

PRELIMINARY ANNOUNCEMENT

Orion Minerals Group Limited

(Name of Listed Issuer)

For Reporting Period Ended 30 June 2010 (see comment below)

Unaudited Preliminary report for the reporting period ended 30 June 2010 on consolidated results in accordance with Listing Rule 10.4.2

The Issuer has a formally constituted Audit Committee of the Board of Directors.

Although the Parent's reporting period end is 30 June, the Subsidiary currently has a reporting period end of 31 December and as such the comparative results for the 12 months ended 30 June 2009 are not available for the Subsidiary.

The consolidated financial statements for the Group are therefore for the 12 months to 30 June 2010, with comparatives for the 6 months 30 June 2009 and further comparatives for the year ended 31 December 2009. The Directors confirm that the provision of 6 monthly comparatives in place of 12 month comparatives is not misleading and that there are no seasonal variations in revenue and expenses which are not disclosed.

Consolidated Statement of Financial Performance			
	Year ended 30-Jun-10 \$US'000	Six Months ended 30-Jun-09 \$US'000	Year ended 31-Dec-09 \$US'000
1 CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE			
1.1 OPERATING REVENUE			
a Trading Revenue			
b Other Revenue	108	4	
c Total Operating Revenue	108	4	
1.2 OPERATING *SURPLUS (DEFICIT) BEFORE TAXATION	(2,396)	(1,431)	(3,273)
a Less taxation on operating result	7	15	17
1.3 OPERATING *SURPLUS (DEFICIT) AFTER TAX	(2,389)	(1,416)	(3,256)
a Extraordinary Items after Tax [detail in Item 3]			
b Unrealised net change in value of investment properties			
1.4 NET *SURPLUS (DEFICIT) FOR THE PERIOD	(2,389)	(1,416)	(3,256)
a Net *Surplus (Deficit) attributable to minority interests			
1.5 NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	(2,389)	(1,416)	(3,256)

Consolidated Statement of Financial Performance			
	Year ended 30-Jun-10 \$US'000	Six months ended 30-Jun-09 \$US'000	Year ended 31-Dec-09 \$US'000
2 DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/ EXPENSES FOR REPORTING PERIOD			
2.1 INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE			
a Interest revenue included in Item 1.1(b)	108	4	
b # Unusual items for separate disclosure (gain/loss) (detail - Item 3)			
c Equity earnings (gain/loss) (detail - Item 16)			
d Interest expense included in Item 1.2 (include all forms of interest, etc)	32	10	21
e Leasing and renting expenses			
f Depreciation	141	70	141
g Diminution in the value of assets (other than depreciation)	113	136	59
h Amortisation of goodwill			
i Amortisation of other intangible assets			
j Impairment of goodwill		307	307
k Impairment of other intangible assets			

Consolidated Statement of Financial Performance			
	Year ended 30-Jun-10 \$US'000	Six months ended 30-Jun-09 \$US'000	Year ended 31-Dec-09 \$US'000
2.2 SUPPLEMENTARY ITEMS			
a # Interest costs excluded from Item 2.1(d) and capitalised	0		
b # Outlays (other than those arising from the acquisition of an existing business) capitalised in intangibles			
c Unrecognised differences between the carrying value and market value			

of publicly traded investments

Items marked in this way need to be shown only if their inclusion as revenue or exclusion from expenses has had a material effect on reported *surplus (deficit)

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3 DISCONTINUED, UNUSUAL (INCLUDING NON RECURRING), AND EXTRAORDINARY ITEMS OF THE GROUP

Group - Current Twelve months

DETAILS AND COMMENTS

Discontinued Activities:

Chilean Mining Operation

TOTAL DISCONTINUED ACTIVITIES

Material Unusual (including Non Recurring) Items (included in 1.2)

Description:

TOTAL MATERIAL NON RECURRING ITEMS

Extraordinary Items (Ref. Item 1.3(a))

Description:

TOTAL EXTRAORDINARY ITEMS

Operating Revenue \$US'000

Operating Surplus \$US'000

0 (1,243)

(1,243)

4 STATEMENT OF MOVEMENTS IN EQUITY

Statement of Movements

In Equity

Year ended 30-Jun-10 \$US'000	Six months ended 30-Jun-09 \$US'000	Year ended 31-Dec-09 \$US'000
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4.1 *NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF LISTED ISSUER

a *Net Surplus (Deficit) attributable to minority interest

4.2 OTHER RECOGNISED REVENUE AND EXPENSES

a *Increases (decreases) in revaluation reserves

b Current Translation Differences

c Minority interest in other recognised revenue and expenses

4.3 TOTAL RECOGNISED REVENUES AND EXPENSES

4.4 OTHER MOVEMENTS

a Contributions by Owners

b Effect of reversal of reverse acquisition

c Extinguishment of debt on repurchase of shares

4.5 EQUITY AT BEGINNING OF REPORTING PERIOD

4.6 EQUITY AT END OF REPORTING PERIOD

(2,389) (1,416) (3,256)

9,839 9,839

(3) (

479

9,561 1,138 1,138

7,648 9,561 7,72

5 EARNINGS PER SECURITY

Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings

Earnings Per Security

Year ended 30-Jun-10 \$US'000	Six months ended 30-Jun-09 \$US'000	Year ended 31-Dec-09 \$US'000
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(a) Basic EPS (cents)

(b) Diluted EPS (cents) (if materially different from (a))

Weighted average number of ordinary shares on issue (thousands)

(0.30) (0.16) (0.36)

(0.28) (0.15) (0.34)

807,029

6 MATERIAL ACQUISITIONS OF SUBSIDIARIES:

a Name of subsidiary or group of subsidiaries

b Percentage of ownership acquired

c Contribution to consolidated net *Surplus (Deficit) (Item 1.4)

d Date from which such contribution has been calculated

7 MATERIAL DISPOSALS OF SUBSIDIARIES

a	Name of subsidiary or group of subsidiaries	-----
b	Contribution to consolidated net *Surplus (Deficit) (Item 1.4)	-----
c	Date from which such contribution has been calculated	-----
d	Contribution to consolidated net *Surplus (Deficit) (Item 1.4) for the previous corresponding reporting period	-----
e	Contribution to consolidated net *Surplus (Deficit) (Item 1.4) from sale of subsidiary	-----

8 REPORTS FOR SEGMENTATION

The Group operates in one business segment, being industrial mining.

Revenue is allocated based on the country where the sale is generated. New Zealand includes holding company costs and head office charges.

Total assets and liabilities are allocated based on where those assets and liabilities are located.

	For the 12 months ended 30 June 2010:		
	Chile US \$000	New Zealand US \$000	TOTAL US \$000
Total external sales revenue	0	0	0
Total EBITDA	(1,369)	(849)	(2,218)
Depreciation	(139)	(2)	(141)
Amortisation	0	0	0
Finance income	0	108	108
Finance expense	(32)	0	(32)
Impairment of other assets	(113)	0	(113)
Income tax benefit / (expense)	7	0	7
Net (loss) for the period	(1,646)	(743)	(2,389)
Total assets	54	7,708	7,762
Total liabilities	96	18	114

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

9 CURRENT ASSETS:

		Consolidated Statement of Financial Position		
		30-Jun-10 \$US'000	30-Jun-09 \$US'000	31-Dec-09 \$US'000
(a)	Cash	7,625	9,966	8,590
(b)	Trade receivables			
(c)	Investments			
(d)	Inventories			
(e)	Other assets, current	124	120	84
TOTAL CURRENT ASSETS		7,749	10,086	8,674

9.1 NON-CURRENT ASSETS

a	Trade receivables			
b	Investments			
c	Inventories			
d	Property, plant and equipment	2	172	93
(e)	Goodwill		0	0
(f)	Deferred Taxation Assets	11	4	6
(g)	Other Intangible Assets		71	0
(h)	Other assets, non current		57	11

9.2 TOTAL NON-CURRENT ASSETS

9.3 TOTAL ASSETS

9.4 CURRENT LIABILITIES

a	Trade Creditors	52	55	122
(b)	Income in advance, current			
c	Secured loans	43	68	60
d	Unsecured loans		34	0
e	Provisions, current	19	29	11
f	Other liabilities, current		104	61
TOTAL CURRENT LIABILITIES		114	290	270

9.5 NON-CURRENT LIABILITIES

a	Accounts payable, non-current			
(b)	Secured loans		43	11
(c)	Unsecured loans		496	78

- (d) Provisions, non-current
- (e) Deferred Taxation Liability, non-current
- (f) Other liabilities, non-current

Consolidated Statement of Financial Position		
30-Jun-10 \$US'000	30-Jun-09 \$US'000	31-Dec-09 \$US'000
0	539	794
114	829	1,064
7,648	9,561	7,721
12,501	12,544	12,544
40		
(4,893)	(2,983)	(4,823)
7,648	9,561	7,721
7,648	9,561	7,721
-30%	-14%	-37%
-31%	-15%	-42%
1%	9%	14%

9.6 TOTAL NON-CURRENT LIABILITIES

9.7 TOTAL LIABILITIES

9.8 NET ASSETS

9.9 SHAREHOLDERS' EQUITY

- (a) Share capital (optional)
- (b) Reserves (optional)
 - (i) Revaluation reserve
 - (ii) Other reserves
- (c) Retained Surplus (accumulated Deficit) (optional)

9.10 SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER

- (a) Minority equity interests in subsidiaries

9.11 TOTAL SHAREHOLDERS' EQUITY

- (a) Returns on Assets (%) (EBIT divided by Total Assets)
- (b) Return on Equity (%) (Net Income divided by Shareholders' Equity)
- (c) Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)

Consolidated Statement of Cash flows		
Year ended 30-Jun-10 \$US'000	Six months ended 30-Jun-09 \$US'000	Year ended 31-Dec-09 \$US'000
108	4	4
(2,022)	(792)	(1,989)
(32)	(10)	(25)
(34)		
(1,980)	(798)	(2,010)

10 CASH FLOWS RELATING TO OPERATING ACTIVITIES

- (a) Receipts from customers
- (b) Interest received
- (c) Dividends received
- (d) Payments to suppliers and employees
- (e) Interest paid
- (f) Income taxes paid
- (g) Other cash flows relating to operating activities

NET OPERATING FLOWS

11 CASH FLOWS RELATING TO INVESTING ACTIVITIES

- (a) Cash proceeds from sale of property, plant and equipment
- (b) Cash proceeds from sale of equity investments
- (c) Loans repaid by other entities
- (d) Cash paid for purchases of property, plant and equipment
- (e) Interest paid - capitalised
- (f) Cash paid for purchases of equity investments
- (g) Loans to other entities
- (h) Other cash flows relating to investing activities

NET INVESTING CASH FLOWS

9		
(1)	(59)	(279)
0	0	0
(4)	(57)	(179)
4	(116)	(458)

(See Note (IX) attached)

12 CASH FLOWS RELATED TO FINANCING ACTIVITIES

- (a) Cash proceeds from issue of shares, options, etc.
- (b) Borrowings
- (c) Repayment of borrowings
- (d) Distributions to Owners on acquisition
- (e) Other cash flows relating to operating activities

NET FINANCING CASH FLOWS

0	9,839	9,839
26	108	364
(139)	(441)	(511)
(113)	9,506	9,684

(See Note (IX) attached)

13 NET INCREASE (DECREASE IN CASH HELD)

- (a) Cash at beginning of year
- (b) Exchange rate adjustments to Item 12.3(a) above
- (c) CASH AT END OF REPORTING PERIOD

(2,089)	8,592	7,221
9,966	1,314	1,314
(252)	60	5
7,625	9,966	8,592

14 NON-CASH FINANCING AND INVESTING ACTIVITIES

Provide details of financing and investing transactions which have had a material effect on group assets and liabilities but did not involve cash flows:

15 RECONCILIATION OF CASH

For the purposes of the above Statement of cash flows, cash includes:

Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:

Cash on hand and at bank

Deposits at call

Bank overdraft

Other (provide details eg Term Deposits)

Total = Cash at End of reporting period (Item 13(c) above)

Year ended 30-Jun-10 \$US'000	Six months ended 30-Jun-09 \$US'000	Year ended 31-Dec-09 \$US'000
7,625	9,966	8,59
7,625	9,966	8,59

16 EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES

Information attributable to the reporting group's share of investments in associates and other material interests is to be disclosed by way of separate note below (refer FRS-38 Accounting for Investments in Associates).

16.1 GROUP SHARE OF RESULTS OF ASSOCIATES

(a) **OPERATING *SURPLUS (DEFICIT) BEFORE TAX**

(b) Less tax

(c) **OPERATING *SURPLUS (DEFICIT) AFTER TAX**

(i) Extraordinary items

(d) **NET *SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX**

Equity Earnings		
Year ended 30-Jun-10 \$US'000	Six months ended 30-Jun-09 \$US'000	Year ended 31-Dec-09 \$US'000

16.2 MATERIAL INTERESTS IN CORPORATIONS NOT BEING SUBSIDIARIES

(a) The group has a material (from group's viewpoint) interest in the following corporations:

Name	Percentage of ordinary shares held at end of Reporting period		Contribution to net *surplus (deficit) (Item 1.5)		
	Year ended 30-Jun-10	Six months ended 30-Jun-09	Year ended 30-Jun-10 \$US'000	Six months ended 30-Jun-09 \$US'000	Year ended 31-Dec-09 \$US'000
Equity Accounted Associates					
			<i>Equity Accounted in current period</i>		
Other Material Interests			<i>Not Equity Accounted in current period</i>		

(b) Investments in Associates

Carrying value of investments in associates beginning of reporting period

Share of changes in associates' post acquisition surpluses/and reserves:

- Retained surplus

- Reserves

Year ended 30-Jun-10 \$US'000	Six months ended 30-Jun-09 \$US'000	Year ended 31-Dec-09 \$US'000

Net goodwill amortisation and impairment adjustments in the period

Less Dividends received in the period

Equity carrying value of investments at the end of reporting period

Amount of goodwill included in carrying value at end of that reporting period

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17 ISSUED AND QUOTED SECURITIES AT END OF REPORTING PERIOD

Category of Securities	Number Issued	Quoted	Number Cents	Paid-Up Value (If not fully paid)
PREFERENCE SHARES:				
# (Description)				
Issued during current reporting period				
ORDINARY SHARES: (Parent company)				
Number of shares at beginning of reporting period	899,550,000			
Shares repurchased and cancelled during the period	-510,000,000			
Issued during current reporting period	25,000,000			
Total	414,550,000			
CONVERTIBLE NOTES				
# (Description)				
Issued during current reporting period				
OPTIONS:				
	Issued	Quoted	Exercise Price	Expiry Date
Issued during current reporting period	0			
DEBENTURES - Totals only:				
		\$0.00	\$	
UNSECURED NOTES - Totals only:				
		\$	\$	
OTHER SECURITIES				
		\$	\$	

Description includes rate of dividend or interest and any redemption or conversion rights together with the prices and dates thereof.

18 COMMENTS BY DIRECTORS

If no report in any section, state NIL. If insufficient space below, provide details in the form of notes to be attached to this report.

- Material factors affecting the revenues and expenses of the group for the current reporting period
Nil
- Significant trends or events since end of current reporting period
Nil
- Changes in accounting policies since last Annual Report and/or last Half Yearly to be disclosed
Nil
- Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain
Nil
- Management's discussion and analysis of financial condition, result and/or operations (optional) - this section should contain forward looking statements that should outline where these involve risk and uncertainty
Nil
- Other comments
Nil

19 DIVIDEND Dividend Yield as at balance date (%) (Annual dividend per share divided by price per share)

(a) *Nil*

Tax Adjusted Dividend Yield as at balance date (%) (Annual net dividend per share divided by price per share)

(b) *Nil*

20 ANNUAL MEETING (if full year report)

(a) To be held at

(b) Date

Time

(c) Approximate date of availability of Annual Report

If this full year report was approved by the Board of Directors, please indicate date of meeting:

(signed by) Authorised Officer of Listed Issuer

*Delete as required

13 September 2010

(date)

