



ORION METALS LIMITED (ASX: ORM)

ACTIVITIES REPORT FOR QUARTER ENDING 28TH FEBRUARY 2014.

EXPLORATION ACTIVITIES

Following senior management changes late 2013, a new highly experienced exploration team has been recruited for exploration operations across Western Australia and Queensland for 2014.

This quarter of exploration activities has essentially been review of data, tenure, and desktop planning of exploration initiatives for 2014. Importantly as well, compilation of Orion Metals Limited's first technical database was completed enabling geologists access to an extensive bank of validated sample and technical data.

Project Updates

KILLI KILLI HILLS

RARE EARTH ELEMENT (REE) & GOLD PROJECT

200kms southeast of Halls Creek, WA

E80/4029, E80/4197, E80/4556, E80/4558, E80/4559, E80/4596.

All Killi Killi Hills tenure is 100% Orion Metals Limited owned.

During this Christmas and holiday period, no field work was carried out within the Killi Killi Hills group of tenements.

Exploration desktop planning has been ongoing, a review of current and past exploration initiatives has been completed, new exploration programs have been designed and budgetted.

A planned gold RC drill exploration program on lease E80/4197 has been postponed in favour of an expansion of the regional geochemical sampling effort, and re-focus on the REE exploration potential which still remains high (ORM ASX announcement 9th July 2012).

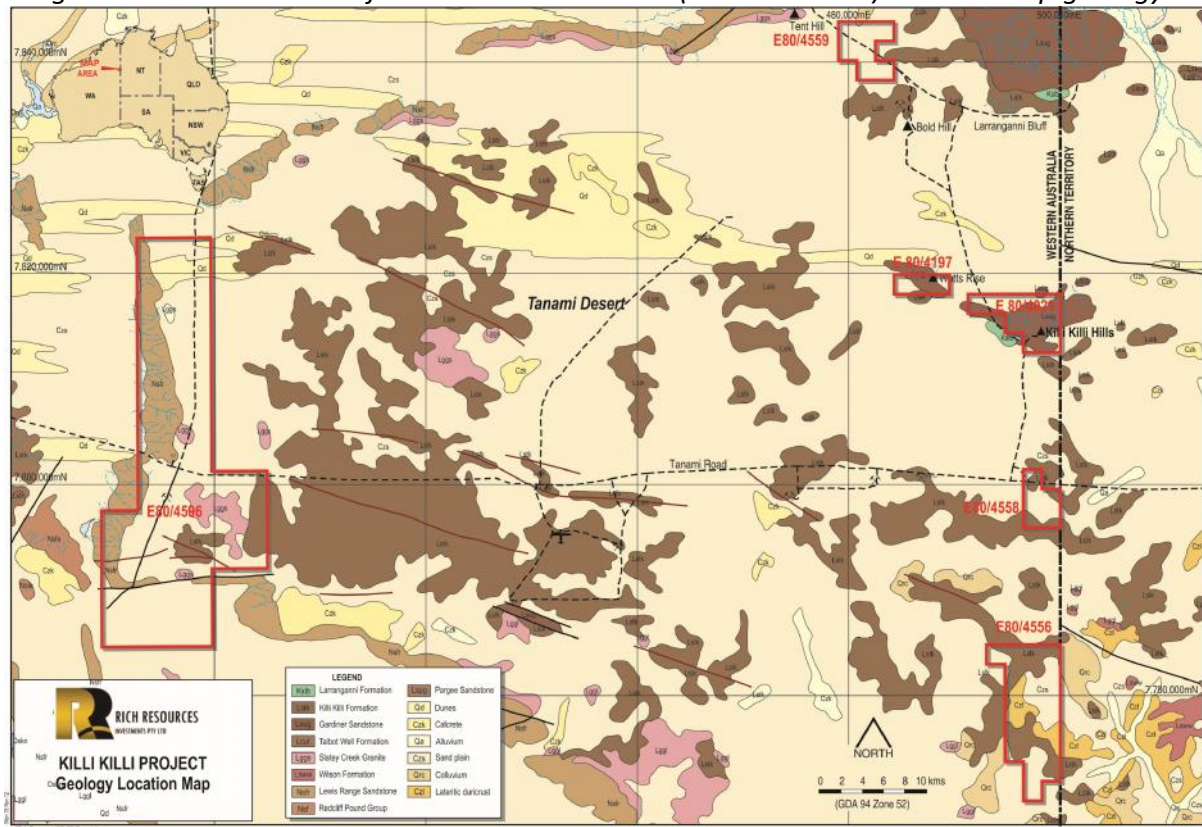
Orion Metals Limited intend exploring these REE and gold opportunities in 2014, with an expanded regional exploration effort, backed with drilling.

Tenement Update

A decision was made to apply for a Renewal and Extension of Term for REE and gold prospective tenement E80/4029 since the expiry date is approaching (15/04/2104).

The current Killi Killi Hills Project tenement layout is presented in Figure 1.

Figure 1: Killi Killi Hills Project tenement locations (outlines in red) with outcrop geology.



BROUGHTON CREEK PROJECT

RARE EARTH ELEMENT (REE) – URANIUM PROJECT

30kms south of Mary Kathleen, Queensland

EPM 16209, EPM 17143, EPM 19011, EPMA 18075.

The Broughton Creek Project is a farm-in/joint venture between Orion Metals Limited and Broughton Minerals Pty Ltd. Orion Metals Limited is farming in to the Project and is currently in the earning period of the JV. Orion Metals Limited is manager of the project.

No exploration field work was conducted this quarter. The focus this quarter has been technical review.

Following the unsuccessful RC drill program last quarter targeting REE and uranium mineralisation, exploration for the next quarter will be primarily reconnaissance targeting base metals, gold, REE and uranium opportunities.

A desktop review titled “Mineral Exploration Conducted and Existing Exploration Potential” has been initiated, and is expected to be completed early March 2014.

An orientation site visit with the new Project team was conducted early February. Part of the purpose of the site visit too was to put a physical perspective to proposed exploration methodologies being planned as part of the desktop review.

Broughton Creek Project remains still a very prospective, multi-commodity, project area.



Tenement Update

EPM 17974, comprising of 3 sub-blocks has been relinquished (ORM ASX announcement 13th December 2013).

The 3 sub-blocks were referred to the Queensland DNRM for relinquishment on the 3rd December 2013. They were due to expire 27th February, 2014.

FULFORD PROJECT & BONNOR CREEK

RARE EARTH ELEMENT (REE), TIN, TUNGSTEN PROJECT

Northeast of Mt Surprise, North Queensland

EPM 17011, EPM 18449, EPM 18850, EPM 17891, EPMA 18331, MLA 30128.

No field work was carried out within the Fulford Project area during the reporting period.

Following grant of new tenement EPM18850 in October 2013, and management re-shuffle late 2013, a desktop Project scale review has been initiated. The desktop review, and exploration recommendations will be complete mid-year 2014.

It is expected that all early exploration work will be regional stream and soil sampling supported by regional mapping and rock chips.

This tenement package remains prospective for REE, tin, tungsten, gold, and base metals. The current Fulford Project tenement layout is presented in Figure 2.

TOP CAMP

GOLD COPPER PROJECT

40km south of Cloncurry, North Queensland

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

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

No field work was carried out within the Top Camp leases during the reporting period.

A brief site orientation visit was made to the Top Camp Project area during February with the new Project team. As a consequence, a desktop prospectivity review has been scheduled, and will commence during May 2014.

Top Camp Project remains a highly prospective gold and base metal tenement package.

CORPORATE

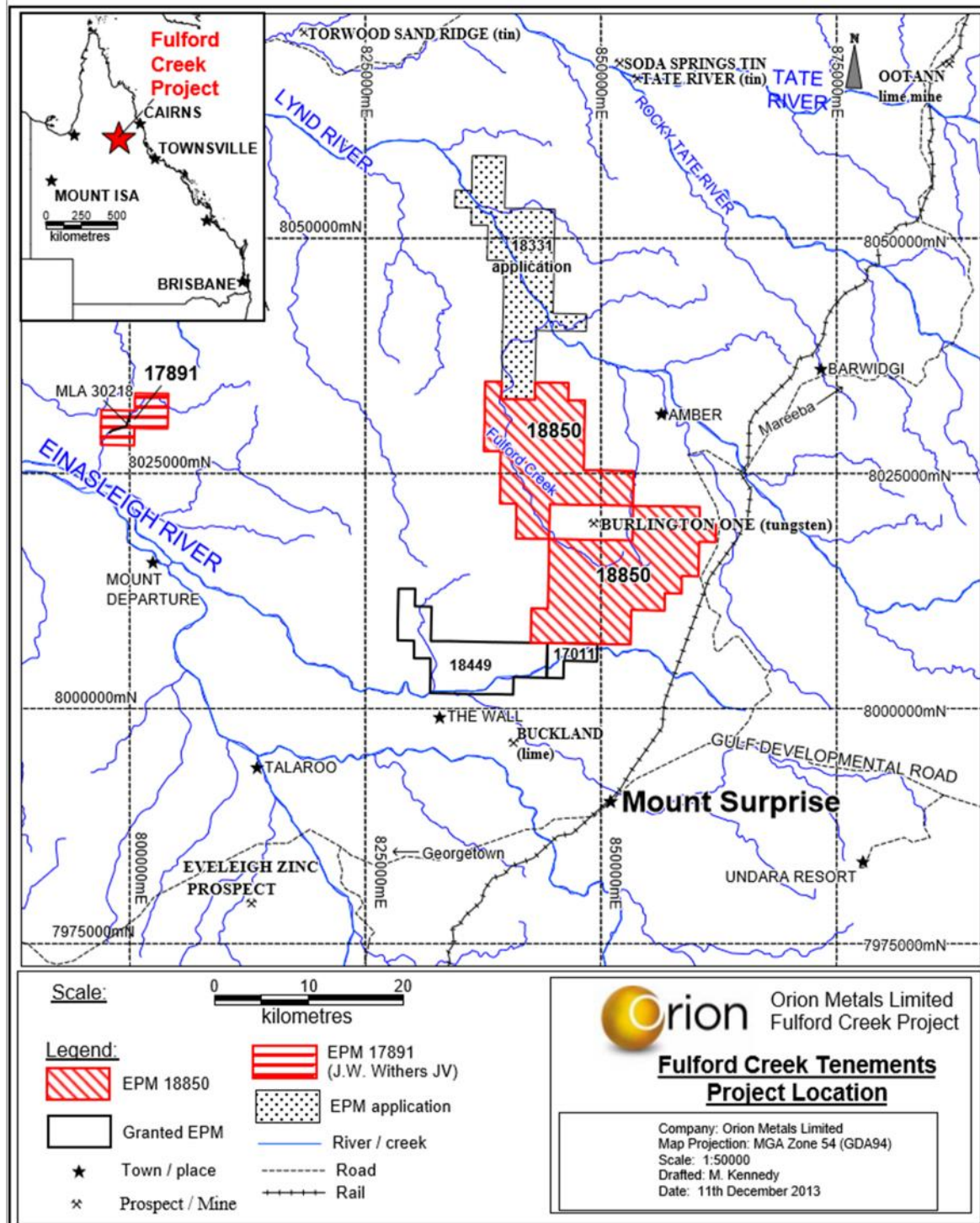
Company Update

There have been no material changes in the Company's activities, operations or staffing.

Financial

Cash balance as at 28th February 2014 is \$1.20M.

Figure 2: Fulford Project tenement locations.



TENEMENT SCHEDULE

Orion Metals Limited (ORM) Tenement Schedule (at 28th February 2014)

Tenement	Project Name	Registered Holder	Status	Granted	Expiry	Sub - blocks	Commodity	Minimum Expenditure
E80/4029	Killi Killi Hills	RRI * 100%	Granted	16/04/2009	15/04/2014	10	REE, Au, U	\$30,000
E80/4197	Killi Killi Hills	RRI * 100%	Granted	15/10/2009	14/10/2014	3	REE, Au, U	\$20,000
E80/4556	Tanami	RRI * 100%	Granted	6/03/2013	5/03/2018	22	REE, Au, U	\$22,000
E80/4558	Tanami East	RRI * 100%	Granted	13/12/2012	12/12/2017	5	REE, Au, U	\$15,000
E80/4559	Gardner Range West	RRI * 100%	Granted	13/12/2012	12/12/2017	7	REE, Au, U	\$20,000
E80/4596	Selby Hills	RRI * 100%	Granted	13/12/2012	12/12/2017	113	REE, Au, U	\$113,000
EPMA 18331	Fulford Creek	ORM 100%	Application	9/10/2009		42	REE, W, Sn	N/A
EPM 18850	Fulford Creek	ORM 100%	Granted	21/10/2013	20/10/2018	100	REE, W, Sn	\$50,000
EPM 18449	Bonnor Creek	ORM 100%	Granted	14/05/2013	13/05/2018	25	REE, W, Sn	\$50,000
EPM 17011	Black Springs Creek	J. W. Withers ** 100%	Granted	16/06/2008	15/06/2011 Renewal lodged	4	All Minerals	\$35,000
EPM 17891	Black Springs Creek	J. W. Withers ** 100%	Granted	23/07/2013	22/07/2018	8	All Minerals	\$2,500
EPM 16209	Broughton Creek	Broughton Minerals Pty Ltd 100%	Granted	27/03/2008	26/03/2016	14	REE, U	\$200,000
EPM 17974 ¹	Broughton Creek	Broughton Minerals Pty Ltd 100%	Granted	28/02/2011	27/02/2014	3	REE, U	\$5,000
EPM 17143	Broughton Creek	Broughton Minerals Pty Ltd 100%	Granted	17/12/2009	16/12/2015	2	REE, U	\$20,000
EPM 19011	Broughton Creek	Broughton Minerals Pty Ltd 100%	Granted	28/06/2012	27/06/2015	26	REE, U	\$30,000
EPMA18075	Broughton Creek	CNW Pty Ltd 100%	Application	1/12/2011		27	REE, U	N/A
Mining Leases	Project Name	Registered Holder	Status	Granted	Expiry	Area (Ha)	Commodity	Minimum Expenditure
ML 2764	Top Camp	ORM 100%	Granted	19/01/1989	31/01/2015	103	Au, Cu	N/A
ML 2785	Top Camp	ORM 100%	Granted	6/02/1992	28/02/2017	129.2	Au, Cu	N/A
ML 2786	Top Camp	ORM 100%	Granted	15/02/1990	28/02/2016	70	Au, Cu	N/A
ML 2792	Top Camp	ORM 100%	Granted	6/02/1992	28/02/2017	103.5	Au, Cu	N/A
MLA 30218	Dickson Creek	J. W. Withers ** 100%	Application	15/09/2008		32.5	All Minerals	N/A

Note: *Rich Resources Pty Ltd is a wholly owned subsidiary of Orion Metals Limited. ** Subject to Royalty. ¹ Due to be relinquished.

Competent Person Declaration.

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

CORPORATE DIRECTORY

ORION METALS LIMITED

ASX Code: ORM

ABN: 89 096 142 737

Issued Capital as at 28 February 2014

92,597,443 shares issued & listed

500,000 unlisted options

403 shareholders

Top 20 shareholders

Hold 93.3% of listed shares

Largest shareholders

Conglin Group / Mr Conglin Yue 69.7%

Jien Mining Pty Ltd 15.2%

Board

Mr Conglin Yue – Executive Chairman & CEO

Ms Yanchun Wang - Director

Dr Tao Li - Director

Mr Bin Cai - Executive Director & CFO

Company Secretary

Mr Bill Lyne

Contact Details

Level 24, 71 Eagle Street, Brisbane, Queensland

GPO Box 7115 Brisbane Qld 4001

Phone: 61 7 3020 0000

Fax: 61 7 3020 0011

www.orionmetals.com.au

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

ORION METALS LIMITED

ABN

89 096 142 737

Quarter ended ("current quarter")

28 FEBRUARY 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(88)	(505)
(b) development	-	-
(c) production	-	-
(d) administration	(236)	(881)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12	73
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - R&D tax concession	-	212
Net Operating Cash Flows	(312)	(1,101)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects		
(b) equity investments	-	-
(c) other fixed assets	-	(1)
1.9 Proceeds from sale of: (a) prospects		
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	(1)
1.13 Total operating and investing cash flows (carried forward)	(312)	(1,102)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(312)	(1,102)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	10	10
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	10	10
Net increase (decrease) in cash held			
1.20	Cash at beginning of quarter/year to date	1,509	2,299
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,207	1,207

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	48
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	390
4.2 Development	-
4.3 Production	-
4.4 Administration	227
Total	617

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	57	29
5.2 Deposits at call	150	280
5.3 Bank overdraft	-	-
5.4 Term deposits	1,000	1,200
Total: cash at end of quarter (item 1.22)	1,207	1,509

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	EPM 17974 0% (earn-in only)	0% (earn-in only)	0% (earn-in only)
6.2	Interests in mining tenements and petroleum tenements acquired or increased	NIL		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities Opening Balance 30/11/13	92,597,443	92,597,443	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	
7.5	*Convertible debt securities <i>(description)</i>			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			
7.7	Options <i>(description and conversion factor)</i> Opening balance 30/11/13		<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter	500,000	20 cents	1/7/14
7.9	Exercised during quarter	-	-	-
7.10	Expired during quarter	-	-	-
7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date:27 March 2014.....
(Director/Company secretary)

Print name:Bin Cai.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==