

ORION MINERALS GROUP LIMITED  
P O BOX 189, SHORTLAND STREET  
AUCKLAND

16 March 2008

[announce@nzx.com](mailto:announce@nzx.com)

The company is pleased to announce its unaudited half year results for the period ended 31 December 2008.

<b>Orion Minerals Group Limited</b>		
<b>Results for announcement to the market (Unaudited)</b>		
Reporting Period	6 Months to 31 Dec 2008	
Previous Reporting Period	12 Months to 30 June 2008	
	Amount US\$000's	Percentage change
Revenue from Ordinary Activities	\$US1	-100%
Profit (loss) from ordinary activities after tax attributable to security holder	\$US(432)	95%
Net Profit (loss) attributable to security holders	\$US(432)	95%
Interim Dividend	Amount per security	Imputed amount per security
	It is not proposed to pay a dividend	Nil
Record date	N/A	N/A
Dividend Date	N/A	N/A

**Commentary:**

Orion Minerals Group Limited, ("OMG") formerly RLV No. 3 Limited ("RLV") acquired all of the shares in Minera Varry S.A, a company incorporated in Chile, on 11 December 2008. The effect of the acquisition has been to reverse list Minera Varry S.A. on the NZAX.

Minera Varry owns a mining concession in Chile in respect of the excavation, processing and export of iron ore.

The purchase price for the Minera Varry shares was the aggregate of:

- US\$13,500,000 – to be satisfied by the payment of cash in several tranches (of which US\$1,000,000 has been paid and the remainder is subject to certain conditions being met); and
- NZ\$99,556,647 which was satisfied by the issue of 796,451,790 shares in OMG.

As previously announced to the market, collateral to the Minera Varry transaction, OMG received approval of shareholders to undertake a private placement of 200 million shares at an issue price of USD 12.5 cents to fund the purchase of the Minera Varry shares and to assist with Minera Varry's working capital requirements, at the Annual General Meeting on 10 December 2008.

The company has issued 100,000 000 shares pursuant to the private placement agreement and has received US\$4.5 Million in part payment of the consideration. The company has contractual commitments to the balance.

The functional currency for the company is US Dollars.

The preliminary announcement is for the Group for the twelve months ended 31 Dec 2008. The Group comparatives are for the twelve months ended 31 December 2007.

There is no pronounced seasonality in revenue and expenses between first and second halves of each year.

It is expected that iron ore production and shipment will commence during the third quarter of 2009, through strategic ports located close to the mining concession. The last six months has seen unprecedented and unexpected reductions in the level and pricing of the global iron ore trade. It is expected that these conditions will stabilize at some future time. The company is undertaking pre-operating mine development for its concession in Chile and finalizing arrangements for the shipment of ore through ports in Chile.

The commencement of mining and shipping of iron ore by OMG is dependent on favourable market conditions returning to the global iron ore trade and the company completing the capital raising programme it has in place.

Issued for and on behalf of the Board of Directors

Please direct any queries to Roger Gower 0275 914112

**PRELIMINARY HALF YEAR REPORT ANNOUNCEMENT**

**Orion Minerals Group Limited**

(Name of Listed Issuer)

**For Half Year Ended**

**31st December 2008**

(referred to in this report as the "current half year")

Unaudited Preliminary half year report on consolidated results in accordance with Listing Rule 10.4.2  
The preliminary report is issued, subject to a Waiver from NZAX Listing Rules 10.4.2 and 10.5.3.  
This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates attached and is based on unaudited financial statements.  
The Group results including year on year comparatives are for the twelve months ended 31 December .  
The Issuer has a formally constituted Audit Committee of the Board of Directors.

<b>*Consolidated Statement Financial Performance</b>			
<b>1 CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>Current Half Year \$US'000</b>	<b>*Up/Down %</b>	<b>Previous corresponding Half Year \$US'000</b>
<b>1.1 OPERATING REVENUE</b>			
(a) Trading Revenue			
(b) Other Revenue	1	100%	391
(c) Total Operating Revenue	1	100%	391
<b>1.2 OPERATING *SURPLUS (DEFICIT) BEFORE TAXATION</b>	(440)	173%	(161)
(a) Less taxation on operating result	8	113%	(61)
<b>1.3 OPERATING *SURPLUS (DEFICIT) AFTER TAX</b>	(432)	95%	(222)
(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>	(432)	95%	(222)
(a) Net *Surplus (Deficit) attributable to minority interests			
<b>1.5 NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER</b>	(432)	95%	(222)

<b>*Consolidated Statement of Financial Performance</b>		
<b>2 DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/ EXPENSES FOR FULL YEAR</b>	<b>Current Half year \$US'000</b>	<b>Previous corresponding Half Year \$US'000</b>
<b>2.1 INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE</b>		
(a) Interest revenue included in Item 1.1(b)	1	
(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)	50	16
(e) Leasing and renting expenses		
(f) Depreciation	78	64
(g) Diminution in the value of assets (other than depreciation)		
(h) Amortisation of goodwill		
(i) Amortisation of other intangible assets		
(j) Impairment of goodwill		
(k) Impairment of other intangible assets		



		Earnings Per Security	
		Current Half Year \$US	Previous corresponding Half Year \$US
<b>5 EARNINGS PER SECURITY</b>	Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share See Appendix I		
(a)	Basic EPS (cents)	(0.001)	(0.035)
(b)	Diluted EPS (cents) (if materially different from (a))	n/a	n/a

<b>6 MATERIAL ACQUISITIONS OF SUBSIDIARIES</b>			
(a)	Name of subsidiary or group of subsidiaries	Minera Varry S.A.	
(b)	Percentage of ownership acquired	100%	
(c)	Contribution to consolidated net *Surplus (Deficit) (Item 1.4)	(384)	(222)
(d)	Date from which such contribution has been calculated	1/01/2008	
		(384)	(222)

<b>7 MATERIAL DISPOSALS OF SUBSIDIARIES</b>			
(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 full year		
(e)	Contribution to consolidated net *Surplus (Deficit) (Item 1.4) from sale of subsidiary		

<b>8 REPORTS FOR INDUSTRY AND GEOGRAPHICAL SEGMENTS</b>	
The segment report is attached as Appendix II	

		Consolidated Statement of Financial Position		
		At end of current Half Year \$US'000	As shown in last Annual Report \$US'000	If half yearly as shown in last half yearly report \$US'000
<b>9</b>	<b>CURRENT ASSETS:</b>			
(a)	Cash	1,314	N/A	8
(b)	Trade receivables		N/A	24
(c)	Investments			
(d)	Inventories			
(e)	Other assets, current	88	N/A	8
	<b>TOTAL CURRENT ASSETS</b>	<b>1,402</b>	<b>N/A</b>	<b>40</b>
<b>9.1</b>	<b>NON-CURRENT ASSETS</b>			
(a)	Trade receivables			
(b)	Investments			
(c)	Inventories			
(d)	Property, plant and equipment	319	N/A	129
(e)	Goodwill	307	N/A	
(f)	Deferred Taxation Assets	2	N/A	
(g)	Other Intangible Assets	71	N/A	23
(h)	Other assets, non current			
<b>9.2</b>	<b>TOTAL NON-CURRENT ASSETS</b>	<b>699</b>	<b>N/A</b>	<b>152</b>
<b>9.3</b>	<b>TOTAL ASSETS</b>	<b>2,101</b>	<b>N/A</b>	<b>192</b>
<b>9.4</b>	<b>CURRENT LIABILITIES</b>			
(a)	Trade Creditors	44	N/A	7
(b)	Income in advance, current			
(c)	Secured loans			
(d)	Unsecured loans	111	N/A	27
(e)	Provisions, current	17	N/A	20
(f)	Other liabilities, current	49	N/A	216
	<b>TOTAL CURRENT LIABILITIES</b>	<b>221</b>	<b>N/A</b>	<b>270</b>
<b>9.5</b>	<b>NON-CURRENT LIABILITIES</b>			
(a)	Accounts payable, non-current			
(b)	Secured loans		N/A	15
(c)	Unsecured loans	674	N/A	
(d)	Provisions, non-current			
(e)	Deferred Taxation Liability, non-current	13	N/A	25
(f)	Other liabilities, non-current	55	N/A	
<b>9.6</b>	<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>742</b>	<b>N/A</b>	<b>40</b>
<b>9.7</b>	<b>TOTAL LIABILITIES</b>	<b>963</b>	<b>N/A</b>	<b>310</b>
<b>9.8</b>	<b>NET ASSETS</b>	<b>1,138</b>	<b>N/A</b>	<b>(118)</b>
<b>9.9</b>	<b>SHAREHOLDERS' EQUITY</b>			
(a)	Share capital (optional)	2,704	N/A	17
(b)	Reserves (optional) (i) Revaluation reserve (ii) Other reserves			
(c)	Retained Surplus (accumulated Deficit) (optional)	(1,566)	N/A	(135)
<b>9.10</b>	<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER</b>	<b>1,138</b>	<b>N/A</b>	<b>(118)</b>
(a)	Minority equity interests in subsidiaries			
<b>9.1</b>	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,138</b>	<b>N/A</b>	<b>(118)</b>
(a)	Returns on Assets (%) (EBIT divided by Total Assets)	-19%	N/A	-76%
(b)	Return on Equity (%) (Net Income divided by Shareholders' Equity)	-38%	N/A	188%
(c)	Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)	85%	N/A	-263%

		Consolidated Statement of cashflows for full year	
		Current Half Year \$US'000	Corresponding Half Year \$US'000
<b>10 CASH FLOWS RELATING TO OPERATING ACTIVITIES</b>			
(a)	Receipts from customers	28	367
(b)	Interest received	1	
(c)	Dividends received		
(d)	Payments to suppliers and employees	(450)	(396)
(e)	Interest paid	(50)	(16)
(f)	Income taxes paid	(24)	(26)
(g)	Other cash flows relating to operating activities		
<b>NET OPERATING FLOWS</b>		<b>(495)</b>	<b>(71)</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	(267)	(121)
(e)	Interest paid - capitalised		
(f)	Cash paid for purchases of equity investments	(138)	
(g)	Loans to other entities		
(h)	Other cash flows relating to investing activities	(4)	(7)
<b>NET INVESTING CASH FLOWS</b>		<b>(409)</b>	<b>(128)</b>

(See Note (IX) attached.)			
<b>12 CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>			
(a)	Cash proceeds from issue of shares, options, etc.	2,500	
(b)	Borrowings	710	188
(c)	Repayment of borrowings		
(d)	Distributions to Owners on acquisition	(1,000)	
(e)	Other cash flows relating to operating activities		
<b>NET FINANCING CASH FLOWS</b>		<b>2,210</b>	<b>188</b>

(See Note (IX) attached.)			
<b>13 NET INCREASE (DECREASE IN CASH HELD)</b>		<b>1,306</b>	<b>(11)</b>
(a)	Cash at beginning of year	8	19
(b)	Exchange rate adjustments to Item 12.3(a) above		
(c)	<b>CASH AT END OF HALF YEAR</b>	<b>1,314</b>	<b>8</b>

**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:

.....

.....

.....

.....

<b>15 RECONCILIATION OF CASH</b>			
For the purposes of the above Statement of cash flows, cash includes:			
.....			
Cash at the end of the half year 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		1,314	8
Deposits at call			
Bank overdraft			
Other (provide details eg Term Deposits)			
<b>Total = Cash at End of Half Year (Item 13(c) above)</b>		<b>1,314</b>	<b>8</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**

- (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	
Current Half Year \$US'000	Previous corresponding Half Year \$US'000

**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 Half Year		Contribution to net *surplus (deficit) (Item 1.5)	
	Current Half Year	Previous Corresponding Half Year	Current Half Year \$US'000	Previous Corresponding Half Year \$US'000
<b>Equity Accounted Associates</b>				
			<i>Equity Accounted in current year</i>	
<b>Other Material Interests</b>			<i>Net Equity Accounted in current year</i>	

- (b) Investments in Associates

Carrying value of investments in associates beginning of half year

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 half year

Amount of goodwill included in carrying value at end of that half year

Current Half Year \$US'000	Previous Corresponding Half Year \$US'000



**17 ISSUED AND QUOTED SECURITIES AT END OF CURRENT HALF YEAR**

Category of Securities	Number Issued	Number Quoted	Number	Paid-Up Value Cents (If not fully paid)
<b>PREFERENCE SHARES:</b>				
# (Description)				
Issued during current full year				
<b>ORDINARY SHARES - (Parent company)</b>				
Number of shares at beginning of half year	30,982,100			
8 Aug 2008 - Share consolidation 10:1	3,098,210			
Issued during current half year	896,451,790			
<b>CONVERTIBLE NOTES</b>				
# (Description)				
Issued during current full year				
<b>OPTIONS:</b>				
	Issued	Quoted	Exercise Price	Expiry Date
Issued during current half year				
Executive Options	6,500,000		\$0.125 c	11/12/2011
Consideration Options	20,000,000		\$0.125c	27/02/2009
Placement Options	50,000,000		\$0.125c	18/12/2011
<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 half year  
*Nil*
- (b) Significant trends or events since end of current half year  
*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  
*Nil*
- (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  
*Nil*
- (f) Other comments  
The company has announced amendments to the subscription agreement with Fengli Group (Hong Kong) Co Ltd  
The changes amend the timing of payments from Fengli

**19 DIVIDEND**

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

**20 ANNUAL MEETING (if full year report)**

(a) To be held at

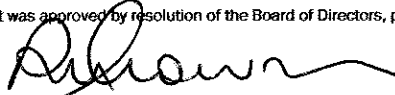
(b) Date

Time

(c) Approximate date of availability of Annual Report

September

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

\* Delete as required

16/3/2009

(date)

## **Appendix I**

### **Section 5 Earnings per Share**

This section relates to the Earnings of the Parent to the weighted average number of shares on issue through the period.

Earnings for the Period	US\$(120,664)
Shares on Issue at Period Beginning	3,098,210
Shares on Issue at Period End	899,550,000
Weighted Average number of shares on Issue	105,614,195

## **Appendix II**

### **Section 8 Segmental Reporting**

#### **Industry**

The company's sole operating subsidiary owns a mining concession in Chile in respect of the excavation, processing and export of iron ore. The company is undertaking pre-operating mine development for its concession in Chile and finalizing arrangements for the shipment of ore through ports in Chile. It is expected that iron ore production and shipment will commence during the third quarter of 2009, through strategic ports located close to the mining concession if the global market conditions are appropriate for OMG to commence mining and shipping.

There have been no sales during the period. Sales are not expected before the third quarter 2009.

The Parent assets are primarily cash and shares in Minera Varry S.A - total assets are US\$2.101 Million of which cash comprises US\$1.314Million

The Group had an operating deficit of US\$(0.432) Million for the period.

#### **Geography**

The company's operating subsidiary, Minera Varry S.A. is located in Chile, headquartered in Santiago, Chile and the mining operations are in the northern part of Chile near Copiapo in the third region of the country.