



ORION METALS LIMITED

ACN 096 142 737

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

ORION METALS LIMITED
ACN 096 142 737

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Orion Metals Limited (the Company) and its controlled entities at the end of, or during the year ended, 28 February 2022.

1. THE DIRECTORS

The following persons were directors of the Company during the financial year and up to the date of this report:

<i>Dr Yi Yang</i>	<i>Non-Executive Chairman</i> <i>Appointed 22 July 2016</i>
Qualifications	PhD in Philosophy
Experience	Dr Yi Yang was previously a government officer in the Central China Government and is now a director of numerous enterprises in China. He has many years' experience as a fund manager who managed up to RMB1 billion and AUD200 million. Dr Yang was the founder and Executive Chairman of Beijing Wayield Investment Co. Ltd in 2004 that has financially backed Excellence Holdings HK Limited in which he has a 50% interest and is a director. Wayield Investment is a registered financial institution by the Asset Management Association of China.
Special responsibilities	Chairman
Interest in Shares and Options	400,000,000 shares held by Excellence Holdings HK Limited
Directorships held in other listed entities	None
<i>Dr Feng Wu</i>	<i>Executive Director (Compliance)</i> <i>Appointed 22 July 2016</i>
Qualifications	PhD in Law
Experience	Dr Feng Wu was previously a Prosecutor of the Supreme People's Procuratorate of China. He founded a successful law practice in China in 2000 and provides services for state owned enterprises and large businesses. He is a director of several other companies in China and is also Executive Chairman of Beijing Electronics Technology Ruida Co., which is a subsidiary of China Electronics Corporation, the largest Chinese state owned IT enterprise and a global top 500 IT company. Dr Wu also has a 50% interest in Excellence Holdings and is a director.
Special responsibilities	Compliance
Interest in Shares and Options	400,000,000 shares held by Excellence Holdings HK Limited
Directorships held in other listed entities	None

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DIRECTORS' REPORT

1. THE DIRECTORS (Cont'd)

Mr Yu Zhou

Non-Executive Director

Appointed 11 March 2021

Qualifications

Bachelor of Economics (International Banking & Finance) Tianjin University of Finance & Economics

Experience

Mr Yu Zhou was appointed as a Non-Executive Director to replace Mr Bo Wang as the second Australian resident director. After completing his degree Mr Zhou worked for a number of securities and investments companies, initially in China – including Beijing Wayield Investment Co. Ltd (2006-2015) – then in Australia – including Australia Cayenne Holdings Pty Ltd (2015-2019) – after moving to Sydney. Over the last couple of years he has acted as a consultant to the Company, particularly assisting with efforts to find JV partners or dispose of Orion's minerals leases, investigate potential new assets, and source new capital and other funding for the Company.

Special responsibilities

None

Interest in Shares and Options

None

Directorships held in other listed entities

None

Mr Bin Cai

Executive Director

Appointed 25 July 2012 (and previously Director 30 April 2012 ~ 31 May 2012)

Qualifications

Master of Finance & IS

Experience

Mr Cai is the Managing Director of Conglin International Investment Group Pty Ltd based in Brisbane. He has a record of successful strategic investments in emerging Australian resources companies based on his long experience in resources investment. Prior to joining the Conglin Group Mr. Cai had eight years' experience with The China Investment Bank.

Special responsibilities

Chief Financial Officer

Interest in Shares and Options

6,250 shares held by Australia Cayenne Holdings Pty Ltd.

Directorships held in other listed entities

Director of Carpentaria Resources Limited (previously Carpentaria Exploration Limited), 15 May 2011 ~ 16 May 2018
Director of Northern Minerals Limited, appointed 29 August 2013 ~ continuing

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DIRECTORS' REPORT

1. THE DIRECTORS (Cont'd)

Mr Bo Wang

Non-Executive Director

Appointed 22 July 2016; resigned 11 March 2021

Qualifications

B.Com. (Accounting) University of Canberra
M. Management University of NSW

Experience

Mr Bo Wang has held several positions in Australian and Chinese companies and is currently Executive Chairman of Boran (Tianjin) Financial Leasing Pty Ltd. He is studying for a Doctor of Psychology at Peking University.

Special responsibilities

None

Interest in Shares and Options

None

Directorships held in other listed entities

None

Company Secretary

Bill Lyne

Appointed 19 January 2010

Qualifications

BCom, CA, FGIA, FAICD, FFIN

Experience

Mr Lyne is the principal of Australian Company Secretary Service, providing company secretarial, compliance and governance services to public companies. He is secretary of another listed company and has a wealth of experience in corporate governance principles and practice.

Directorships held in other listed entities

Director of Jumbo Interactive Limited appointed 30 October 2009 ~ 31 March 2021

2. PRINCIPAL ACTIVITIES OF THE CONSOLIDATED ENTITY

The principal activity of the consolidated entity was the exploration for Rare Earth Elements (REE), including Heavy Rare Earth Elements (HREE), and gold. However, in December 2021 the remaining mining tenement interests were sold and the Company is currently in negotiations to acquire new assets. The significant changes in the nature of the principal activities during the year are noted in other sections of this report.

3. OPERATING RESULTS

The net result of operations of the consolidated entity for the year ended 28 February 2022 was a loss of \$274,916 (2021 – loss of \$224,574) which included:

- exploration and evaluation expenses \$57,181 (2021: \$52,951),
- personnel expenses of \$478,126 (2021: \$340,346).

Exploration expenditure during the year focussed on the Top Camp Project and totalled \$57,181 (2021: \$52,951). All exploration expenditure incurred during the year was expensed.

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The consolidated entity's strategy for future years remains under review following the Directors' previous assessment of the entity's portfolio of assets and sale of the remaining tenements in December 2021.

4. DIVIDENDS

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend since 28 February 2022 and to the date of this report.

5. REVIEW OF ACTIVITIES AND BUSINESS STRATEGIES

During the year 2021~2022 the consolidated entity continued to conserve funds through further reductions in costs and exploration activities, and the rationalisation of its tenements, culminating in the sale of its remaining project (Top Camp) as detailed below.

On 11 March 2021 Mr Bo Wang, who had been an independent Non-Executive Director since July 2016, resigned due to other commitments and pursue other activities and Mr Yu Zhou was appointed as his replacement.

The Company's Annual General Meeting was held on 14 July 2021 at which all resolutions were passed on a poll with the overwhelming support of shareholders. The resolutions included confirmation of Yu Zhou's appointment and approval for sale of the Top Camp Project on the understanding that this was the Company's sole remaining asset.

Also, during the year the Company's Registered Office and Principal Place of Business were relocated from Calamvale to Fig Tree Pocket in suburban Brisbane, and the Company's telephone number was changed.

The Company's on-going funding requirements were met from the sale proceeds received for the Tanami West (late in FY21) and Top Camp Projects. In addition, they have been further supplemented by loans from major shareholder Excellence Holdings HK Limited (a related entity of Directors Yi Yang and Feng Wu), which at reporting date aggregated \$125,000, and loans from shareholder Australia Cayenne Holdings Pty Ltd (a related entity of Director Bin Cai), which at reporting date aggregated \$150,000. These loans are at zero interest rate, unsecured and for no fixed term.

Project activities are summarised as follows:

Top Camp Project

Top Camp was the Company's remaining Project which is prospective in view of the untested historic alluvial gold fields, and high quality primary Iron Oxide-Copper-Gold (IOCG) targets, located on mining leases within the world class base metal province of Cloncurry, Queensland.

Funding issues severely constrained Orion's capacity to develop this Project, both in terms of exploration and mining. Despite the funding challenges, the Company continued to ensure all statutory approvals were in place to facilitate development of the Top Camp alluvial gold bulk sampling project.

During the year the Directors decided that it was in the best interests of the Company to dispose of the Top Camp Project and Orion entered into a Sale of Tenements Agreement with Mayfair Corporations Group Pty Ltd on 13 July 2021 in respect of the sale and purchase of the 4 mining leases comprising the Top Camp Project for \$500,000 purchase price. The sale was completed on 15 December 2021.

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6. OUTLOOK

With the sale of the Top Camp Project the Directors are concentrating their efforts towards acquiring alternative assets to further increase value for the benefit of all shareholders of the Company and finding new funding sources to support the Company's future activities.

To this end, Orion has mandated professional advisors to assist and advise the Company on investment opportunities in mining or exploration assets that are in a more advanced or developed stage as well as any further capital raising that may be required by the Company to support its future activities.

In the meantime, major shareholder, Excellence Holdings HK Limited, has again given a written undertaking to provide continued financial support to Orion Metals, in need, for their ongoing operations over the next twelve months.

7. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than stated elsewhere in this report, there were no significant changes in the state of affairs of the consolidated entity during the financial year.

8. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the Consolidated Entity in future financial years.

The Directors continue to monitor the situation with the COVID-19 pandemic and consider that at the present time there is no potential impact on the Company's operations. The health, safety and wellbeing of staff and contractors is a high priority, and all are currently working from home. In the meantime, the Directors are actively monitoring the unfolding situation worldwide and ensuring compliance with the latest directives and guidelines issued by the Australian state and federal governments.

9. LIKELY DEVELOPMENTS

Directors will continue investigating potential new operating and investment opportunities, including advanced developed projects, and sources of funding to enable the Company to continue operations over the next twelve months and provide increased benefits within the short term.

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DIRECTORS' REPORT

10. COMPANY HEALTH & SAFETY POLICY

Orion Metals places the health and safety of its people at work as the highest priority consideration above all others in the business environment. Orion's people are not only its staff and employees, but its various consultants and contractors.

Orion believes that a healthy workforce engaged in a safe and caring work environment, with a proactive safety culture will be a productive, and content workforce. We see this evolve towards improved business efficiency, and

commercial success. We strive to create a culture where safety is a core value and where every individual takes responsibility for their own actions; and will act to prevent and stop unsafe occurrences or the actions of others.

In support of this policy, management accepts responsibility for the implementation of systems and processes to reduce safety risks in the workplace to as low as reasonably practicable. In order to achieve this goal, Orion has implemented an industry best practise HSE Management Plan. Where appropriate, complementary to this is a process of continued up-skilling of its workforce through industry and in-house education and training.

Orion's ultimate goal is the elimination of all incidents or events in the workplace which have the potential to produce injury, harm, or damage.

Orion encourages employee participation in all matters affecting the health and safety of our people and invites suggestions from our work force of ways in which health and safety can be improved.

11. ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity is subject to and has complied with environmental regulation in relation to its mineral exploration activities in North Queensland during the reporting period. At the date of this report there have been no known breaches of any environmental obligations.

The following policy has been adopted as the approved Environmental Policy of the consolidated entity for its activities throughout Australia:-

The consolidated entity is committed to being a leader in environmental excellence by:

- Minimizing the effect of its activities on the environment.
- Rehabilitation of disturbed areas using environmental best practices.
- Meeting and where necessary exceeding applicable laws, regulations and voluntary commitments.

In achieving these objectives the Company will:

- Comply with all applicable environmental laws, regulations and conditions, upholding the spirit of those laws and where the law does not adequately protect the environment, applying the most appropriate environmental standard to each area in which the Company operates.
- Ensure that it has in place management systems to identify, control, monitor and audit environmental risks arising from its operations, products and services.
- Liaise with governmental and other authorities at all levels to develop and maintain responsible and effective environmental policies, laws, regulations and standards.
- Communicate openly with government and the community on environmental issues.
- Ensure that all employees, contractors and suppliers are informed of this policy, aware of their environmental responsibilities and their role in assisting in the implementation of this policy.

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12. SHARES UNDER OPTION

Shares issued on the exercise of options

No new options were issued during the year ended 28 February 2022 (2021: nil).

No more Orion Metals Limited ordinary shares were issued during the year and there were no options exercised over unissued shares in the Company.

13. DIRECTORS' MEETINGS

The number of directors' meetings held during the financial year and the number of meetings attended by each director whilst a director is as follows:

Directors	Meetings of Directors Held *	Meetings of Directors Attended
Dr Yi Yang	4	4
Dr Feng Wu	4	4
Mr Yu Zhou	3	3
Mr Bin Cai	4	4
Mr Bo Wang	1	1

**** at which eligible to attend***

14. REMUNERATION REPORT – AUDITED

Remuneration Practices

The consolidated entity's policy for determining the nature and amount of remuneration of key management personnel, including Board members, is set out below.

The remuneration structure for key management personnel, excluding non-executive directors, is set by the Board of Directors and is based on a number of factors including, market remuneration for comparable companies, particular experience of the individual concerned and overall performance of the consolidated entity. The contracts for service between the consolidated entity and key management personnel are on a continuing basis the terms of which are not expected to change in the immediate future. The consolidated entity retains the right to terminate contracts immediately by making payment of an amount based on the employee's years of service. Upon retirement or termination key management personnel, excluding non-executive directors, are paid employee benefits accrued to date of retirement or termination. Compensation is determined in accordance with the general remuneration policy. The manner of payment is determined on a case by case basis and is generally cash but a mix of non-cash benefits may be considered appropriate by the Board of Directors.

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The board ensures that director and executive rewards satisfy the following key criteria:

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DIRECTORS' REPORT

14. REMUNERATION REPORT – AUDITED (Cont'd)

- competitiveness and reasonableness
- acceptability to shareholders
- transparency.

The consolidated entity has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Key management personnel covered in this report

The following persons held their position during the whole of the financial period and up to the date of this report, unless otherwise stated

Non-executive and executive directors

Dr Yi Yang

Dr Feng Wu

Mr Yu Zhou (appointed 11 March 2021)

Mr Bin Cai

Mr Bo Wang (resigned 11 March 2021)

Other Key Management Personnel

Mr Bill Lyne (Company Secretary)

The remuneration framework is aligned to shareholders' interests through:

- a focus on sustained growth in share price and key non-financial drivers of value
- attracting and retaining high calibre executives.

The remuneration framework is aligned to employees' interests through:

- rewarding capability and experience
- reflecting competitive rates of remuneration in respect of skills and responsibility
- providing a clear structure for earning rewards
- providing recognition for contribution.

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DIRECTORS' REPORT

14. REMUNERATION REPORT – AUDITED (Cont'd)

Relationship between remuneration and Company performance

Because the Company is in exploration and not production, there is no direct relationship between the Company's financial performance and the level of remuneration paid to key management personnel.

Given that the remuneration is commercially reasonable, the link between remuneration, Company performance and shareholder wealth generation is tenuous, particularly in the exploration and development stage of a minerals company. Share prices are subject to the influence of international metal prices and market sentiment towards the sector and increases or decreases may occur independently of executive performance or remuneration. The Company may issue options to provide an incentive for key management personnel which, it is believed, is in line with industry standards and practice and is also believed to align the interests of key management personnel with those of the Company's shareholders.

Unless otherwise stated, service agreements do not provide for pre-determined compensation values or the manner of payment.

Except in so far as directors and other key management personnel hold options over shares in the Company, there is no relationship between remuneration policy and the Company's performance. The Company's share price was 5.2 cents as at 28 February 2022.

The table below sets out summary information about the Company's earnings and movements in shareholders' wealth for the five years to 28 February 2022:

Description	28 February 2022	28 February 2021	29 February 2020	28 February 2019	28 February 2018
Income	\$500,000	\$310,387	-	-	-
Net profit/(loss) before tax	(\$274,916)	(\$224,574)	(\$531,667)	(\$599,983)	(\$700,078)
Net profit(loss) after tax	(\$274,916)	(\$224,574)	(\$531,667)	(\$599,983)	(\$700,078)
Basic earnings/(loss) per share (cents)	(0.05)	(0.04)	(0.11)	(0.14)	(0.19)
Change in share price (cents)	0.2	3.7	0.6	0.02	0.025

There were no dividends paid or returns of capital by the Company during the year or previous 4 years.

Remuneration of the non-executive directors is approved by the Board and set in aggregate within the maximum amount approved by the shareholders from time to time. The fees have been determined by the Board having regard to industry practice and the need to obtain appropriately qualified independent persons. The aggregate pool of remuneration paid to non-executive Directors was last approved by shareholders in 2011 and is currently \$300,000 per annum. The amount paid to non-executive directors in directors' fees and consulting fees while acting as non-executive directors is included in the table following.

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14. REMUNERATION REPORT – AUDITED (Cont'd)

The key management personnel of Orion Metals Limited and the consolidated entity includes the directors of the parent entity and the Company Secretary Mr Bill Lyne.

2022 Remuneration

	Short-term employee benefits		Share Based Remuneration	Post Employment Benefits	Total	Performance Related %	% consisting of options
	Salary & fees	Bonus	Equity Settled Options*	Superannuation			
	\$	\$	\$	\$	\$	%	%
Dr Yi Yang	48,000	-	-	-	48,000	-	-
Dr Feng Wu	40,000	-	-	-	40,000	-	-
Mr Bo Wang	1,076	-	-	-	1,076	-	-
Yu Zhou	34,924				34,924		
Mr Bin Cai	132,401	-	-	9,557	141,958	-	-
Other Key Management Personnel							
B. Lyne (Company Secretary)	35,032	-	-	-	35,032	-	-
Total	291,433	-	-	9,557	300,990	-	-

2021 Remuneration

	Short-term employee benefits		Share Based Remuneration	Post Employment Benefits	Total	Performance Related %	% consisting of options
	Salary & fees	Bonus	Equity Settled Options*	Superannuation			
	\$	\$	\$	\$	\$	%	%
Directors							
Dr Yi Yang	48,000	-	-	-	48,000	-	-
Dr Feng Wu	40,000	-	-	-	40,000	-	-
Mr Bo Wang	36,000	-	-	-	36,000	-	-
Mr Bin Cai	86,000	-	-	4,750	90,750	-	-
Other Key Management Personnel							
B. Lyne (Company Secretary)	30,515	-	-	-	30,515	-	-
Total	240,515	-	-	4,750	245,265		

As at reporting date there was \$869,896 (2021: \$709,896) owing to directors for directors' fees. There were no other transactions with or loans outstanding to key management personnel and their related parties other than as follows:

- Loans from major shareholder Excellence Holdings HK Limited (a related entity of Directors Yi Yang and Feng Wu), which at reporting date aggregated \$125,000 (FY21 \$65,000)
- Loans from shareholder Australia Cayenne Holdings Pty Ltd (a related entity of Director Bin Cai), which at reporting date aggregated \$150,000 (FY21 \$0)

These loans are at zero interest rate, unsecured and for no fixed term.

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DIRECTORS' REPORT

14. REMUNERATION REPORT – AUDITED (Cont'd)

Shareholdings of key management personnel

	Balance 1 March	Received as Remuneration	Options exercised	Net change other	Balance 28 February
Directors					
Dr Yi Yang	-	-	-	-	-
Dr Feng Wu	-	-	-	-	-
Mr Yu Zhou	-	-	-	-	-
Mr Bin Cai	-	-	-	-	-

A related entity of directors Yang and Wu held 400,000,000 shares at the reporting date.

A related entity of Bin Cai held 6,250 shares at the reporting date.

There were no changes to these shareholdings during the period.

Other Key Management Personnel

B Lyne	-	-	-	-	-
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Option holdings of key management personnel

There were no options held by key management personnel or their related entities at any time during the year.

Service Agreements

Remuneration and other terms of employment for key management personnel, other than the directors, are formalised in service agreements. Details of these agreements are as follows:

Name:	Yi Yang
Title:	Non-Executive Chairman
Agreement commenced:	22 July 2016
Term of agreement:	Not specified
Details:	The Company has entered into an agreement with Yi Yang. Compensation is based on market-related compensation and there is no agreement by Orion Metals Limited to pay pre-determined compensation. There is also no agreement to pay Yi Yang any pre-determined amounts in the event of termination.
Name:	Feng Wu
Title:	Executive Director (Compliance)
Agreement commenced:	22 July 2016
Term of agreement:	Not specified
Details:	The Company has entered into an agreement with Feng Wu. Compensation is based on market-related compensation and there is no agreement by Orion Metals Limited to pay pre-determined compensation. There is also no agreement to pay Feng Wu any pre-determined amounts in the event of termination.

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14. REMUNERATION REPORT – AUDITED (Cont'd)

Name: Yu Zhou

Title: Non-Executive Director

Agreement commenced: 11 March 2021

Term of agreement: Not specified

Details: The Company has entered into an agreement with Yu Zhou. Compensation is based on market-related compensation and there is no agreement by Orion Metals Limited to pay pre-determined compensation. There is also no agreement to pay Yu Zhou any pre-determined amounts in the event of termination.

Name: Bin Cai

Title: Executive Director and CFO

Agreement commenced: 25 July 2012

Term of agreement: Not specified

Details: The company has entered into an agreement with Bin Cai to provide services on a fixed salary basis. There is no agreement by Orion Metals Limited to pay predetermined amounts in the event of termination other than statutory entitlements of long service leave and annual leave. No notice period has been specified.

Name: Bill Lyne

Title: Company Secretary

Agreement commenced: 19 January 2010

Term of agreement: Not specified

Details: The Company has entered into an agreement with Company Secretarial Services Pty Ltd for Bill Lyne to provide services on an as required basis, and fees are paid to that company (which is a related entity of Mr Lyne). No notice period has been specified.

Remuneration Options

No key management personnel options were granted as remuneration during the year. (2021: nil) There were no cash bonuses or share based payment options granted during the year (2021: nil).

END OF REMUNERATION REPORT

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15. NON-AUDIT SERVICES

No amounts were paid or payable to the auditor for non-audit services provided during the year by the auditor.

16. INDEMNIFICATION AND INSURANCE OF OFFICERS OR AUDITOR

Each of the Directors and the Secretary of the Company have entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those Directors and Secretary.

The Company had insured all of the Directors and Officers (D&O) of Orion Metals Limited. The contract of insurance prohibited the disclosure of the nature of the liabilities covered and amount of the premium paid; the Corporations Act 2001 does not require disclosure of the information in these circumstances. However, since the previous D&O insurance expired in August 2020 the Company has not been able to obtain continuance or replacement of the D&O cover and the Directors continue to try and effect such cover.

The Company has not indemnified or insured its auditor.

17. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any other such proceedings during the year.

18. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 28 February 2022 has been received and forms part of this directors' report and can be found on page 14

This report is made in accordance with a resolution of the Directors.

Signed:



BIN CAI
Director

26 May 2022

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AUDITOR'S INDEPENDENCE DECLARATION



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DECLARATION OF INDEPENDENCE BY C K HENRY TO THE DIRECTORS OF ORION METALS LIMITED

As lead auditor of Orion Metals Limited for the year ended 28 February 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Orion Metals Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'C K Henry', written over a light blue grid background.

C K Henry
Director

BDO Audit Pty Ltd

Brisbane, 26 May 2022

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Note	2022	2021
		\$	\$
Other income	5	500,000	310,384
Other expenses	6	(239,609)	(141,664)
Personnel expenses	6	(478,126)	(340,346)
Exploration and evaluation expense		(57,181)	(52,951)
Loss from operating activities		(274,916)	(224,577)
Finance income	5	-	3
Finance costs		-	-
Net finance income		-	3
Profit/(loss) before income tax		(274,916)	(224,574)
Income tax	7	-	-
Profit/(loss) after income tax		(274,916)	(224,574)
Other comprehensive income		-	-
Total comprehensive income		(274,916)	(224,574)
Profit/(loss) attributable to: the owners of the company		(274,916)	(224,574)
Total comprehensive income attributable to: the owners of the company		(274,916)	(224,574)
Basic earnings/(loss) per share (cents per share)	13	(0.05)	(0.04)
Diluted earnings/(loss) per share (cents per share)	13	(0.05)	(0.04)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2022

	Note	2022 \$	2021 \$
Current Assets			
Cash and cash equivalents	8	328,482	70,488
Other assets	9	22,011	18,875
Total Current Assets		350,493	89,363
TOTAL ASSETS		350,493	89,363
Current Liabilities			
Trade and other payables	10	1,273,723	826,281
Employee benefits		183,915	95,311
Total Current Liabilities		1,457,638	921,592
TOTAL LIABILITIES		1,457,638	921,592
Net liabilities		(1,107,145)	(832,229)
Deficit			
Issued capital	11	15,547,717	15,547,717
Reserves	12	467,838	467,838
Accumulated losses		(17,122,700)	(16,847,784)
Total deficit		(1,107,145)	(832,229)

The Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Issued Capital \$	Options reserve \$	Accumulated losses \$	Total Deficit \$
Balance at 1 March 2020	15,372,717	467,838	(16,623,210)	(782,655)
Profit /(Loss) after income tax	-	-	(224,574)	(224,574)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(224,574)	(224,574)
Transactions with owners in their capacity as owners				
Shares issued during the year	175,000	-	-	175,000
Share issue costs	-	-	-	-
Balance at 28 February 2021	15,547,717	467,838	(16,847,784)	(832,229)
Balance at 1 March 2021	15,547,717	467,838	(16,847,784)	(832,229)
Profit /(Loss) after income tax	-	-	(274,916)	(274,916)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(274,916)	(274,916)
Transactions with owners in their capacity as owners				
Shares issued during the year	-	-	-	-
Balance at 28 February 2022	15,547,717	467,838	(17,122,700)	(1,107,145)

The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Note	2022 \$	2021 \$
Cash Flows From Operating Activities			
Receipts from government subsidies		-	20,384
Receipts from GST		23,588	15,055
Payments to suppliers and employees		(418,413)	(322,262)
Exploration and evaluation expense		(57,181)	(58,068)
Interest received		-	3
Net Cash Provided By/ (Used In) Operating Activities	18	(452,006)	(344,888)
Cash Flows From Financing Activities			
Proceeds from issues of equity securities		-	175,000
Proceeds from related party		210,000	65,000
Net Cash Provided By/ (Used In) Financing Activities		210,000	240,000
Cash Flows From Investing Activities			
Proceeds from sale of tenements		500,000	120,000
Net Cash Provided By/ (Used In) Investing Activities		500,000	120,000
Net Increase/(Decrease) In Cash and Cash Equivalents		257,994	15,112
Cash and Cash Equivalents opening balance		70,488	55,376
Cash and Cash Equivalents closing balance	8	328,482	70,488

The Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

1 REPORTING ENTITY

The financial statements of Orion Metals Limited for the year ended 28 February 2022 were authorised for issue in accordance with a resolution of the directors on 25 May 2022 and covers the Consolidated Entity consisting of Orion Metals Limited and its subsidiaries as required by the Corporations Act 2001. Orion Metals Limited (the company) is a for-profit entity for the purpose of preparing these financial statements.

The financial statements are presented in Australian dollars.

The address of the registered office and principal place of business is 221 Jesmond Road, Fig Tree Pocket, Qld 4069.

2 BASIS OF PREPARATION

A. Statement of compliance

The financial statements are a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) and other authoritative pronouncements by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements of the Consolidated Entity comply with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

B. Basis of measurement

The financial statements have been prepared on the historical cost basis.

C. Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There have been no critical estimates and judgements in applying accounting policies during the period that had a significant effect on the amounts recognised in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

2 BASIS OF PREPARATION (Cont'd)

Going concern

As at 28 February 2022 the Group had cash reserves of \$328,482. The Group has incurred a net loss after tax for the year ended 28 February 2022 of \$274,916 after exploration and evaluation expense of \$57,181. The net cash outflow from operations for the year was \$452,006. At 28 February 2022, the Group's current liabilities exceeded its current assets by \$1,107,145. This includes \$869,896 owing to directors. As at 28 February 2022 all options have been exercised.

The ability of the consolidated entity to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on its ability to successfully raise additional capital and continued support from Ultimate Holding Company, Excellence Holdings HK Ltd. These circumstances give rise to the existence of a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following factors:

- Major shareholder, Excellence Holdings HK Ltd (the Ultimate Holding Company of the Group), has pledged its continuing support for a minimum of 12 months from the date of issuing these financial statements.
- \$869,896 of the payable balances relate to outstanding amounts owing to directors. The directors have pledged to not call upon directors fees owed for the next 12 months or until such time that the company has sufficient funds to pay the directors fees.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied by all entities in the Consolidated Entity.

A. Basis of consolidation

The consolidated financial statements comprise the financial statements of Orion Metals Limited and its subsidiaries for the year ended 28 February 2022 ("the Consolidated Entity"). Subsidiaries are entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity has control over an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. Subsidiaries are consolidated from the date on which control is transferred to the Consolidated Entity and are deconsolidated from the date that control ceases.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

B. Income tax

The charge for current income tax expense is based on the profit/loss for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Current and deferred tax is recognised in the profit or loss, except where it relates to items recognised in the other comprehensive income or directly in equity. In this case the tax is recognised in the other comprehensive income or directly in equity respectively.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences or tax losses can be utilised.

C. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Consolidated Entity prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

D. Impairment of Financial Assets

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Impairment of Non-Financial Assets

At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

F. Equity Settled Share Based Compensation

The Consolidated Entity may issue equity-settled share-based payments to directors and employees. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a valuation which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

G. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

H. Other Income

Interest revenue is recognised using the effective interest rates applicable to the financial assets.

Government subsidies are recognised where there is reasonable assurance that the Consolidated Entity will comply with the conditions attached to the grant and the grant will be received.

I. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Earnings per share

The Consolidated Entity presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

K. New, revised or amending Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 28 February 2022. The adoption of these new or amended Accounting Standards and Interpretations will not have significant impact to the financial statements.

L. New, revised or amending Accounting Standards and Interpretations adopted during the year

The accounting policies adopted are consistent with those of the previous financial year. Other amendments and interpretations applied for the first time during the year, however these changes did not have an impact on the financial statements of the Consolidated Entity.

4 SEGMENT REPORTING

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Consolidated Entity is managed primarily on a geographic basis, that is, the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the Board which is at the Consolidated Entity level. The Consolidated Entity does not have any products/services it derives revenue from.

Accordingly, management currently identifies the Consolidated Entity as having only one operating segment, being exploration. There have been no changes in the operating segments during the year. Accordingly, all significant operating decisions are based upon analysis of the Consolidated Entity as one segment. The financial results from the segment are equivalent to the financial statements of the Consolidated Entity as a whole.

	Consolidated Entity 2022 \$	Consolidated Entity 2021 \$
5 OTHER INCOME		
Sale of Exploration Project	500,000	290,000
Government Grants- COVID subsidies	-	20,384
Finance income	-	3
	<u>500,000</u>	<u>310,387</u>

The Sale of Exploration Project is in relation to tenements of Top Camp Project. The carrying amount of the exploration rights were impaired in full in prior years. On 8 March 2021 Orion Metals Limited announced that the Board of Orion had agreed to sell the 4 mining leases ('Tenements') comprising the Company's Top Camp Project. The sale to Mayfair Corporations Group Pty Ltd ('Mayfair') was approved by shareholders at the Company's AGM on

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NOTES TO THE FINANCIAL STATEMENTS
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14 July 2021. The consideration of \$500,000 has been received on 1st December 2021. The proceeds represent a gain on sale of asset to the company.

6 EXPENSES	Consolidated Entity 2022	Consolidated Entity 2021
Profit/(loss) before income tax expense has been determined after:		
<i>Other expenses</i>		
Audit and accountancy fees	48,712	57,108
Legal fees	126,511	14,900
Share registry expenses and listing fees	46,683	46,388
Insurance	824	4,632
Other miscellaneous costs	16,8879	18,636
	239,609	141,664
<i>Personnel expenses:</i>		
Salaries and on-costs	253,188	128,281
Superannuation expense	12,285	10,450
Directors fees and consultancy fees	212,653	201,615
	478,126	340,346

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Consolidated Entity	Consolidated Entity
	2022	2021
	\$	\$
7 INCOME TAX		
Components of tax expense/(benefit) comprise:		
Current tax	-	-
Deferred tax	-	-
Income Tax Expense/(Benefit)	-	-
<i>Numerical reconciliation of income tax benefit to prima facie tax payable</i>		
Loss from operations for the year	(274,916)	(224,574)
The prima facie income tax benefit on loss before income tax at a tax rate of 25% (2021: 26%)	68,729	58,389
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Deferred tax asset not recognised on current year loss	(68,729)	(58,389)
Total income tax benefit	-	-
<i>Net unrecognised deferred tax assets</i>		
Net Deductible temporary differences	(107,104)	(280,263)
Unused tax losses	5,031,938	5,312,201
Net unrecognised deferred tax asset	4,924,834	5,031,938
<i>Gross amounts of items in net unrecognised deferred tax assets</i>		
Net Deductible temporary differences	193,383	86,058
Unused tax losses	19,505,954	19,884,659
Total unrecognised deferred tax assets	19,699,337	19,970,717
The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.		
The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain. The Consolidated Entity has no franking credits.		
8 CASH AND CASH EQUIVALENTS AND OTHER FINANCIAL ASSETS		
Cash at bank	328,482	70,488

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

Consolidated Entity	Consolidated Entity
2022	2021
\$	\$

9 OTHER ASSETS

Current

Deposits	2,578	2,578
Prepayments	19,433	16,297
	<u>22,011</u>	<u>18,875</u>

10 TRADE AND OTHER PAYABLES

Directors' fees payable	869,896	709,896
Related party payables	275,000	65,000
Other	128,827	51,385
	<u>1,273,723</u>	<u>826,281</u>

11 ISSUED CAPITAL

545,097,443 (2021: 545,097,433) fully paid ordinary shares	15,784,719	15,784,719
Transaction costs relating to share issues (net of tax)	(237,002)	(237,002)
	<u>15,547,717</u>	<u>15,547,717</u>

	Consolidated Entity 2022		Consolidated Entity 2021	
	#	\$	#	\$
Ordinary shares				
Balance at the beginning of the year	545,097,443	15,547,717	510,097,443	15,372,717
Share issues at \$0.005	-	-	35,000,000	175,000
Share issue costs	-	-	-	-
Balance at the end of the year	<u>545,097,443</u>	<u>15,547,717</u>	<u>545,097,443</u>	<u>15,547,717</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Share buy-back

There is no current on-market share buy-back.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

Capital risk management

The Consolidated Entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In common with many other exploration companies, the parent raises finance for the Consolidated Entity's exploration and appraisal activities in discrete tranches. The Consolidated Entity's overall strategy remains unchanged from 2022.

The Consolidated Entity is not subject to externally imposed capital requirements.

12 RESERVES

	Consolidated Entity 2022 \$	Consolidated Entity 2021 \$
Options reserve		
Opening balance	467,838	467,838
Options issued	-	-
Closing balance	467,838	467,838

The option reserve account is to account for share based payments

13 EARNINGS PER SHARE

	2022 (Number)	2021 (Number)
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	545,097,443	523,282,922
	2022 \$	2021 \$
Net loss after tax used in calculating basic earnings per share	274,916	224,574
Net loss after tax used in calculating diluted earnings per share	274,916	224,574

14 CONTROLLED ENTITIES

Investments in controlled entities

	Country of incorporation	Ownership 2022(%)	Ownership 2021(%)	Class of shares
Rich Resources Investments Pty Ltd	Australia	100%	100%	Ord
Broughton Orion Pty Ltd	Australia	100%	100%	Ord

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NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated Entity 2022 \$	Consolidated Entity 2021 \$
15 COMMITMENTS FOR EXPENDITURE		
The Company has certain obligations to expend minimum amounts on exploration in tenement areas (plus associated tenement rentals). These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Company.		
Commitments for maintaining exploration tenements payable		
Exploration Commitments		
- Not longer than 1 year	-	-
- Longer than 1 year but not longer than 5 years	-	-
- Longer than 5 years	-	-
	-	-
Tenement rentals	-	-
- Not longer than 1 year	-	25,926
- Longer than 1 year but not longer than 5 years	-	37,519
- Longer than 5 years	-	-
	-	\$63,445

16 CONTINGENT LIABILITIES AND ASSETS

The Directors are not aware of any contingent liabilities or contingent assets that are likely to have a material effect on the results of the Consolidated Entity as disclosed in these financial statements.

	Consolidated Entity 2022 \$	Consolidated Entity 2021 \$
17 RELATED PARTIES		
Key management personnel compensation		
Short term employee benefits	291,433	240,515
Post-employment benefits	9,557	4,750
	300,990	245,265

Amounts owing to related parties

As at 28 February 2022, \$869,896 of trade and other payables related to unpaid fees is owed to directors and \$430 is owed to related parties.

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NOTES TO THE FINANCIAL STATEMENTS
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As at 28 February 2022, \$125,000 is payable to major shareholder Excellence Holdings HK Limited (the Ultimate Holding Company of the Group) and \$150,000 is payable to shareholder Australia Cayenne Holdings Pty Ltd. These loans are at zero interest rate, unsecured and for no fixed term.

Substantial shareholder transactions

As at the reporting date Excellence Holdings HK Limited held 400,000,000 shares (2021:400,000,000) in the Company and nil options (2021: Nil).

18 CASH FLOW INFORMATION

	Consolidated Entity 2022 \$	Consolidated Entity 2021 \$
<i>Reconciliation of cash flow from operations with profit / (loss) after tax</i>		
Profit / (loss) after tax	(274,916)	(224,574)
Non-cash flows:		
Changes in operating assets and liabilities		
Decrease/(increase) in other assets	(49,032)	(5,865)
(Decrease)/increase in creditors and payables	(208,832)	(130,400)
(Decrease)/Increase in employee entitlements	80,774	15,951
Net cash used in operating activities	(452,006)	(344,888)

19 FINANCIAL INSTRUMENTS

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability, and equity instrument are disclosed in Note 3 to the financial statements.

Financial risk management objectives

The financial risks of the Consolidated Entity include market risk (including currency risk and price risk), credit risk and liquidity risk. The consolidated entity does not hedge these risk exposures. The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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Market risk

Market risk is the risk that changes in market prices such as interest rates and equity prices will affect the Consolidated Entity's income and value of its holdings.

The Consolidated Entity's activities expose it primarily to the financial risks of changes in interest rates on its cash and cash equivalents. It is the policy of the Consolidated Entity to manage their risks by continuously monitoring interest rates. There has been no change to the Consolidated Entity's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

(i) Interest risk management

Interest rate risks are caused by fluctuations in interest rates which, in turn, are due to market factors.

Interest rate sensitivity

The Consolidated Entity's main interest rate risk arises from cash and cash equivalents. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the consolidated entity's profit/loss before taxes through the impact on cash and cash equivalents and held to maturity investments with a decrease or an increase of 0.25% in interest rates.

Sensitivity

	Consolidated Entity 2021	Consolidated Entity 2021
Cash and cash equivalents and other financial assets		
Effect on profit or loss before taxes	2021	2021
Increase 0.25%	\$	\$
Decrease 0.25%		
	328,482	70,488

(ii) Price risk management

The Consolidated Entity did not hold any listed equity securities at reporting date.

821	176
(821)	(176)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

19 FINANCIAL INSTRUMENTS (Cont'd)

Liquidity risk management

Liquidity risks are caused by the inability to raise the money needed to meet payment of liabilities as and when they fall due. The Consolidated Entity manages liquidity risk by maintaining of reserves and by continually monitoring forecast and actual cash flows and cash balances. The parent entity raises equity for the Consolidated Entity's exploration and appraisal activities in discrete tranches.

At 28 February 2022 and 28 February 2021, the only financial liabilities of the Consolidated Entity were trade payables and accruals. All trade payables and accruals have a contractual maturity of 6 months or less.

Credit risk management

In relation to financial assets, credit risk arises from the potential failure of counterparties to meet their obligations under a contract or arrangements. Credit risk for the Consolidated Entity arises from cash and cash equivalents. The Consolidated Entity is not exposed to any material credit risks and only trades with credit worthy parties, outside of cash and cash equivalents which are all held with Australian regulated banks. The maximum exposure to credit risk is the carrying amount of the financial assets recognised in the statement of financial position.

Fair values

The carrying amounts of all financial assets and liabilities primarily comprising cash and cash equivalents, trade and other receivables, and trade and other payables are stated at approximate their fair value due to their short term nature.

20 AUDITORS REMUNERATION

Amounts paid/payable for audit or review of the financial statements

No other services were provided by the auditors during the year.

Consolidated Entity 2021 \$	Consolidated Entity 2021 \$
33,280	47,028
33,280	47,028

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NOTES TO THE FINANCIAL STATEMENTS
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21 OPTIONS

As there were no more options in Orion Metals Limited, no ordinary shares were issued during the year.

Consolidated Entity

	2022		2021	
	No. of options	Weighted average exercise price (cents)	No. of options	Weighted average exercise price (cents)
Outstanding at beginning of year	-	-	35,000,000	0.5
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	(35,000,000)	0.5
Outstanding at year-end	-	-	-	0.5
Exercisable at year-end	-	-	-	0.5

22 SUBSEQUENT EVENTS

There have been no matters or circumstances that have arisen since 28 February 2022 that have significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future years.

23 PARENT ENTITY DISCLOSURES

	2022 \$	2021 \$
Result of parent entity		
Profit/loss for the year	(89,123)	(238,575)
Other comprehensive income/(loss) for the year	-	-
Total comprehensive income	(89,123)	(238,575)
Financial position of parent entity at year end		
Current Assets	349,664	482,151
Total assets	349,664	482,151
Current Liabilities	1,299,196	943,933
Total liabilities	1,299,196	943,933
Net Assets	(949,532)	(461,782)
Total equity of the parent entity comprising :		
Issued capital	15,537,717	15,537,717
Reserves	467,838	467,838

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Accumulated losses	(15,056,023)	(16,467,337)
Total equity	<u>(949,532)</u>	<u>(461,782)</u>

The exploration and commitment schedule shows nil balances. Top Camp mining leases were transferred in December 2021 after sale to Mayfair Corporations Group Pty Ltd. The Company now has no Queensland tenure.

The Company has not entered into any guarantees.

24 COMPANY DETAILS

The Company's registered office and principal place of business is located at:

221 Jesmond Road, Fig Tree Pocket, Qld 4069

Company Secretary: Bill Lyne

ORION METALS LIMITED

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DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the Corporations Act 2001, including :-
 - (a) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the financial position as at 28 February 2022 and performance for the year ended on that date of the consolidated entity,
2. The financial statements also comply with International Financial Reporting Standards as disclosed in note 2.
3. The Remuneration Report as set out in the Directors' Report complies with Section 300A of The Corporations Act 2001.
4. The Chief Executive Officer and Chief Financial Officer have declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Australian Accounting Standards (including Australian Accounting Interpretations); and
 - (c) the financial statements and notes for the financial year give a true and fair view.
5. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



BIN CAI
Director

26 May 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Orion Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Orion Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 28 February 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 28 February 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 28 February 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 12 of the directors' report for the year ended 28 February 2022.

In our opinion, the Remuneration Report of Orion Metals Limited, for the year ended 28 February 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'C K Henry', is written over a faint, stylized 'BDO' logo.

C K Henry
Director

Brisbane, 26 May 2022