



ORION METALS LIMITED (ASX: ORM)

ACTIVITIES REPORT FOR QUARTER ENDING 30th November 2014.

EXPLORATION ACTIVITIES

Evaluation of an alluvial gold opportunity at Top Camp Project was the priority of this quarter.

Top Camp, one of Cloncurry’s historic alluvial gold mining areas, continues to impress with results from recent gravity survey work demonstrating an apparent palaeo-channel depth to 15m. Importantly, with up to 2 km of palaeo-channel extent contained within the 100% held ORM mining leases, there is “bulk” potential for alluvial gold extraction.

Ongoing investigation into this business case will continue next quarter.

Results were reported from the Mt Surprise Project surface geochemical sample program. Overall, results were good demonstrating the need to expand the surface sampling and mapping effort, and intensify exploration around some of the best results.



Project Updates

TANAMI WEST PROJECT

RARE EARTH ELEMENT (REE) & GOLD PROJECT

200kms southeast of Halls Creek, WA

E80/4029, E80/4197, E80/4556, E80/4558, E80/4559, E80/4596, E80/4869 (applic), E80/4919 (applic), E80/4920 (applic), E80/4921 (applic).

All Tanami West tenure is 100% Orion Metals Limited owned. Three new tenements have recently been applied for, preliminary application process has commenced.

Field based exploration activities are yet to fully commence, though a traditional owner supervised (monitored) field trip with ORM staff was conducted during September 2014. The purpose of the field trip was to:

- investigate various tenement accesses,
- conduct a preliminary ground assessment following desktop exploration planning, and
- enable Tjurabalan traditional owners to review old drilling areas ahead of imminent heritage surveys.

Land access negotiations continue to progress, with ORM awaiting budget costings and heritage field trip schedules from the Kimberley Land Council.

Unfortunately, “sorry business” impacted the local community of Balgo, Western Tanami region of WA resulting in the lack of availability of persons for heritage survey work late 2014. It is unlikely now any field heritage survey operations will be conducted until early 2015.

MT SURPRISE PROJECT

RARE EARTH ELEMENT (REE), TIN, TUNGSTEN PROJECT

Northeast of Mt Surprise, North Queensland

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

EPM 17011, EPM 17891, and MLA 30128 are held by J & J. Withers subject to a royalties agreement. All other Mt Surprise Project tenure is 100% Orion Metals Limited owned.

The Mt Surprise Project area encompasses over 500 square km of prospective tin, tungsten, and REE tenure in an area with a long history of tin and tungsten mining.

There has been no field work this quarter.

Orion announced to the ASX on the 20th October 2014, results from its field reconnaissance surface geochemical sample program (*ASX ORM: Mt Surprise Surface Sample Results*) conducted during July and August 2014.

The Mt Surprise Project area (Figure 1) is being targeted for granite hosted greisen, vein, and stockwork type tin - tungsten mineralisation, as well as the potential for hydrothermal REE mineral occurrences. The Late Carboniferous, I-type granitoids (Figure 2), outcropping throughout the region, provides a suitable host for these varied styles of mineralisation and commodity types.

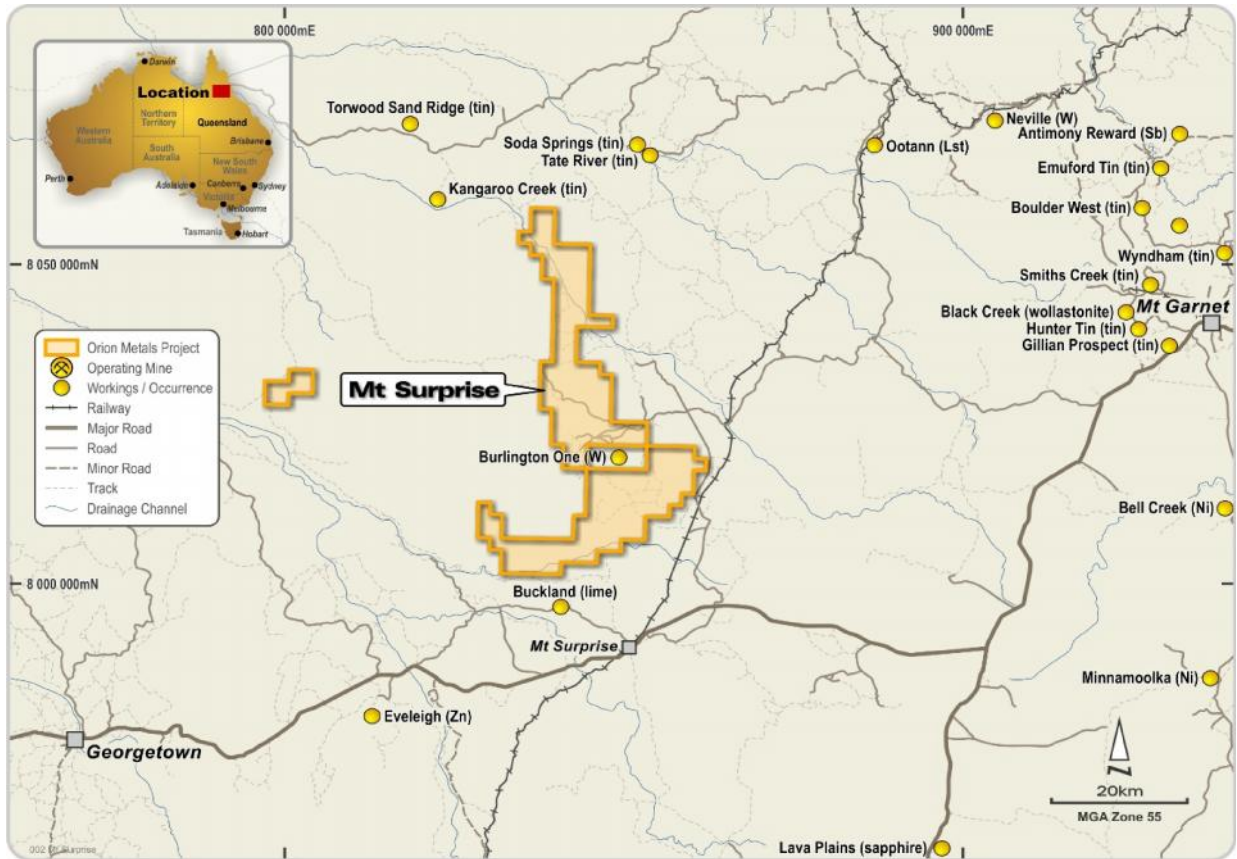
Sample results received to date are indicating significant REE anomalism within the Project area. Additionally, sampling and mapping have identified several new zones of coincident geochemical anomalism and alteration.

All sample locations are detailed on Figure 2, which is a composite figure presenting stream sediment, rock chip, and soil sample locations.

Stream sediment sampling produced encouraging anomalous zones of coincident Sn-W, Bi and REE have been identified with results including **820ppm W, 1.21% Sn and 765ppm Bi in MSG0126, and 138ppm W and 6.64% Sn in MSG0031** (Figures 3 & 4).

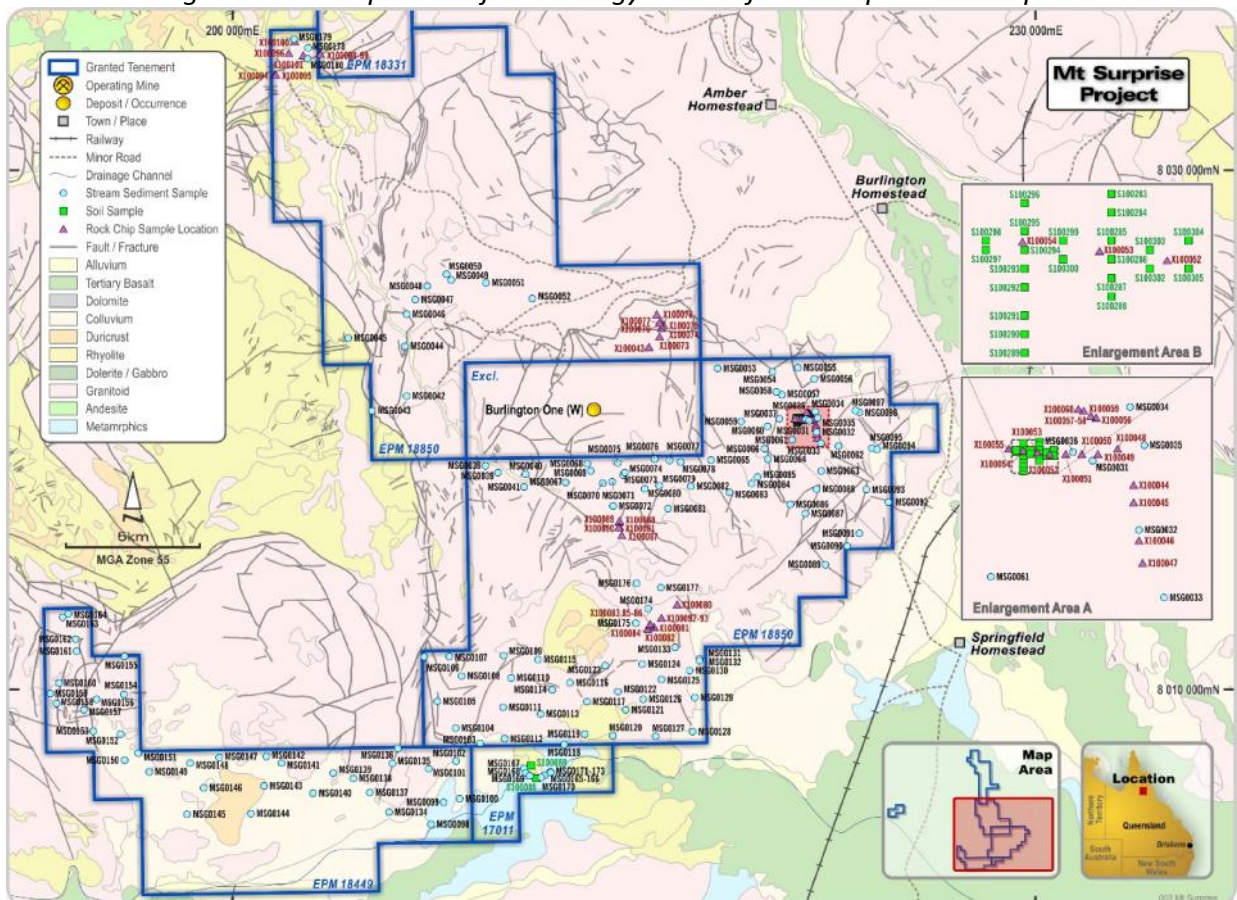
Importantly, anomalous tungsten assays were grouped into a number of discreet zones, providing sizeable prospective areas for follow up mapping and sampling. Similarly, the eastern portion of EPM18850 (Figures 5 & 6) identified anomalous zones that returned Total Rare Earth Oxide (TREO) values between **0.078% and 0.237% TREO**.

Figure 1: Mt Surprise Project location plan



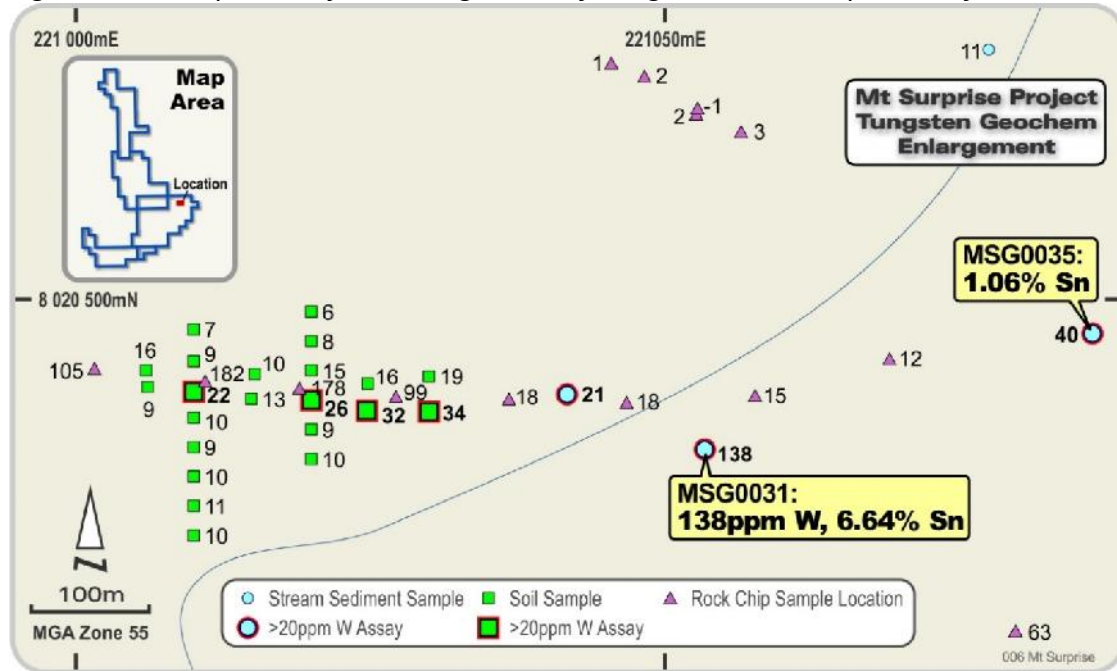
Note: Orion Metals Project tenure outlined in bold orange.

Figure 2: Mt Surprise Project Geology and Surface Sample location plan.



Note: Sample prefix X indicates rock chip sample, MSG indicates stream sediment sample, S indicates soil sample location.

Figure 3: Mt Surprise Project, Enlargement of Tungsten trend, SE portion of EPM 18850.



Note: The enlargement plan presents the areas drainage line, with all surface geochem tungsten results in ppm's.

Rock chip and soil sampling areas were selected on the basis of satellite imagery, geological interpretation, historic sample information, and on-ground geological assessment.

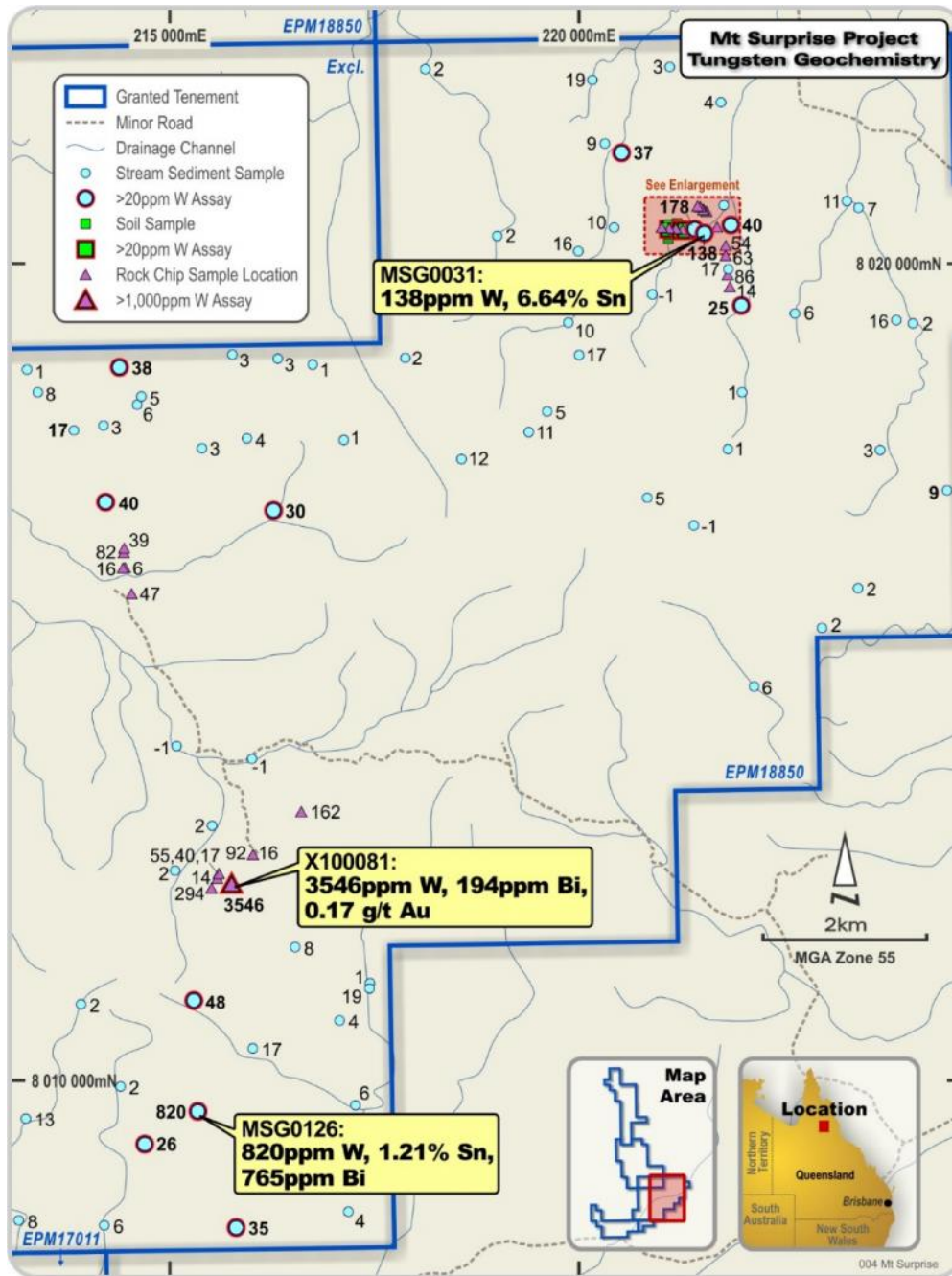
A number of linear zones of silica-sericite alteration with associated crystalline quartz veining were identified. In some cases, alteration zones have been mapped in places extending for several hundred metres.

One such alteration zone was geologically mapped, rock chipped, and soil sampled producing some very encouraging results (Figures 5 & 6).

Anomalous TREO and Sn anomalism was identified in a number of rock chip samples.

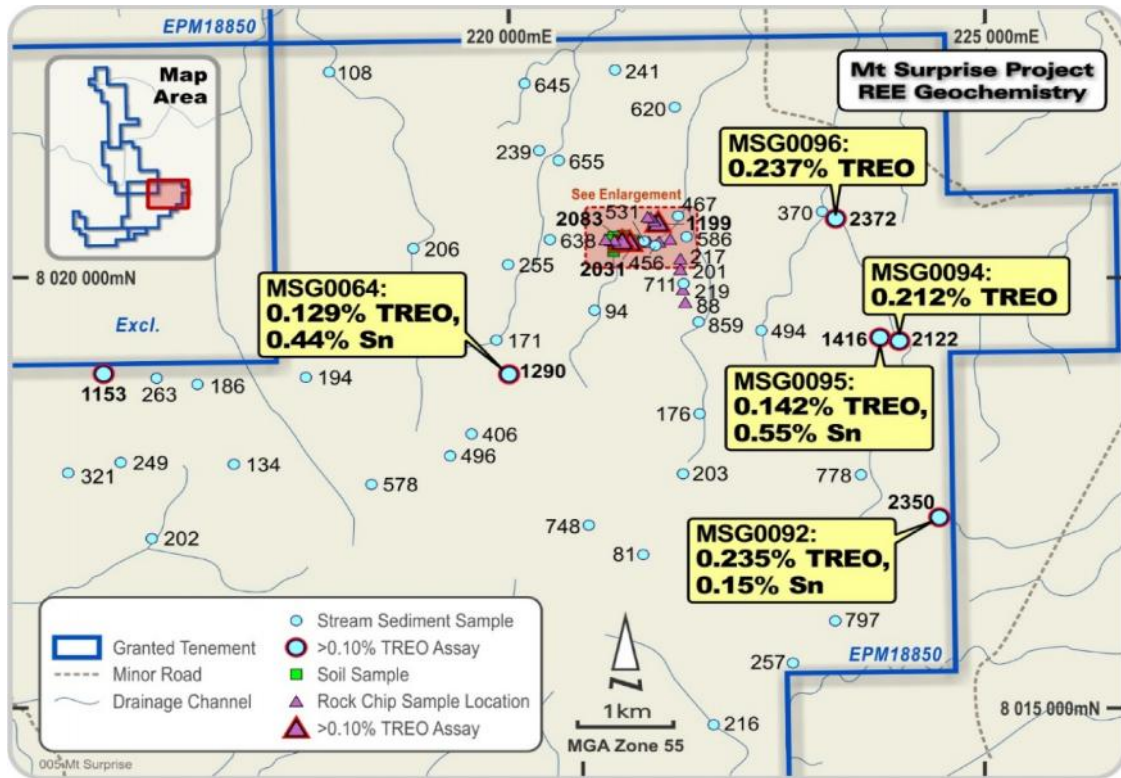
Best rock chip results include 0.20% TREO and 0.21% Sn in X100052 and 0.21% TREO and 0.30% Sn in X100053.

Figure 4: Mt Surprise Project, South East portion of EPM 18850 Tungsten (W) Results.



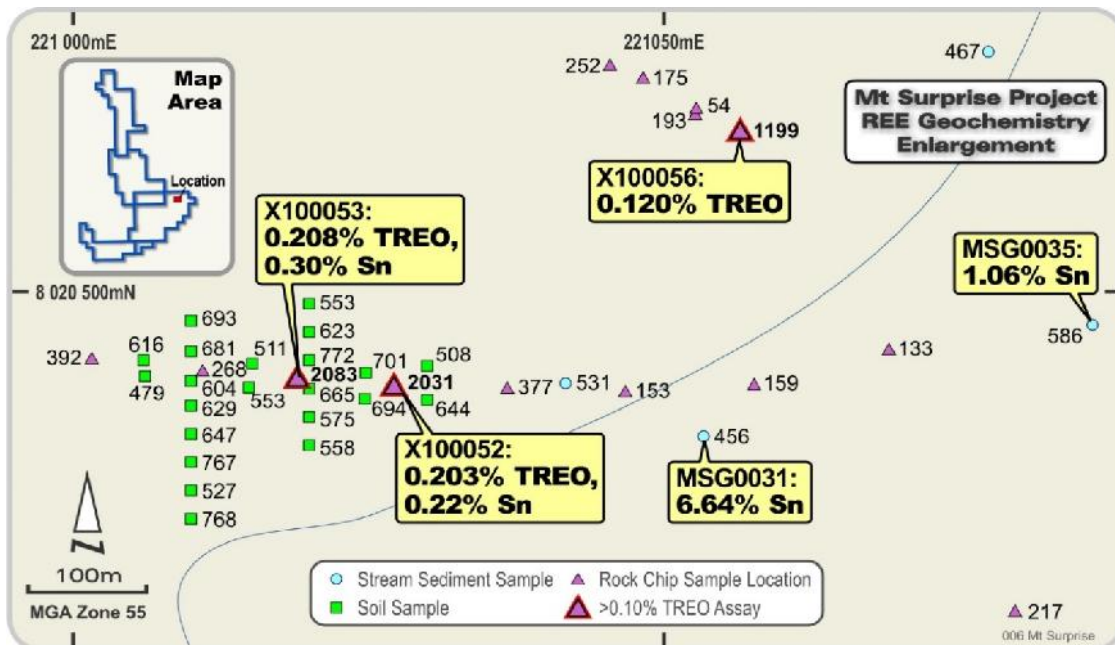
Note: The plan presents the areas drainage pattern, with access tracks and all surface geochem tungsten results. All results are presented in ppm's.

Figure 5: Mt Surprise Project, Eastern portion of EPM 18850 TREO Surface Geochemistry Results.



Note: The plan presents the areas drainage pattern, with access tracks and all surface geochem TREO results. All results are presented in ppm's. The 5 highlighted stream sediment samples are bolded, and presented as percentages.

Figure 6: Mt Surprise Project, Eastern portion of EPM 18850, Enlargement of TREO Surface Geochem Trend.



Note: The plan presents the areas drainage line, with all surface geochem TREO results. All results are presented in ppm's. The 3 highlighted rock chip sample triangles are bolded, and presented as percentages.

TOP CAMP PROJECT

GOLD COPPER PROJECT

40km south of Cloncurry, North Queensland (Figure 7)

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

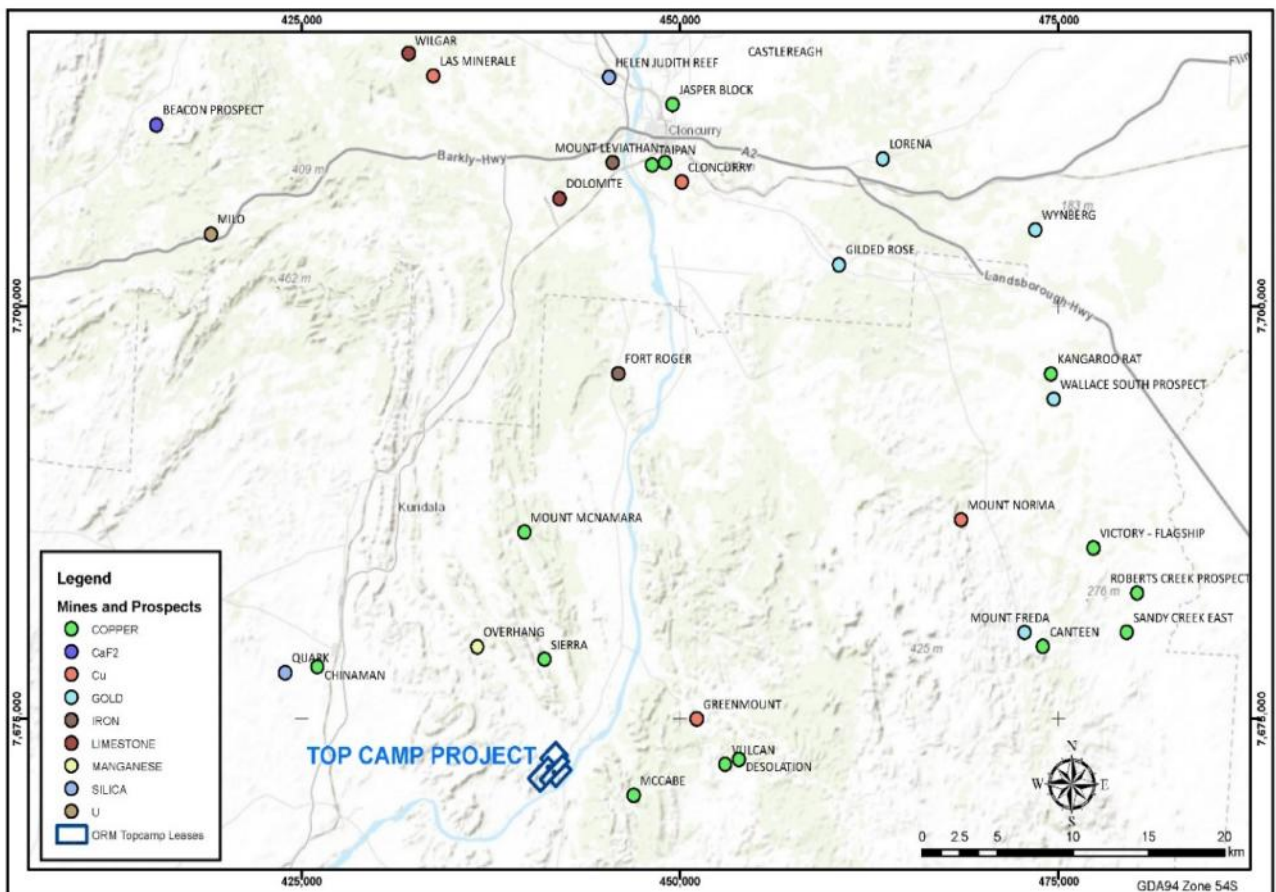
The Top Camp mining leases are all 100% Orion Metals Limited owned.

There was only minor field work this period involving RC sample chip trays being collected for historic RC drill holes ahead of drill hole rehabilitation efforts.

Top Camp Project continues to grow in importance and value with an increasing understanding of archive data, both in its alluvial gold potential, and insitu gold and copper mineralisation. Historic exploration work recently uploaded into the Orion Metals Limited database suggests opportunity for an IOCG type ore deposit.

Recent field and data acquisition work however, has focussed more on the alluvial gold opportunity (ASX: ORM, 28th November 2014, Exploration Update – Top Camp Project).

Figure 7: Top Camp Project location plan



Note: Background detail was extracted from 1:250,000 topography. ORM mining leases are outlined in blue and situated adjacent to the Cloncurry River, approx 40km south of Cloncurry township.

Total production from past historic to recent alluvial mining efforts from 1872 – 2005 indicates, anecdotally at least, 20,000 ounces of gold was extracted. But despite this level of productivity, records suggest that the alluvial gold mining methods were sporadic, superficial but intensive.

ORM's Top Camp mineral leases are contiguous and importantly, granted mining leases (402 ha in total) encompassing the majority of the potentially gold enriched, alluvium deposits. Orion Metals Limited believes there is a significant business opportunity for bulk alluvial gold extraction, and plans to assess the potential for an alluvial gold resource within the Top Camp Project area.

The program scope for assessment of the gold resource is as follows:

- ✓ Design and implement a gravity survey to provide data adequate for determination of palaeo-channel depths.
- ✓ Execute a gravity survey, process the data, model the palaeo-channel geometry, and thickness of alluvium. From the results, determine whether there remains adequate alluvial material available for ORM's business case.
- Complete database construction, compile Project geophysical and geological technical information, conduct geological mapping.
- Design and implement an RC drilling program for grade and tonnes determination, and metallurgical/product assessment.
- Complete deposit modelling and resource estimation.

First stage of the assessment process, the gravity survey, is complete. From the gravity results, ORM has determined that there exists adequate alluvial material volume to warrant further investigation into the viability of an alluvial gold operation.

The next phase of work is a complete compilation of archival data, construction of geological and geophysical interpretation maps, supported by on ground assessment and geological fact mapping. This work is expected to commence early 2015.

Mt RAMSAY PROJECT

RARE EARTH ELEMENT (REE) PROJECT

200km west of Gladstone, Queensland

EPM 25677.

EPM 25677 is 100% Orion Metals Limited owned.

Tenement EPM 25677 was granted 11th August 2014, and covers approximately 78 square km within the Rockhampton Mining District of Queensland.

All land access approvals for Mt Ramsay Project are in place ready for the commencement of field operations in 2015. No field work was conducted this quarter. Field work is now expected to commence early to mid-2015.

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

Company Update

The Company's current office leasing arrangements terminate at the end of December so the decision has been made to move out of the city into small suburban Brisbane premises (detailed below). The Board agreed that as the Company has very few office staff and minor administrative requirements the smaller office was more suitable for the time being.

Apart from this, there have been no material changes in the Company's activities or operations.

Financial

Cash balance as at 30 November 2014 is \$1.13m.

On 19 September 2014 the Company announced a capital raising initiative for the placement of a total 50,000,000 shares at 2¢ per share to raise \$1 million from its two major shareholders. Also, the Company offered a Share Purchase Plan to eligible shareholders under which they could subscribe for up to \$15,000 worth of additional shares.

The placement monies were received on 28 November 2014 and shares issued that date. The SPP closed on 28 November 2014 and a total of \$37,500 was raised from 5 shareholders, with 2,500,000 shares issued at 1.5¢ each on 1 December 2014.

Funds raised through these initiatives will be used for general working capital as well as to progress the Company's existing tenements and assess new exploration opportunities.

CORPORATE DIRECTORY

ORION METALS LIMITED

ASX Code: ORM

ABN: 89 096 142 737

Issued Capital as at 30th November 2014

142,597,443 shares issued & listed (Note: 145,097,443 shares from 1st December 2014)

398 shareholders

Top 20 shareholders

Hold 95.6% of listed shares

Largest shareholders

Conglin Group / Mr Conglin Yue 72.8%

Jien Mining Pty Ltd 15.9%

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

35 Hamish Street, Calamvale, Queensland 4116

GPO Box 7115 Brisbane Qld 4001

Phone: 61 7 3272 1725

Email: admin@orionmetals.com.au

www.orionmetals.com.au

TENEMENT SCHEDULE

ORM TENEMENT LIST at 30th November 2014

Tenement ID	Location	Registered Holder	Status	Granted Date	Expiry Date	Area (Sub-blocks)	Minimum Expend
TANAMI WEST PROJECT							
E80/4029	Tanami Region, WA	RRI 100%	Granted	16/04/2009	15/04/2019	10	\$30,000
E80/4197	Tanami Region, WA	RRI * 100%	Granted	15/10/2009	14/10/2014	3	\$20,000
E80/4556	Tanami Region, WA	RRI * 100%	Granted	6/03/2013	5/03/2018	22	\$22,000
E80/4558	Tanami Region, WA	RRI * 100%	Granted	13/12/2012	12/12/2017	5	\$15,000
E80/4559	Tanami Region, WA	RRI * 100%	Granted	13/12/2012	12/12/2017	7	\$20,000
E80/4596	Tanami Region, WA	RRI * 100%	Granted	13/12/2012	12/12/2017	113	\$113,000
E80/4869	Tanami Region, WA	RRI * 100%	Application			61	N/A
E80/4919	Tanami Region, WA	RRI * 100%	Application			22	N/A
E80/4920	Tanami Region, WA	RRI * 100%	Application			3	N/A
E80/4921	Tanami Region, WA	RRI * 100%	Application			3	N/A
MT SURPRISE PROJECT							
EPM 18331	Mt Surprise Area, Qld	ORM 100%	Granted	26/06/2014	25/06/2019	42	\$50,000
EPM 18850	Mt Surprise Area, Qld	ORM 100%	Granted	21/10/2013	20/10/2018	100	\$50,000
EPM 18449	Mt Surprise Area, Qld	ORM 100%	Granted	14/05/2013	13/05/2018	25	\$50,000
EPM 17011	Mt Surprise Area, Qld	J. W. Withers ** 100%	Granted	16/06/2008	15/06/2011 Renewal lodged	4	\$35,000
EPM 17891	Mt Surprise Area, Qld	J. W. Withers ** 100%	Granted	23/07/2013	22/07/2018	8	\$2,500
MLA 30218	Mt Surprise Area, Qld	J. W. Withers ** 100%	Application			32.5	N/A
MT RAMSAY PROJECT							
EPM 25677	W of Gladstone, Qld.	ORM 100%	Granted	11/08/2014	10/08/2019	26	\$37,500
TOP CAMP PROJECT							
ML 2764	SSW of Cloncurry	ORM 100%	Granted	19/01/1989	31/01/2015	103	N/A
ML 2785	SSW of Cloncurry	ORM 100%	Granted	6/02/1992	28/02/2017	129.2	N/A
ML 2786	SSW of Cloncurry	ORM 100%	Granted	15/02/1990	28/02/2016	70	N/A
ML 2792	SSW of Cloncurry	ORM 100%	Granted	6/02/1992	28/02/2017	103.5	N/A
* Rich Resources Investments Pty Ltd - wholly owned Subsidiary of Orion Metals Limited ** Subject to Royalty							

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")

30 NOVEMBER 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers & GST	26	71
1.2 Payments for (a) exploration & evaluation	(232)	(807)
(b) development	-	-
(c) production	-	-
(d) administration	(189)	(512)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	23
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 R&D tax offset	-	150
Net Operating Cash Flows	(393)	(1,075)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(4)
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	-	(4)
1.13 Total operating and investing cash flows (carried forward)	(393)	(1,079)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(393)	(1,079)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,037	1,037
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)	(32)	(32)
	Net financing cash flows	1,005	1,005
	Net increase (decrease) in cash held	612	(74)
1.20	Cash at beginning of quarter/year to date	521	1,207
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,133	1,133

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	22
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Proceeds from share issues include \$37,500 received under the Share Purchase Plan which closed 28/11/14. The 2,500,000 shares were issued on 1/12/14.

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

+ See chapter 19 for defined terms.

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	(151)
4.2 Development	-
4.3 Production	-
4.4 Administration	(184)
Total	(335)

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	1,061	46
5.2 Deposits at call	72	475
5.3 Bank overdraft	-	-
5.4 Term deposits	-	-
Total: cash at end of quarter (item 1.22)	1,133	521

+ See chapter 19 for defined terms.

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	NIL		
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 (description)	NIL	NIL		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities Opening balance 31/8/14	92,597,443	92,597,443		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	50,000,000 Nil	50,000,000 Nil		
7.5 *Convertible debt securities (description)	NIL	NIL		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor) Opening balance 31/8/14	Nil	Nil	<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)	NIL	NIL		

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)	NIL	NIL	
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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 /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



Date: 23-12-2014

(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.

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+ See chapter 19 for defined terms.