence Holdings HK Limited (EHHK) and receipt of the final \$120,000 payment from PVW.

Loans from EHHK now total \$65,000. These loans are at zero interest rate, unsecured and for no fixed term.

Payments to related parties of the entity and their associates during the period aggregated \$19,000 and were for an executive Director's salary and statutory superannuation.

Funds will be supplemented over coming periods from receipt of the Top Camp Project tenements sale (\$500,000) and further loan funds from EHHK if necessary. EHHK annually provides the Company with a letter of financial support should the need for further funding arise.

CORPORATE DIRECTORY

ORION METALS LIMITED

ASX Code: ORM

ABN: 89 096 142 737

Issued Capital as at 28 February 2021

545,097,443 shares issued & listed

373 shareholders

Top 20 shareholders

Hold 99.07% of listed shares

Largest shareholders

Excellence Holdings HK Limited 73.38%

Conglin Group / Mr Conglin Yue 19.35%

Jien Mining Pty Ltd 4.23%

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

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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")

28 FEBRUARY 2021

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	8	41
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(18)	(63)
(b) development	-	-
(c) production	-	-
(d) staff costs	(72)	(177)
(e) administration and corporate costs	(27)	(146)
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	(109)	(345)

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	120	120
	(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	120	120

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	175
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	50	65
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	50	240

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9	55
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(109)	(345)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	120	120
4.4	Net cash from / (used in) financing activities (item 3.10 above)	50	240

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	70	70

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	70	9
5.2	Call deposits	-	-
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)	70	9

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
19

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)	65	65
7.4 Total financing facilities	65	65
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.		
Orion Metals Ltd received an additional \$50k on 04/01/2021 from Excellence Holdings HK Ltd as a loan, making a total of \$65k drawn. The loan is at zero interest rate, unsecured and of no fixed term.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(65)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(65)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	70
8.5 Unused finance facilities available at quarter end (Item 7.5)	
8.6 Total available funding (Item 8.4 + Item 8.5)	70
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.1

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. 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

2. 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, as noted above in item 7 and commented on in the Quarterly Report

3. 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 and to be available 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.

Date: 30 March 2021.....



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.