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ASX RELEASE

20th October 2010

RARE EARTH & GOLD EXPLORATION UPDATE

KILLI KILLI RARE EARTH PROJECT

As previously reported we were expecting to be drilling as from the 20th of October, however due to rain delays and local road closures we do not expect to commence drilling until the first week on November.

The ALS Group laboratory has recently completed a quantitative mineral analysis using a Mineral Liberation Analyser (MLA) on four samples from the Killi Killi Hills project. The object of this analysis was to characterise the bulk mineralogy of the samples with a focus on the rare earth element (REE)-containing minerals.

The technique uses X-ray spectra to identify the mineralogy of individual mineral grains, and results show that relative mineral abundances of the REE minerals reported as three distinct species:-

1. **Xenotime** containing the bulk of the heavy rare earth elements (HREE);
2. **Florencite** containing the light rare earth elements (LREE) (predominantly cerium and lanthanum); and
3. **Goyazite** containing strontium.

This distinctive suite indicates a hydrothermal source for the REE mineralisation hosted by the basal conglomerate with a potentially important geochemical signature to assist future exploration.

More laboratory analyses of the mineralisation are progressing with results expected to be announced within the next few weeks.

MALCOLM CREEK GOLD JOINT VENTURE

Newmont Exploration Pty Ltd has advised that it has completed four RC drillholes to depths exceeding 300 metres at the Bald Mountain Prospect south of Forsayth in far north Queensland.

The holes intersected zones of quartz veining, clay alteration and disseminated sulphides with areas of possible breccia development consistent with observed surface features.

Samples have been submitted to the laboratory and results are expected in the next few weeks.



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Competent Persons Statement – Adrian Day

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 part-time 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.