



ASX ANNOUNCEMENT

27th May 2014

EXPLORATION UPDATE Broughton Creek Project

Orion Metals Limited (ASX:ORM), rare earth element (REE) and gold explorer, is pleased to provide this exploration update.



HIGHLIGHTS

- *Reconnaissance ground exploration has commenced.*
- *Desktop review of Orion’s tenement package complete, identified additional areas for exploration opportunity.*
- *Foundation comprehensive digital database and file structure established.*

On-ground field work has commenced on Orion Metals Limited’s Queensland REE, gold, and base metal Project, Broughton Creek. Broughton Creek Project area is situated within the highly prospective Mt Isa – Cloncurry region (Figure 1).

The Broughton Creek Project is subject to management under the terms of a “Farm-in and Joint Venture Agreement” with Broughton Minerals Pty Ltd (registered tenement holder and beneficial owner of the tenement package).

Following assessment of the September 2013 Broughton Creek Project RC drill program, targeting REE and U mineralisation across EPM16209 (ASX: ORM 29th November 2013), and recommendations from a recent internal Orion Metals Limited desktop prospectivity review, a reconnaissance regional sampling program has been initiated.

The regional sample program is a stream sediment type, which broadly covers the entire tenement package.

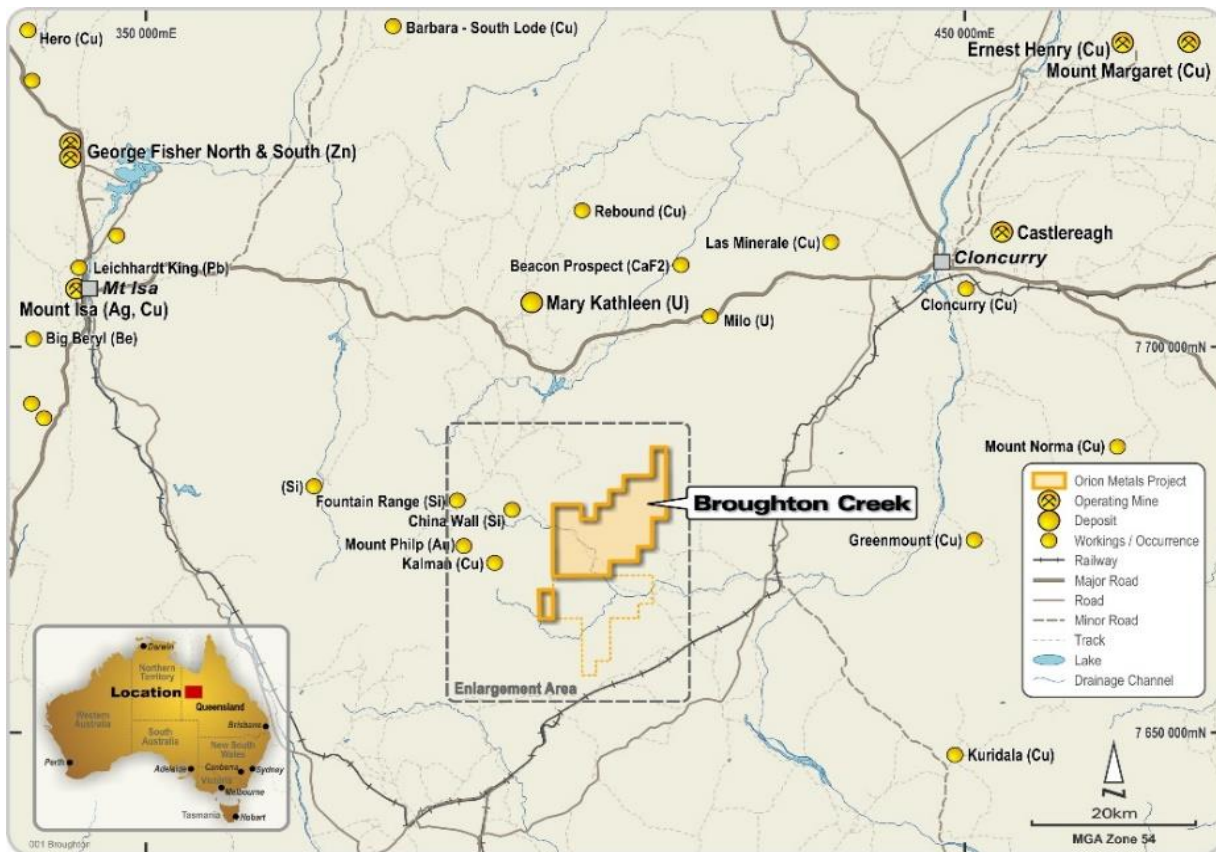


Figure 1: Broughton Creek Project location plan.

The proposed sample density is approximately one sample per square kilometre. Raw Sample details are currently being digitally assembled and results for this program is expected in four weeks. Full details of the program and results is expected to be ASX released June 2014.

The tenement package comprises three tenements (EPM 16209, EPM 17143, and EPM 19011) and one under application (EPMA 18075) which is due to be granted. With the grant of EPMA 18075, the Project area will grow from 126 sq km to over 200 sq km's.

Mt Surprise Project - Update

The Fulford Creek Project, Black Springs Creek Project, Dickson Creek Project, and Bonnor Creek Project, all located within the Mt Surprise region of NE Queensland with their own unique project status, and all part of the Orion Metals Limited tenement package, have been amalgamated into one new project – the Mt Surprise Project.

There are no status changes to the overall tenement package, but this necessary rationalisation provides clarity in management and reference to the respective tenure. For a complete list of tenements, refer Table 1, and tenement locations, Figure 3.

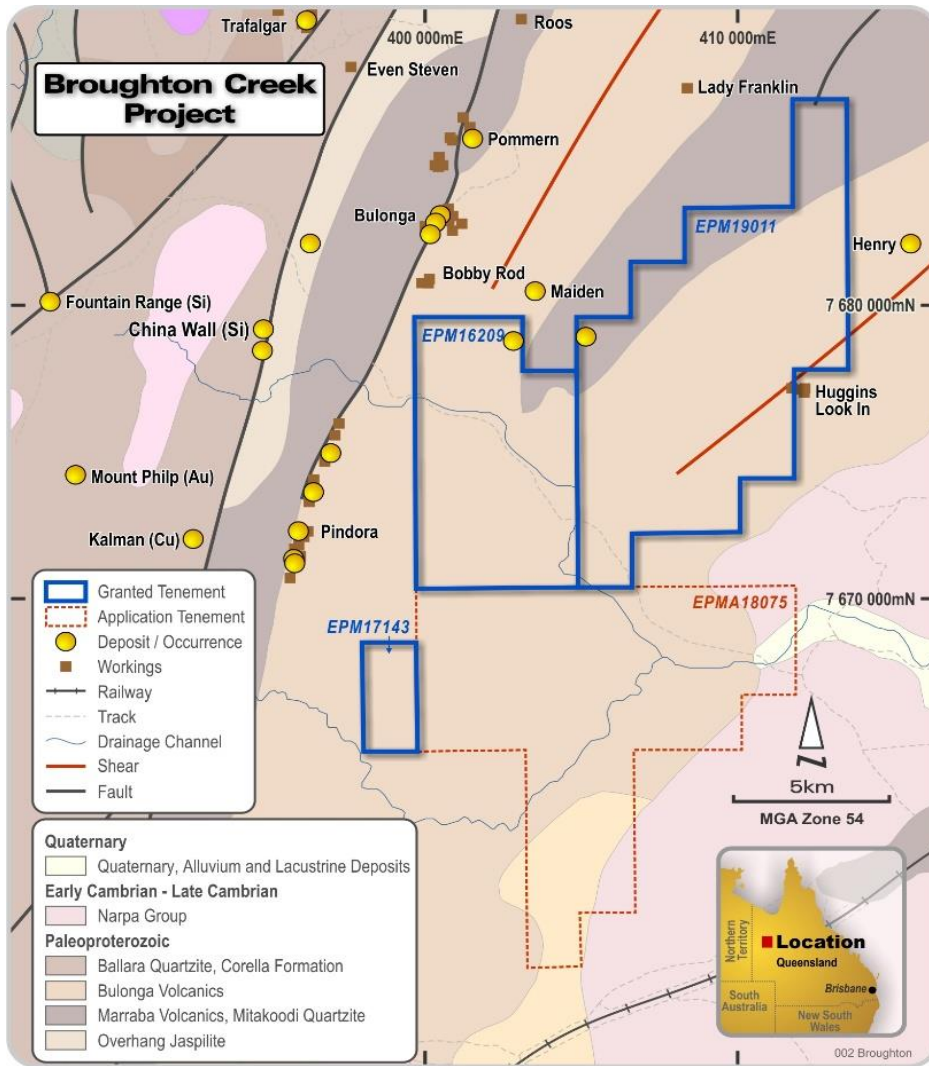


Figure 2: Broughton Creek Project tenement location, with regional geology and local mineral deposits

Other Developments

A new experienced technical geological and logistics team has been assembled to lead Orion Metals Limited's exploration initiatives this year. This team will be rotated through all Project areas this field season, targetting high priority anomalies and generating additional new targets.

The digital upgrade of Orion Metals Limited exploration data systems is complete, with only ongoing document and file management to be finalised.

The Azeva.XDB Data Management System provided by Geobase Australia Pty Ltd has provided Orion Metals Limited with a benchmark database facility. AS part of this process, all available legacy exploration data and GIS data has been collated for all Projects. This process has proven to be a huge asset for technical Project work and has allowed effective target generation to be undertaken.

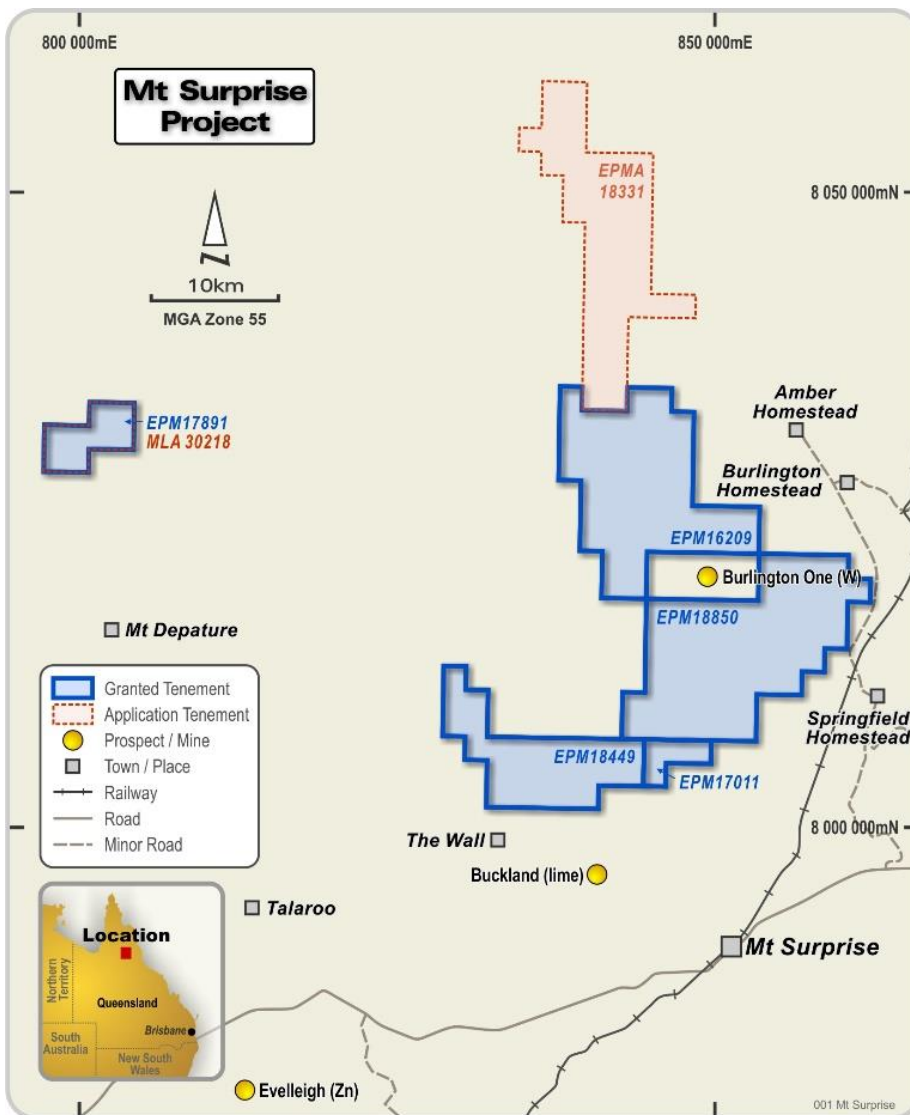


Figure 3: Mt Surprise Project tenement location

The brand new Orion Metals Limited server, with VPN remote access, is now fully functional enabling staff accessibility to technical data anywhere around Australia; from various cities and towns, to remote bush camp sites that have internet coverage.

About Orion Metals

Orion Metals Limited (ASX:ORM) is a Rare Earth Element(REE) and Gold explorer with exploration projects in the highly prospective metal provinces of the Tanami Desert of Western Australia, the former uranium mining district of Mary Kathleen in Northwest Queensland, and Mt Surprise, in NE Queensland.

For Further Information

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Competent Person Declaration.

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Peter Brookes, a full-time employee of Orion Metals Limited, who is a member of the Australian Institute of Geoscientists. Mr Brookes has sufficient experience which is 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brookes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

Table 1: Orion Metals Limited current tenement listing

CURRENT ORM TENEMENT LIST at 24th May 2014							
Tenement ID	Location	Registered Holder	Status	Granted Date	Expiry Date	Area (Sub-blocks)	Minimum Expend
KILLI KILLI HILLS PROJECT							
E80/4029	Tanami Region, WA	RRI * 100%	Granted	16/04/2009	15/04/2014*	10	\$30,000
E80/4197	Tanami Region, WA	RRI * 100%	Granted	15/10/2009	14/10/2014	3	\$20,000
E80/4556	Tanami Region, WA	RRI * 100%	Granted	6/03/2013	5/03/2018	22	\$22,000
E80/4558	Tanami Region, WA	RRI * 100%	Granted	13/12/2012	12/12/2017	5	\$15,000
E80/4559	Tanami Region, WA	RRI * 100%	Granted	13/12/2012	12/12/2017	7	\$20,000
E80/4596	Tanami Region, WA	RRI * 100%	Granted	13/12/2012	12/12/2017	113	\$113,000
E80/4869	Tanami Region, WA	RRI * 100%	Application			61	N/A
MT SURPRISE PROJECT							
EPMA 18331	Mt Surprise Area, Qld	ORM 100%	Application			42	N/A
EPM 18850	Mt Surprise Area, Qld	ORM 100%	Granted	21/10/2013	20/10/2018	100	\$50,000
EPM 18449	Mt Surprise Area, Qld	ORM 100%	Granted	14/05/2013	13/05/2018	25	\$50,000
EPM 17011	Mt Surprise Area, Qld	J. W. Withers ** 100%	Granted	16/06/2008	15/06/2011 Renewal lodged	4	\$35,000
EPM 17891	Mt Surprise Area, Qld	J. W. Withers ** 100%	Granted	23/07/2013	22/07/2018	8	\$2,500
MLA 30218	Mt Surprise Area, Qld	J. W. Withers ** 100%	Application			32.5	N/A
BROUGHTON CK PROJECT							
EPM 16209	SW of Cloncurry, Qld.	Broughton Minerals Pty Ltd 100%	Granted	27/03/2008	26/03/2016	14	\$200,000
EPM 17143	SW of Cloncurry, Qld.	Broughton Minerals Pty Ltd 100%	Granted	17/12/2009	16/12/2015	2	\$50,000
EPM 19011	SW of Cloncurry, Qld.	Broughton Minerals Pty Ltd 100%	Granted	28/06/2012	27/06/2015	26	\$30,000
EPMA18075	SW of Cloncurry, Qld.	CNW Pty Ltd 100%	Application			27	N/A
Tenement ID	Location	Registered Holder	Status	Granted Date	Expiry Date	Area (Hectares)	Minimum Expend
TOP CAMP PROJECT							
ML 2764	SSW of Cloncurry	ORM 100%	Granted	19/01/1989	31/01/2015	103	N/A
ML 2785	SSW of Cloncurry	ORM 100%	Granted	6/02/1992	28/02/2017	129.2	N/A
ML 2786	SSW of Cloncurry	ORM 100%	Granted	15/02/1990	28/02/2016	70	N/A
ML 2792	SSW of Cloncurry	ORM 100%	Granted	6/02/1992	28/02/2017	103.5	N/A
* Rich Resources Investments Pty Ltd - wholly owned Subsidiary of Orion Metals Limited				** Subject to Royalty			
* Under Application for Extension of Term							