



ORION METALS LIMITED

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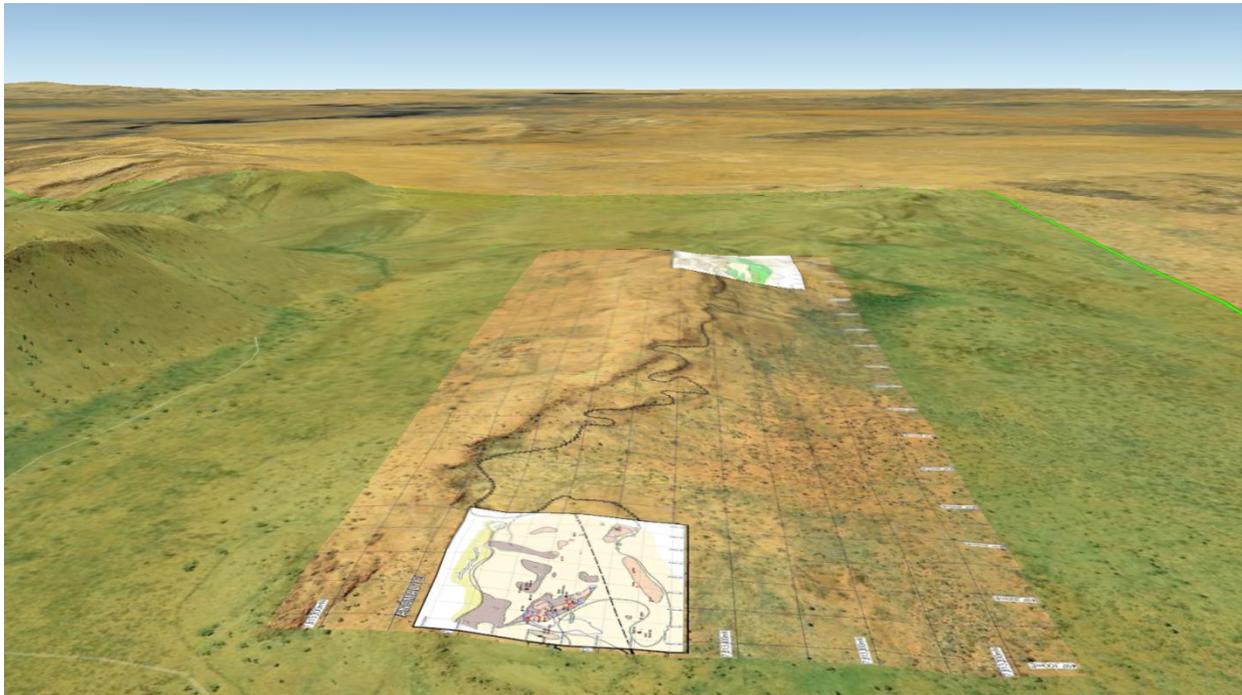
ASX release 6<sup>th</sup> October 2010

## KILLI KILLI HILLS REE & Au PROJECT

- FAST TRACKED APPROVAL FOR DRILLING
- DRILLING TO COMMENCE IN OCTOBER

Orion Metals Limited is pleased to announce it has approval to drill up to 37 drill holes at its Killi Killi Hills (KKH) eastern tenement (E80/4029). The approval from the West Australia Department of Minerals and Petroleum is under a Programme of Work (ID 28287).

Orbit Drilling Pty Ltd will undertake the work and is scheduled to commence RC drilling from 20 October 2010.



**Image 1:** A perspective view of the southern area of the Killi Killi Hills east tenement E80/4029 looking east to the Northern Territory border. The gridded area shows the two target drilling locations of interest which are radiometric anomalies joined by an unconformity (marked with a black line). The tenement area outline is shown with green shading. Grid spacing is 50m.



The expedited approval means that the drilling programme can be completed before December 2010. Onsite work is expected to be conducted by two Orion Metals Ltd field geologists, including Mr Adrian Day who first worked at Killi Killi Hills in 1969 while exploring for uranium.

Assays on RC drilling samples will be completed at the earliest opportunity and subject to further regulatory compliance, equipment reliability and weather. Results from this programme are anticipated for release before the end of 2010. Target areas are previously identified radiometric anomalies where recent rock chip sample assays have indicated high concentrations of HREEs and gold anomalism (Image 1 and the attached drilling map on page 3). For further information see ASX Release 15September 2010.

The Orion board and management are keen to expand in the gold and REE sector and will continue to actively pursue, acquire and develop attractive gold and REE projects. The strong gold price and ongoing shortages and trade restrictions of REEs have validated this strategy, and we are working to identify and develop additional projects.

Orion is particularly interested in economic sources of neodymium, praseodymium, dysprosium and terbium as these are key elements for the green economy; forecasted to be in shortage; and are used extensively in wind turbines, hybrid electric vehicles and high strength magnets.

The initial surface sampling at Killi Killi Hills indicated potential for substantial neodymium and HREEs mineralisation, including dysprosium and terbium within the unconformity-conglomerate-sandstone host plus the possibility of a deeper and hopefully a richer “feeder” zone, both of which will be targeted by our drilling programme.

**James Canning-Ure**  
Managing Director  
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In accordance with Listing Rules 5.1 and 5.12 of the Australian Securities Exchange, technical information contained in this report has been compiled by **Mr. Adrian Day BSc (Geology), MAIG, MSEG, MGSA** who is a competent person and member of the Australasian Institute of Geoscientists. Mr Day has relevant experience to the mineralisation being reported on to qualify as a Competent Person as defined by the Australasian Code for Reporting of Minerals Resources and Reserves. Mr Day is a non-executive Director of Orion Metals Limited and a consultant to the company. He consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

