



Orion Metals Limited (ASX: ORM)
ABN 89 096 142 737
71 Lytton Road, East Brisbane Qld 4169
GPO Box 122 Brisbane Qld 4001
Phone: 61 7 3249 3060
Fax: 61 7 3249 3061
www.orionmetals.com.au

28 January 2011

Dear Optionholder,

Notice of Options Expiring 25 February

You are recorded as holding Australian Securities Exchange listed options ('ORMO') in Orion Metals Limited ('the Company' or 'ORM') as at 25 January 2011 and so a formal personalised *Notice of Exercise of Options* is attached.

These options expire on Friday 25 February 2011 and may be exercised up until that date at 12¢ each. Each option when exercised will entitle the holder to one fully paid ordinary share in ORM.

Notice is provided pursuant to the ASX Listing Rules whereby the Company is required to send a Notice to each optionholder, at least 20 business days before the expiry of listed options, setting out general and holder-specific particulars in relation to the ORMO options, plus particulars of the underlying ORM shares.

Please note that the ORMO options will cease trading on the ASX as of Friday 18 February 2011. Therefore, we suggest that you take action now to exercise your option holding.

To assist you in exercising your options please complete the enclosed *Notice of Exercise of Options* and return it to the Company's registered office with your cheque – or direct credit the funds to the Company's bank account – to be received by no later than 25 February 2011.

We expect that Transaction Confirmation Statements for all options exercised after 25 January 2011 will be despatched to shareholders no later than Wednesday 9 March 2011.

If you have recently sold your options, or you plan to sell them on-market, then please disregard this Notice.

Please contact the undersigned or James Canning-Ure, Managing Director, at the office should you have any questions about your options.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Bill Lyne', written over a horizontal line.

Bill Lyne
Company Secretary
Mobile: 0418 874 175
Email: blyne@orionmetals.com.au

SRN/HIN:

Number of Options held
as at 25 January 2011:

Conversion Ratio: 1 for 1

Exercise Price: \$0.12

Expiry Date: 25 February 2011

Last date of Quotation on ASX: 18 February 2011

NOTICE OF EXERCISE OF OPTIONS

Orion Metals Limited Shares ASX Quotation Prices:

Closing price on 25 January 2011	\$0.20
3 month high before 25 January 2011	\$0.30 on 23 December 2010
3 month low before 25 January 2011	\$0.165 on 16 November 2010
Last date of quotation of options on ASX	18 February 2011

PLEASE COMPLETE BELOW (using block letters) – refer overleaf for details and further instructions on how to complete this form.
I/We apply to exercise the following number of options and make payment in Australian currency drawn on an Australian branch of a financial institution or by Direct Credit for the amount payable. Please allot me/us Ordinary Shares calculated on the basis of one (1) Ordinary Share for every one (1) Option which I/we exercise. I/We agree to accept such Shares subject to the Constitution of Orion Metals Limited.

A NUMBER OF OPTIONS EXERCISED
(Exercise all or part of ORMO Options)

at \$0.12 per
Option Exercised \$A

B TOTAL PAYMENT REQUIRED
(\$0.12 per ORMO Option exercised)

C PLEASE INSERT YOUR PAYMENTS DETAILS

OPTION 1: Cheque/Bank Draft or Money Order details

Cheques must be drawn on an **Australian branch** of a financial institution in **Australian currency** and made payable to "Orion Metals Limited" and crossed "Not Negotiable".

Cheque Number

BSB

Account Number

OPTION 2: Direct Credit details

Tick this box if you are making a payment via Direct Credit

If you wish to pay via Direct Credit please make a deposit for the amount entered in B to the account below:

Account Name: Orion Metals Limited

BSB: 034-002

Account Number: 323300

You must ensure you use your SRN/HIN as the deposit reference and this form must be returned as instructed on the reverse.

D YOUR CONTACT DETAILS

Telephone Number

Telephone Number – after hours

Contact Name (PRINT)

HOW TO COMPLETE THE NOTICE OF EXERCISE OF OPTIONS

Please complete all relevant sections of this form USING BLOCK LETTERS. These instructions are cross referenced to each section of the notice.

A. Application for Shares under the Notice of Exercise of Options

You may exercise either part of, or all of, your Options holding. Please write in Box A the number of Options that you wish to exercise.

If you do not indicate the number of Options you wish to Exercise, the Company will exercise as many Options as your accompanying payment corresponds to. The number of Options exercised, however, will not exceed the number of Options that you hold.

B. Total Payment Required for Options Exercise

Please enter in Box B the total amount of the payment required for the Options you wish to exercise at the Exercise Price of \$0.12 per Option.

C. Payment Details

Please enter your cheque details in Section C at Option 1.

Cheques must be drawn on an Australian branch of a financial institution in Australian currency and made payable to "Orion Metals Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received.

OR

Please tick the box at Option 2 and arrange for cleared funds to be deposited into the account indicated on the front of this form. You must return this form as indicated below.

D. Contact Details

Please enter your contact telephone number so we can contact you regarding your notice, if necessary.

Consequence of non-payment

If a Notice of Exercise and the required payment are not received before 5:00pm AEST on 25 February 2011, the Options will automatically lapse and no longer be available for exercise.

How to Lodge the Notice of Exercise of Options

The completed notice with the accompanying payment or payment advice must be mailed or delivered to the address set out below:

Mailing Address

Orion Metals Limited
GPO Box 122
Brisbane Qld 4001

or

Hand Delivery

Orion Metals Limited
71 Lytton Road (cnr Stafford Street)
East Brisbane Qld 4169

(Please do not use this address for mailing purposes)

If you require information on how to complete this form please contact Orion Metals Limited on +61 7 3249 3060 between 8:30am and 5:00pm AEST Monday to Friday.

If you are unsure as to whether or not to participate in the Exercise of Options, please consult your investment, financial, taxation or other professional adviser.