

Orion Metals Limited (ASX: ORM)

ABN 89 096 142 737

71 Lytton Road, East Brisbane Qld 4169 GPO Box 122 Brisbane Old 4001

> Phone: 61 7 3249 3060 Fax: 61 7 3249 3061 www.orionmetals.com.au

ASX Release

20 April 2011

Rich Resources Investments Pty Ltd (RRI), a wholly owned subsidiary of Orion Metals Limited (ORM) has commenced proceedings in the Warden's Court of Western Australia against a former non-geologist consultant of ORM (the Former Consultant) and an associated company (Applicant Company).

In the proceedings, RRI alleges that the Former Consultant, in disclosing confidential information to the Applicant Company:

- 1. breached obligations arising pursuant to a contract of employment with ORM;
- 2. breached the terms of a confidentiality deed with ORM; and
- 3. breached an equitable obligation of confidentiality owed to RRI.

RRI also alleges that, using confidential information, the Former Consultant caused the Applicant Company to apply for exploration licences E80/4543, E80/4544 and E80/4548 to the detriment of RRI.

Amongst other relief, the proceedings seek an injunction requiring the Applicant Company to withdraw its applications for exploration licences E80/4543, E80/4544 and E80/4548, or in the alternative a declaration that the Applicant Company holds those applications on trust for RRI.

The Former Consultant and the Applicant Company have indicated through their solicitors that they vigorously deny the allegations and are defending the proceedings. The proceedings are yet to be heard by the Wardens Court, with the first directions hearing due to occur on 6 May 2011.

Separate to the proceedings, RRI has also filed objections to the Applicant Company's applications for exploration licences E80/4543, E80/4544 and E80/4548. Those objections will be heard by the Warden in accordance with the procedures provided for in the *Mining Act 1978 (WA)*. The first mention hearing in relation to RRI's objections is due to occur on 6 May 2011.

ORM will provide further updates on any material development in this matter.

David K Barwick Chairman Orion Metals Limited Phone + 61 7 3249 3060

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