

**PRELIMINARY ANNOUNCEMENT****Orion Minerals Group Limited**

(Name of Listed Issuer)

For Reporting Period Ended **31-Dec-10**

Unaudited Preliminary report for the reporting period ended 31 December 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.

The functional currency reported for the Group is United States Dollars.

	<b>Consolidated Statement of Financial Performance</b>	
	Six Months ended 31-Dec-10 \$US'000	Six Months ended 31-Dec-09 \$US'000
<b>1 CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE</b>		
<b>1.1 OPERATING REVENUE</b>		
(a) Trading Revenue		
(b) Other Revenue	-	-
(c) Total Operating Revenue	-	-
<b>1.2 OPERATING *SURPLUS (DEFICIT) BEFORE TAXATION</b>	213	(1,842)
(a) Less taxation on operating result	(11)	2
<b>1.3 OPERATING *SURPLUS (DEFICIT) AFTER TAX</b>	202	(1,840)
(a) Extraordinary Items after Tax [detail in Item 3]		
(b) Unrealised net change in value of investment properties		
<b>1.4 NET *SURPLUS (DEFICIT) FOR THE PERIOD</b>	202	(1,840)
(a) Net *Surplus (Deficit) attributable to minority interests		
<b>1.5 NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER</b>	202	(1,840)

	<b>Consolidated Statement of Financial Performance</b>	
	Six Months ended 31-Dec-10 \$US'000	Six Months ended 31-Dec-09 \$US'000
<b>2 DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/ EXPENSES FOR REPORTING PERIOD</b>		
<b>2.1 INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE</b>		
(a) Interest revenue included in Item 1.1(b)	34	
(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)	8	15
(e) Leasing and renting expenses	19	34
(f) Depreciation		78
(g) Diminution in the value of assets (other than depreciation)		459
(h) Amortisation of goodwill		
(i) Amortisation of other intangible assets		
(j) Impairment of goodwill		
(k) Impairment of other intangible assets		





		Earnings Per Security	
		Six Months ended 31-Dec-10 \$US'000	Six Months ended 31-Dec-09 \$US'000
<b>5 EARNINGS PER SECURITY</b>			
Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings			
(a)	Basic EPS (cents)	0.05	(0.20)
(b)	Diluted EPS (cents) (if materially different from (a))	0.04	(0.20)
	Weighted average number of ordinary shares on issue (thousands)	414,550,000	904,848,913

**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.

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>		<b>Consolidated Statement of Financial Position</b>	
		31-Dec-10 \$US'000	31-Dec-09 \$US'000
<b>9</b>	<b>CURRENT ASSETS:</b>		
(a)	Cash	7,755	8,591
(b)	Trade receivables	90	
(c)	Investments		
(d)	Inventories		
(e)	Other assets, current	51	84
	<b>TOTAL CURRENT ASSETS</b>	<b>7,896</b>	<b>8,675</b>
<b>9.1</b>	<b>NON-CURRENT ASSETS</b>		
(a)	Trade receivables		
(b)	Investments		
(c)	Inventories		
(d)	Property, plant and equipment	2	93
(e)	Goodwill		
(f)	Deferred Taxation Assets		6
(g)	Other Intangible Assets		
(h)	Other assets, non current		11
<b>9.2</b>	<b>TOTAL NON-CURRENT ASSETS</b>	<b>2</b>	<b>110</b>
<b>9.3</b>	<b>TOTAL ASSETS</b>	<b>7,898</b>	<b>8,785</b>
<b>9.4</b>	<b>CURRENT LIABILITIES</b>		
(a)	Trade Creditors	9	122
(b)	Income in advance, current		
(c)	Secured loans	12	66
(d)	Unsecured loans		
(e)	Provisions, current	27	15
(f)	Other liabilities, current		67
	<b>TOTAL CURRENT LIABILITIES</b>	<b>48</b>	<b>270</b>
<b>9.5</b>	<b>NON-CURRENT LIABILITIES</b>		
(a)	Accounts payable, non-current		
(b)	Secured loans		12
(c)	Unsecured loans		782
(d)	Provisions, non-current		
(e)	Deferred Taxation Liability, non-current		
(f)	Other liabilities, non-current		
<b>9.6</b>	<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>794</b>
<b>9.7</b>	<b>TOTAL LIABILITIES</b>	<b>48</b>	<b>1,064</b>
<b>9.8</b>	<b>NET ASSETS</b>	<b>7,850</b>	<b>7,721</b>
<b>9.9</b>	<b>SHAREHOLDERS' EQUITY</b>		
(a)	Share capital (optional)	12,501	12,544
(b)	Reserves (optional) (i) Revaluation reserve (ii) Other reserves		
(c)	Retained Surplus (accumulated Deficit) (optional)	(4,651)	(4,823)
<b>9.10</b>	<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER</b>	<b>7,850</b>	<b>7,721</b>
(a)	Minority equity interests in subsidiaries		
<b>9.1</b>	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>7,850</b>	<b>7,721</b>
(a)	Returns on Assets (%) (EBIT divided by Total Assets)	3%	-21%
(b)	Return on Equity (%) (Net Income divided by Shareholders' Equity)	3%	-24%
(c)	Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)	1%	14%



		Consolidated Statement of Cash flows	
		Six Months ended 31-Dec-10 \$US'000	Six Months ended 31-Dec-09 \$US'000
<b>10 CASH FLOWS RELATING TO OPERATING ACTIVITIES</b>			
(a)	Receipts from customers		
(b)	Interest received	34	
(c)	Dividends received		
(d)	Payments to suppliers and employees	(453)	(1,197)
(e)	Interest paid	(8)	(15)
(f)	Income taxes paid	(14)	
(g)	Other cash flows relating to operating activities		
	<b>NET OPERATING FLOWS</b>	<b>(441)</b>	<b>(1,212)</b>
<b>11 CASH FLOWS RELATING TO INVESTING ACTIVITIES</b>			
(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		(220)
(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		(122)
	<b>NET INVESTING CASH FLOWS</b>		<b>(342)</b>
(See Note (IX) attached )			
<b>12 CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>			
(a)	Cash proceeds from issue of shares, options, etc.		
(b)	Borrowings		252
(c)	Repayment of borrowings	(31)	(70)
(d)	Distributions to Owners on acquisition		
(e)	Other cash flows relating to operating activities		
	<b>NET FINANCING CASH FLOWS</b>	<b>(31)</b>	<b>182</b>
(See Note (IX) attached )			
<b>13 NET INCREASE (DECREASE IN CASH HELD)</b>		<b>(472)</b>	<b>(1,372)</b>
(a)	Cash at beginning of period	7,625	9,966
(b)	Exchange rate adjustments to Item 12.3(a) above	602	(3)
(c)	<b>CASH AT END OF REPORTING PERIOD</b>	<b>7,755</b>	<b>8,591</b>
<b>14 NON-CASH FINANCING AND INVESTING ACTIVITIES</b>			
Provide details of financing and investing transactions which have had a material effect on group assets and liabilities but did not involve cash flows:			
.....			
.....			
.....			
<b>15 RECONCILIATION OF CASH</b>			
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		7,755	8,591
Deposits at call			
Bank overdraft			
Other (provide details eg Term Deposits			
<b>Total = Cash at End of reporting period (Item 13(c) above)</b>		<b>7,755</b>	<b>8,591</b>

**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 GROUP SHARE OF RESULTS OF ASSOCIATES

Equity Earnings	
Six Months ended 31-Dec-10 \$US'000	Six Months ended 31-Dec-09 \$US'000

- (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

16 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)	
	Six months ended 31-Dec-10	Six months ended 31-Dec-09	Six Months ended 31-Dec-10 \$US'000	Six Months ended 31-Dec-09 \$US'000
<b>Equity Accounted Associates</b>				
			<i>Equity Accounted in current period</i>	
<b>Other Material Interests</b>			<i>Not Equity Accounted in current period</i>	

- (b) Investments in Associates

	Six Months ended 31-Dec-10 \$US'000	Six Months ended 31-Dec-09 \$US'000
Carrying value of investments in associates beginning of reporting period		
Share of changes in associates' post acquisition surpluses/and reserves:		
- Retained surplus		
- Reserves		
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		

**17 ISSUED AND QUOTED SECURITIES AT END OF REPORTING PERIOD**

0

Category of Securities	Number Issued	Quoted	Number Cents
<b>PREFERENCE SHARES:</b>			
# (Description)	-----		-----
Issued during current reporting period	-----		-----
<b>ORDINARY SHARES: (Parent company)</b>			
Number of shares at beginning of reporting period	414,550,000		-----
Shares repurchased and cancelled during the period	-----		-----
Issued during current reporting period	-----		-----
<b>Total</b>	<b>414,550,000</b>		-----
<b>CONVERTIBLE NOTES</b>			
# (Description)	-----		-----
Issued during current reporting period	-----		-----
<b>OPTIONS:</b>	Issued	Quoted	Exercise Price
Opening balance	56,950,000		-----
Issued during current reporting period	-		-----
Expired during the current period	- 450,000		-----
Balance at end of period	56,500,000		-----
<b>DEBENTURES - Totals only:</b>		\$	-----
<b>UNSECURED NOTES - Totals only:</b>		\$	-----
<b>OTHER SECURITIES</b>		\$	\$

# 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.

- (a) Material factors affecting the revenues and expenses of the group for the current reporting period  
*Refer attached commentary*
- (b) Significant trends or events since end of current reporting period  
*Nil*
- (c) Changes in accounting policies since last Annual Report and/or last Half Yearly to be disclosed  
*Nil*
- (d) 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  
*Refer attached commentary*

(e) 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  
*Refer attached commentary*

(f) Other comments  
*Refer attached commentary*

**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 resolution of the Board of Directors, please indicate date of meeting:



.....  
(signed by) Authorised Officer of Listed Issuer

.....  
16 March 2011

.....  
(date)

\*Delete as required