

## **ORION MINERALS GROUP LIMITED**

By NZX MAP Announcement

10 December 2013

### **Progress with Scrap Metal Business**

OMG advises good progress has been made with the set up of its scrap metal export business in Australia. The business will aggregate scrap metal at its premises, sort the scrap into the various categories of scrap, and then ultimately market the scrap into the international scrap metal markets.

The Company advises progress as follows:

- OMG has incorporated a wholly owned subsidiary company China Scrap Metal Resources Pty Limited ("CSMR") to undertake the business operations in Geelong, Australia.
- CSMR has entered into a lease arrangement for an industrial site at 300-400 Broderick Road, Lara, Geelong, VIC, Australia
- CSMR has received a Planning Permit from the City of Greater Geelong for the proposed operation. The permit contains some conditions but none are seen as onerous or create difficulties for the Company to commence operations.
- CSMR is about to let contracts for the purchase of specialised capital plant and equipment to process, weigh and transport the scrap metal. Final negotiations are still to be completed but the expected contract prices are a total of AU\$804, 000 or approximately US\$740,000 at USD:AUD 0.92 which is in line with the budget presented to the shareholders at the Special Meeting in July 2013.
- CSMR is planning to hire staff for the operation in period after Christmas 2013 with the plan to commence operations mid-February 2014.

The Company will provide a further update at its Annual Meeting on Friday 20 December 2013

ENDS

Contact:

Roger Gower [roger@gower.ac](mailto:roger@gower.ac)

Mobile 0275914112