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31 May 2012

The Manager  
Company Announcements Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000



Dear Sir/Madam

**Takeover bid by Australia Conglin International Investment Group Pty Ltd for Orion Metals Limited**

We act for Australia Conglin International Investment Group Pty Ltd ACN 133 767 665 ("**Conglin**").

In accordance with section 633(1) item 5 of the *Corporations Act 2001* (Cth), we **enclose** a copy of the bidder's statement and offer document of Conglin relating to its takeover offer to acquire up to 100% of the ordinary shares in Orion Metals Limited ACN 096 142 737 ("**Offer Document**").

A copy of the Offer Document has been lodged with the Australian Securities and Investments Commission and served on Orion Metals Limited.

Should you have any queries please contact Simon Brown on (07) 3259 7153 or Ben Warne on (07) 3259 7471.

Yours faithfully



**Ashurst Australia**

AUSTRALIA BELGIUM CHINA FRANCE GERMANY HONG KONG SAR INDONESIA (ASSOCIATED OFFICE) ITALY JAPAN  
PAPUA NEW GUINEA SINGAPORE SPAIN SWEDEN UNITED ARAB EMIRATES UNITED KINGDOM UNITED STATES OF AMERICA

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220713361.01

# Bidder's Statement

## ACCEPT



CONGLIN INVESTMENT GROUP

AUSTRALIA CONGLIN INTERNATIONAL INVESTMENT GROUP PTY. LTD.

Australia Conglin International Investment  
Group Pty Ltd's  
ACN 133 767 665

Recommended  
Cash Offer

to purchase all of your shares in

Orion Metals Limited  
ACN 096 142 737



For each Orion Share you will receive

## 16 cents cash

Financial adviser



Legal adviser



**This is an important document and requires your immediate attention. This Offer is scheduled to close at 7:00pm (Sydney time) on [•] 2012, unless extended. If you are in doubt as to how to deal with this document you should consult your financial or other professional adviser.**

# Important Information

## Key Dates

|                                     |                                |
|-------------------------------------|--------------------------------|
| Bidder's Statement lodged with ASIC | 31 May 2012                    |
| Offer opens (date of Offer)         | [•] 2012                       |
| Offer closes (unless extended)      | 7:00pm Sydney time on [•] 2012 |

## Bidder's Statement

This Bidder's Statement is dated 31 May 2012 and is given by Australia Conglin International Investment Group Pty Ltd ACN 133 767 665 to Orion Metals Limited ACN 096 142 737 under Part 6.5 of the Corporations Act. This Bidder's Statement includes an Offer dated [•] 2012 to acquire all or part of your Orion Shares and also sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 31 May 2012. Neither ASIC, nor its officers, take any responsibility for the contents of this Bidder's Statement.

## Offer Information Line

For information regarding your Orion Shares, the Offer or how to accept the Offer please read this Bidder's Statement. If you still need assistance please contact the Offer Information Line on:

For Australian callers (toll free): 1800 206 847

For international callers: +61 2 8280 7219

## Investment decisions

This Bidder's Statement does not take into account the investment objectives, financial situation and particular needs of any person. Before deciding whether or not to accept the Offer, you may wish to seek independent financial and taxation advice.

## Forward looking statements

This Bidder's Statement contains forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in such forward looking statements. While Conglin believes that the expectations reflected in the forward looking statements in this document are reasonable, no assurance can be given that such expectations will prove to be correct. Matters as yet not known to Conglin or not currently considered material by Conglin, may cause actual results or events to be materially different from those expressed, implied or projected in any forward looking statements. Any forward looking statement contained in this document is qualified by this cautionary statement.

## **Information on Orion**

The information on Orion and Orion Shares contained in this Bidder's Statement has been prepared by Conglin using predominately publicly available information.

The majority of information in this Bidder's Statement concerning Orion and the assets and liabilities, financial position and performance, profits and losses and prospects of Orion, has not been independently verified by Conglin. Accordingly, Conglin does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to Orion's business may be included in Orion's Target's Statement which Orion must provide to its shareholders in response to this Bidder's Statement.

## **Defined terms**

A number of defined terms are used in this Bidder's Statement. Unless the context requires otherwise, these terms are defined in section 8.

## **Privacy collection statement**

Personal information relating to your shareholding in Orion will be obtained by Conglin or its agents from Orion in accordance with its rights under the Corporations Act. Conglin will share this information with its related bodies corporate, advisers, agents and regulators such as ASIC where necessary for the purposes of the Offer or as otherwise required or permitted by law. Conglin, its related bodies corporate, advisers and agents will use this information solely for purposes relating to the Offer and to assist in any future relationship with you as a shareholder.

## CONTENTS

|   |    |
|---|----|
| CONTENTS .....                                      | I  |
| LETTER TO SHAREHOLDERS .....                        | 1  |
| SUMMARY OF THE OFFER .....                          | 3  |
| REASONS WHY YOU SHOULD ACCEPT CONGLIN'S OFFER ..... | 5  |
| KEY QUESTIONS .....                                 | 9  |
| WHAT YOU SHOULD DO NEXT .....                       | 12 |
| HOW TO ACCEPT THE OFFER .....                       | 12 |
| ADDITIONAL INFORMATION .....                        | 14 |
| 1. INFORMATION ON CONGLIN .....                     | 14 |
| 2. INFORMATION ON ORION AND ORION SHARES .....      | 15 |
| 3. CONGLIN'S INTENTIONS .....                       | 17 |
| 4. SOURCES OF CASH CONSIDERATION .....              | 20 |
| 5. TAXATION CONSIDERATIONS .....                    | 21 |
| 6. OTHER MATERIAL INFORMATION .....                 | 24 |
| 7. THE OFFER TERMS .....                            | 25 |
| 8. DEFINITIONS AND INTERPRETATION .....             | 36 |
| 9. APPROVAL OF BIDDER'S STATEMENT .....             | 39 |



31 May 2012

Dear Orion Shareholder

**Recommended cash offer for Orion Metals Limited**

On behalf of the Directors of Australia Conglin International Investment Group Pty Ltd ("**Conglin**"), I am pleased to present to you this cash offer for Conglin to acquire all of your shares in Orion Metals Limited ("**Orion**") (the "**Offer**").

Under the Offer you may sell either all or part of your shareholding in Orion for 16 cents cash for each Orion share.

Conglin's highly attractive offer provides significant premia to recent share price trading of Orion shares. It represents a premium of:

- 122.2% to the closing price of Orion Shares of 7.2 cents on 30 May 2012, being the last trading day prior to the announcement of Conglin's Offer;
- 83.7% to the volume weighted average price ("**VWAP**") of Orion shares of 8.7 cents in the one month up to and including 30 May 2012; and
- 80.6% to the VWAP of Orion shares of 8.9 cents in the three months up to and including 30 May 2012.

**Conglin's Offer provides you with certainty of value at a very attractive price for your Orion Shares and removes the funding and operational risks associated with owning Orion Shares. In addition, the Offer allows you to sell all or part of your shareholding in Orion, a stock which has relatively low trading liquidity.**

The Offer is conditional on Conglin becoming entitled to at least 50% of Orion's issued share capital and certain other conditions as set out in the Bidder's Statement.

In the event that Conglin obtains control of Orion (by acquiring more than 50% of Orion but less than 100%):

- Conglin intends that Orion will continue to trade on the Australian Stock Exchange;
- Conglin will seek to manage the operations of Orion with an increased exploration, evaluation and development focus; and
- Conglin may introduce additional asset acquisition opportunities to Orion.

Conglin, presently Orion's largest shareholder with a shareholding of approximately 19.8%, is committed to expanding Orion's exploration programme and believes that Orion would benefit significantly from the Conglin Group's operational expertise in the gold and rare earths sectors as well as access to a secure source of funding. Accordingly, you may prefer to accept Conglin's Offer for part, but not all of your Orion Shares. Accepting Conglin's Offer for part, but not all of your shares, would allow you to receive an attractive certain payment in cash now for part of your Orion Shares, whilst retaining exposure to the future upside in Orion.

**Orion's directors have recommended unanimously that you accept Conglin's Offer and they intend to accept the Offer for at least a substantial proportion of their shareholdings, in the absence of a superior proposal. In addition, Metallica Minerals, Orion's third largest shareholder, which has a 15.6% shareholding in Orion, intends to accept the Offer for all of its shareholding, in the absence of a superior proposal.**

Further details of the Offer and its conditions are set out in the Bidder's Statement which is enclosed with this letter, which you should read in full. To accept the Offer for all or part of your Orion Shares, please follow the instructions in the enclosed Acceptance Form. The Offer is currently scheduled to close at 7.00pm (Sydney time) on [●] 2012 unless extended.

If you have any questions about the Offer, please contact your broker or financial adviser or call the Offer Information Line on 1800 206 847 (toll free within Australia) or +61 2 8280 7219 (from outside Australia).

Yours sincerely

A handwritten signature in black ink, appearing to be 'Conglin Yue', written in a cursive style.

**Conglin Yue**

Chairman and Chief Executive Officer

Australia Conglin International Investment Group Pty Ltd

## Summary of the Offer

|                     |  |
|---------------------|--|
| <b>The Bidder</b>   | Conglin is the company making the Offer. Information on Conglin is provided in section 1.  |
| <b>The Offer</b>    | Conglin offers to acquire all of your Orion Shares.  |
| <b>Offer price</b>  | You are offered 16 cents (or \$0.16) cash for each of your Orion Shares.   |
| <b>Closing date</b> | Unless withdrawn or extended the Offer is open until 7.00pm (Sydney time) on [●] 2012.   |
| <b>Payment date</b> | <p>If you accept this Offer Conglin will, in the usual case, pay you for your Orion Shares to which Conglin acquires good title on or before the earlier of:</p> <ul style="list-style-type: none"><li>• the day 1 month after you accept this Offer or, if this Offer is subject to a Defeating Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and</li><li>• the day 21 days after the end of the Offer Period, provided that the Offer has become unconditional.</li></ul> <p>Full details on when you will be paid are set out in section 7.15.</p>  |
| <b>Conditions</b>   | <p>The Offer is subject to the conditions set out in section 7.9 of this Bidder's Statement. The conditions are summarised below:</p> <ul style="list-style-type: none"><li>• a minimum acceptance of more than 50% of the Orion Shares on issue;</li><li>• no prescribed occurrence in relation to Orion;</li><li>• no scheme of arrangement in relation to Orion;</li><li>• no action by any Public Authorities which may adversely affect the Offer;</li><li>• the S&amp;P ASX 200 Index not declining by 15% or more for three or more consecutive trading days;</li><li>• no material acquisitions, disposals or other commitments by Orion greater than \$100,000;</li><li>• no material failing in filings with ASX or ASIC;</li><li>• no break or inducement fees paid or agreed to be paid by Orion;</li><li>• non existence of certain rights;</li><li>• no change in the business, assets, liabilities, financial position, performance, profitability or prospects of Orion; and</li><li>• no force majeure event.</li></ul> |

**How to accept****CHESS Holdings (your HIN starts with an "X")**

You can accept the Offer for all or part of your Orion Shares.

You should read section 7.3 for full details on how to accept the Offer.

If your Orion Shares are in a CHESS Holding, to accept you must either:

- instruct your Controlling Participant (usually your Broker) to accept the Offer for you; or
- complete, sign and return the enclosed CHESS Acceptance Form.

**Issuer Sponsored Holdings (your SRN starts with an "I")**

If your Orion Shares are in an Issuer Sponsored Holding (security holder reference number beginning with "I") or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your Orion Shares, to accept you must complete, sign and return the enclosed Issuer Acceptance Form.

Signed Acceptance Forms must be sent to:

Link Market Services Limited  
Orion Takeover  
Locked Bag A14  
SYDNEY SOUTH NSW 1235

Or hand delivered to:

Link Market Services Limited  
Orion Takeover  
1A Homebush Bay Drive  
RHODES NSW 2138

A self addressed envelope is enclosed.

To be effective your acceptance must be received by Conglin before the Offer closes. The method chosen to deliver the Acceptance Form and other documents is at your own risk.

**No brokerage or stamp duty**

You will not pay any brokerage or Australian stamp duty on accepting the Offer.

**Further information**

For questions about your Orion Shares, the Offer or how to accept the Offer please refer to the remainder of the Bidder's Statement. If you still need assistance, please call the Offer Information Line on:

**For Australian callers:** 1800 206 847

**For international callers:** +61 2 8280 7219

## **Reasons Why You Should Accept Conglin's Offer**

1. The Orion Board recommends unanimously that you accept Conglin's Offer, in the absence of a superior proposal
2. The Offer is a highly attractive offer which provides significant premia to the recent share price of your Orion Shares and is at a 60% premium to Orion's recent placement
3. Conglin's cash Offer provides certainty of value for your Orion Shares
4. Accepting Conglin's Offer allows you to eliminate the operational risks associated with maintaining your investment in Orion
5. Accepting Conglin's Offer also eliminates the risks associated with Orion's future funding uncertainties
6. Conglin's Offer has the support of one of Orion's major shareholders
7. Conglin's Offer is the only offer available for your Orion Shares and the likelihood of a counter-bidder emerging with a superior proposal is considered low
8. The Offer allows you to sell all or part of your shareholding in Orion, a stock that has relatively low trading liquidity

**1. The Orion Board recommends unanimously that you accept Conglin’s Offer, in the absence of a superior proposal**

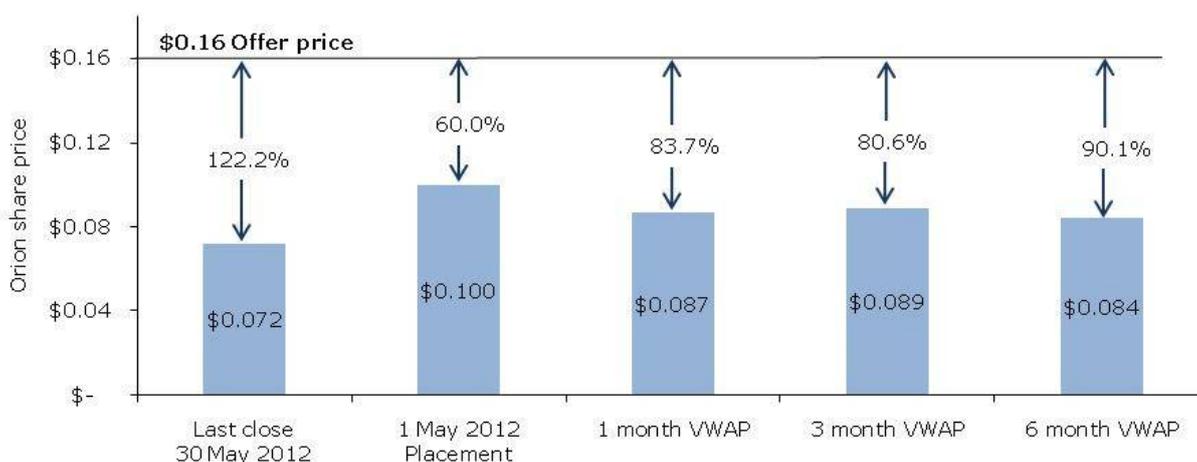
Orion's Board recommends unanimously that you accept Conglin’s Offer, in the absence of a superior proposal.

All directors of Orion who hold Orion Shares intend to accept the Offer for at least a substantial proportion of the Orion Shares they hold, in the absence of a superior proposal.

**2. The Offer is a highly attractive offer which provides significant premia to the recent share price of your Orion Shares and is at a 60% premium to Orion’s recent placement**

The Offer price of \$0.16 for your Orion Shares represents a premium of:

- 122.2% to the closing price of Orion Shares of \$0.072 cents on 30 May 2012, being the last day prior to the announcement of Conglin’s Offer;
- 60.0% to the most recent placement of Orion Shares, issued at \$0.100 per Orion Share on 1 May 2012;
- 83.7% to the one month VWAP of Orion Shares of \$0.087 up to an including 30 May 2012;
- 80.6% to the three month VWAP of Orion Shares of \$0.089 up to an including 30 May 2012; and
- 90.1% to the six month VWAP of Orion Shares of \$0.084 up to an including 30 May 2012.



Source: IRESS

**3. Conglin’s cash Offer provides certainty of value for your Orion Shares**

Should you accept the Offer, you will receive the Offer Price of 16 cents per Orion Share in cash. This provides you with certainty of value for your Orion Shares, which is particularly attractive at a time of uncertain economic conditions.

If you accept the Offer and the Offer conditions are satisfied or waived:

- you will receive 16 cents cash for each Orion Share you own;
- you will be paid on or before the earlier of:
  - the day 1 month after you accept this Offer or, if this Offer is subject to a Defeating Condition when accepted, 1 months after the contract resulting from your acceptance becomes unconditional; and
  - the day 21 days after the end of the Offer Period.

**4. Accepting Conglin's Offer allows you to eliminate the operational risks associated with maintaining your investment in Orion**

The business of mineral exploration, project development and production (subject to completion of the necessary resource definition, and feasibility studies) involves risks by its very nature. To prosper depends on the successful exploration, appraisal and development of reserves and management of the operations. In particular, exploration is a speculative endeavour which can be adversely affected by a number of factors including (but not limited to) engineering difficulties, cost overruns, inconsistency of mineral deposits and other unforeseen events. The Offer allows you to eliminate the significant risks and uncertainty associated with the development of Orion's assets in exchange for an attractive cash payment now.

**5. Accepting Conglin's Offer also eliminates the risks associated with Orion's future funding uncertainties**

In recent years, Orion has undertaken a number of capital raisings from investors. This includes raisings totalling approximately \$1.1 million announced on 1 May 2012.

Due to the nature of Orion's business model of mineral exploration projects, it is likely Orion will require additional capital in the future. These capital commitments will give rise to funding requirements for Orion. If you remain a shareholder in Orion, you may be asked to participate in capital raisings to satisfy part or all of Orion's funding requirements. If you do not participate in these capital raisings, your Orion shareholding would be diluted.

**6. Conglin's Offer has the support of one of Orion's major shareholders**

In addition to the directors of Orion, Metallica Minerals Limited ACN 076 696 092, Orion's third largest shareholder, has confirmed in writing that it intends to accept the Offer in full, in the absence of a superior proposal. As at the date of this Bidder's Statement, Metallica Minerals Limited has a 15.6% shareholding in Orion. When Metallica Minerals' shareholding in Orion is combined with Conglin's 19.8% shareholding in Orion (as at the date of this Bidder's Statement), this represents 35.4% of Orion Shares.

Conglin believes that the support of Metallica Minerals illustrates that the Offer represents attractive value for Orion shareholders.

**7. Conglin's Offer is the only offer available for your Orion Shares and the likelihood of a counter-bidder emerging with a superior proposal is considered low**

Conglin's Offer is the only offer available for your Orion Shares as at the the date of this Bidder's Statement. Conglin is not aware of any other party intending to make an offer for Orion Shares which is superior to Conglin's Offer. In Conglin's view, it is unlikely that such an offer will materialise. Conglin is Orion's largest shareholder, with a 19.8% shareholding in Orion as at the date of this Bidder's Statement. This makes it substantially more difficult for a competing proposal to succeed without Conglin's support.

**8. The Offer allows you to sell all or part of your shareholding in Orion, a stock that has relatively low trading liquidity**

Orion Shares have historically had relatively low trading liquidity on ASX. In the past 12 months, there has been no trading in Orion on 134 of the past 255 business days. Shares with low trading liquidity can be more difficult to sell on-market in a single transaction. This Offer provides you with an opportunity to dispose all or part of your holding of your Orion Shares in a single transaction for a certain value.

## Key Questions

This section answers some key questions that you may have about the Offer and should only be read in conjunction with the entire Bidder's Statement.

### 1. **WHAT IS THE BIDDER'S STATEMENT?**

The Bidder's Statement sets out the terms of Conglin's Offer and information relating to the Offer and the consideration you will receive.

### 2. **WHAT IS THE OFFER?**

Conglin is offering to buy your Orion Shares by way of an off-market takeover offer.

The Offer price is 16 cents cash for each Orion Share.

### 3. **WHO IS CONGLIN?**

Conglin is a trading and investment company, established in Australia to invest in small-to-medium sized mining companies listed on ASX. Conglin is a wholly-owned subsidiary of Inner Mongolia Huachen Industry Company ("**Huachen**"), one of the major coking coal and iron ore resource suppliers for BaoSteel and AnSteel (two major Chinese iron and steel conglomerates). Huachen employs over 200 staff and had coal and iron ore sales of \$180 million in 2011.

Conglin's mission is to deliver the best quality coking coal, iron ore and other assets to major Chinese steel mills and manufacturers as efficiently as possible. The Company also provides communication and negotiation support for entities in Australia seeking to conduct business in China.

Conglin believes that Orion would benefit significantly from the Conglin Group's operational expertise in the gold and rare earths sector. In addition, Conglin believes its strong business relationships within the Chinese rare earths industry, which accounts for 95 per cent of global supply, will be invaluable as Orion makes the transition from explorer to producer. Conglin's business relationships with the Chinese rare earths industry, includes long-standing relationships with the Inner Mongolia Baotou Steel Rare-Earth Hi-Tech Co ("**Baotou**"), the world's largest rare earth producer.

### 4. **WHAT ARE THE TAX CONSEQUENCES IF I ACCEPT THE OFFER?**

Please consult your financial, tax or other professional adviser on the tax implications of accepting the Offer. However, a general summary of the likely Australian tax consequences is set out in section 5.

### 5. **HOW DO I ACCEPT THE OFFER?**

To accept the Offer you must follow the instructions set out in section 7.3. Sections 7.3(b) and 7.3(c) refer, among other things, to the different Acceptance Forms for use to accept this Offer depending on the nature of your Orion shareholding. You will only be sent one type of Acceptance Form with this Bidder's Statement, which will be the Acceptance Form to be used in relation to your Orion Shares.

### 6. **CAN I ACCEPT THE OFFER FOR PART OF MY HOLDING?**

Yes, you can accept the Offer for all or part of your Orion Shares. If you accept the Offer for some of your Orion Shares you can still accept the Offer for more of your Orion Shares at any time during the Offer Period.

7. **WHY SHOULD I ACCEPT THE OFFER FOR ALL OF MY ORION SHARES?**

You should accept the Offer for all of your Orion Shares if you would like to eliminate the operational and funding risks associated with owning Orion Shares in exchange for a certain payment now.

8. **WHY SHOULD I ACCEPT THE OFFER FOR PART BUT NOT ALL OF MY ORION SHARES?**

Conglin is committed to expanding Orion's exploration programme and believes that Orion would benefit significantly from the Conglin Group's operational expertise in the gold and rare earths sectors as well as access to a secure source of funding. Accepting Conglin's Offer for part, but not all of your shares, would allow you to receive an attractive certain payment in cash now for part of your Orion Shares, whilst retaining exposure to the future upside in Orion.

9. **WHAT HAPPENS IF I DO NOT ACCEPT THE OFFER?**

You will remain the holder of your Orion Shares if you do not accept the Offer.

10. **WHEN DOES THE OFFER CLOSE?**

The Offer is currently scheduled to close at 7.00pm (Sydney time) on [●] 2012, unless extended or withdrawn.

11. **CAN CONGLIN EXTEND THE OFFER PERIOD?**

Yes, the Offer can be extended by Conglin or otherwise in accordance with the Corporations Act. You will be sent written notice of any extension, as required by the Corporations Act.

12. **IF I ACCEPT THE OFFER, WHEN WILL I BE PAID?**

If you accept this Offer, Conglin will, in the usual course, pay you for your Orion Shares to which Conglin acquires good title on or before the earlier of:

- (a) the day 1 month after you accept this Offer or, if this Offer is subject to a Defeating Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and
- (b) the day 21 days after the end of the Offer Period, provided that the Offer has become unconditional.

Full details of when you will be paid are set out in section 7.15.

13. **WILL I NEED TO PAY BROKERAGE OR STAMP DUTY IF I ACCEPT THE OFFER?**

You will not pay any stamp duty if you accept the Offer.

If your Orion Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Conglin, you will not incur any brokerage connected with you accepting the Offer.

If your Orion Shares are in a CHESS Holding or you hold your Orion Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker) or the bank, custodian or other nominee whether it will charge any transaction fees or service charges connected with you accepting the Offer.

14. **WHAT ARE THE CONDITIONS OF THE OFFER?**

The conditions of the Offer are set out in section 7.9. The conditions are summarised below:

- a minimum acceptance of more than 50% of the Orion Shares on issue;
- no prescribed occurrence in relation to Orion;
- no scheme of arrangement in relation to Orion;
- no action by any Public Authorities which may adversely affect the Offer;
- the S&P ASX 200 Index not declining by 15% or more for three or more consecutive trading days;
- no material acquisitions, disposals or other transactions by Orion greater than \$100,000;
- no material failing in filings with ASX or ASIC;
- no break or inducement fees paid or agreed to be paid by Orion;
- non existence of certain rights;
- no change in the business, assets, liabilities, financial position, performance, profitability or prospects of Orion; and
- no force majeure event.

15. **WHAT HAPPENS IF THE CONDITIONS OF THE OFFER ARE NOT SATISFIED OR WAIVED?**

If the conditions of the Offer are not satisfied or waived before the Offer closes, the Offer will lapse. Conglin will make an announcement to ASX if the conditions of the Offer are satisfied or waived during the Offer Period.

## What You Should Do Next

**Step 1:** Read the entire Bidder's Statement carefully and consider the information provided.

**Step 2:** Read the Target's Statement to be provided by Orion.

**Step 3:** If you need advice, consult your Broker or your legal, financial or other professional adviser.

If you have any queries about this document, the Offer or how to accept the Offer, please contact the Offer Information Line on:

**For Australian callers:** 1800 206 847

**For international callers:** +61 2 8280 7219

**Step 4:** If you wish to accept the Offer for all or part of your Orion Shares, follow the instructions below.

## How To Accept The Offer

You should read section 7.3 for full details on how to accept the Offer.

### **If you hold your Orion Shares in a CHESS Holding (your HIN starts with an "X")**

If your Orion Shares are in a CHESS Holding (holder identification number beginning with 'X'), to accept you must either:

- instruct your Controlling Participant to accept the Offer on your behalf; or
- complete, sign and return the enclosed CHESS Acceptance Form in accordance with the instructions on it.

### **If you hold your Orion Shares in an Issuer Sponsored Holding (your SRN starts with an "I")**

If your Orion Shares are in an Issuer Sponsored Holding or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your Orion Shares, to accept you must complete, sign and return the enclosed Issuer Acceptance Form in accordance with the instructions on it.

Signed Acceptance Forms must be sent to:

Link Market Services Limited  
Orion Takeover  
Locked Bag A14  
SYDNEY SOUTH NSW 1235

Or hand delivered to:

Link Market Services Limited  
Orion Takeover  
1A Homebush Bay Drive  
RHODES NSW 2138

The method chosen to deliver the Acceptance Form is at your own risk.

## **Participants**

If you are a Participant (as defined in the ASTC Settlement Rules) (typically, a stockbroker who is a participating organisation of ASTC), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASTC Settlement Rules.

**To be effective your acceptance must be received by Conglin before the Offer closes.**

## **Additional Information**

### **1. INFORMATION ON CONGLIN**

#### **1.1 Overview**

Conglin is a trading and investment company, established in Australia to invest in small-to-medium sized mining companies listed on ASX. Conglin is a wholly-owned subsidiary of Huachen, one of the major coking coal and iron ore resource suppliers for BaoSteel and AnSteel (two major Chinese iron and steel conglomerates). Huachen employs over 200 staff and had coal and iron ore sales of \$180 million in 2011.

Conglin's mission is to deliver the best quality coking coal, iron ore and other assets to major Chinese steel mills and manufacturers as efficiently as possible. The Company also provides communication and negotiation support for entities in Australia seeking to conduct business in China.

Conglin believes that Orion would benefit significantly from the Conglin Group's operational expertise in the gold and rare earths sector. In addition, Conglin believes its strong business relationships within the Chinese rare earths industry, which accounts for 95 per cent of global supply, will be invaluable as Orion makes the transition from explorer to producer. Conglin's business relationships with the Chinese rare earths industry, includes long-standing relationships with Baotou, the world's largest rare earth producer.

#### **1.2 Directors of Conglin**

**CONGLIN YUE**  
Chairman and Chief Executive Officer

Conglin's founder, Mr Yue has long-standing relationships with a number of major steel producing companies in China, having developed a successful coking coal and iron ore trading business in China over many years. These well-developed relationships will benefit Orion as it moves closer to the production of gold and rare earth materials on a commercial scale through improved marketing and distribution channels. Mr Yue is also the Chairman of Conglin Baoyuan International Investment Group, a Chief Executive Officer of Huachen and a Director of the Chinese University of Political Science and Law.

**YANCHUN WANG**  
Director

Ms Wang acts as a strategic adviser for a number of Chinese based companies. Ms Wang is a Vice Chairman of Conglin Baoyuan International Investment Group and also a Director of Huachen.

**BIN CAI**  
Managing Director of Conglin

Mr Cai has many years experience in resources investment and an outstanding record of successful strategic investments in emerging Australian resources companies. Prior to joining Conglin, had eight years' experience with The China Investment Bank. Mr Cai is also a Director of Carpentaria Exploration Limited.

## 2. **INFORMATION ON ORION AND ORION SHARES**

### 2.1 **Disclaimer**

The information in this section concerning Orion has been prepared by Conglin based primarily on publicly available information, together with limited information provided to it by Orion, and not all of this information has been independently verified. Accordingly, Conglin makes no representation or warranty, express or implied, as to the accuracy or completeness of this information, other than as required by the Corporations Act.

The information on Orion should not be considered comprehensive. Further information relating to Orion may be included in Orion's Target Statement which will be sent to you by Orion.

### 2.2 **Overview of Orion**

Orion is an ASX-listed mining exploration company, focused on gold and rare earth element mineralisation throughout Australia and more recently, South Korea. Over the past two years, Orion acquired a number of exploration permits on prospects in Western Australia and north Queensland that host rare earth elements and gold in a variety of geological settings.

Orion's Australian exploration projects comprise the Killi Killi Project in Western Australia, and the Broughton Creek, Fulford & Bonnor Creeks and Top Camp projects in northern Queensland. Orion also announced on 26 April 2012 the signing of an agreement for the acquisition of shares in Ultimate Resources Pty Limited, which holds exploration permits in South Korea.

### 2.3 **Publicly available information**

Orion is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and ASX Listing Rules. For information concerning the financial position and affairs of Orion, you should refer to the information that has been disclosed by Orion in accordance with these obligations, which can be obtained via the ASX website at [www.asx.com.au](http://www.asx.com.au) or the Orion website at <http://www.orionmetals.com.au>.

### 2.4 **Capital structure of Orion**

According to documents lodged by Orion with ASX as at the date this Bidder's Statement is lodged with ASIC, the total number of securities in Orion is as follows:

- (a) 87,097,443 Orion Shares;
- (b) 2,000,000 Orion Options with an exercise price of \$0.12, expiring on 29 July 2013; and
- (c) 500,000 Orion Options with an exercise price of \$0.20, expiring on 1 July 2014.

In addition to the above, Conglin Investment Group and Orion are parties to a Convertible Loan Deed dated 19 April 2012, under which Conglin Investment Group provided Orion with a \$350,000 convertible loan facility. Subject to shareholder approval, Orion may elect to repay the loan by issuing 3,500,000 convertible loan notes, each convertible to one Orion share.

## 2.5 Conglin relevant interest in Orion securities

The number of securities in which Conglin had a relevant interest (as at the dates specified) is shown below:

- |     |   |                          |
|-----|---|--------------------------|
| (a) | As at the date of this Bidder's Statement | 17,229,628 Target Shares |
| (b) | As at the date the Offer was made         | [●] Target Shares        |

As at the date of this Bidder's Statement, 13,729,628 of the above Target Shares are held by Mr Conglin Yue (a shareholder and director of Conglin).

## 2.6 Conglin's voting power in Orion

Conglin's voting power in Orion (as at the dates specified) is shown below:

- |     |   |       |
|-----|---|-------|
| (a) | As at the date of this Bidder's Statement | 19.8% |
| (b) | As at the date the Offer was made         | [●]%  |

## 2.7 Acquisition by Conglin of Orion Shares during previous 4 months

During the period beginning 4 months before the date on which this Bidder's Statement is lodged with ASIC and ending the day before that date of lodgement, neither Conglin nor any associate of Conglin has provided, or agreed to provide, consideration for Orion Shares except for an acquisition of 3,500,000 Orion Shares by Conglin for \$0.10 per share on 1 May 2012.

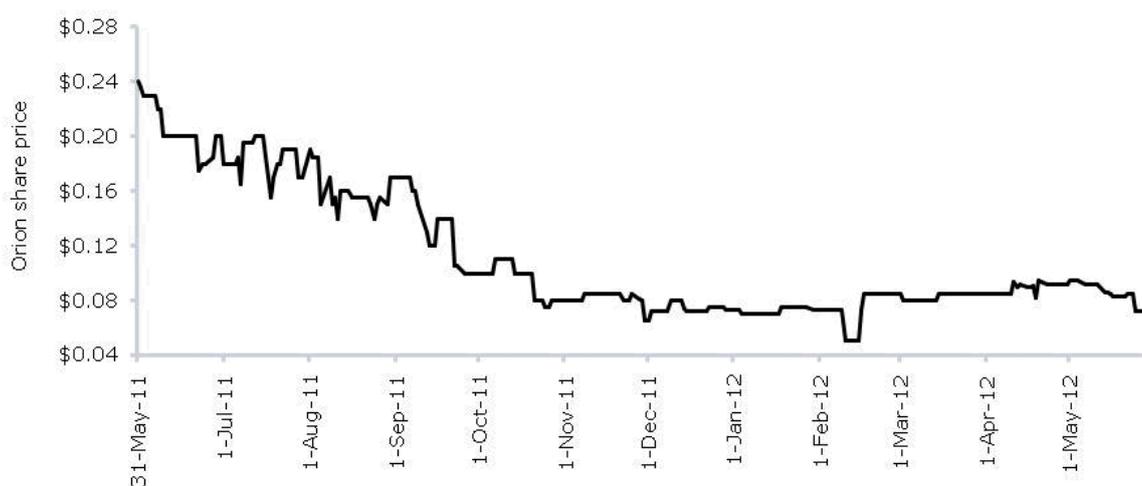
## 2.8 Inducing benefits given by Conglin during previous 4 months

Except as set out in this Bidder's Statement, during the period beginning 4 months before the date on which this Bidder's Statement is lodged with ASIC and ending the day before that date of lodgement, neither Conglin nor any associate of Conglin, gave, or offered to give or agreed to give a benefit to another person that is not available under the Offer and was likely to induce the other person, or an associate of the other person, to:

- (a) accept an Offer; or
- (b) dispose of Orion Shares.

## 2.9 Recent share price performance of Orion on ASX

During the period beginning 31 May 2011 and ending on 30 May 2012, the closing prices of Orion Shares on ASX ranged from a low of \$0.05 to a high of \$0.24. The closing prices of Orion Shares during this period are shown diagrammatically on the following page:



Source: IRESS

## 2.10 Orion Options

The Offer extends to Orion Shares that are issued on the exercise of Orion Options during the period from the Register Date to the end of the Offer Period.

Conglin does not presently intend to make any separate offer to acquire (or cancel) the Orion Options but reserves the right to do so.

## 3. CONGLIN'S INTENTIONS

### 3.1 Overview

This section sets out Conglin's intentions following the completion of the Offer if Conglin acquires more than 50% of Orion, on the basis of the facts and information concerning Orion which are known to it and the existing circumstances affecting the business of Orion, in relation to the following:

- (a) the continuation of the business of Orion;
- (b) any major changes to be made to the business of Orion, including any redeployment of the fixed assets of Orion; and
- (c) the future employment of the present employees of Orion.

### 3.2 Rationale for the Offer

Conglin has made the Offer because it believes Orion would benefit from an increased exploration, evaluation and development focus, as well as the Conglin Group's operational expertise and access to funding.

Conglin will seek to manage the operations of Orion with an increased exploration, evaluation and development focus and may introduce additional asset acquisition opportunities to Orion.

### 3.3 Review

Conglin and its advisers have reviewed information that has been publicly released about Orion, its current activities and its plans for the future, and limited information provided

by Orion. At present, Conglin does not have access to the required extent of all material information, facts and circumstances that are necessary to assess completely the operational, commercial, taxation and financial implications of its current intentions. Consequently, final decisions in relation to Orion's assets and operations have not been made.

Following the close of the Offer, Conglin will, to the extent that information is available to it, conduct a review of the operations, assets, funding requirements, structure and employees of Orion. The key objective of this review will be to ascertain which assets are to be retained and which (if any) are to be disposed of, and to ascertain whether improvements can be made to Orion's operations.

The status of Orion's existing employees will be considered as part of the review. Conglin would need to evaluate whether there was a need to maintain Orion's current office in Brisbane, and whether certain roles within that office would become redundant. Employees who are made redundant will receive payments and other benefits in accordance with their contractual and other legal entitlements.

Final decisions will only be reached after that review and in light of all material facts and circumstances. As such, statements set out in this section are statements of current intention only, which may change as new information becomes available or circumstances change. The statements in this section should be read in this context.

### 3.4 **Intentions upon acquisition of 90% or more of the Orion Shares**

This section sets out Conglin's current intentions if it acquires 90% or more of the Orion Shares and is entitled to proceed to compulsory acquisition of the outstanding Orion Shares.

#### (a) **Compulsory acquisition**

As a result of the Offers, Conglin may become entitled to compulsorily acquire outstanding Orion Shares under Part 6A.1 of the Corporations Act.

If Conglin becomes entitled to do so, Conglin does not presently intend to proceed to compulsory acquisition of all Orion Shares. Accordingly, if the Offer proceeds but you do not accept the Offer there may not be a liquid market in which to dispose of your Orion Shares following the close of the Offer. The impact on the liquidity of the market for Orion Shares will depend on Conglin's ultimate level of ownership of Orion Shares and whether or not Orion remains listed on ASX following the Offer (see comments in section 3.4(c) below).

#### (b) **Directors**

Subject to the Corporations Act and Orion's constitution, Conglin intends to supplement or replace some or all of the members of the Orion Board with nominees of Conglin. Conglin has not made any decision about who would be nominated for appointment to the Orion Board. If Orion remains listed on ASX, Conglin would consider, but not necessarily be bound by, the recommendations set out in the ASX Corporate Governance Principles and Recommendations when determining the composition of the Orion Board.

#### (c) **ASX listing**

On the basis that Conglin does not proceed to compulsorily acquire outstanding Orion Shares under Part 6A.1 of the Corporations Act (see above), Conglin will endeavour to retain the listing of Orion on the ASX, subject to maintaining a sufficient spread of Orion Shareholders, but only if the benefits of the listing outweigh the additional corporate and compliance costs of doing so.

However, there can be no guarantee that Orion will remain listed on ASX after the Offer closes, as ASX may end quotation of Orion Shares if Orion no longer meets the requirements for quotation under the ASX Listing Rules. In the future, Conglin may also request ASX to end quotation, if it becomes apparent that the benefits of remaining listed are outweighed by corporate and compliance costs.

You should note that:

- (i) even if Orion remains listed on ASX, there may be reduced liquidity in the market for Orion Shares; and
- (ii) Orion may be removed from the official list of ASX (either following a request from Orion or by ASX itself). If this occurs, it is likely that no liquid market in which to dispose your Orion Shares would exist.

### 3.5 **Intentions upon acquisition of less than 90% of the Orion Shares**

If, following the close of the Offers, Conglin were to gain control of Orion (by acquiring more than 50% of Orion) but not become entitled to compulsorily acquire the outstanding Orion Shares, Conglin presently intends, to the extent possible, and appropriate, the objectives and goals mentioned in section 3.4.

#### (a) **ASX listing**

Subject to maintaining a sufficient spread of Orion Shareholders, Conglin will retain the listing of Orion on the ASX, but only if the benefits of the listing outweigh the additional corporate and compliance costs of doing so.

#### (b) **Directors**

Subject to the Corporations Act and Orion's constitution, Conglin intends to supplement or replace some or all of the members of the Orion Board with nominees of Conglin. Conglin has not made any decision about who would be nominated for appointment to the Orion Board in this case. If Orion remains listed on the ASX, Conglin would consider, but not necessarily be bound by, the recommendations set out in the ASX Corporate Governance Principles and Recommendations when determining the composition of the Orion Board.

#### (c) **Operations and assets**

If, following the close of this Offer, Orion becomes a controlled entity but not a wholly-owned subsidiary of Conglin, it is the present intention of Conglin to attempt to procure that the Orion Board implements the objectives and goals outlined in section 3.4 to the extent possible and appropriate, recognising the legal duties to the Orion Shareholders.

### 3.6 **Orion Options**

As explained in section 2.10 above, the Offer does not extend to Orion Options and (subject to the Corporations Act) Conglin does not currently intend to take any steps to acquire the Orion Options by any other means. Conglin does not have knowledge of all material information, facts and circumstances that are necessary to assess the contractual and other legal entitlements of the Optionholders. Following the close of the Offer, Conglin will review the terms and conditions of the Orion Options as part of the review outlined in section 3.3 above.

### 3.7 **Limitations in giving effect to intentions**

The ability of Conglin to implement the intentions set out in sections 3.3, 3.4 and 3.5 will be subject to:

- (a) the law and the ASX Listing Rules, in particular in relation to related party transactions and conflicts of interests;
- (b) the legal obligation of the directors of Orion to act for proper purposes and in the best interests of Orion shareholders as a whole; and
- (c) the outcome of a proposed detailed review of Orion's assets and prospects generally.

### 3.8 **Intentions generally**

Subject to the above it is the present intention of Conglin, on the basis of the information concerning Orion which is known to it and the existing circumstances affecting the business of Orion, that:

- (a) the business of Orion will otherwise be continued in substantially the same manner as it is presently being conducted;
- (b) no other major changes will be made to the business of Orion;
- (c) there will not be any other redeployment of the fixed assets of Orion; and
- (d) the present employees of Orion will otherwise continue to be employed by Orion.

## 4. **SOURCES OF CASH CONSIDERATION**

### 4.1 **Amount payable**

The consideration for the acquisition of Orion Shares to which this Offer relates will be satisfied wholly in cash and, if Conglin acquires all of the Orion Shares in which it (or its associates) do not already have a relevant interest, is 16 cents.

The Offer extends to Orion Shares that are issued during the period from the Register Date to the end of the Offer Period, including any Orion Shares issued due to the conversion of, or exercise of the rights attached to, the Orion Options. If all of the Orion Options were exercised during the Offer Period, the maximum aggregate amount of cash payable by Conglin under the Offer would be \$11,578,850.40. This amount does not include any Orion shares that may be issued to Ultimate Resources as a result of the transaction announced by Orion on 26 April 2012.

### 4.2 **Source of funds**

Conglin intends to fund the Offer from the Conglin Group's existing cash reserves and funding to be provided by Conglin's Chairman, Mr Conglin Yue. To support this funding, Conglin has received irrevocable and unconditional undertakings from Mr Conglin Yue to provide Conglin with any amounts that Conglin is required to pay (as and when those payments are to be made) to satisfy its obligations to pay the Offer consideration.

On the basis of these arrangements, and its existing available liquid assets, Conglin believes it has reasonable grounds for holding the view, and does hold the view, that it will be able to provide the consideration offered under the Offer when it is due.

## 5. **TAXATION CONSIDERATIONS**

### 5.1 **Australian tax implications for Orion shareholders**

The following is a general description of the Australian income, capital gains tax and GST consequences for Orion shareholders on disposing of their Orion Shares, in return for cash.

The information is based upon taxation law and practice in effect at the date of this Bidder's Statement. It is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia. The summary does not consider any specific facts or circumstances that may apply to particular shareholders. Further, it does not deal with the taxation consequences of disposing of shares issued under an employee share scheme, which may be subject to specific tax provisions, or if you are a temporary resident as defined.

You are advised to seek independent professional advice regarding the Australian tax consequences of disposing of your Orion Shares according to your own particular circumstances.

The Australian tax consequences of disposing of your Orion Shares will depend on a number of factors including:

- (a) whether you are an Australian resident or non resident for tax purposes;
- (b) whether you hold your Orion Shares on capital or revenue account or as trading stock;
- (c) when you acquired your Orion Shares for tax purposes; and
- (d) whether you are an individual, a company or a trustee of a complying superannuation entity.

### 5.2 **Shareholders who are Australian residents**

#### (a) **Disposal of shares held as trading stock**

If you hold your Orion Shares as trading stock (eg as a share trader) you will be required to include the value of the consideration from the disposal of your Orion Shares (ie the cash received) in your assessable income.

#### (b) **Disposal of shares held on revenue account**

If you acquired your Orion Shares for the main purpose of reselling them (eg you are a bank or insurance company) then you may be considered to hold your Orion Shares on revenue account for tax purposes. You will then be required to treat any gain or loss arising on the disposal of your Orion Shares as either assessable income or an allowable deduction.

The gain or loss will be calculated as the difference between:

- (i) the value of the consideration (the cash received); and
- (ii) the cost of acquiring your Orion Shares.

(c) **Disposal of shares held on capital account**

If you hold your Orion Shares as a passive investment with a view to generating dividend income and long term capital growth, you may be considered to hold your Orion Shares on capital account.

The disposal of Orion Shares which were acquired, or taken to have been acquired, on or after 20 September 1985 and which are held on capital account, will generally have Australian capital gains tax (**CGT**) implications. The disposal of such Orion Shares pursuant to acceptance of the Offer or the compulsory acquisition of your Orion Shares will constitute a CGT event for CGT purposes.

The CGT implications of a disposal of your Orion Shares will depend upon a number of factors, including:

- the date your Orion Shares were acquired for CGT purposes;
- your taxpayer status; and
- the length of time you have held your Orion Shares.

(i) Shares acquired, or taken to be acquired, before 11.45am on 21 September 1999

If your Orion Shares were acquired on or after 20 September 1985 a capital gain or loss will arise depending on the difference between:

- the value of the capital proceeds (the cash received); and
- the cost base of the Orion Shares (which would generally include the amount paid to acquire the shares plus any incidental costs of acquisition, eg brokerage fees and stamp duty).

If your Orion Shares were acquired before 11.45 am by legal time in the Australian Capital Territory (ACT time) on 21 September 1999, for the purpose of calculating a capital gain (but not a capital loss), you may choose that the cost base of those shares be indexed for inflation to 30 September 1999 (which would only be of any practical effect if the shares were acquired prior to 1 July 1999).

Alternatively, provided you have held your Orion Shares for at least one year, and do not choose to apply indexation, the discount capital gain provisions may apply. This means that:

- if you are an individual or trust, only one-half of the capital gain (without any allowance for indexation for inflation in the cost base of the shares) will be taxable;
- if you are a complying superannuation fund, only two-thirds of the capital gain (without any allowance for indexation for inflation in the cost base of the shares) will be taxable; or
- if you are the trustee of a trust, the discount capital gains provisions may also apply to a distribution of the capital gain to beneficiaries in the trust (other than beneficiaries that are companies).

Note that the discount capital gain provisions do not apply to shareholders and trust beneficiaries that are companies.

The "choice" to apply indexation rather than the discount capital gain provisions must be made by you on or before the day you lodge your income tax return for the income year in which the disposal occurs.

A capital loss may be used to offset capital gains derived in the same or subsequent years of income (subject to satisfying certain conditions) but cannot be offset against ordinary income, nor carried back to offset net capital gains arising in earlier income years.

If you choose to use the discount capital gain method, any available capital loss will be applied to reduce the realised nominal gain before discounting the resulting net amount by either one-half or one-third (as applicable) to calculate the capital gain that is assessable. Alternatively, if you choose the indexation option, capital losses are applied after calculating the capital gain using the indexed cost base.

(ii) Shares acquired after 11.45 am on 21 September 1999

If you acquired your Orion Shares after 11.45 (ACT time) on 21 September 1999 you will not be entitled to choose indexation of the cost base when calculating any capital gain on disposal.

If you are an individual, trust or complying superannuation fund that has held your Orion Shares for 12 months or longer at the time the Offer is accepted, the discount capital gain provisions described above will automatically apply in calculating any capital gain on disposal.

As explained above, any available capital loss will be applied to reduce the realised nominal gain before discounting the resulting net amount by one-half or one-third (as applicable) to calculate the discounted capital gain that is assessable.

If your Orion Shares have been held for less than 12 months or you are another category of shareholder (for example, a company), the discount capital gain method is not available. A capital gain on the shares, being any excess of the value of the capital proceeds over the unindexed cost base of the shares, will be assessable in full.

(iii) Shares acquired before 20 September 1985

There should be no CGT implications arising on disposal of your Orion Shares, where they were held on capital account and acquired, or taken to have been acquired, before 20 September 1985 and are not taken to have been acquired on or after that date.

### 5.3 Shareholders who are not Australian residents

(a) **Disposal of shares held as trading stock or on revenue account**

If you are not a resident of Australia for tax purposes and your Orion Shares were acquired as trading stock or otherwise on revenue account you should seek your own professional advice. The Australian tax treatment will depend on the source of any gain and whether a double tax agreement exists between your country of residence and Australia.

(b) **Disposal of shares held on capital account**

If you are not a resident of Australia for tax purposes and hold your Orion Shares on capital account you will generally not be subject to CGT on the disposal of your Orion Shares unless:

- (i) both of these conditions apply to you:
  - you (and your associates) owned at least 10% of Orion either at the time you sold your Orion Shares or for at least 12 months during the 24 months before you sold your Orion Shares; and
  - 50% or more of the value of Orion is represented by real property in Australia; or
- (ii) you used your Orion Shares at any time in carrying on a business through a permanent establishment in Australia.

5.4 **GST**

No Australian GST should generally be payable on the transfer of Orion Shares, with the exception of any GST payable on any brokerage charged by your Controlling Participant for carrying out your instructions.

6. **OTHER MATERIAL INFORMATION**

6.1 **Modifications to and exemptions from the Corporations Act**

Conglin has not obtained from ASIC any modifications of, or exemptions from, the Corporations Act in relation to the Offer. However, ASIC has published various instruments providing for modifications and exemptions that apply generally to all persons, including Conglin.

6.2 **Consents**

Each of the following persons has consented in writing to being named in this Bidder's Statement in the form and context in which they are named, and has not withdrawn that consent as at the date of this Bidder's Statement:

- (a) Ashurst Australia;
- (b) KPMG Corporate Finance, a division of KPMG Financial Advisory Services (Australia) Pty Ltd; and
- (c) Link Market Services Limited.

This Bidder's Statement includes or is accompanied by statements which are made in or based on statements made in documents lodged with ASIC or on the company announcement platform of ASX. Under the terms of ASIC class order 01/1543, the parties making those statements are not required to consent to, and have not consented to, those statements being included in this Bidder's Statement. If you would like to receive a copy of any of these documents please contact the Orion Information Line and you will be sent copies free of charge.

6.3 **No other material information**

Except as set out in this Bidder's Statement, there is no information material to the making of a decision by an offeree whether or not to accept the Offer, being information

that is known to Conglin and has not previously been disclosed to the holders of Orion Shares.

## 7. **THE OFFER TERMS**

### 7.1 **The Offer**

#### (a) **Offer for your Orion Shares**

Conglin offers to acquire all of your Orion Shares on the terms set out in this Offer.

This Offer extends to all Orion Shares that are issued during the period from the Register Date to the end of the Offer Period, including any Orion Shares issued due to the conversion of, or exercise of the rights attached to any Orion Options.

You may accept this Offer for all or part of your Orion Shares.

#### (b) **Offer includes Rights**

If Conglin acquires your Orion Shares under this Offer, Conglin is also entitled to any Rights attached to those Orion Shares.

#### (c) **Consideration**

Conglin offers 16 cents cash for each of your Orion Shares.

### 7.2 **Offer Period**

Unless withdrawn or extended under section 7.21, this Offer is open during the period that begins on the date of this Offer, being [●] 2012, and ends at 7.00pm (Sydney time) on [●] 2012.

If, within the last 7 days of the Offer Period, any of the following occurs section 624(2) of the Corporations Act will apply to extend the Offer Period so that it ends 14 days after that event:

- (a) Conglin varies the Offers to improve the consideration offered;
- (b) the consideration is taken to be increased under section 651A(2) of the Corporations Act because Conglin purchases Orion Shares outside the Takeover Bid for a cash price higher than the consideration offered; or
- (c) Conglin's voting power in Orion increases to more than 50%.

### 7.3 **How to accept this Offer**

Sections 7.3(b) and 7.3(c) refer, among other things, to the different Acceptance Forms for use to accept this Offer depending on the nature of the Orion shareholding. You will only be sent one type of Acceptance Form with this Bidder's Statement, which will be the Acceptance Form to be used in relation to your Orion Shares.

#### (a) **Accept for all or part of your Orion Shares**

You may accept this Offer during the Offer Period for all or part of your Orion Shares. If you accept the Offer for some of your Orion Shares you can still accept the Offer for more or all of your Orion Shares during the Offer Period.

You will be taken to have accepted the Offer for all your Orion Shares plus any additional Orion Shares registered as held by you at the date your acceptance is

processed (despite any difference between that number and the number of Orion Shares specified when you accept this Offer), if you do not specify a lesser number on the Acceptance Form.

(b) **CHES Holdings**

If your Orion Shares are in a CHES Holding (in which case your holder identification number will commence with an "X"), to accept this Offer you must either:

- (i) **complete and sign** the CHES Acceptance Form in accordance with the instructions on it. Once completed and signed, you need to **return** the CHES Acceptance Form together with all other documents required by the instructions on it to one of the addresses specified on the form. This will authorise Conglin to instruct your Controlling Participant (usually your Broker) to initiate acceptance of this Offer on your behalf. For return of the CHES Acceptance Form to be an effective acceptance of the Offer, you must ensure it is received by Conglin in time to give instructions to your Controlling Participant, and for your Controlling Participant to carry out those instructions, before the end of the Offer Period; or
- (ii) **instruct** your Controlling Participant (usually your Broker) to initiate acceptance of this Offer under rule 14.14 of the ASTC Settlement Rules, so as to be effective before the end of the Offer Period.

If you are a Participant, you must yourself initiate acceptance under rule 14.14 of the ASTC Settlement Rules so as to be effective before the end of the Offer Period.

(c) **Issuer Sponsored Holdings and other holdings**

If your Orion Shares are held on Orion's issuer sponsored subregister (in which case your securityholder reference number will commence with "I"), or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of, or are otherwise able to give good title to, your Orion Shares, to accept this Offer you must:

- (i) **complete and sign** the Issuer Acceptance Form in accordance with the instructions on it; and
- (ii) **return** the Acceptance Form together with all other documents required by the instructions on it to one of the addresses specified on the form so that they are received before the end of the Offer Period.

#### 7.4 **Foreign Laws**

This Offer is not registered in any jurisdiction outside Australia (unless an applicable Foreign Law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any Foreign Law applicable to you to accept this Offer.

#### 7.5 **Effect of Acceptance Form**

By completing, signing and returning the Acceptance Form in accordance with section 7.3(b) or section 7.3(c) as applicable, you:

- (a) authorise Conglin and each of its officers and agents to correct any errors in, or omissions from, the Acceptance Form necessary to:

- (i) make it an effective acceptance of this Offer for your Orion Shares which are not in a CHES Holding; and
- (ii) enable the transfer of your Orion Shares to Conglin; and
- (b) if any of your Orion Shares are in a CHES Holding, authorise Conglin and each of its officers and agents to:
  - (i) instruct your Controlling Participant to effect your acceptance of this Offer for those Orion Shares under rule 14.14 of the ASTC Settlement Rules; and
  - (ii) give to your Controlling Participant on your behalf any other instructions in relation to those Orion Shares which are contemplated by the sponsorship agreement between you and your Controlling Participant and are necessary or appropriate to facilitate your acceptance of this Offer.

## 7.6 **Your agreement**

By carrying out the instructions in section 7.3 on how to accept this Offer:

- (a) you accept this Offer in respect of the number of Orion Shares specified in the Acceptance Form;
- (b) you represent and warrant to Conglin that all your Orion Shares will at the time of your acceptance of this Offer and of transfer to Conglin be fully paid up and that Conglin will acquire good title to and beneficial ownership of them free from Encumbrances;
- (c) you transfer, or consent to the transfer in accordance with the ASTC Settlement Rules of, your Orion Shares to Conglin subject to the conditions of the constitution of Orion on which they were held immediately before your acceptance of this Offer (and Conglin agrees to take those Orion Shares subject to those conditions);
- (d) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Conglin has not yet paid or provided the consideration due to you), you irrevocably appoint Conglin and each director of, and any nominee of, Conglin as your attorney to:
  - (i) attend and vote in respect of your Acceptance Shares at all general meetings of Orion; and
  - (ii) execute all forms, notices, documents (including a document appointing a director of Conglin as a proxy for any of your Acceptance Shares) and resolutions relating to your Acceptance Shares and generally to exercise all powers and rights which you have as the registered holder of your Acceptance Shares;
- (e) you agree that in exercising the powers conferred by the power of attorney in section 7.6(d), Conglin and each of its directors and its nominee is entitled to act in the interest of Conglin;
- (f) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Conglin has not yet paid or provided the consideration due to you), you agree not to attend or vote in person at any general meeting of Orion or to exercise, or to purport to exercise, (in person, by proxy or otherwise) any of the powers conferred on the directors of Conglin by section 7.6(d) in respect of the Acceptance Shares;

- (g) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Conglin has not yet paid or provided the consideration due to you), you authorise Conglin to transmit a message to ASTC in accordance with rule 14.17.1 of the ASTC Settlement Rules so as to enter those of your Acceptance Shares which are in a CHESS Holding into Conglin's Takeover Transferee Holding;
- (h) agree to indemnify Conglin and each of its agents in respect of any claim or action against it or any loss, damage or liability incurred by it as a result of you not producing your holder identification number or securityholder reference number or in consequence of the transfer of your Acceptance Shares being registered by Orion without production of your holder identification number or securityholder reference number; and
- (i) irrevocably authorise and direct Orion (on receipt of a written request from Conglin) to pay to Conglin or to account to Conglin for all Rights. This is subject to any such Rights received by Conglin being accounted for by Conglin to you, in the event that this Offer is withdrawn or avoided.

#### 7.7 **Powers of attorney**

If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney under section 7.5 and paragraphs (d) and (g) of section 7.6.

#### 7.8 **Validation of otherwise ineffective acceptances**

Except for Orion Shares in a CHESS Holding, Conglin may treat the receipt by it of a signed Acceptance Form as a valid acceptance of this Offer even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance. If Conglin does treat such an Acceptance Form as valid, subject to section 7.15, Conglin will not be obliged to give the consideration to you until Conglin receives all those documents and all of the requirements for acceptance referred to in section 7.3 and in the Acceptance Form have been met.

#### 7.9 **Defeating Conditions**

This Offer and the contract resulting from acceptance of this Offer are subject to the fulfilment of the following Defeating Conditions:

##### (a) **Minimum acceptance condition**

At the end of the Offer Period, Conglin has a relevant interest in more than 50% (by number) of the Orion Shares on issue at that time.

##### (b) **No prescribed occurrences**

None of the following events happens during the Condition Period:

- (i) Orion converts all or any of its shares into a larger or smaller number of shares;
- (ii) Orion or a subsidiary of Orion resolves to reduce its share capital in any way;
- (iii) Orion or a subsidiary of Orion:
  - (A) enters into a buy-back agreement; or

- (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Orion or a subsidiary of Orion issues shares other than Orion Shares issued as a result of exercise of Orion Options or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Orion or a subsidiary of Orion issues, or agrees to issue, convertible notes;
- (vi) Orion or a subsidiary of Orion disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Orion or a subsidiary of Orion charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Orion or a subsidiary of Orion resolves to be wound up;
- (ix) a liquidator or provisional liquidator of Orion or of a subsidiary of Orion is appointed;
- (x) a court makes an order for the winding up of Orion or of a subsidiary of Orion;
- (xi) an administrator of Orion, or of a subsidiary of Orion, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Orion or a subsidiary of Orion executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Orion or of a subsidiary of Orion.

(c) **No Orion scheme of arrangement**

During the period from and including the Announcement Date to the end of the Offer Period, Orion does not enter into an agreement under which Orion agrees to propose a scheme of arrangement.

(d) **No action by Public Authority adversely affecting the Takeover Bid**

During the Condition Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (ii) no action or investigation is instituted, or any communication received in relation to any potential action of investigation, by any Public Authority with respect to Orion or any subsidiary of Orion; or
- (iii) no application is made to any Public Authority (other than an application by Conglin or any company within the Conglin Group, an application under section 657G of the Corporations Act or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Takeover Bid),

in consequence of, or in conjunction with, the Takeover Bid, which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or may otherwise materially adversely impact upon, the making of the Takeover Bid or the completion of any transaction contemplated by this Bidder's Statement (including implementing the intentions expressed in section 3) or seeks to require the

divestiture by Conglin of any Orion Shares, or the divestiture of any assets by Orion or by any subsidiary of Orion or by any company within the Conglin Group.

(e) **S&P ASX200 Index**

During the Condition Period, the S&P ASX200 Index does not decline by 15% or more and remain at that level for a period of three or more consecutive trading days.

(f) **No material acquisitions, disposals and commitments**

Except for any proposed transaction publicly announced and fully disclosed by Orion before the Announcement Date, during the Condition Period, neither Orion, nor any company within the Orion Group:

(i) acquires or disposes of any assets, or agrees to acquire or dispose of any assets; or

(ii) enters into any joint venture, partnership or other agreement,

relating to any transaction or series of transactions for an amount greater than, or relating to a commitment by any party greater than \$100,000.

(g) **No material failings in filings**

Conglin does not become aware, that any document filed by or on behalf of Orion with ASX or ASIC during the Condition Period contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

(h) **No break fees**

(i) Subject to section 7.9(h)(ii), during the Condition Period none of Orion, and any body corporate which is or becomes a subsidiary of Orion, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:

(A) a takeover offer for Orion or any body corporate which is or becomes a subsidiary of Orion; or

(B) any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Orion or any body corporate which is or becomes a subsidiary of Orion, or to operate Orion as a single economic entity with another body corporate.

(ii) Section 7.9(h)(i) does not apply to a payment, benefit or agreement:

(A) for providing professional advisory services to Orion;

(B) which is approved in writing by Conglin;

(C) which is approved by a resolution passed at a general meeting of Orion; or

(D) which is made to, provided to, owed by or made with Conglin.

(i) **Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Conglin acquiring Orion Shares to:

- (i) acquire, or require Orion or a subsidiary of Orion to dispose of, or offer to dispose of, any material asset of Orion or a subsidiary of Orion; or
- (ii) terminate or vary any material agreement with Orion or a subsidiary of Orion.

(j) **Conduct of Orion's business**

During the Condition Period, none of Orion, or any body corporate which is or becomes a subsidiary of Orion, without the written consent of Conglin:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the *Australian Securities and Investments Commission Act 2001* (Cth) or any corresponding legislation.

(k) **No force majeure event**

During the Condition Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Orion or any company within the Orion Group occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Orion or any of its subsidiaries.

7.10 **Separate Defeating Conditions for benefit of Conglin**

Each of the Defeating Conditions set out in each paragraph and sub-paragraph of section 7.9:

- (a) is and must be construed as a separate condition; and
- (b) subject to the Corporations Act, operates only for the benefit of Conglin and any breach or non-fulfilment of such condition may be relied upon only by Conglin which may, subject to section 7.12, waive (generally or in respect of a particular event) the breach or non-fulfilment of that condition.

7.11 **Nature of Defeating Conditions**

None of the Defeating Conditions prevents a contract to sell your Orion Shares resulting from your acceptance of this Offer but:

- (a) breach of any of the Defeating Conditions entitles Conglin to rescind that contract by notice to you; and
- (b) non fulfilment of any of the Defeating Conditions at the end of the Offer Period will have the consequences set out in section 7.14.

7.12 **Notice declaring Offer free of Defeating Conditions**

Subject to the Corporations Act, Conglin may declare this Offer and any contract resulting from acceptance of this Offer free from any of the Defeating Conditions by giving written notice to Orion:

- (a) in the case of the Defeating Conditions in section 7.9(b), not later than 3 business days after the end of the Offer Period; and
- (b) in the case of all other Defeating Conditions, not less than 7 days before the last day of the Offer Period.

7.13 **Notice of status of Defeating Conditions**

The date for giving the notice on the status of the Defeating Conditions as required by section 630(1) of the Corporations Act is [•] 2012 (subject to extension in accordance with the Corporations Act if the Offer Period is extended).

7.14 **Contract void if Defeating Conditions not fulfilled**

Your acceptance or the contract resulting from your acceptance of this Offer is void if:

- (a) at the end of the Offer Period any of the Defeating Conditions in section 7.9 is not fulfilled; and
- (b) Conglin has not declared this Offer and any contract resulting from the acceptance of it free of that Defeating Condition in accordance with section 7.12.

## 7.15 **Payment of consideration**

### (a) **When will Conglin pay you?**

Subject to this section 7.15 and the Corporations Act, if you accept this Offer Conglin will pay you the consideration for your Orion Shares to which Conglin acquires good title on or before the earlier of:

- (i) the day 1 month after you accept this Offer or, if this Offer is subject to a Defeating Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and
- (ii) the day 21 days after the end of the Offer Period.

### (b) **Acceptance Form requires additional documents**

Where documents are required to be given to Conglin with your acceptance to enable Conglin to become the holder of your Orion Shares (such as a power of attorney):

- (i) if the documents are given with your acceptance, Conglin will pay you in accordance with section 7.15(a);
- (ii) if the documents are given after your acceptance and before the end of the Offer Period while the Offer is subject to a Defeating Condition, Conglin will pay you the consideration by the end of whichever of the following periods ends first:
  - (A) 1 month after the contract resulting from your acceptance becomes unconditional; and
  - (B) 21 days after the end of the Offer Period;
- (iii) if the documents are given after your acceptance and before the end of the Offer Period while the Offer is no longer subject to a Defeating Condition, Conglin will pay you the consideration by the end of whichever of the following periods ends first:
  - (A) 1 month after Conglin is given the documents; and
  - (B) 21 days after the end of the Offer Period; or
- (iv) if the documents are given after the end of the Offer Period, Conglin will pay you the consideration within 21 days after the documents are given. However, if at the time Conglin is given the documents the contract resulting from acceptance of the Offer is still subject to a Defeating Condition in section 7.9(b), Conglin will pay you the consideration within 21 days after the contract becomes unconditional.

### (c) **Delivery of consideration**

Subject to the Corporations Act, Conglin will send cheques for the cash payment due to you at your risk by pre-paid ordinary mail, or in the case of an address outside Australia by airmail, to the address shown in the Acceptance Form.

## 7.16 **Return of documents**

If this Offer does not become unconditional or any contract arising from this Offer is rescinded by Conglin on the grounds of a breach of a condition of that contract, Conglin

will, at its election, either return by post to you at the address shown on the Acceptance Form any Acceptance Form and any other documents sent with it by you, or destroy those documents and notify the ASX of this.

#### 7.17 **Rights**

If Conglin becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to Conglin all documents necessary to vest title to those Rights in Conglin. If you do not give those documents to Conglin, or if you have received or are entitled to receive (or any previous holder of your Orion Shares has received or is entitled to receive) the benefit of those Rights, Conglin may deduct the amount (or value as reasonably assessed by Conglin) of such Rights (including the value of any franking credit) from any consideration otherwise payable to you. If Conglin does not, or cannot, make such a deduction, you must pay that amount to Conglin.

#### 7.18 **Clearances for non-Australian residents and others**

If at the time you accept this Offer or at the time the consideration is provided under it:

- (a) any authority or clearance of the Reserve Bank of Australia or the Australian Tax Office is required for you to receive any consideration under this Offer; or
- (b) you are resident in or a resident of a place to which, or you are a person to whom any of the following applies:
  - (i) the *Banking (Foreign Exchange) Regulations 1959* (Cth);
  - (ii) the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth);
  - (iii) the *Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001* (Cth);
  - (iv) the *United Nations (Sanctions – Iraq) Regulations 2006* (Cth); or
  - (v) any other law of Australia or elsewhere that would make it unlawful for Conglin to provide consideration for your Orion Shares,

then your acceptance of this Offer does not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until you obtain all requisite authorities or clearances.

#### 7.19 **Costs and stamp duty**

- (a) Conglin will pay all costs and expenses of the preparation and circulation of the Offers and any stamp duty payable on the transfer of any Orion Shares to Conglin.
- (b) If your Orion Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Conglin you will not incur any brokerage in connection with your acceptance of this Offer.

#### 7.20 **Offerees**

##### (a) **Registered holders**

Conglin is making an offer in the form of this Offer to:

- (i) each holder of Orion Shares registered in the register of members of Orion at the Register Date; and

- (ii) each holder of Orion Options registered in the register of Optionholders of Orion at the Register Date.

(b) **Transferees**

This Offer extends to any person who is able during the Offer Period to give good title to a parcel of your Orion Shares. That person may accept as if an Offer on terms identical to this Offer had been made to them for those Orion Shares.

(c) **Trustees and nominees**

If during the Offer Period and before you accept this Offer your Orion Shares consist of 2 or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you are a trustee or nominee for several distinct beneficial owners), section 653B of the Corporations Act will apply so that:

- (i) Conglin is taken to have made a separate Offer to you for each separate parcel of Orion Shares; and
- (ii) acceptance by you of the Offer for any distinct parcel of Orion Shares is ineffective unless:
  - (A) you give Conglin notice in accordance with section 7.20(d) stating that your Orion Shares consist of separate parcels; and
  - (B) your acceptance specifies the number of Orion Shares in each separate parcel to which the acceptance relates.

(d) **Notices by Trustees and Nominees**

The notice required under section 7.20(c)(ii)(A):

- (i) if it relates to Orion Shares not in a CHESS Holding, must be in writing; or
- (ii) if it relates to Orion Shares in a CHESS Holding, must be in an electronic form approved under the ASTC Settlement Rules for the purposes of Part 6.8 of the Corporations Act.

7.21 **Variation and withdrawal of Offer**

(a) **Variation**

Conglin may vary this Offer in accordance with the Corporations Act.

(b) **Withdrawal**

In accordance with section 652B of the Corporations Act, Conglin may withdraw this Offer with the written consent of ASIC and subject to the conditions (if any) which apply to that consent.

7.22 **Governing law**

This Offer and any contract resulting from acceptance of it are governed by the law in force in the State of Queensland.

## 8. DEFINITIONS AND INTERPRETATION

### 8.1 Definitions

The following definitions apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a definition is not intended to apply:

**"Acceptance Form"** means the form with that title that accompanies this Bidder's Statement.

**"Acceptance Shares"** means those of your Target Shares for which you accept the Offer in accordance with section 7.3.

**"Announcement Date"** means 31 May 2012.

**"ASIC"** means the Australian Securities and Investments Commission.

**"ASTC"** means the ASX Settlement and Transfer Corporation Pty Limited ABN 49 008 504 532.

**"ASTC Settlement Rules"** means the operating rules of the settlement facility provided by ASTC.

**"ASX"** means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market operated by it.

**"ASX Listing Rules"** means the listing rules of ASX.

**"Bidder's Statement"** means this document, being the statement made by Conglin under Part 6.5 Division 2 of the Corporations Act relating to the Takeover Bid.

**"Broker"** means a person who is a share broker and participant in CHESS.

**"CHESS"** means the Clearing House Electronic Subregister System operated by ASTC, which provides for the electronic transfer, settlement and registration of securities.

**"CHESS Holding"** means a holding of shares on the CHESS Subregister of Orion.

**"CHESS Subregister"** has the meaning set out in the ASTC Settlement Rules.

**"Condition Period"** means the period beginning on the Announcement Date and ending at the end of the Offer Period.

**"Conglin"** means Australia Conglin International Investment Group Pty Ltd ACN 133 767 665.

**"Conglin Group"** means Conglin and its related bodies corporate.

**"Controlling Participant"** has the meaning set out in the ASTC Settlement Rules.

**"Corporations Act"** means the *Corporations Act 2001* (Cth) as modified by any relevant exemption or declaration by ASIC.

**"Defeating Condition"** means each condition set out in section 7.9.

**"Encumbrance"** means:

- (a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement;

- (b) a notice under section 255 of the *Income Tax Assessment Act 1936* (Cth), subdivision 260-A in schedule 1 to the *Taxation Administration Act 1953* (Cth) or any similar legislation;
- (c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money);
- (d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or
- (e) an agreement to create anything referred to above or to allow any of them to exist.

**"Foreign Law"** means a law of a jurisdiction other than an Australian jurisdiction.

**"GST"** has the same meaning as in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**"Issuer Sponsored Holding"** means a holding of Orion Shares on Orion's issuer sponsored subregister.

**"Offer"** means the offer as set out in section 7 of this Bidder's Statement and includes a reference to that offer as varied in accordance with the Corporations Act.

**"Offer Period"** means the period referred to in section 7.2 of this Bidder's Statement.

**"Offers"** means the Offer and each of the other offers made on the same terms for Orion Shares and includes a reference to those offers as varied in accordance with the Corporations Act.

**"Optionholders"** means a holder of Orion Options.

**"Orion"** means Orion Metals Limited ACN 096 142 737.

**"Orion Group"** means Orion and its related bodies corporate.

**"Orion Options"** means the unlisted options to subscribe for Orion Shares as set out in section 2.4.

**"Orion Shares"** means the fully paid ordinary shares in Orion.

**"Public Authority"** means any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere, including the ACCC (but excluding the Takeovers Panel, ASIC and any court that hears or determines proceedings under section 657G or proceedings commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Takeover Bid). It also includes any self-regulatory organisation established under statute or any stock exchange.

**"Register Date"** means 7.00pm (Sydney time) on [•], being the date set by Conglin under section 633(2) of the Corporations Act.

**"Rights"** means all accretions and rights attaching to Orion Shares after the Announcement Date (including all rights to receive dividends and other distributions declared or paid and to receive or subscribe for shares, notes or options issued by Orion).

**"S&P ASX200 Index"** means the index of that name published by Standard & Poor's (or any successor of or replacement for that index).

**"SRN"** stands for Securityholder Reference Number, which is the number, that starts with an "I", allocated by Orion to identity a Orion Shareholder with an Issuer Sponsored Holding.

**"Takeover Bid"** means the takeover bid constituted by the Offers.

**"Takeover Transferee Holding"** means the CHESS Holding to which Orion Shares are to be transferred after acceptance of the Offer.

**"your Orion Shares"** means, subject to section 7.20, the Orion Shares:

- (a) of which you are registered or entitled to be registered as the holder in the register of members of Orion at the Register Date and any new Orion Shares of which you are registered or entitled to be registered as the holder on the register of members of Orion from the Register Date to the end of the Offer Period as a result of the conversion of, or exercise of rights attached to, Orion Options; and
- (b) any other Orion Shares, to which you are able to give good title at the time you accept this Offer during the Offer Period.

## 8.2 Interpretation

- (a) Words and phrases which are defined by the Corporations Act have the same meaning in this Bidder's Statement and the Acceptance Form and, if a special meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Act, have that special meaning.
- (b) Headings are for convenience only and do not affect interpretation.
- (c) The following rules also apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a rule is not intended to apply:
  - (i) a singular word includes the plural, and vice versa;
  - (ii) a word which suggests one gender includes the other genders;
  - (iii) if a word is defined, another part of speech has a corresponding meaning;
  - (iv) unless otherwise stated references in this Bidder's Statement to sections, paragraphs and sub-paragraphs are to sections, paragraphs and sub-paragraphs of this Bidder's Statement;
  - (v) a reference to a person includes a body corporate; and
  - (vi) a reference to \$ is to the lawful currency in Australia unless otherwise stated.

9. **APPROVAL OF BIDDER'S STATEMENT**

This Bidder's Statement has been approved by a resolution passed by the directors of Conglin.

Date: 31 May 2012

Signed for and on behalf of  
**Australia Conglin International Investment Group Pty Ltd**



Mr Bin Cai  
Director

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**Corporate Directory**

***Directors***

Conglin Yue  
Yanchun Wang  
Bin Cai

***Company Secretary***

Yingzi Yan

***Registered Office***

Level 24, 71 Eagle Street  
BRISBANE QLD 4000  
Telephone: +61 7 3020 0000  
Facsimile: +61 7 3020 0011

***Legal Advisers***

Ashurst Australia  
Level 38, 123 Eagle Street  
BRISBANE QLD 4000  
Telephone: +61 7 3259 7000  
Facsimile: +61 7 3259 7111

***Financial Advisers***

KPMG Corporate Finance, a division of KPMG  
Financial Advisory Services (Australia) Pty Ltd  
10 Shelley Street  
SYDNEY NSW 2000  
Telephone: +61 2 9335 7000  
Facsimile: +61 2 9335 7001

**Need help?**

**Contact** Conglin Offer Information Line  
**Phone** 1800 206 847 (from within Australia)  
**Phone** +61 2 8280 7219 (from outside Australia)

**A Your name**

SAMPLE NAME 1  
SAMPLE NAME 2  
<SAMPLE A/C>  
SAMPLE ADDRESS 1  
SAMPLE ADDRESS 2

**Your holding**

Securityholder Reference Number: I12345678910

Orion Shares held as at  
the Register Date 99,999,9999

If your holding has changed between record date and time of acceptance, then write your current holding here. Your acceptance will be granted over your updated holding.

**This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.**

**Transfer and Acceptance Form – Issuer Sponsored Subregister**

This is a personalised form that can only be used in relation to the holding represented by the Securityholder Reference Number (SRN) printed above.

**This is an important document that requires your immediate attention. If you are in doubt about how to deal with this form, please consult your broker, financial or other professional adviser immediately.**

**Use this form to accept Australia Conglin International Investment Group Pty Ltd's (Conglin) Offer for your Orion Metals Limited (Orion) Shares.**

Words or phrases defined in the Bidder's Statement issued by Conglin relating to the offer by Conglin to purchase all of the shares in Orion, dated [XX June 2012], have the same meaning when used in this form.

**B Consideration**

The consideration applicable under the terms of the Offer is A\$0.16 cash for every Orion Share in respect of which you accept the Offer.

**C Your instructions to accept the Offer**

If you correctly sign and return this form but do not select a box in this section or your selection is conflicting or not distinct, you will be deemed to have accepted the Offer in respect of ALL your Orion Shares. Please complete only one option in this section.

1.  Mark this box to accept the Offer for ALL your Orion Shares

OR

2.  Specify the number of Orion Shares for which you wish to accept the Offer

**D Contact details**

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

( )

**E You must sign this form for your instructions in this Acceptance Form to be executed**

I/We, the person(s) named above, accept the Offer Cogline in respect of all or part of my/our Orion Shares and hereby agree to transfer to Conglin all or part of my/our Orion Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

**Please refer overleaf for further important instructions**

REGISTRY USE ONLY



SRN



Holding

ORMT TKO001



## Further Important Instructions

Your Orion Shares are in an Issuer Sponsored Holding. To accept the Offer, you must complete and return this Acceptance Form in accordance with the instructions below.

Please refer to the Bidder's Statement dated [XX June 2012] which accompanies this Acceptance Form. Terms are defined in the Bidder's Statement and have the same meaning in this Acceptance Form.

### Completion instructions

- A**
- **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name can only be processed by your Orion Registry.
  - **Please note** your consideration will be issued in the names as they appear on the Orion register.

**C** **Your instructions to accept the Offer**

Your Orion Shares are in an Issuer Sponsored Holding. To accept the Offer, you must complete and return this form to Link Market Services Limited (**Link**) so that it is received by no later than 7:00pm (Sydney time) on [XX July 2012] unless the Offer Period is extended.

If you wish to accept the Offer for all of your Orion Shares, mark Box 1 or, if you wish to accept the Offer for some of your Orion Shares, specify the number of Orion Shares for which you wish to accept the Offer in Box 2. If you do not specify a number of Orion Shares, or your selection is conflicting or not distinct, you will be deemed to have accepted the Offer for all of your Orion Shares.

Full details on how to accept the Offer are set out in section 8.3 of the Bidder's Statement.

**Neither Conglin nor Link will be responsible for any delays incurred by this process.**

- E**
- **Please sign this Acceptance Form** in the places for signature(s) out on the front page and in accordance with the following instructions:
    - **Joint Shareholders:** If your Orion Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
    - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
    - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
    - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Information you supply on this Acceptance Form will be used by Conglin and Link Market Services Limited for the primary purpose of processing your acceptance of the Offer and to provide you with the consideration payable under the Offer. This information may be disclosed to Conglin's professional advisers, securities brokers, printing and mailing providers and other third parties in connection with the Offer. If you fail to supply this information, your acceptance may not be processed and you may not receive the consideration payable. You have rights to obtain access to the personal information which you have supplied. Please see Link Market Services Limited's privacy policy on its website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### Lodgement instructions

- Mail or deliver completed Acceptance Form(s) and any other documents required by the above instructions to:

**Mailing Address**

Link Market Services Limited  
Orion Takeover  
Locked Bag A14  
SYDNEY SOUTH NSW 1235

or

**Hand Delivery**

Link Market Services Limited  
Orion Takeover  
1A Homebush Bay Drive  
RHODES NSW 2138

- A reply paid envelope is enclosed for use within Australia.

**Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm (Sydney time) on [XX July 2012] (unless the Offer Period is extended).**

**If you have any questions about the terms of the Offer or how to accept, please call the Conglin Offer Information Line on the following numbers:**

**within Australia: 1800 206 847  
outside Australia: +61 2 8280 7219**

**A Your name**

SAMPLE NAME 1  
SAMPLE NAME 2  
<SAMPLE A/C>  
SAMPLE ADDRESS 1  
SAMPLE ADDRESS 2

**Your holding**

Holder Identification Number: X12345678910  
Orion Shares held as at the Register Date 99,999,999  
If your holding has changed between record date and time of acceptance, then write your current holding here.

**This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.**

Controlling Participant's Name

|               |  |                 |  |
|---------------|--|-----------------|--|
| Advisor Name: |  | Contact Number: |  |
|---------------|--|-----------------|--|

**Transfer and Acceptance Form – CHES Subregister**

This is a personalised form that can only be used in relation to the holding represented by the Securityholder Reference Number (SRN) printed above. **This is an important document that requires your immediate attention. If you are in doubt about how to deal with this form, please consult your broker, financial or other professional adviser immediately.**  
**Use this form to accept Australia Conglin International Investment Group Pty Ltd's (Conglin) Offer for your Orion Metals Limited (Orion) Shares.**  
Words or phrases defined in the Bidder's Statement issued by Conglin relating to the offer by Conglin to purchase all of the shares in Orion, dated [XX June 2012], have the same meaning when used in this form.

**B Consideration**

The consideration applicable under the terms of the Offer is A\$0.16 cash for every Orion Share in respect of which you accept the Offer.

**C Your instructions to accept the Offer**

If you correctly sign and return this form but do not select a box in this section or your selection is conflicting or not distinct, you will be deemed to have accepted the Offer in respect of ALL your Orion Shares. Please complete only one option in this section.

1.  Mark this box to accept the Offer for ALL your Orion Shares

OR

2.  Specify the number of Orion Shares for which you wish to accept the Offer

To accept the Offer you may either:

- directly instruct your Controlling Participant to accept the Offer on your behalf; or
  - sign and return this Acceptance Form to the address shown overleaf so the Bidder can contact your Controlling Participant on your behalf and relay your instructions.
- If your Controlling Participant acts on your instruction CHES will send you a confirmation notice.

**D Contact details**

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

( )

**E You must sign this form for your instructions in this Acceptance Form to be executed**

I/We, the person(s) named above, accept the Offer Cogline in respect of all or part of my/our Orion Shares and hereby agree to transfer to Conglin all or part of my/our Orion Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Shareholder 2 (Individual)

Shareholder 3 (Individual)

Sole Director & Sole Company Secretary

Secretary/Director (delete one)

Director

**Please refer overleaf for further important instructions**

REGISTRY USE ONLY



HIN



Broker PID



Holding

ORMT TKO002



## Further Important Instructions

Your Orion Shares are in a CHESS Holding, you do not need to complete and return this Acceptance Form to the registry to accept the Offer. You can instead contact your Controlling Participant and instruct them to accept the Offer on your behalf in sufficient time before the end of the Offer Period to enable your Controlling Participant to give effect to your acceptance of the Offer on CHESS during business hours. If you decide to use this Acceptance Form to authorise us to contact your Controlling Participant on your behalf, follow the instructions below. You should allow Link Market Services Limited ("Link") sufficient time for the delivery of the Acceptance Form to your Controlling Participant on your behalf. Neither Conglin, nor Link will be responsible for any delays incurred by this process.

Please refer to the Bidder's Statement dated [XX June 2012] which accompanies this Acceptance Form. Terms are defined in the Bidder's Statement and have the same meaning in this Acceptance Form.

### Completion instructions

- A**
- **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name or address can only be processed by your Controlling Participant.
  - **Please note** your consideration will be issued in the names as they appear on the Orion register.

**C** **Your instructions to accept the Offer**

Your Orion Shares are in an Issuer Sponsored Holding. To accept the Offer, you must complete and return this form to Link Market Services Limited (Link) so that it is received by no later than 7:00pm (Sydney time) on [XX July 2012] unless the Offer Period is extended.

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Information you supply on this Acceptance Form will be used by Conglin and Link Market Services Limited for the primary purpose of processing your acceptance of the Offer and to provide you with the consideration payable under the Offer. This information may be disclosed to Conglin's professional advisers, securities brokers, printing and mailing providers and other third parties in connection with the Offer. If you fail to supply this information, your acceptance may not be processed and you may not receive the consideration payable. You have rights to obtain access to the personal information which you have supplied. Please see Link Market Services Limited's privacy policy on its website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

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or

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**Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm (Sydney time) on [XX July 2012] (unless the Offer Period is extended).**

**If you have any questions about the terms of the Offer or how to accept, please call the Conglin Offer Information Line on the following numbers:**

**within Australia: 1800 206 847  
outside Australia: +61 2 8280 7219**