



ORION METALS LIMITED (ASX: ORM)

ACTIVITIES REPORT FOR QUARTER ENDING 30th November 2016.

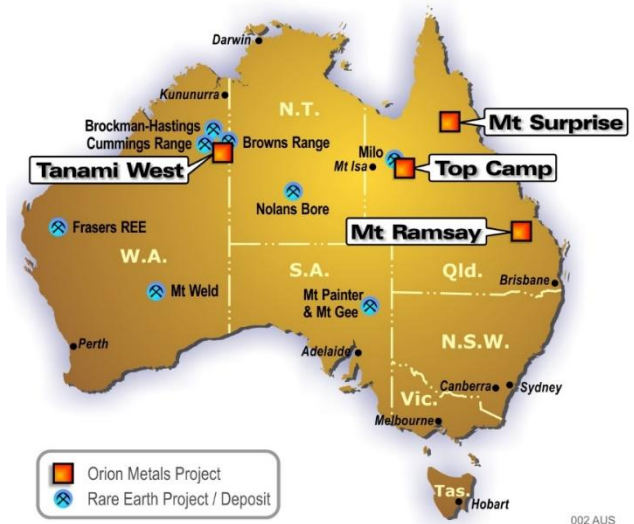
EXPLORATION ACTIVITIES

Orion Metals Limited Board of Directors continue to explore suitable funding options ahead the commencement of the 2017 exploration field season, though the state of the global REE market is not assisting Orion Metals efforts to raise money for exploration. All funding options are being considered.

Evaluation work undertaken this quarter focussed on Mt Surprise Project.

No on-ground exploration is scheduled for the next quarter while funding options are being investigated.

Top Camp Project has had the first of its gold mining lease renewals approved.



Project Updates

TANAMI WEST PROJECT

RARE EARTH ELEMENT (REE) & GOLD PROJECT

200 km southeast of Halls Creek, WA

E80/4029, E80/4197, E80/4558, E80/4869, E80/4919, E80/4920, E80/4921.

All Tanami West Project tenure is 100% Orion Metals Limited group held.

Orion Metals tenement holdings in the Tanami region now stands at 107 sub-blocks, for 321 square kilometres, of highly prospective REE and gold terrain.

MT SURPRISE PROJECT

RARE EARTH ELEMENT (REE), TIN, TUNGSTEN PROJECT

Northeast of Mt Surprise, North Queensland

EPM 18449, EPM 18850, EPM 18331.

All Mt Surprise Project tenure is 100% Orion Metals Limited held.

Project reviews conducted across the Mt Surprise tenement package still highlight the REE, tin and tungsten prospectivity, but in view of the current REE markets, re-direction of exploration strategies away from REE is a consideration.

TOP CAMP PROJECT

GOLD COPPER PROJECT

40 km south of Cloncurry, North Queensland

ML 2764, ML 2785, ML 2786, ML 2792.

The Top Camp mining leases are all 100% Orion Metals Limited owned.

Gold mining lease ML 2786 has finally been formally renewed by the Department of Natural Resources and Mines. The commencement date is 1st March 2016 for a period of 5 years. The remaining three mining leases are still awaiting renewal.

There has been no further progress towards a cultural and heritage (C&H) agreement this quarter while Orion Metals awaits an outcome from the federal court in determining the legitimate representatives for the Mitakoodi Mayi families.

The Mt Isa based traditional owners, the Mitakoodi Mayi People have a native title determination application (QC2015/009) with the federal court currently. Ahead of any determination, internal family differences need to be sorted. There is as well, a federal court order in place directing all family concerned, to sort out their genealogical structure by 30th October 2016.

A case management hearing scheduled for 1st November 2016 was adjourned, a new date is to be set.

Mt RAMSAY PROJECT

RARE EARTH ELEMENT (REE) PROJECT

200 km west of Gladstone, Queensland

EPM 25677 – 100% ORM owned.

Mt Ramsay remains a high priority exploration area for REE, specialty metals, copper and gold.

TENEMENT SCHEDULE

ORM TENEMENT LIST at 8th December 2016							
Tenement ID	Location	Registered Holder	Status	Granted Date	Expiry Date	Area (Sub-blocks)	Minimum Expend
TANAMI WEST PROJECT							
E80/4029	Tanami Region, WA	RRI * 100%	Granted	16/04/2009	15/04/2019	10	\$70,000
E80/4197	Tanami Region, WA	RRI * 100%	Granted	15/10/2009	14/10/2019	3	\$30,000
E80/4558	Tanami Region, WA	RRI * 100%	Granted	13/12/2012	12/12/2017	5	\$15,000
E80/4869	Tanami Region, WA	RRI * 100%	Granted	17/05/2016	16/05/2021	61	\$61,000
E80/4919	Tanami Region, WA	RRI * 100%	Granted	17/05/2016	16/05/2021	22	\$22,000
E80/4920	Tanami Region, WA	RRI * 100%	Granted	17/05/2016	16/05/2021	3	\$15,000
E80/4921	Tanami Region, WA	RRI * 100%	Granted	17/05/2016	16/05/2021	3	\$15,000
MT SURPRISE PROJECT							
EPM 18331	Mt Surprise Area, Qld	ORM 100%	Granted	26/06/2014	25/06/2019	19	\$30,000
EPM 18850	Mt Surprise Area, Qld	ORM 100%	Granted	21/10/2013	20/10/2018	50	\$50,000
EPM 18449	Mt Surprise Area, Qld	ORM 100%	Granted	14/05/2013	13/05/2018	10	\$30,000
MT RAMSAY PROJECT							
EPM 25677	W of Gladstone, Qld.	ORM 100%	Granted	11/08/2014	10/08/2019	26	\$60,000
TOP CAMP PROJECT							
ML 2764*	SSW of Cloncurry	ORM 100%	Granted	19/01/1989	31/01/2015	103	N/A
ML 2785*	SSW of Cloncurry	ORM 100%	Granted	6/02/1992	28/02/2017	129.2	N/A
ML 2786	SSW of Cloncurry	ORM 100%	Granted	15/02/1990	28/02/2021	70	N/A
ML 2792*	SSW of Cloncurry	ORM 100%	Granted	6/02/1992	28/02/2017	103.5	N/A
* Rich Resources Investments Pty Ltd - wholly owned Subsidiary of Orion Metals Limited							
+ Under application for renewal, awaiting grant.							

Competent Person Declaration. The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Peter Brookes, a part-time employee of Orion Metals Limited, who is a member of the Australian Institute of Geoscientists. Mr Brookes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brookes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

CORPORATE

Company Update

Orion Metals Limited entered into an Investment Agreement with Excellence Holdings HK Ltd on 17 April 2016.

Under the terms of the Investment Agreement, the Company agreed to issue to Excellence Holding:

- 20,000,000 Shares for an issue price of \$0.005 each (Initial Shares);
- a further 180,000,000 Shares for an issue price of \$0.005 each (Further Shares); and
- 200,000,000 attaching options issued for no additional consideration, convertible into Shares with an exercise price of \$0.005 each (Options)

The issue of the Initial Shares was not conditional on Shareholder approval and occurred on 22 April 2016. The issue of the Further Shares and Options was conditional on the approval of Shareholders and was approved at the Company's Annual General Meeting held on 21 July 2016 and the securities were issued that day.

A total of \$1,000,000 in new funds was raised from the Shares and when the Options are exercised up to a further \$1,000,000 will be raised.

As a consequent of the increased shareholding by Excellence Holdings, as foreshadowed in the Investment Agreement, the following Board changes occurred effective 22 July 2016:

- Mr Yi Yang was appointed as a non-executive Director and Chairman of the Company, representing Excellence
- Mr Feng Wu, also representing Excellence, was appointed as a part-time executive Director with responsibility for compliance
- Mr Bo Wang was appointed as an independent non-executive Director
- Mr Bin Cai continues as a part-time executive Director and CFO
- Mr Conglin Yue resigned as a Director and CEO
- Ms Yanchun Wang resigned as a Director

The new Board is continuing to evaluate the Company's existing tenements before deciding on future strategy.

Financial

Cash balance as at 30 November 2016 was \$513.

CORPORATE DIRECTORY

ORION METALS LIMITED

ASX Code: ORM

ABN: 89 096 142 737

Issued Capital as at 30 November 2016

345,097,443 shares issued & listed
200,000,000 options (unlisted) expiring 21 July 2018
390 shareholders

Top 20 shareholders

Hold 98.22% of listed shares

Largest shareholders

Excellence Holdings HK Ltd 57.95%
Conglin Group / Mr Conglin Yue 30.6%
Jien Mining Pty Ltd 6.68%

Board

Dr Yi Yang – Chairman
Mr Bo Wang – Director
Dr Feng Wu – Executive Director
Mr Bin Cai – Executive Director & CFO

Company Secretary

Mr Bill Lyne

Contact Details

35 Hamish Street, Calamvale, Queensland
GPO Box 7115 Brisbane Qld 4001
Phone: 61 7 3272 1725
Email: admin@orionmetals.com.au
www.orionmetals.com.au

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity **ORION METALS LTD**

ABN 89 096 142 737	Quarter ended ("current quarter")
	30 November 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8	28
1.2 Payments for		
(a) exploration & evaluation	(7)	(145)
(b) development	-	-
(c) production	-	-
(d) staff costs	(116)	(284)
(e) administration and corporate costs	(85)	(182)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(198)	(581)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(21)
3.5	Proceeds from borrowings	-	200
3.6	Repayment of borrowings	-	(200)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	979

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	711	115
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(198)	(581)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	979
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	513	513

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	8	7
5.2 Call deposits	505	704
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	513	711

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000

79

-

--

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

Nil

--

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)		-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

--

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	15
9.2 Development	-
9.3 Production	-
9.4 Staff costs	77
9.5 Administration and corporate costs	15
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	107

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Nil		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		Nil		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



22 December 2016

Sign here:
 (Director/~~Company secretary~~)

Date:

Bin Cai

Print name:

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.