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22 September 2011
ASX Release

ORION FORMALISES BINDING JV AGREEMENT ON THE BROUGHTON CREEK REE PROJECT (NW QLD)

Further to our announcement of 20 April 2011 regarding the entering into letter agreement for a farm-in on the Broughton Creek rare earth element (REE) & gold project, the Orion (ASX: ORM) Directors are pleased to advise that signing of the formal legal Joint Venture (JV) agreement has been completed. The farm-in is with private prospecting company, Brisbane-based Broughton Minerals Pty Ltd, on a newly discovered REE & Uranium area at Broughton Creek, 30kms south of the historic Mary Kathleen REE & U mine where it holds 278kms² in 5 exploration permits.

Under the arrangement ORM will pay a cash consideration of \$150,000 in compensation for past exploration expenses including an airborne geophysical survey. It 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 shares to Broughton to a maximum total of 1 million shares.

It is ORM's intention to begin follow up field activities that Broughton Minerals has initiated and will continue the delineation of anomalous features in extensive areas recording highly anomalous REE values in float and outcrop rock samples associated with favourable host rocks (see ASX release 20 April 2011) and geological mapping and sampling of individual occurrences in preparation for preliminary RC drilling. Prospects so far discovered only represent a small portion of the tenement area that has been geologically prospected and the radiometric responses recorded in Broughton's airborne geophysical survey. These occur in a region that is now proving to host previously unknown REE mineralisation outside the historic Mary Kathleen REE-U mine.

Both bulk mineable disseminated U/REE as well as high grade vein-hosted U/REE and gold mineralisation is considered to be the potential targets of significance within this project.

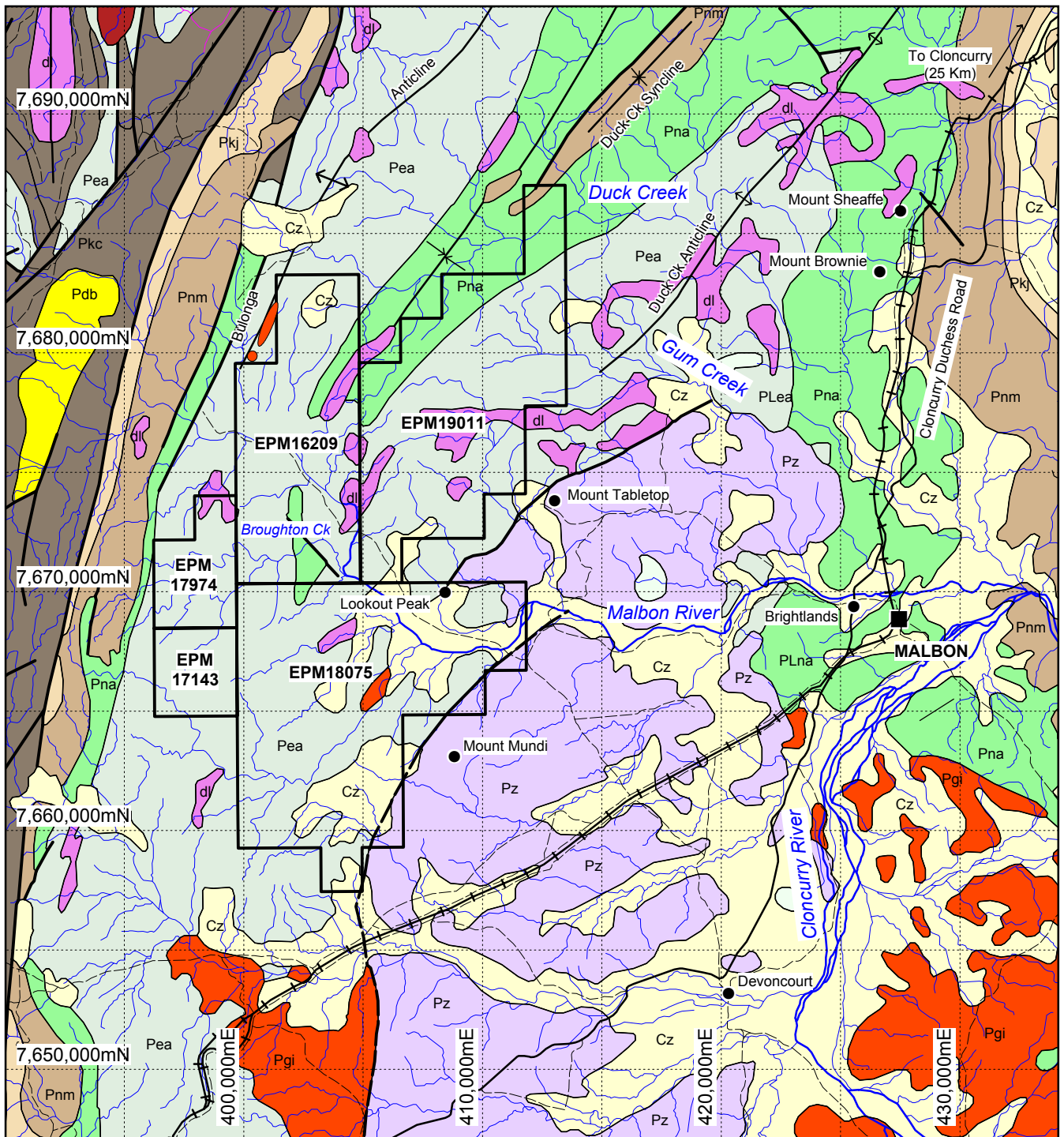
ORM will hold its interest in this JV through its wholly owned subsidiary Broughton Orion Pty Ltd.

A handwritten signature in black ink, appearing to read 'David K Barwick', written over a circular stamp or seal.

David K Barwick
Chairman
Telephone : + 61 7 3249 3060

Competent Persons Statement

In accordance with Listing Rules 5.1 and 5.12 of the Australian Securities Exchange technical information contained in this report has been compiled by Mr. Adrian Day BSc (Geology), MAIG, MSEG, MGSA who is a competent person and member of the Australasian Institute of Geoscientists. Mr Day has relevant experience to the mineralisation being reported on to qualify as a Competent Person as defined by the Australasian Code for Reporting of Minerals Resources and Reserves. Mr Day is a non-executive Director of Orion Metals Limited and part-time consultant to the company. He consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.



GEOLOGY LEGEND

CAINOZOIC

Cz Alluvium

PALAEOZOIC

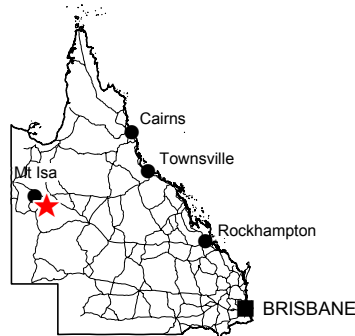
Pz Cambrian

PROTEROZOIC

- dl Dolerite
- Pdb Mount Philp Breccia
- Pgi Wimberu Granite
- Pkc Corella Formation
- Pkj Overhang Jaspillite
- Pnm Mitakoodi Quartzite
- Pna Marraba Volcanics
- Pea Argylla Formation

0 2 4 6 8 10 Km

1:250,000



QUEENSLAND INDEX MAP

ORION METALS LIMITED

**BROUGHTON MINERALS PTY LTD
TENURE HOLDING
showing
GEOLOGY**

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