



Orion Metals Limited (ASX:ORM)
71 Lytton Road East Brisbane Qld 4169
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ABN 89 096 142 737
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01 May 2012

ASX Release

ORION METALS LIMITED (ASX: ORM) COMPLETES \$1.1 MILLION FINANCING

ORM announces that the Company has raised \$1.1 million from its 3 largest shareholders, Conglin Investment Group, Jien Mining and Metallica Minerals Limited. The financing was provided by way of a private placement to each shareholder to raise \$750,000 and a converting loan agreement with Conglin Investment Group for an additional \$350,000.

The funds are to be applied to exploration and evaluation work including the acquisition of the Company's new South Korean projects (refer ASX announcement of 26 April 2012) and for general working capital purposes. The raising takes ORM'S current cash position to approximately \$A3.8 million.

The placement will see the issue of 7,500,000 shares at 10 cents each to the three largest ORM shareholders as follows:

- Conglin Investment Group 3,500,000 shares (\$350,000)
- Jien Mining Pty Ltd 3,000,000 shares (\$300,000) and
- Metallica Minerals Limited 1,000,000 (\$100,000).

The Conglin Investment Group has also provided ORM with the \$350,000 converting loan facility. The facility will be repayable through the issue of convertible notes on the basis one note for every 10 cents of the loan. Repayment will be subject to and immediately following the receipt of shareholder approval of the issue. The notes issued to repay the loan will be convertible into ordinary shares at any time within 6 months of the issue on the basis of 1 share for each note.

Chairman David Barwick said, "We are delighted at the confidence shown in Orion by our major shareholders in providing additional funds to continue to drive our exploration and acquisition programs forward".

For further information contact:

David K Barwick
Chairman

Telephone : + 61 7 3249 3060

Garry Gill
Chief Operating Officer

About Orion Metals

Orion Metals Limited (ASX: ORM) is a Rare Earth Element (REE) and Gold explorer with exploration projects in highly prospective REE regions in the Tanami Desert in Western Australia and near the former Uranium district of Mary Kathleen in Queensland.

ORM also holds a strategic interest in Ultimate Resources Pty Ltd which is currently acquiring two rare earth projects in central South Korea.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

ORION METALS LIMITED

ABN

89 096 142 737

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 3,500,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Shares issued at \$0.10 pursuant to a private placement to sophisticated and professional investors. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>\$0.10 to raise \$350,000</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To fund maintenance, exploration and evaluation work conducted by the Company including the acquisition of the new projects and for general working capital purposes</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>01 May 2012</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">87,097,443</td> <td style="text-align: center;">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	87,097,443	Fully paid ordinary shares
Number	+Class				
87,097,443	Fully paid ordinary shares				

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	2,000,000	12 c Options expiring 29 July 2013
	500,000	20 c Options expiring 1 July 2014
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Shares rank pari passu with existing shares.	

Part 2 - Bonus issue or pro rata issue N/A

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	
18 Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19 Closing date for receipt of acceptances or renunciations	
20 Names of any underwriters	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- | | | |
|----|---|--|
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders | |
| 25 | If the issue is contingent on ⁺ security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do ⁺ security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | ⁺ Despatch date | |

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

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41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:Date 01 May 2012
Print name: David Barwick - Chairman

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1 May 2012

**Orion Metals Limited (ASX Code: ORM)
Notice under Section 708A**

From 30 April to 1 May 2012, Orion Metals Limited issued 7,500,000 fully paid ordinary shares at 10.0 cents per share raising \$750,000 before costs of the issue. The securities were issued pursuant to a Private Placement to sophisticated and professional investors. The securities are part of a class of securities quoted on the Australian Securities Exchange.

In making this issue, the Company relies on section 708A (5) of the *Corporations Act 2001* (the Act), and gives notice under paragraph (5) (e) of section 708A that:

1. The shares were issued without disclosure to investors under Part 6D.2, in reliance on Section 708A (5) of the Act.
2. The Company, as at the date of this notice, has complied with:
 - (a) The provisions of Chapter 2M of the Corporations Act; and
 - (b) Section 674 of the Corporations Act.
3. At the date of this notice there is no excluded information for the purposes of Sections 708A (7) and (8) of the Act.

For further information contact:

David Barwick
Chairman or

Garry Gill
Chief Operating Officer

(07) 3249 3060