



Orion Metals Limited (ASX:ORM)
71 Lytton Road East Brisbane Qld 4169
GPO Box 122 Brisbane Qld 4001
Phone: 61 7 3249 3060
Fax: 61 7 3249 3061
ABN 89 096 142 737

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ASX RELEASE

BROUGHTON REE PROJECT (NW QLD) UPDATE ORION BEGINS FIELD WORK

The Directors of Orion Metals Ltd (ASX:ORM) are pleased to announce that field evaluations of the Broughton Creek Project joint venture area, 30 kms south of the historic Mary Kathleen REE & uranium (U) mine, are to begin this week to assess a number of zones of rare earth element (REE) mineralisation discovered by Broughton Minerals Pty Ltd (Broughton) during prospecting activities over the past 2 years. Broughton holds Exploration Permits totalling 137km² and has discovered previously unrecorded extensive surface REE-U mineralisation from surface rockchip samples (float & subcrop-outcrop) within these tenements-see ASX Release dated 20th April 2011.

Our primary interest are approximately 10 individual zones spread over an area of 4kms by 4kms, where highly anomalous rare earth elements (REE) and uranium occur in linear structures exhibiting above background radioactivity. Numerous samples have been taken from the various sections of these zones which confirm high grade REE & U values. It is intended to geologically prospect and fact map these occurrences to establish the structural and or geological controls of these zones and their relationship to each other, and to check if there is lower order disseminated REE mineralisation in adjacent host rocks.

Also found during follow-up of radiometric anomalies by Broughton is a broad breccia zone over 400 metres long where low order uranium mineralisation occurs with anomalous zinc and base metals and low tenor REE geochemistry.

Another narrow 2km structural zone with associated alteration phases hosts significant zirconium (over 1%) and hafnium up to 2,000ppm.

Minor copper occurrences in the area reportedly have associated gold levels (up to 8.55g/t Au) in a few samples tested and these will be field checked.

It is the intention of the Orion Directors, subject to the results of the mapping, to ratify a 12 month exploration program and budget that will include RC drilling of the highest priority geochemical and most interesting geologic targets at the earliest practicable opportunity so that the Broughton Creek project can advance significantly over the coming months.

Orion's interest in the Broughton Creek Project is held in Orion's wholly owned subsidiary Broughton Orion Pty Ltd with this entity has the right to earn up to 90% of the project.

David K Barwick

Chairman

Phone +61 7 3249 3060

For further information on Orion Metals visit www.orionmetals.com.au

Competent Persons Statement

The information in this report that relates to exploration results is based on information compiled by Mr Adrian Day, who is a Member of the Australian Institute of Geoscientists and who has sufficient experience 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the "JORC Code"). Mr Day is a non-executive Director of Orion Metals Limited and a consultant to the Company. He consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.