



Notice of Annual General Meeting and Explanatory Memorandum

Orion Metals Limited ACN 096 142 737

Date of Meeting: Friday 22 June 2012

Time of Meeting: 11 am (Brisbane time)

Place of Meeting: Level 7, Waterfront Place, 1 Eagle Street, Brisbane,
Queensland

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of **Orion Metals Limited** ACN 096 142 737 (**Company**) will be held at Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Queensland, on Friday 22 June 2012 at 11 am (Brisbane time).

Terms used in this Notice of Meeting are defined in the Explanatory Statement which accompanies this Notice of Meeting.

Agenda

Ordinary business

1. Financial Report

To receive and consider the Company's Annual Financial Report for the Company for the financial year ended 29 February 2012 comprising:

- (a) the Directors' Report and Independent Audit Report;
- (b) Directors' Declaration;
- (c) Statement of Comprehensive Income;
- (d) Statement of Financial Position;
- (e) Statement of Changes in Equity;
- (f) Statement of Cash Flows; and
- (g) Notes to the Financial Statements.

2. Resolution 1: Remuneration Report

To consider and, if thought fit, pass the following Advisory Resolution:

"That the Remuneration Report for the year ended 29 February 2012, as set out in the Directors' Report, be adopted."

Advisory Vote

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

Voting Restriction pursuant to Section 250R(4) of the Corporations Act

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report;
- a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 if:

- the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related

Party of such a member

Undirected proxies

The Chairman is a member of the Key Management Personnel. The Company has not sought relief from the Australian Securities and Investments Commission for the Chairman to vote undirected proxies. However, the Company encourages Shareholders (who are not members of the Key Management Personnel) to specify in the accompanying proxy form where indicated that they appoint the Chairman to vote their proxies and direct how those proxies are to be voted.

3. Resolution 2: Re-election of Mr Adrian Day as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That Adrian Day, who retires by rotation in accordance with Rule 39.1 of the Company’s Constitution and Listing Rule 14.4, and being eligible offers himself for re-election, be re-elected as a Director.”

4. Resolution 3: Re-election of Mr Bin Cai as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That Bin Cai, who retires as a casual appointee in accordance with Rule 37.2 of the Company’s Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a Director.”

5. Resolution 4: Ratify issue of Shares to Australia Conglin International Investment Group Pty Ltd ACN 133 767 665

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

*“That in accordance with the provisions of ASX Listing Rule 7.4, and for all other purposes, the Shareholders of the Company ratify the previous issue of a total of 3,500,000 Shares for total consideration of \$350,000 (representing an issue price of \$0.10 per Share) to Australia Conglin International Investment Group Pty Ltd ACN 133 767 665 (**Conglin Placement Shares**) on 30 April and 1 May 2012”.*

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- Australia Conglin International Investment Group Pty Ltd ACN 133 767 665 (**Conglin**) ; and
- any associate of Conglin.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

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6. Resolution 5: Ratify issue of Shares to Jien Mining Pty Ltd ACN 110 986 797

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

*“That in accordance with the provisions of ASX Listing Rule 7.4, and for all other purposes, the Shareholders of the Company ratify the previous issue of 3,000,000 Shares for total consideration of \$300,000 (representing an issue price of \$0.10 per Share) to Jien Mining Pty Ltd ACN 110 986 797 (**Jien Placement Shares**) on 1 May 2012”.*

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- Jien Mining Pty Ltd ACN 110 986 797 (**Jien**); and
- any associate of Jien.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

7. Resolution 6: Ratify issue of Shares to Metallica Minerals Limited ACN 076 696 092

*“That in accordance with the provisions of ASX Listing Rule 7.4, and for all other purposes, the Shareholders of the Company ratify the previous issue of 1,000,000 Shares for total consideration of \$100,000 (representing an issue price of \$0.10 per Share) to Metallica Minerals Limited ACN 076 696 092 (**Metallica Placement Shares**) on 30 April 2012”.*

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- Metallica Minerals Limited ACN 076 696 092 (**Metallica**); and
- any associate of Metallica.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

8. Resolution 7: Issue of Shares to shareholders of Ultimate Resources Pty Ltd ACN 128 784 001

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

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*“That in accordance with the provisions of Listing Rule 7.1, and for all other purposes, the Shareholders approve the issue of a collective total of up to 15,956,421 Shares (**Ultimate Shareholder Consideration Shares**) to the Minority Shareholders and the Majority Shareholders of Ultimate Resources Pty Ltd ACN 128 784 001 (**Ultimate**) on the terms and conditions described in the Explanatory Memorandum attached to this Notice of Meeting.”*

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by:

- any Majority Shareholder or Minority Shareholder of Ultimate, and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed; and
- any associate of any Majority Shareholder or Minority Shareholder of Ultimate, or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

9. **Resolution 8: Issue of convertible notes and resultant Shares to Australia Conglin International Investment Group Pty Ltd ACN 133 767 665**

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That in accordance with the provisions of Listing Rule 7.1 and for all other purposes, the Shareholders approve the issue of 3,500,000 convertible notes in the Company (which upon conversion will result in the issue of 3,500,000 Shares, if all of the Convertible Notes are converted) to Conglin on the terms and conditions described in the Explanatory Memorandum attached to this Notice of Meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by:

- Conglin and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed; and
- any associate of Conglin or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

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General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the board

A handwritten signature in black ink, appearing to read "David Barwick", written over a faint circular stamp or watermark.

David Barwick
Director
22 May 2012

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to shareholders of **Orion Metals Limited** ACN 096 142 737 (**Company**) to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Queensland on Friday 22 June 2012 commencing at 11 am (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 10.

2. Consideration of the Company's Financial Report

The Company's Financial Report, for the financial year ended 29 February 2012, comprising :

- (a) the Directors' Report and Independent Audit Report;
- (b) Directors' Declaration;
- (c) Statement of Comprehensive Income;
- (d) Statement of Financial Position;
- (e) Statement of Changes in Equity;
- (f) Statement of Cash Flows; and
- (g) Notes to the Financial Statements,

was released to the ASX on 20 April 2012 .

The Company's Annual Report for the year ended 29 February 2012 is also available on the Company's website at www.orionmetals.com.au.

The Company's Financial Report is now placed before the shareholders for discussion.

No voting is required for this item.

3. Resolution 1: Remuneration Report

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executives of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive directors and senior executives of the Company.

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A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

A vote on this resolution is advisory only and does not bind the Directors of the Company.

4. Resolution 2: Re-election of Mr Adrian Day as a Director

Adrian Day retires in accordance with Article 39.1 of the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election as a Director.

Under Article 39.1 of the Constitution, one-third of Directors are required to retire at each annual general meeting (excluding directors appointed to fill casual vacancies), with Directors required to retire based upon length of tenure.

Mr Day was first appointed as a Board member of the Company on 8 March 2001.

Mr Day has been involved in the Company since its inception in 2001 and was a founding director when it listed on the ASX in January 2007. Mr Day is a geologist who graduated from the University of Queensland in 1967. He has over 40 years geological and exploration experience with public and private companies both in Australia and overseas. In the late 1960s he was engaged in uranium exploration in the Mt Isa region and was in the team that first drilled the Valhalla deposit to resource stage. During the early 1970s Mr Day was responsible for the definition of the Dianne copper ore body and involved in its eventual exploitation in 1980. He discovered the Oasis uranium prospect at the Lynd in the Einasleigh area in 1973. Since 1984 Mr Day has worked in gold exploration in the Georgetown region, assessing both the typical vein-hosted historical mines of the region and bulk tonnage opportunities.

From an operations perspective his experience included the supervision of the construction and commissioning of a 500,000 tonne per annum gold operation in Fiji, and as manager for 3 years of the 350,000 tonne per annum Cracow gold mine in Queensland. In that time he guided a small team of mine geologists in a total reassessment of the Cracow epithermal system which provided the database for the eventual joint venture with the present operators, Newcrest Ltd. Mr Day is also a member of the Australian Institute of Geoscientists.

The Directors (with Mr Day abstaining) recommend that you vote in favour of this Ordinary Resolution.

5. Resolution 3: Re-election of Bin Cai as a Director

Bin Cai retires in accordance with Article 37.2 of the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for election as a Non-Executive Director.

Under Article 37.2 of the Constitution, any director appointed by the Board to fill a casual vacancy retires at the next annual general meeting, and is then eligible for re-election.

Mr Cai was appointed as a Non-Executive Director on 1 May 2012. as the nominee of Conglin.

Mr Cai is the Managing Director of Mr Conglin Yue's Australia Conglin International Investment Group Pty Ltd ACN 133 767 665 based in Brisbane. Conglin and its associates is Orion's largest shareholder with a 19.8% interest. Mr Cai has an outstanding record of successful strategic investments in emerging Australian resources companies based on his long experience in resources investment. Prior to joining Conglin Mr. Cai had eight years experience with The China Investment Bank. Mr Cai is also a Director of Carpentaria Exploration Limited.

The Directors (with Mr Cai abstaining) recommend that you vote in favour of this Ordinary Resolution.

6. Resolution 4, 5, 6: Ratify issue of Shares to Conglin, Jien and Metallica

(a) Background

On 30 April and 1 May 2012, the Company made the following placements of Shares at an issue price of \$0.10 to raise funds to fund exploration and evaluation work conducted by the Company including the acquisition of new projects and for general working capital purposes:

Investor Name	Number of Shares	Total Amount Paid \$	
Conglin 30 April 2012 1 May 2012	3,000,000 500,000		(Conglin Placement Shares)
Total	3,500,000	350,000	
Jien 1 May 2012	3,000,000	300,000	(Jien Placement Shares)
Metallica 30 April 2012	1,000,000	100,000	(Metallica Placement Shares)
Totals	7,500,000	750,000	

(b) Listing Rule 7.4

Under Listing Rule 7.1, subject to a number of exceptions, a listed company is prohibited from issuing or agreeing to issue equity securities without shareholder approval if doing so would result in the number of equity securities issued by the Company without shareholder approval in the preceding 12 month period exceeding 15% of the number of Shares on issue at the beginning of the period (**15% Limit**).

However, under Listing Rule 7.4, an issue of equity securities made without prior shareholder approval under Listing Rule 7.1 is treated as having been made with shareholder approval for the purpose of Listing Rule 7.1 if the issue of those securities did not cause the Company to breach the 15% Limit and is subsequently approved by shareholders (**Ratified**).

The effect of a previous issue being Ratified is that it refreshes the company's ability to issue up to a further 15% of its capital during the next 12 months without the need to obtain further shareholder approval.

In accordance with ASX Listing Rule 7.4, Shareholder approval is sought to ratify the issue of the Conglin Placement Shares, Jien Placement Shares and Metallica Placement Shares.

Each of Conglin, Jien and Metallica is not a Related Party of the Company.

(c) Resolution 4: Ratification – Conglin Placement Shares

For the purposes of ASX Listing Rule 7.5, the Company advises:

- The maximum number of Shares issued was 3,500,000 Shares.
- The issue price of the Conglin Placement Shares was \$0.10 per Share.
- The Conglin Placement Shares were issued on the same terms and rank pari passu with all other existing Shares on issue.

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- The Conglin Placement Shares were issued to Conglin.
- The Conglin Placement Shares were issued for total consideration of \$350,000.
- The funds raised from the issue of the Conglin Placement Shares are being used to fund exploration and evaluation work conducted by the Company including the acquisition of new projects and for general working capital purposes.

(d) **Resolution 5: Ratification – Jien Placement Shares**

For the purposes of ASX Listing Rule 7.5, the Company advises:

- The maximum number of Shares issued was 3,000,000 Shares.
- The issue price of the Jien Placement Shares was \$0.10 per Share.
- The Jien Placement Shares were issued on the same terms and rank pari passu with all other existing Shares on issue.
- The Jien Placement Shares were issued to Jien Mining Pty Ltd ACN 110 986 797.
- The Jien Placement Shares were issued for total consideration of \$300,000.
- The funds raised from the issue of the Jien Placement Shares are being used to fund exploration and evaluation work conducted by the Company including the acquisition of new projects and for general working capital purposes.

(e) **Resolution 6: Ratification – Metallica Placement Shares**

For the purposes of ASX Listing Rule 7.5, the Company advises:

- The maximum number of Shares issued was 1,000,000 Shares.
- The issue price of the Metallica Placement Shares was \$0.10 per Share.
- The Metallica Placement Shares were issued on the same terms and rank pari passu with all other existing Shares on issue.
- The Metallica Placement Shares were issued to Metallica Minerals Limited ACN 076 696 092.
- The Metallica Placement Shares were issued for total consideration of \$100,000.
- The funds raised from the issue of the Metallica Placement Shares are being used to fund exploration and evaluation work conducted by the Company including the acquisition of new projects and for general working capital purposes.

7. Resolution 7: Issue of Shares to shareholders of Ultimate Resources Pty Ltd ACN 128 784 001

(a) **Background**

The Company is seeking to acquire all of the shares in Ultimate Resources Pty Ltd ACN 128 784 001 (**Ultimate**) that it does not currently own (**Ultimate Shares**). The Ultimate Shares are currently owned by the three Majority Shareholders and further Minority Shareholders.

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On 26 April 2012, the Company announced that it had reached an agreement to acquire the shares in Ultimate held by the Majority Shareholders and that it is extending the offer to the remaining Minority Shareholders on the same terms and conditions as for the Majority Shareholders (collectively referred to as the **Offer**).

Under the Offer the Company will issue 3 Shares for each Ultimate share sold by the Majority Shareholders and Minority Shareholders.

There is a total of 5,318,807 Ultimate shares which the Company does not currently hold and therefore the Offer will result in the issue of up to 15,956,421 Shares by the Company (**Ultimate Shareholders' Consideration Shares**).

The Offer is subject to the Minority Shareholders accepting the Offer and Shareholders approving the issue of the Ultimate Shareholders' Consideration Shares.

(b) Listing Rule 7.1

Under Listing Rule 7.1, subject to a number of exceptions, a listed company is prohibited from issuing or agreeing to issue equity securities without shareholder approval if doing so would result in the number of equity securities issued by the Company without shareholder approval in the preceding 12 month period exceeding 15% of the number of Shares on issue at the beginning of the period (**15% Limit**).

In accordance with Listing Rule 7.1 the Company is now seeking the approval of Shareholders for the issue of the Ultimate Shareholders' Consideration Shares.

It is noted that Conglin is not a Related Party of the Company.

The effect of the Shareholders approving the issue of the Ultimate Shareholders' Consideration Shares will be that the issue will not be counted as part of the Company's 15% Limit, and the Company will therefore retain a greater proportion of the 15% Limit for any subsequent requirements that may arise.

For the purposes of ASX Listing Rule 7.3, the Company advises:

- The number of Ultimate Shareholders' Consideration Shares that will be issued under this Resolution 7 is 15,956,421;
- The Ultimate Shareholders' Consideration Shares are intended to be issued and allotted upon the Company receiving Shareholders' approval of this Resolution at this Meeting, but in any event, within three (3) months of the date of the Meeting.
- The issue price of the Ultimate Shareholders' Consideration Shares will be \$0.10. per Share.
- The Ultimate Shareholders' Consideration Shares are issued in consideration of the sale by the Ultimate Majority and Minority Shareholders of the 5,318,807 shares they hold in Ultimate Resources Pty Ltd ACN 128 784 001 (**Ultimate Sale Shares**).
- The Ultimate Shareholders' Consideration Shares will be issued and allotted to the Ultimate Majority Shareholders and Ultimate Minority Shareholders as follows:

Shareholder	Ultimate Shareholders' Consideration Shares
Majority Shareholders:	
Min Young Kang	3,563,856
Austex Mining Pty Ltd ACN 010 801 911	4,463,859
Anne Elizabeth Sennitt	4,163,856
Total	12,191,571
Minority Shareholders:	
	3,764,850
TOTAL	15,956,421

It is noted that each of the Majority Shareholders and the Minority Shareholders are not a related party of the Company.

- The Ultimate Shareholders' Consideration Shares will be issued on the same terms and have the same rights and entitlements and rank *pari passu* as all other fully paid ordinary shares in the issued capital of the Company.
- As Ultimate Shareholders' Consideration Shares will be issued as consideration for the Ultimate Sale Shares, no funds will be raised by the issue of the Ultimate Shareholders' Consideration Shares.

(c) **Recommendation**

The Directors recommend that you vote in favour of this ordinary resolution.

8. Resolution 8: Issue of convertible notes and resultant Shares to Australia Conglin International Investment Group Pty Ltd ACN 133 767 665

(a) **Background**

On 1 May 2012, the Company announced that major investor Conglin has provided it with a convertible loan facility (**Facility**).

Under the Facility, Conglin provided (on 1 May 2012) the Company with an interest free loan of \$350,000 (**Loan**) which may be repaid by the issue of 3,500,000 convertible notes in the Company (**Convertible Notes**) (i.e. 1 convertible note issue for \$0.10 of the Loan) or by payment of the Loan, at the election of the Company (**Repayment**).

If Repayment is made by issue of the Convertible Notes, the Convertible Notes may be converted into Shares, (on the basis of 1 Share for each Convertible Note) at the election of Conglin at any time before the Maturity Date. A summary of the terms of the Convertible Notes are contained in Annexure A to this Explanatory Memorandum.

Under the Facility, ability of the Company to effect Repayment by issue of the Convertible Notes (rather than the payment of the Loan) is subject to and will occur following Shareholder approval of the issue of the Convertible Notes at this Meeting.

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(b) Listing Rule 7.1

Under Listing Rule 7.1, subject to a number of exceptions, a listed company is prohibited from issuing or agreeing to issue equity securities without shareholder approval if doing so would result in the number of equity securities issued by the Company without shareholder approval in the preceding 12 month period exceeding 15% of the number of Shares on issue at the beginning of the period (**15% Limit**).

Convertible notes fall within the definition of 'equity securities' and therefore are included for the purposes of the 15% Limit.

In accordance with Listing Rule 7.1 the Company is now seeking the approval of Shareholders for the issue of the Convertible Notes.

It is noted that Conglin is not a Related Party of the Company.

The effect of the Shareholders approving the issue of the Convertible Notes will be that the issue of the Convertible Notes will not be counted as part of the Company's 15% Limit, and the Company will therefore retain a greater proportion of the 15% Limit for any subsequent requirements that may arise.

Further it is noted that under Listing rule 7.2 (Exception 4), the Company will not be required to obtain shareholder approval for the purpose of Listing Rule 7.1 for the issue of the resultant Shares upon conversion of the Convertible Notes, if Shareholders have already approved the issue of the Convertible Notes.

For the purposes of ASX Listing Rule 7.3, the Company advises:

- The maximum number of securities (Convertible Notes) that will be issued under this Resolution is 3,500,000;
- The Convertible Notes are intended be issued and allotted upon the Company receiving Shareholders' approval of this Resolution at this Meeting, but in any event, within three (3) months of the date of the Meeting;
- The issue price of the Ultimate Shareholders' Consideration Shares is \$0.10 for each Convertible Note;
- The Convertible Notes are being issued and allotted to Conglin as repayment of the Loan;
- Each Convertible Note may be converted into one Share, at any time on or before the Maturity Date. The resultant Shares will be issued on the same terms and have the same rights and entitlements and rank pari passu as all other issued Shares.
- The Loan will be applied to exploration and evaluation work including the acquisition of the Company's new South Korean projects (refer to the Company's ASX Announcement on 26 April 2012) and for general working capital purposes.

(c) Recommendation

The Directors recommend that you vote in favour of this ordinary resolution.

9. Voting Entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (Sydney time) Wednesday 20 June 2012. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

10. Interpretation

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

ASIC means the Australian Securities & Investments Commission;

ASX means the ASX Limited ACN 008 629 691;

Business Day means a day on which all banks are open for business generally in Brisbane;

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this paragraph.

Company means Orion Metals Limited ABN 89 096 142 737(ASX: ORM);

Conglin means Australia Conglin International Investment Group Pty Ltd ACN 133 767 665;

Conglin Placement Shares means 3,500,000 Shares for total consideration of \$350,000 (representing an issue price of \$0.10 per Share) to Conglin.

Constitution means the constitution of the Company from time to time;

Conversion Shares has the meaning given to that term in item (f)(1) of Annexure A;

Convertible Loan Deed means the Convertible Loan Deed entered into between the Company and Conglin on or about 1 May 2012 in respect of the Facility;

Convertible Notes has the meaning given to that term in 8(a) of the Explanatory Memorandum;

Corporations Act means the *Corporations Act 2001* (Cth);

Directors means the board of directors of the Company as at the date of the Notice of Meeting being David Barwick, Andrew Gillies, Adrian Day, Tao Li and Bin Cai;

Explanatory Memorandum means the explanatory statement accompanying this Notice;

Insolvency Event means:

- (a) in the case of a natural person, if that person commits any act of bankruptcy or calls or threatens to call any meeting with a view to entering into a composition or arrangement with his creditors; and
- (b) in the case of a company if:

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- (1) an application is made or an effective resolution is passed for the winding up or dissolution of the company;
- (2) a receiver, receiver and manager, liquidator, provisional liquidator or official manager is appointed or proposed to be appointed to the company;
- (3) the company reduces or attempts to reduce its issued capital;
- (4) the company convenes a meeting of its creditors or proposes or enters into any scheme of arrangement or composition for the benefit of its creditors;
- (5) the company will be unable to pay its debts as they will fall due for payment or if any act or event mentioned in Section 461 of the Corporations Act will occur in relation to the company.

Issue Date means the date of the Meeting or within one (1) month thereafter;

Jien means Jien Mining Pty Ltd ACN 110 986 797.

Jien Placement Shares means 3,000,000 Shares for total consideration of \$300,000 (representing an issue price of \$0.10 per Share) to Jien Mining Pty Ltd.

Key Management Personnel has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity;

Listing Rules means the official listing rules of the ASX as amended from time to time;

Loan means the amount of \$350,000 provided by Conglin to the Company;

Meeting means the General Meeting to be held on Friday 22 June 2012 as convened by the accompanying Notice of Meeting;

Metallica means Metallica Minerals Limited ACN 076 696 092.

Metallica Placement Shares means 1,000,000 Shares for total consideration of \$100,000 (representing an issue price of \$0.10 per Share) to Metallica Minerals Limited.

Majority Shareholders means:

- (a) Min Young Kang;
- (b) Austex Mining Pty Ltd ACN 010 801 911;
- (c) Anne Elizabeth Sennitt.

Maturity Date means the date being the earlier of:

- (a) six months from the date of issue of the Note; or
- (b) the date of completion of the acquisition by the Company of a majority interest in Ultimate Resources Pty Ltd ACN 128 784 001;

Minority Shareholders means all holders of fully paid ordinary shares in Ultimate Resources Pty Ltd ACN 128 784 001 other than the Majority Shareholders and the Company.

Minority Shareholder Offer means an offer made by the Company to acquire the fully paid ordinary shares in Ultimate Resources Pty Ltd ACN 128 784 001 from each Shareholder of Ultimate Resources Pty Ltd other than the Majority Shareholders and the Company.

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Note Certificate has the meaning given to that term in item (b) of Annexure A;

Notes means the Convertible Notes;

Notice of Conversion means a notice in the form appearing on the Note Certificate or in such other form as the Company will from time to time approve, which specifies the Conversion Amount and the corresponding number of Company shares to be issued on conversion;

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum;

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of shareholders;

Related Party has the meaning given to that term in the Listing Rules and section 228 of the Corporations Act, as applicable.

Resolutions means the resolutions set out in the Notice of Meeting;

Shares means fully paid ordinary shares in the capital of the Company;

Shareholder means a shareholder of the Company;

Shareholder Approval means approval of the Company's shareholders to the issue of the Notes under Listing Rule 7.1;

Ultimate means Ultimate Resources Pty Ltd ACN 128 784 001.

Ultimate Shareholder Consideration Shares has the meaning given to that term in Resolution 7 in the Notice of Meeting.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Bill Lyne (Company Secretary):

Office: 71 Lytton Road, East Brisbane, Queensland 4169

Phone: +61 (0)7 3249 3060 or mobile +61 (0)4 1887 4175

Explanatory Memorandum

Annexure A

Summary of Convertible Note Terms

The following terms and conditions will attach to the Convertible Notes (**Notes**):

- (a) The Notes are to be issued by the Company to Conglin on the Business Day immediately following receipt of the Shareholder Approval;
- (b) The Notes will be evidenced by a certificate in a form approved by the Company which will be issued and re-issued by the Company on issue of the Notes and thereafter from time to time, setting out the following details as at the date of issue:
 - (1) The amount of the Loan or any unpaid component of the Loan;
 - (2) The number of Company Shares issued as a result of any conversions in part of the Notes pursuant to clause (e) below;
 - (3) The maximum number of Company Shares that Conglin is entitled to receive upon conversion of the Notes pursuant to clause (e) below,
(Notes Certificate).
- (c) The Company will reissue the Notes Certificate pursuant to clause (f) below;
- (d) The Notes will, at Conglin's option be convertible in whole or part from time to time on or before the Maturity Date upon production and surrender of the Notes Certificate, into Company Shares in accordance with clause (e) below.
- (e) Conglin may elect from time to time to convert any or all of the Notes into Company Shares by:
 - (1) issuing a Notice of Conversion to the Company; and
 - (2) surrendering the current Notes Certificate.
- (f) Within five (5) Business Days of receipt of the Notice of Conversion pursuant to clause (e) above, the Company will issue to Conglin:
 - (1) such number of Company Shares at an issue price of 10 cents (\$0.10) (**Conversion Shares**) determined in accordance with the following formula:
$$N = CA/0.10$$

Where:


N is the number of Company Shares to be issued; and


CA is the Conversion Amount; and
 - (2) a replacement Notes Certificate.
- (g) On the Maturity Date, Conglin will be deemed to have issued a Notice of Conversion for the amount of the Loan or any unpaid component of the Loan.
- (h) The Company will not apply to the ASX for official for quotation of the Notes;

Explanatory Memorandum

- (i) Each Conversion Share will rank, as from the Conversion Date, in all respects pari passu with the then existing Company Shares and the Company will apply to the ASX for official quotation of the Conversion Shares.
- (j) Except as required by the Corporations Act, the Notes will not carry a right to vote at meetings of the Company prior to any conversion of the Notes into Company Shares.
- (k) The Notes will not carry any entitlement to participate in future issues of securities by the Company prior to any conversion of the Notes into Company Shares.
- (l) The Notes will not carry any entitlement to participate in any dividends paid by the Company prior to any conversion of the Notes into Company Shares.
- (m) If the Company reorganises its share capital in any way (including without limitation consolidation, subdivision, bonus issue, reduction or return) (**Reorganisation Event**) while the Notes are on issue, the number of Company Shares issued on conversion after the Reorganisation Event will, subject to and in accordance with the Listing Rules, be:
 - (1) adjusted so that the entitlement of the Company Shares issued upon conversion of the Notes to participate in profits and assets of the Company will be the same as the entitlement of the Company Shares into which the Notes would have been converted had there been no Reorganisation Event; and
 - (2) otherwise reorganised in accordance with the Listing Rules so that the Notes holder will not receive a benefit that the holders of Company Shares do not receive and vice versa.
- (n) For the avoidance of doubt, upon conversion, in whole or part of the Notes into Company Shares in accordance with item (f), each Conversion Amount will be deemed to be repaid on issue of the respective Company Shares and accordingly will no longer form part of the Loan.
- (o) The Loan will be repayable to Conglin in cash, at the option of Conglin, in the event of one of the following immediate repayment events:
 - (1) If the Company breaches a provision of the Convertible Loan Deed;
 - (2) If the Company breaches any provisions of any other agreement between the Company and Conglin;
 - (3) If the Company suffers an Insolvency Event;
 - (4) If the Company alters its Constitution without the prior written consent of Conglin;
 - (5) If, in the opinion of Conglin, there has been a substantial change in shareholding of the Company so as to result in an effective change in the control of the Company; and
 - (6) If the Company ceases to be listed on the ASX or has its securities suspended from trading on the ASX for more than (10) consecutive Business Days.
- (p) The Convertible Note Deed does not contemplate any assignment or transfer of the Convertible Notes or the rights attaching to the Convertible Notes.

 **By mail:**
Orion Metals Limited
GPO Box 122
Brisbane QLD 4001
Australia

 **By fax:** (07) 3249 3061

 **All enquiries to: Telephone:** 1300 554 474 **Overseas:** +61 2 8280 7454



X99999999999

SHAREHOLDER VOTING FORM

I/We being a member(s) of Orion Metals Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting¹ (mark box) **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **11:00am on Friday, 22 June 2012, at Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Queensland** and at any adjournment or postponement of the meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.



¹ If you appoint a proxy, we encourage you to direct your proxy how to vote on each item of business.

The Chairman of the Meeting, Directors and other Key Management Personnel of the Company and their closely related parties (see the Notice of Meeting and overleaf) will not cast any votes in respect of Resolution 1 (Remuneration Report) that arise from any undirected proxy that they hold.

Other than in relation to Resolution 1 (Remuneration Report), the Chairman of the Meeting intends to vote undirected proxies in favour of each resolution. If the Chairman of the Meeting is appointed as your proxy (or becomes your proxy by default), you authorise the Chairman to exercise your proxy even if he has an interest in the outcome of the resolutions and that any votes cast by the Chairman of the Meeting for those resolutions, other than as proxy holder will be disregarded because of that interest. If you do not wish to authorise the Chairman to vote your proxy in this way, you should direct your proxy in accordance with the instructions in this proxy form.


Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

	For	Against	Abstain ²		For	Against	Abstain ²
Resolution 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5 Ratify issue of Shares to Jien Mining Pty Ltd ACN 110 986 797	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Adrian Day as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6 Ratify issue of Shares to Metallica Minerals Limited ACN 076 696 092	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr Bin Cai as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7 Issue of Shares to shareholders of Ultimate Resources Pty Ltd ACN 128 784 001	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratify issue of Shares to Australia Conglin International Investment Group Pty Ltd ACN 133 767 665	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8 Issue of convertible notes and resultant Shares to Australia Conglin International Investment Group Pty Ltd ACN 133 767 665	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 ² If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

ORM PRX210



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

If the Chairman of the meeting or another of the Key Management Personnel of the company or their closely related parties is your proxy, that person will not vote your shares on Resolution 1 (Remuneration Report) if you have not directed them how to vote on that item.

Key Management Personnel of the company are the Directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The Remuneration Report identifies the company's Key Management Personnel for the financial year to 29 February 2012. Their closely related parties are defined in the *Corporations Act 2001* (Cth), and include certain of their family members, dependants and companies they control.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.


Corporate Representatives


If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.


Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Wednesday, 20 June 2012**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **by mail:**
Orion Metals Limited
GPO Box 122
Brisbane QLD 4001
Australia

 **by fax:**
(07) 3249 3061

 **by hand:**
delivering it to Orion Metals Limited, 71 Lytton Road, East Brisbane QLD 4169.

If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.