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15 June 2012

ASX Release

ORION METAS LIMITED (ASX: ORM) - TARGET'S STATEMENT

In accordance item 14 of Section 633 of the *Corporations Act 2001 (Cwlth)*, ORM attaches a copy of the Target's Statement prepared in response to the Bidder's Statement announced and lodged with the Company by Australia Conglin International Investment Group Pty Ltd on 8 June 2012.

A copy of this Target's Statement has today been lodged with ASIC, forwarded to Australia Conglin International Investment Group Pty Ltd and posted to all ORM shareholders.

In the Target's Statement the Directors of ORM recommend that in the absence of a Superior Offer, shareholders accept Australia Conglin International Investment Group Pty Ltd's Offer to purchase all of the shares in ORM.

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

David K Barwick
Chairman
Telephone : + 61 7 3249 3000



Target's Statement

Orion Metals Limited ACN 096 142 737

In response to the takeover offer by Australia Conglin International Investment Group Pty Ltd dated 31 May 2012.

The Directors of Orion Metals Limited recommend that you ACCEPT the Conglin Group Offer, in the absence of a Superior Offer.

This document contains important information and requires your immediate attention.

If you are in doubt about how to deal with this document, you should consult your legal, financial or other professional adviser immediately.

Target's Statement

Important Notices

This Target's Statement is dated 15 June 2012 and is given under Part 6.5 of the *Corporations Act* by Orion Metals Limited ACN 096 142 737 (**Orion**) in response to the Bidder's Statement and Offer dated 31 May 2012.

You should read the Target's Statement in its entirety.

Australian Securities and Investments Commission

A copy of this Target's Statement was lodged with the Australian Securities and Investments Commission on 15 June 2012. Neither ASIC nor any of its officers takes any responsibility for the content of this Bidder's Statement.

Investment Decision

This Target's Statement does not take into account the individual investment objectives, financial situation and particular needs of each Orion shareholder. You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer for your Orion Shares.

Defined Terms

Terms used in this Target's Statement are defined in Section 7 below.

Information line and website

If you have any questions in relation to the Offer or this document, please call 1300 306 413 (for callers within Australia) or +61 2 8280 7154 (for callers outside Australia).

For further information relating to the Offer can also be obtained from Orion's website on www.orionmetals.com.au.

Key Dates

Bidders Statement lodged with ASIC	31 May 2012
Bidder's Offer Opening Date	8 June 2012
Date Target's Statement lodged with ASIC	15 June 2012
Bidder's Offer Closing Date (unless extended or withdrawn)	9 July 2012

Forward Looking Statements

This Target's Statement contains forward looking statements. Such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Orion is involved as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of Orion, any of its officers, or any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood in any forward looking statement, and you should not place undue reliance on these statements.

Forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

1. Introduction

1.1 Information on Orion

Orion is a company listed on ASX and carrying on the business of mining exploration focussed on gold and rare earth mineralisation in Australia and South Korea.

1.2 The Offer

Conglin Group is offering to acquire all of your Orion Shares. The consideration under the Offer is \$0.16 per Orion Share.

The Offer is subject to a number of Defeating Conditions. Those Defeating Conditions are set out in full in section 7.9 of the Bidder's Statement.

1.3 Assessment of the Offer

Before making a decision whether to accept or reject Conglin Group's Offer for your Orion Shares, you should read this Target's Statement carefully and seek independent financial and taxation advice.

1.4 Director's Recommendations

The Orion Director's recommendation is to ACCEPT the Offer in the absence of a Superior Offer. Further details are set out in Section 2.

1.5 Accepting the Offer

If you wish to accept the Offer you must follow the instructions set out in the Section of the Bidder's Statement headed "How to Accept the Offer" and also in Section 7.3 of the Bidder's Statement.

In summary:

- (a) if your Orion Shares are held in an Issuer Sponsored Holding – sign the Issuer Acceptance Form which you will receive with your Bidder's Statement and return that form to the share registry, Link Market Services Limited, in accordance with the instructions on that form; or
- (b) if your Orion Shares are held in a CHESS Holding – you can either:
 - (1) sign the CHESS Acceptance Form which is provided to you with the Bidder's Statement and return it to the address specified on that form; or
 - (2) contact your broker or other non-broker controlling participant under the ASX Settlement Operating Rules and have them accept the Offer on your behalf in accordance with those ASX Settlement Operating Rules.

Refer to Section 7.3 of the Bidder's Statement for an explanation or clarification of any of these requirements for acceptance of the Offer.

Acceptances must be received by 7.00pm (Sydney time) on 9 July 2012 unless the Offer is extended.

If you accept the Offer, you are prevented from selling your Orion Shares unless you withdraw your acceptance where you have a right to do so. The right to withdraw an acceptance of the Offer is limited - refer to Section 1.8 of this Target's Statement and Sections 7.5 and 7.6 of the Bidder's Statement for full details of the consequences of accepting the Offer.

1.6 **Accept the Offer for only part of your Orion Shares**

You can accept the Offer for all or part of your Orion Shares. If you want to accept the Offer for only a portion of your Orion Shares, you must nominate in your acceptance form the number of Orion Shares for which the Offer is accepted.

Refer to Questions 6, 7 and 8 under the Section of the Bidder's Statement headed "Key Questions" and also to Section 7.3(a) of the Bidder's Statement in relation to acceptance of the Offer for only a part of your Orion Shares.

If you initially accept the Offer for only part of your Orion Shares, you can still accept the Offer for your remaining Orion Shares whilst the Offer remains open for acceptance during the Offer Period.

1.7 **Effect of Accepting the Offer**

Subject to the conditions of the Offer being satisfied or the Offer being declared free from conditions, if you accept the Offer you will receive \$0.16 cash in respect of each Orion Share for which you accept the Offer.

Subject to any statutory withdrawal rights that may apply, once you accept the Offer for your Orion Shares (even while it is subject to conditions), you will:

- (a) give up your right to sell your Orion Shares to anyone else, including selling them on ASX or accepting any Superior Offer that may emerge;
- (b) give up your right to otherwise deal with your Orion Shares;
- (c) appoint, from the date that the Offer becomes unconditional, Conglin Group as your attorney to attend and vote at a general meeting of Orion; and
- (d) irrevocably authorise and direct Orion to pay or account to Conglin Group for all accretions or rights attaching to the Orion Shares.

However, you will be entitled to receive any increase that Conglin Group makes to the Offer consideration after your acceptance.

If you accept the Offer for only part of your Orion Shares, the above restrictions will apply only to that portion of your Orion Shares covered by the acceptance.

Complete details of the effect of acceptance of the Offer are set out in Sections 7.5 and 7.6 of the Bidder's Statement. You should read those sections in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Orion Shares, and representations and warranties that you give should you choose to accept the Offer. The rights you will give up will include your voting rights (from the date that the Offer becomes unconditional) and entitlements to receive any dividends (from the date of your acceptance of the Offer).

1.8 **Withdrawal from the Offer**

You will only have statutory rights to withdraw your acceptance if:

- (a) the Offer is varied in such a way as to postpone for more than one month, the time by which Conglin Group has to meet its obligations under the Offer; and
- (b) the Defeating Conditions have not been satisfied or waived by Conglin Group before the end of the Offer Period.

In such circumstances, you will be sent a notice at the relevant time explaining your rights to withdraw your acceptance of the Offer.

Except in these limited circumstances, if you accept the Offer, you will give up your rights to sell your Orion Shares or to accept any Competing Offer, if such an offer were made, during the Offer Period.

1.9 Rejecting the Offer

If you do not wish to accept the Offer you need not take any action.

1.10 Selling your Orion Shares on the ASX

Provided that you have not accepted the Offer you can sell your Orion Shares on the market at the then prevailing market price of Orion Shares. If you have accepted the Offer for only part of your Orion Shares then you can sell those Orion Shares that are not included in the acceptance of the Offer. If you wish to sell any of your Orion Shares on-market, you should contact your broker.

1.11 Enquiries

If you have any queries in relation to the Offer, you should contact your financial, legal or other professional adviser.

Orion has set up a shareholder information line. If you have any questions in relation to the Offer, you can call the shareholder information line on 1300 306 413 (for callers within Australia) or +61 2 8280 7154 (for callers outside Australia) which is available Monday to Friday between 9:00am to 5.00pm (Sydney time).

2. Recommendation of the Directors of Orion

2.1 The Directors

The following are directors of Orion as at the date of this Target's Statement:

Mr David Barwick
Mr Andrew Gillies
Mr Adrian Day
Dr Tao Li.

2.2 Directors' Recommendation

Each of the directors of Orion desire to make and considers themselves justified in making a recommendation in relation to the Offers.

After taking into account each of the matters in this Target's Statement and in the Bidder's Statement, each of your Directors recommend that you ACCEPT the Offer.

In considering whether to accept the Offer, your Directors encourage you to:

- (a) read the whole of this Target's Statement and the Bidder's Statement;
- (b) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- (c) consider the reasons for the Directors' recommendations noted in this Target's Statement; and

obtain financial advice from your broker or financial adviser upon the Offer and obtain taxation advice on the effect of accepting the Offer.

2.3 Reasons why shareholders should accept the Offer

The Directors unanimously recommend that you ACCEPT the Offer on the basis that:

- (a) The Offer represents a premium to Orion's recent share price;
- (b) At the date of this Target's Statement, no Superior Offer has emerged;
- (c) If the Offer does not proceed, Orion's share price may fall in the short term;
- (d) If the Offer is completed no brokerage will be payable for the disposal of your Orion Shares.

The Offer represents a premium to Orion's recent share price;

The Offer is at an attractive premium to Orion's recent share price, representing:

- (a) 122.2% to the closing price of Orion Shares of \$0.072 on 30 May 2012, being the last trading day prior to the announcement of the Offer;
- (b) 60.0% to the most recent placement of Orion Shares, issued at \$0.100 per Orion Share on 1 May 2012;
- (c) 83.7% to the one month VWAP of Orion Shares of \$0.087 up to and including 30 May 2012;

- (d) 80.6% to the three month VWAP of Orion Shares of \$0.089 up to and including 30 May 2012; and
- (e) 90.1% to the six month VWAP of Orion Shares of \$0.084 up to and including 30 May 2012.

At the date of this Target's Statement, no Superior Offer has emerged;

The Directors consider that Orion's exploration, development and mining assets are attractive and might be of appeal to other bidders. Despite this, no Superior Offer has eventuated as at the date of this Target's Statement and your Recommending Directors have no knowledge of any other proposal from any other company to make a Superior Offer.

If the Offer does not proceed, Orion's share price may fall in the short term;

If the Bidder does not get sufficient acceptances to reach its 50% minimum acceptance condition, in the absence of any other offer, the ASX quoted share price may fall below the Price.

If the Offer completes no brokerage will be payable for your Orion Shares.

On the acquisition of your Orion Shares by Conglin Group, you will not be liable to pay any brokerage. If you choose to dispose of your Orion Shares on the ASX, you will be liable to pay brokerage.

The Bidder has also provided reasons for acceptance of the Offer under the section of the Bidder's Statement headed "Reasons Why You Should Accept Conglin's Offer".

2.4 Intentions of Orion Directors

Each director of Orion, by whom or on whose behalf Orion Shares are held, intends to accept the Offer for at least a substantial proportion of those Orion Shares held by each of them, in the absence of a Superior Offer.

The table in Section 3.3 highlights that the Directors cumulatively own or control 7.3% of the issued capital of Orion (that is, assuming the options held in Orion by those Directors are exercised).

3. Information on Shares and Options

3.1 Issued Capital

As at the date of this Target's Statement, Orion's issued capital consisted of:

- 87,097,443 ordinary fully paid shares; and
- 2,500,000 Options to subscribe for ordinary fully paid shares as follows:

Name	Number of Options	Exercisable At	Expiry
Chivas Group Pty Ltd	500,000	\$0.12	29 July 2013
Australian Asiatic Gems Pty Ltd	500,000	\$0.12	29 July 2013
Golden Breed Pty Ltd	500,000	\$0.12	29 July 2013
Sophjak Pty Ltd	500,000	\$0.12	29 July 2013
Tao Li	500,000	\$0.20	1 July 2014

3.2 Securities to be issued

As at the date of this Target's Statement, the following securities in Orion are to be issued:

- 15,956,421 ordinary fully paid shares to be issued to the sellers of shares in Ultimate Resources Pty Ltd as consideration for the acquisition of that company as announced to ASX on 26 April 2012 (**Acquisition**). The issue of these shares (and accordingly completion of the Acquisition) is subject to shareholder approval for the issue of these shares at the annual general meeting of Orion on 22 June 2012 and the shares will be issued to those parties upon completion of the Acquisition; and
- Orion has entered into a convertible loan agreement with Conglin Group dated 19 April 2012 under which Conglin Group has provided a loan of \$350,000 to Orion. Subject to shareholder approval at the annual general meeting of Orion on 22 June 2012, this loan can be repaid, at the election of Orion, by the issue of 3,500,000 convertible notes to Conglin Group, capable of conversion into 3,500,000 ordinary fully paid shares.

3.3 Marketable Securities of Orion held by or on behalf of the Directors of Orion

The number, description and amount of marketable securities of Orion held by or on behalf of each director of Orion (including marketable securities held by or on behalf of a corporation controlled by that director) are as follows:

Name	Description of Marketable Securities	Number of Orion Shares
Mr David Barwick	Ordinary shares and options	2,500,000 ordinary shares and 500,000 options

Mr Andrew Gillies	Ordinary shares and options	1,325,000 ordinary shares and 500,000 options
Mr Adrian Day	Ordinary shares and options	699,250 ordinary shares and 500,000 options
Dr Tao Li	Options	500,000 options

3.4 Dealings in Shares in Orion by its associates

There have been no acquisitions or disposals of Orion Shares by any person associated with Orion in the period of four (4) months ending on the date immediately before the date of this Target's Statement.

4. Conditions of the Offer

4.1 Conditions of Offer

The Offer is subject to a number of Defeating Conditions, contained in Section 7.9 of the Bidder's Statement. A summary of these conditions follow:

In order for Conglin Group to complete the proposal contemplated in the Bidder's Statement:

- (a) Conglin Group must have obtained a relevant interest in more than 50% (by number) of Orion's Shares;
- (b) Orion must not have any prescribed occurrences occur during the Offer Period;
- (c) Orion must not enter into a scheme of arrangement;
- (d) no action must be taken against Orion by a public authority;
- (e) the S&P ASX200 must not decline by 15% or more and remain at the level for 3 or more consecutive trading days;
- (f) Orion must not pay or provide any benefits to any person, or forego or reduce any such payment or any payment to which Orion is entitled to receive in connection with a person making, agreeing to participate in or entering into negotiations concerning a takeover of Orion or to otherwise acquire an interest in shares or assets of Orion (subject to some exclusions);
- (g) no rights to acquire assets or to terminate material agreements are triggered by the completion of the Offer;
- (h) Orion must continue to conduct its business in the normal manner and without engaging in conduct prohibited under the Offer; and
- (i) there is no force majeure event.

4.2 Effect of triggering defeating conditions

It may be the case that one or more of the Defeating Conditions to the Offer will be triggered during the Offer Period. In those circumstances, the Bidder may be entitled to rely on the triggering of the relevant conditions and not proceed with the Offer. The Bidder has certain rights in respect of the Defeating Conditions as described in Sections 7.10 to 7.14 of the Bidder's Statement.

4.3 Minority Ownership Consequences

As at 1 June 2012, Conglin Group has (based on a substantial holding notice filed with the ASX) a Relevant Interest in 17,229,628 Orion Shares which equates to 19.8% of voting power in Orion.

The Offer is subject to the Bidder obtained a relevant interest in more than 50% (by number) of Orion's Shares.

Sections 3.1 to 3.3 and Section 3.8 of the Bidder's Statement set out Conglin Group's intentions upon it becoming entitled to more than 50% of the Orion Shares. Sections 3.4 and 3.5 of the Bidder's Statement also set out Conglin Group's intentions depending upon whether they acquire more than or less than 90% of the Orion Shares. The current intention is that, even if Conglin Group acquires 90% or more of Orion Shares, it does not intend to proceed to compulsorily acquire the remaining Orion Shares.

Once Conglin Group has acquired more than 50% of the Orion Shares and satisfied its minimum acceptance condition, those Orion Shareholders who do not accept the Offer will become minority shareholders in Orion. This has a number of possible implications including:

- (a) Conglin Group will be in a position to cast the majority of votes at a general meeting of Orion. This will enable Conglin Group to control the composition of the Orion Board and senior management, determine Orion's dividend policy and control the strategic direction of the businesses of Orion. As set out in Section 3.4(b) of the Bidder's Statement, some or all of the current Directors of Orion may be replaced or supplemented by nominees appointed by Conglin Group and Conglin Group has not yet made a decision on the proposed composition of the Board;
- (b) the Orion Share price could fall immediately following the end of the Offer Period. Such an outcome is consistent with the proposition that (in the absence of the Offer or takeover offer being outstanding), the price for a Orion Share on the ASX reflects the value of that share on a portfolio basis while the price payable under a takeover should be higher to reflect the value of the Orion Share on a 100% controlling interest basis;
- (c) it is likely that the liquidity of Orion shares would be significantly lower than at present, with the result that it will be more difficult to buy and sell Orion Shares on the ASX;
- (d) if there is not a sufficient spread of remaining Orion shareholders to satisfy the requirements of the ASX, Orion may be removed from listing by the ASX. Under Sections 3.4(c) and 3.5(a) of the Bidder's Statement, Conglin Group has expressed its intention to endeavour to retain listing of Orion on the ASX if the benefits of the listing outweigh the additional corporate and compliance costs of doing so;
- (e) if Conglin Group acquires 75% or more of the Orion Shares, it will be able to pass special resolutions of Orion. This will enable Conglin Group to, among other things, change Orion's Constitution; and
- (f) Orion's financial arrangements will need to be considered, together with the examination of any risks associated with having financial arrangements in place with a Substantial Holder.

4.4 Status of the Conditions

As at the date of this Target's Statement, Conglin Group have not confirmed that any of the conditions to the Offer have been satisfied or declared the Offer free from Defeating Conditions.

4.5 Notice of Status of Conditions

As required by section 630(1) of the Corporations Act, Conglin Group will give a notice of status of conditions (the **Conditions Notice**) to the ASX and Orion seven days before the end of the Offer Period.

Conglin Group is required to set out in its Conditions Notice:

- whether the Offer is free of any or all of the conditions;
- whether, so far as Conglin Group knows, the conditions have been fulfilled on the date the Conditions Notice is given; and
- Conglin Group's voting power in Orion (including voting power acquired as a result of acceptances received under the Offer).

If the Offer Period is extended by a period before the time by which the Conditions Notice is to be given, the date for giving the Conditions Notice will be taken to be postponed for the same period. In the event of such an extension, Conglin Group is required, as soon as practicable after the extension, to give a notice to the ASX and Orion that states the new date for the giving of the Conditions Notice. If a condition is fulfilled (so that Conglin Group's Offer becomes free of that condition) during the bid period but before the date on which the Conditions Notice is required to be given, Conglin Group must, as soon as practicable, give the ASX and Orion a notice that states that the particular condition has been fulfilled.

5. Additional Information

5.1 Compulsory Acquisition

If Conglin Group acquires a Relevant Interest in at least 90% of Orion Shares then, pursuant to Part 6A.1 Division 1 of the Corporations Act, Conglin Group will be entitled to compulsorily acquire any Orion Shares in respect of which it has not received acceptance of the Offer.

Orion Shareholders should be aware that, if their Orion Shares are compulsorily acquired, they are not likely to receive payment until at least one month after the compulsory acquisition notices are dispatched to them.

If Conglin Group does not become entitled to compulsorily acquire Orion Shares in accordance with Part 6A Division 1 of the Corporations Act, it may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 Division 1 of the Corporations Act.

Conglin Group has indicated in Section 3.4(a) of the Bidder's Statement that it does not currently intend to proceed to compulsory acquisition of the outstanding Orion Shares, if it meets the required thresholds.

Additionally, Conglin Group has indicated in Section 3.6 of the Bidder's Statement that the Offer does not extend to options issued by Orion (subject to the Corporations Act) and that Conglin Group does not currently intend to acquire such options by any other means.

5.2 Foreign Shareholders

If you wish to reject the Offer, you should not take any action. If you wish to accept the Offer, you should refer to Section 7.4 of the Bidder's Statement.

5.3 Taxation implications of accepting the Offer

The following is a general outline of the Australian tax consequences for Australian tax resident Orion shareholders disposing of their Orion Shares for cash under the Offer.

A general outline of the tax implications of accepting the Offer has also been provided in Section 5 of the Bidder's Statement. These outlines are of a general nature only, and do not take into account your individual circumstances. Accordingly, you should seek your own independent advice on the tax implications of you disposing of your Orion Shares.

5.4 Australian resident shareholders

Section 5.2 of the Bidder's Statement contains an outline of the general implications for shareholders who are Australian residents.

If you hold your Orion Shares on capital account (e.g. as a passive investment to earn dividends) the disposal or compulsory acquisition of your Orion Shares, if acquired after 20 September 1985, will have capital gains tax (**CGT**) consequences in the financial year in which the disposal occurs.

As the Offer for your Orion Shares is a cash only offer, no CGT rollover will be available.

You may make a capital gain from the disposal of your Orion Shares if the capital proceeds received (ie. \$0.16 per share) exceed the cost base of those Shares. The cost base of a share includes the amount you paid to acquire it, and any incidental costs of the acquisition (such as brokerage fees). You may make a capital loss from the disposal of your Orion Shares if the capital proceeds are less than the cost base of those shares.

If you will have held your Orion Shares for a period of longer than 12 months at the disposal date, then you may be eligible to apply the 50% CGT discount to the capital gain that arises. Generally speaking, only individuals or trusts may access the 50% CGT discount. Superannuation funds may be eligible for a one-third CGT discount (i.e. 33.33% CGT discount). Companies are not eligible for the 50% CGT discount.

Shares held on capital account and acquired, or taken to have been acquired, before 20 September 1985 should not be subject to CGT.

If you hold your shares on revenue account or as trading stock they will be subject to income tax, and not taxed under the CGT provisions (and the 50% CGT discount would not be available).

As the final tax outcome on the disposal of your Orion Shares will depend upon your individual tax profile (such as whether you may have capital losses available), you should obtain your own independent tax advice.

5.5 Non-resident shareholders

Section 5.3 of the Bidder's Statement contains an outline of the general implications for shareholders who are not Australian residents.

If you are a non-Australian tax resident, you should obtain independent tax advice under both Australian tax laws and the tax laws of your country of residence on the disposal of your Orion Shares under the Offer.

In addition, the Federal Government has announced that the 50% CGT discount will not be available to non-Australian tax residents for capital gains arising after 8 May 2012. However, the discount will continue to be available for capital gains accrued prior to that date if the choice is made to obtain a market valuation of the shares as at 8 May 2012. Whilst this change has been announced, legislation affecting the change has not yet been introduced to Parliament. You should obtain independent tax advice regarding these changes.

5.6 Disclosing Entity

Orion is a disclosing entity and as such is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Copies of the documents filed with the ASX may be obtained from the ASX website at www.asx.com.au or Orion's website at www.orionmetals.com.au.

Copies of the documents lodged with ASIC in relation to Orion may be obtained from, or inspected at, an ASIC office. Orion Shareholders may obtain a copy of:

- the 2012 Annual Report of Orion;
- Orion's constitution; and
- any document lodged by Orion with the ASX between the release of the 2012 Annual Report to the ASX and the date of this Target's Statement, free of charge upon request by contacting Orion or on the ASX website at www.asx.com.au.

5.7 Financial position of Orion

The last published financial results of Orion were for the financial year ended 29 February 2012.

Subject to the information contained in the ASX announcements in clause 5.8 below, the financial position of Orion has not materially changed, within the knowledge of each of the Directors of Orion, since the publication of the 2012 Annual Report on 21 May 2012.

5.8 **ASX Announcements**

ASX Announcements made by Orion since the date that the Annual Report for 2012 was announced to ASX for the financial year ending 29 February 2012 are as follows:

Date	Announcement
28 May 2012	100% reached for Ultimate TO and drilling program
31 May 2012	Recommended 16 cents per share cash for Orion
31 May 2012	MLM: Orion Metals recommended cash offer of 16 cents per share
31 May 2012	Final Directors Interest Notice – Bin Cai
31 May 2012	Bidder's Statement
31 May 2012	Register Date
1 June 2012	Change in Substantial Holding
8 June 2012	Bidder's Statement

All ASX announcements made by Orion may be reviewed at www.asx.com.au.

5.9 **Interests or Dealings in Conglin Group Securities**

None of the Directors or any of their respective associates have any Relevant Interest in the securities of Conglin Group or any related body corporate of Conglin Group, or have acquired or disposed of any securities of Conglin Group or any related body corporate of Conglin Group in the four (4) months preceding the date of this Target's Statement.

5.10 **No payments or benefits**

No Director has agreed to receive, or is entitled to receive, any benefit from Conglin Group or Orion which is conditional on, or is related to, the Offer, other than in their capacity as a holder of Orion Shares.

As a result of the Offer, no benefit has been or will be given to a person:

- (a) in connection with the retirement or a person from the board or management of Orion;
or
- (b) who holds, or has held a position on the board or management of Orion, or a spouse, relative or associate of such person, in connection with the transfer of the whole or any part of the undertaking of property of Orion,
- (c) which would require approval of Orion Shareholders under section 200B of the Corporations Act.

5.11 **No agreement or arrangement with any Director of Orion**

There is no agreement or arrangement made between any Director of Orion and any other person in connection with or conditional upon the outcome of the Offers other than in their capacity as a holder of Orion Shares.

5.12 Interests held by Directors of Orion in any contract entered into by Orion

No Director of Orion has an interest in any contract entered into by Orion.

5.13 Other Interests of Orion Directors

Full details of the interests of Orion Directors and senior management in contracts and their remuneration entitlements are set out in the Remuneration Report for Orion, as contained in the 2012 Annual Report for Orion released to ASX on 21 May 2012. There have been no material changes to remuneration of Orion Directors since release of the Remuneration Report.

5.14 Other information material to the making of a decision by a holder of Orion Shares

This Target's Statement is required to include all information that shareholders and their advisors would reasonably expect to receive to make an informed assessment whether to accept the Offer, but only to the extent that:

- (a) it is reasonable for the Shareholders and advisors to expect to receive that information in the Target's Statement; and
- (b) the information is known to the Directors.

The Directors are of the opinion that the information that the Shareholders and their professional advisors would reasonably require to make an informed assessment whether to accept or reject the Offer are contained within:

- (a) this Target's Statement;
- (b) the Bidder's Statement (to the extent that the information contained in that document is not inconsistent with the Target's Statement);
- (c) the annual and other financial and exploration reports, releases, announcements and documents lodged by Conglin Group with ASX and/or ASIC; and
- (d) the annual and other financial and exploration reports, releases, announcements and documents lodged by Orion with ASX and/or ASIC.

In preparing this Target's Statement, the Directors have assumed that the information contained in the Bidder's Statement is accurate. However, the Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all of the statements contained in it.

In deciding what information should be contained in this Target's Statement, the Directors have had regard to:

- (a) the nature of the Orion Shares;
- (b) the matters that Shareholders may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to the professional advisors of Shareholders; and
- (d) the time available to Orion to prepare the Target's Statement.

6. Consents

6.1 Directors

The Directors have given and have not, before the date of issue of this Target's Statement withdrawn, their consent to be named in this Target's Statement in the form and context in which they are named.

6.2 Third Parties

HopgoodGanim Lawyers has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn its written consent to be named in this Target's Statement as legal adviser to Orion in respect of the Offer in the form and context in which it is named. HopgoodGanim Lawyers does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based. To the maximum extent permitted by law, HopgoodGanim Lawyers expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name.

6.3 Other Persons

Each of the other persons to whom a statement is attributed in this Target's Statement, or whose statement is included in this Target's Statement, or on which a statement in this Target's Statement is said to be based, has (other than as noted below):

- (a) consented to the relevant statement being included in this Target's Statement in the form and context in which it is included: and
- (b) has not withdrawn that consent before this Target's Statement was lodged with ASIC.

Each such having given its consent to the inclusion of a statement or being named in this Target's Statement:

- (c) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than those statements which have been included in this Target's Statement with the consent of that person; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name and any statements or report which have been included in this Target's Statement with the consent of that person.

7. Interpretation

7.1 In this Statement unless the contrary intention appears the following words have the following meanings:

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited;

Bidder's Statement means that Bidder's Statement dated 31 May 2012 given by Conglin Group to Orion on 31 May 2012 in accordance with the provisions of Part 6.5 of the *Corporations Act*;

Competing Offer means an offer for a takeover bid, scheme of arrangement or other corporate transaction involving Orion or Orion's Shares that would compete with the Offer or mean that a Defeating Condition would not be fulfilled;

Condition Period means the period commencing from the date of announcement of the Offer, being 31 May 2012, and ending at the end of the Offer Period.

Conglin Group means Australia Conglin International Investment Group Pty Ltd, a company having its registered office at Level 24, 71 Eagle Street, Brisbane, Queensland;

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

Defeating Condition means each condition of the Offer set out in Section 7.9 of the Bidder's Statement

Directors means the directors of Orion;

Listing Rules means the Listing Rules of ASX;

Offer Period means the period commencing on 8 June 2012 and ending at 7.00pm Sydney time on 9 July 2012 or on such later date to which the Offer has been extended;

Offers means the offers referred to in the Bidder's Statement and made by Conglin Group to the holders of Orion Shares to acquire all or any of the Orion Shares and **Offer** shall have a corresponding meaning;

Orion means Orion Metals Limited ACN 096 142 737, a company duly incorporated in the State of Queensland and having its registered office at 71 Lytton Road, East Brisbane, Queensland;

Orion Shareholder means a holder of such shares;

Shares means fully paid ordinary shares in the capital of Orion Metals Limited;

Superior Offer means any offer to Orion on terms more favourable than the Offer from Conglin Group; and

Target's Statement means this document.

7.2 In this Statement, unless the contrary intention appears:

(a) the singular includes the plural and vice versa;

- (b) the masculine gender includes the feminine and (where a corporation is or may be concerned) the neuter;
- (c) words and expressions defined in the *Corporations Act* have the same meanings;
- (d) headings used in this Statement are for ease of reference only and do not affect the meaning or interpretation of this Statement.

Corporate Directory

Directors	Mr David Barwick (Chairman) Mr Andrew Gillies Mr Adrian Day Dr Tao Li
Registered Office	71 Lytton Road East Brisbane Qld 4169; Telephone: +61 7 3249 3060 Facsimile: +61 7 3249 3061
Website	www.orionmetals.com.au
Share Registry	Link Market Services Limited Level 15 324 Queen Street Brisbane Qld 4000
Stock Exchange Listing	Australian Securities Exchange ASX Code: ORM
Solicitors	HopgoodGanim Lawyers Level 8, Waterfront Place 1 Eagle Street Brisbane Qld 4000