



Orion Metals Limited (ASX:ORM)

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15th October 2010

Company Announcements Office
Australian Securities Exchange
Brisbane Qld.

SHARE PLACEMENT AND PARTIAL SELL DOWN

Orion Metals Limited (ASX Code ORM) is pleased to advise it has agreed to place 8 Million Shares at an issue price of 25 cents per share to raise a gross amount of funds totalling \$2 Million.

The Placement is being done to institutional and sophisticated investor clients of Fosters Stockbroking Pty Ltd and Taylor Collison Limited as Co-Lead Managers and under the provisions of Section 708 of the Corporations Act.

As previously announced the initial round of drilling is scheduled to commence on the Company's Killi Killi Project on 20 October 2010, weather permitting, and subject to these results a further program is likely to be carried out in the early part of 2011. The purpose of the placement is to ensure adequate funds to advance the Killi Killi Project and to seek further opportunities within the Rare Earth and Gold exploration space.

In parallel with the Placement, Metallica Minerals Limited has sold down 4 Million of its shares at the same price (25 cents) to assist with strong demand and provide additional market liquidity. Metallica intends to immediately reinvest a portion of the funds to exercise their 1.4 million options which expire in February 2011 demonstrating their ongoing support for the Killi Killi Project and Orion Metals.

It is proposed that the Company will be reinstated to the Stock Exchange at opening of business on Friday 15 October 2010.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David K Barwick', written over a large, light-colored oval shape.

David K Barwick
Chairman