



Orion Metals Limited (ASX: ORM)

ABN 89 096 142 737

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19 September 2014

ASX ANNOUNCEMENT

ORION ANNOUNCES CAPITAL RAISING INITIATIVE

Orion Metals Limited (ASX:ORM) ("Company") is pleased to advise that it has entered into agreements with two of its major shareholders for the placement of a total of 50,000,000 shares at a price of \$0.02 per share to raise \$1,000,000 ("Share Placements").

In addition to the Share Placements, the Company intends to undertake a share purchase plan ("SPP") under which eligible shareholders will be given the opportunity to apply for up to \$15,000 worth of shares in the Company.

The funds raised by the Share Placements and the SPP will be used by the Company to progress its wholly-owned REE and gold Tanami West Project in Western Australia (formerly the Killi Killi Hills project) and the REE and base metals Mt Surprise Project in Queensland, as well as for assessing new exploration opportunities and general working capital purposes.

Share Placements

The Company has entered into a share subscription agreement with Australia Conglin International Investment Group Pty Ltd ("ACIIG") under which ACIIG will subscribe for 41,035,000 shares at a price of \$0.02 to raise \$820,700 ("ACIIG Placement").

The Company has also entered into a share subscription agreement with Jien Mining Pty Ltd ("Jien") under which Jien will subscribe for 8,965,000 shares at a price of \$0.02 to raise \$179,300.

As ACIIG is a related party of the Company, the ACIIG Placement is subject to shareholder approval under Chapter 2E and Item 7 of section 611 of the *Corporations Act 2001* (Cth). The Company is proposing to hold an Extraordinary General Meeting ("EGM") on or around 6 November 2014 to approve the ACIIG Placement and will issue notice materials for that meeting in due course.

Share Purchase Plan

The SPP represents an opportunity for eligible shareholders to increase their holding in the Company by up to \$15,000 free from brokerage or transaction costs. The issue price under the SPP will be the lower of:

- \$0.015, representing a 25% discount to the price offered under the Share Placements and an approximate 21% discount to the Company's closing share price on the ASX on 18 September 2014 (being the date before this announcement); and



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- a 5% discount to the volume weighted average price of the Company's shares traded on the ASX over the 5 trading days prior to the day that shares under the SPP are to be issued.

Shareholders with registered addresses in Australia and New Zealand as at the close of business on 18 September 2014 will be eligible to participate in the SPP.

Further details in relation to the SPP, including the full terms of the SPP and how shareholders can participate will be distributed to shareholders around the same time as the EGM notice materials.

About Orion

Orion Metals Limited (ASX:ORM) is a Rare Earth Element (REE) and Gold explorer with exploration projects in the highly prospective metal provinces of the Tanami Desert of Western Australia, the Cloncurry Mining District of Western Queensland, and Mount Surprise in Northeast Queensland.

For further information

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