

ASX RELEASE

14 April 2010

Orion Metals - Fully Underwritten Rights Issue Commences

The Board of Orion Metals Limited (ASX-ORM) wishes to advise that the pro-rata Rights Issue prospectus has been released and distributed to Shareholders. The Rights Issue will open on 14th April 2010 and will close on the 12th May 2010. The Rights Issue is fully underwritten and will raise \$1.235 million.

James Canning-Ure, who recently joined the Board of ORM as Managing Director, stated that the Company was intending to not only focus on its Top Camp gold project but wanted to progress its Rare Earth metal project to provide diversification for the Company going forward.

He said "There are 17 Rare Earth Elements (REE), scandium, yttrium and 15 lanthanides. REEs are essential to creating the future 'clean energy' economy. REEs are vital for many modern items including rechargeable batteries for hybrid and electric cars, high-performance magnets, and fluorescent light bulbs. China has about half of the world's mineable REE deposits and produces around 95% of the world's REE, and is about to lock up its supplies to meet its surging domestic demand, with current operations struggling to maintain production, growth forecasts greater than new supply coming on to the market we believe, in addition to gold, we consider moving in to REE now to be very strategic and opportune."

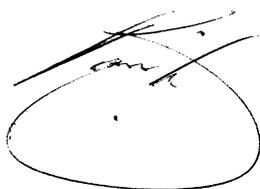
He also stated that the Board has been encouraged by the initial interest shown by Shareholders in the Rights Issue which was offering the opportunity for existing Shareholders to increase their holding at an attractive price.

James Canning -Ure also pointed out that the Chairman and fellow Directors have agreed to take up 26% of the Rights Issue, Metallica 20% and Jein Mining 32%. Jein Mining is an associate of Jilin Nickel which is a large Chinese mining company that has had a long term relationship with Metallica. He believes this shows significant support for the business model the company has developed.

ABOUT ORION METALS LIMITED

- Orion Metals (ASX Code: ORM) is a Brisbane-based ASX-listed mining and exploration company with a Gold and Rare Earth Element commodity focus
- Several exploration permits have recently been applied for or acquired for their potential to host Rare Earth Element mineralisation.
- Shares on issue after Rights Issue will be approximately 49.4million (as at 21st May 2010)
- Attractive capital structure and very low market capitalisation of less than \$3million providing the Company with excellent leverage to value adding with corporate and or project activity
- Well managed and experienced Board backed by established major shareholder Metallica who will own around 34 % of the Company after the Rights Issue
- Drilling established gold targets within Top Camp Mining lease near Cloncurry
- Newmont expected to drill gold targets on Malcolm's Creek mid 2010 – weather permitting

David K Barwick



Chairman
Orion Metals Limited
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