

ORION MINERALS GROUP LIMITED

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Market Information
NZX Limited
WELLINGTON

Arrangements with Fengli Group (Hong Kong) Co. Limited (“Fengli”)

Orion Minerals Group Limited (OMG) advises that it has made the following arrangements with Fengli:

Payment of Balance of Tranche 1 Subscription Price

The parties have agreed that Fengli will now pay the balance of the Tranche 1 Subscription Price for the first instalment of 100 million ordinary OMG shares, namely US\$ 8,000,000, to OMG not later than 15 April 2009.

Tranche 2 Subscription

The parties have agreed that the obligation of Fengli to subscribe for the Tranche 2 Subscription Shares for a further 100 million shares at an aggregate issue price of US\$12.5 million is now only conditional upon Minera Varry undertaking a commercial shipment of not less than 40,000 tons of iron ore from the iron ore production project operated by Minera Varry S.A on or before 31 March 2010, and that shipment of iron ore containing an average Fe content of not less than 64%, and within the following 30 days the actual production must be not less than 160,000 tons.

As part of this arrangement OMG has warranted to Fengli that it will supply Fengli with not less than 2 million tons of iron ore prior to 31 December 2010.

Master Agency Agreement

OMG and Fengli have entered into an exclusive Master Agency Agreement pursuant to which Fengli is appointed as OMG's exclusive sales agent to assist OMG in finding parties (including Fengli itself) to purchase iron ore produced by OMG.

The principal terms of the Master Agency Agreement are as follows:

1. The term of the Agreement is for ten years;
2. The parties agree that during the Term, OMG will pay to Fengli a commission calculated as being equal to USD1.50 per ton of Product sold by OMG, and a royalty payment calculated as being an amount equal to 5% of the actual gross sale price of the Product sold by Fengli.
3. The Master Agency Agreement is conditional upon Fengli making the further Tranche 2 Subscription payment of US\$12.5 million pursuant to the Subscription Agreement entered into between the parties.

About Orion Minerals Group Limited

Orion Minerals Group Limited owns Minera Varry S.A, a Chilean company which owns a mining concession in Chile in respect of the excavation, processing and export of iron ore.

Further Information

For further information please contact Roger Gower on 0275 914 112.