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ASX Release

20th April 2011

ORION FARMS INTO BROUGHTON CREEK RARE EARTH ELEMENTS (REE) PROJECT (NW QLD)

ORM is pleased to announce that it has entered into a farm in agreement for a rare earth element (REE) project in the Cloncurry district with a private prospecting company, Brisbane-based Broughton Minerals Pty Ltd. Broughton has discovered a new uranium U/REE mineralisation at Broughton Creek, 30kms south of the historic Mary Kathleen U/REE mine, and holds 278kms² in 5 exploration permits EPM 19011, EPM 16209, EPM 17974, EPM 17143, EPM 18075 as shown on the attached map. All commercial terms and conditions have been agreed by the parties and final signing of this farm in agreement is expected to be completed within the next 2 weeks.

Under the arrangement ORM will pay a cash consideration of \$150,000 in compensation for past exploration expenses including an airborne geophysical survey. ORM will have the right to earn up to 90% equity in the project by an expenditure initially of \$2m for 50% interest over 5 years and then an additional \$1m for each incremental increase of 10% equity. ORM reserves the right to withdraw from the project at any time, but should it elect to proceed, it will on an annual basis, issue 250,000 ordinary Orion shares to Broughton to a maximum total of 1,000,000 shares.

Broughton has completed 1,700 line kms of high resolution airborne magnetics and radiometric geophysics which has defined interesting magnetic features, radioactive anomalies and targets that are currently being investigated on the ground.

The ground work has included the collection of 254 rock and mineral samples (note most selective) cover sub crop float of which 149 returned an average grade of Total Rare Earth Elements (TREE) of 1%, with maximum values to 9% TREE. It is Orion's intention to concentrate on locating REE mineralisation within the tenements and assess the occurrences in detail. Also recorded were assays of uranium values up to 33% U, with 166 of the samples averaging 3% uranium.

It has been recognised that the radioactive mineral is allanite, the same mineral found at Mary Kathleen U/REE mine, and appears associated with distinctive lithologies, both as discrete mineral veins and disseminated inclusions.



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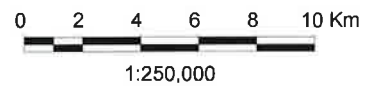
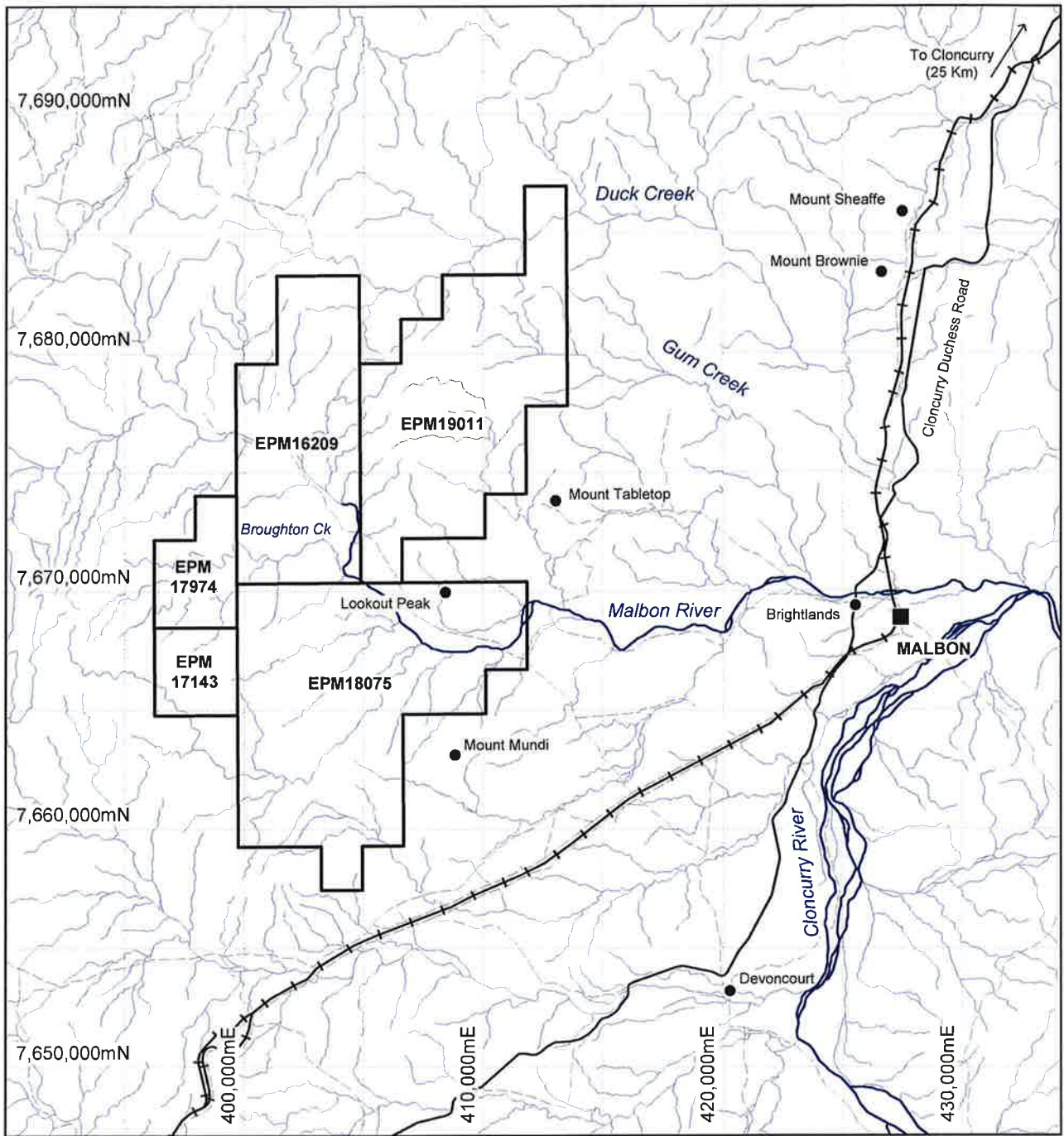
The TREE suite represented is essentially of the “light” category, however the “heavy” members are present, for example, dysprosium to 2,933 ppm, neodymium to 8,487ppm, samarium to 1,356ppm, ytterbium to 1,856ppm and yttrium to 8,086ppm.

Mr James Canning-Ure, Managing Director, believes the acquisition will give ORM a second REE project that will complement and reinforce its work on the Killi Killi REE & Au Project in WA. Also it provides the opportunity to conduct fieldwork for most of the year, whereas Killi Killi becomes inaccessible in the wet season for 4-5 months. Both the Tanami and Nth QLD are arguably one of the best regions to be exploring for REE deposits. There are definite logistical benefits as well, working the two projects concurrently, he says.

It is ORM’s intention to begin field activities in NTH QLD as soon as this season’s programme at Killi Killi has been initiated and will continue the delineation of anomalous features, geological mapping and sampling individual occurrences in preparation for preliminary RC drilling, Mr Canning-Ure says.

James Canning-Ure
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For further information on Orion Metals visit www.orionmetals.com.au



QUEENSLAND
INDEX MAP

ORION METALS LIMITED

**BROUGHTON MINERALS PTY LTD
TENURE HOLDING**

COMPILED BY	A DAY	APR 11	SCALE 1:250,000	FIGURE
DRAFTED BY	K.J.CORRIE	APR 11	Proj. MGA84 ZONE 54	
REVISED			DWG No	