



## **ORION METALS LIMITED**

### **ANNUAL GENERAL MEETING - 24 JULY 2013**

#### **CHAIRMAN'S ADDRESS**

Welcome to Orion Metals 2013 Annual General Meeting.

You will all be familiar with the recent decline in global commodity prices, and the effect this has had on the mining and exploration industry, not just in Australia, but throughout the world. Receipts from commodity sales are lower, which in turn leads to a lowering of available funds for exploration for new deposits. An environment of depressed commodity prices is also an environment for opportunity for junior resource exploration companies such as Orion Metals. A significant discovery during depressed times is more likely to result in greater exposure and greater potential rewards for the shareholders than if the discovery were to be made during the more affluent period of the commodity price cycle. In addition, potential opportunities for acquisition or joint venture into high quality projects are more likely during periods of depressed market conditions.

During the last 12 months there have been some significant changes in the company's share register and Management Team. Unfortunately the passage of time required to accommodate these changes took up a significant amount of the management team's time which had a negative effect on the quantity of work carried out on exploration activities. However, it gives me great pleasure to report that with the exploration work that was carried out, in very remote and challenging conditions, there were no reportable accidents or incidents throughout the whole year. This is an achievement that the company is very proud of.

Your company has over the last 12 months concentrated on advancing the projects in its current portfolio via a focused and disciplined approach, both technically and financially.

At Killi Killi in the Tanami Desert region of Western Australia, the emphasis has been on gaining a greater understanding on the geology that controls the significant gold intercepts that have been reported from

the drilling programmes carried out in the Killi Killi West tenement (E80/4197). An intercept of 8m @ 4g/t gold from 68m was reported from drillhole KKO116. This is a very significant result in any project. Your company's technical team has reviewed all the available geological data on this prospect and is now in a position to drill test what they believe to be a potentially significant mineralizing system. This drill programme is scheduled to commence in September 2013.

Work on the Broughton Creek Joint Venture in northwest Queensland has accelerated during the last 6 months. Exploration activity has concentrated within EPM 16209 on an area that contains significant radiometric anomalies combined with high grade uranium and rare earth element rock chip analyses. A programme of detailed ground radiometrics and geological mapping has further defined these anomalies to a level where 15 drill ready targets have been defined. Drill testing of these targets is scheduled for August 2013.

The company has been granted 4 new exploration licences in the Tanami region of Western Australia and one new tenement in North Queensland. The focus of exploration efforts on the new Western Australian tenements will be for gold and rare earth element mineralisation whilst the new Queensland tenement will have a rare earth elements and tungsten focus.

The company is in a sound financial position with \$2.1m in deposits. While it is important to maintain a healthy cash position it is also very important for the company to strive to achieve the aims of its shareholders, which is to explore for new ore bodies and add value to the company through success. The company will continue to maximise the use of its funds to achieve this aim.

I look forward to seeing you all here again this time next year.

Thankyou

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