

ORION MINERALS GROUP LIMITED

P O Box 189
Shortland Street
Auckland
NEW ZEALAND

23 November 2009

BY EMAIL: announce@nzx.com

Market Information
NZX Limited
WELLINGTON

MAIL OUT OF DISCLOSURE DOCUMENT TO SHAREHOLDERS

As previously announced to the market the Company proposes, subject to compliance with the requirements of the Companies Act 1993, to make an offer to acquire, and to ultimately acquire 510,000,000 shares in OMG held by Inversiones Barriga S.A ("Inversiones Shares").

Before the Company may make an offer to acquire the Inversiones Shares, it is required to send a Disclosure Notice to all shareholders of the Company specifying that information required by section 62 of the Companies Act 1993.

The Company has today mailed out the Disclosure Notice to all shareholders, a copy of which is attached to this announcement.

END

ORION MINERALS GROUP LIMITED

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23 November 2009

Orion Minerals Group Limited Shareholder

Dear Shareholder,

DISCLOSURE DOCUMENT – PROSPECTIVE BUYBACK OF SHARES

As previously announced to the New Zealand Stock Exchange:

1. The Company proposes, subject to compliance with the requirements of the Companies Act, to make an offer to acquire, and to ultimately acquire 510,000,000 shares in OMG held by Inversiones Barriga S.A (“Inversiones Shares”). Inversiones Barriga S.A is an entity associated with Mr Francisco Barriga Barriga, who was previously a director of the Company.
2. The consideration for the acquisition by the Company of the Inversiones Shares will be satisfied by the transfer by the Company to Inversiones Barriga S.A of the shares held by the Company in its wholly owned subsidiary Minera Varry S.A.

Before the Company may make an offer to acquire the Inversiones Shares, it is required to send a Disclosure Notice to all shareholders of the Company specifying that information required by section 62 of the Companies Act 1993. The following information in relation to the proposed acquisition of the Inversiones Shares is required to be provided to all shareholders in accordance with section 62 of the Companies Act:

1. The offer to acquire shares will be made to Inversiones Barriga S.A, as holder of the 510,000,000 OMG shares (“Inversiones Shares”). OMG proposes to acquire those shares back from Inversiones Barriga S.A in consideration for the transfer by the Company to Inversiones Barriga S.A of the shares held by the Company in its wholly owned subsidiary Minera Varry S.A.
2. The text of the resolution of the Board passed to acquire the Inversiones Shares is as follows:
 1. ***Buyback - Resolution to make an offer to acquire the Company's shares on a selective basis with shareholders' consent***
 - 1.1 *Subject to the prior satisfaction of the statutory requirements of the Companies Act 1993, the Board make an offer to acquire from Inversiones Barriga S.A, 510,000,000 shares in the Company, which shares are owned by Inversiones Barriga S.A.*
 - 1.2 *The acquisition of the shares is in the best interests of the Company.*
 - 1.3 *The terms of the offer and the consideration offered for the shares are fair and reasonable to the Company.*

- 1.4 *The Board is not aware of any information that will not be disclosed to shareholders:*
- shares; and
- (a) *which is material to an assessment of the value of the*
 - (b) *as a result of which the terms of the offer and consideration for the shares are unfair to the shareholder accepting the offer (Inversiones Barriga S.A).*
- 1.5 *The acquisition is of benefit to all other shareholders of the Company, to whom the offer will not be made.*
- 1.6 *The terms of the offer and the consideration offered for the shares are fair and reasonable to all other shareholders of the Company, to whom the offer will not be made.*
- 1.7 *The reasons for the Board's conclusions are:*
- (a) *OMG, Inversiones Barriga S.A and Francisco Barriga Barriga, previously a director of the Company, reached an agreement pursuant to which the parties agreed:*
 - (i) *that Mr Barriga Barriga resign both as a director, and as an executive, from OMG and its subsidiary companies;*
 - (ii) *that Inversiones Barriga S.A would transfer 510,000,000 shares held by it in the Company to the Company in consideration for OMG transferring the shares held by OMG in Minera Varry S.A;*
 - (iii) *Notwithstanding that Inversiones is acquiring the shares in Minera Varry, Inversiones has granted OMG a first right of refusal to purchase the shares in Minera Varry S.A and the Javiera mining concession. In addition, Inversiones has also granted OMG a first right of refusal to mine the Javiera mining concession;*
 - (iv) *Mr Barriga will transfer all of his interests in a prospective mining concession known as "Pelicano 1 to 10", located in Northern Chile, to OMG at no additional cost to OMG;*
 - (v) *Interests associated with Mr Barriga will grant to OMG (or its nominee), at OMG's election, the right to lease and mine a concession called the "Don Francisco concession" owned by interests associated with Mr Barriga, and located in northern Chile. The terms of the lease are to be no less favourable to OMG as those afforded to OMG's subsidiary company, Contractual Minera Varry ("CMV"), within the lease held by CMV in respect of the "Resguardo" mine between CMV and Southern Copper Corporation;*
 - (b) *The Board of OMG believes that:*
 - (i) *OMG's limited financial resources are best focused on exploiting other investment prospects;*

- (ii) *the arrangement is in the best interests of OMG and its non interested shareholders, because the share capital of OMG will be reduced by 510 million shares in consideration for the disposal of an asset which has little or no value to OMG;*
- (iii) *The economic interests of the non interested shareholders in the remaining assets of OMG and its subsidiaries would increase as a consequence of the significant reduction in share capital.*

Yours faithfully

ORION MINERALS GROUP LIMITED

A handwritten signature in black ink, appearing to read 'R. Gower', with a flourish at the end.

Roger Gower
Director