



ASX RELEASE

MetalBank Limited

Manager of Company Announcements
ASX Limited
Level 6, 20 Bridge Street
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ASX Code: MBK

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MetalBank to sell 50% interest in Killi Killi South Rare Earth-Gold Project

Smart partnership formed to accelerate exploration and development

- Initial Sale of 50% interest in Killi Killi South Project (E80/4212) to Orion Metals Ltd (ASX: ORM).
- Orion to expend to earn up to a further 30% interest
- MetalBank to leverage its position in an emerging Rare Earths region
- Tanami Gold's Coyote Gold Mine situated immediately south of Killi Killi project

MetalBank Limited (ASX: MBK, the Company) is pleased to announce that it has entered into an agreement to sell a 50% interest in the Company's Killi Killi South Rare Earths-Gold Project (E80/4212) to Orion Metals (ASX: ORM). The project is located just south of ORM's Killi Killi Hills project area, in the Kimberley region of Western Australia.

Under the terms of the sale agreement, MetalBank will receive \$100,000.00 in cash plus 1,000,000 ORM shares, to acquire the 50% equity in the project. The agreement also allows ORM to earn up to 80% in the project by completing a total of \$450,000.00 in expenditure on the project, whereby it will increase its equity position in increments of 10% for each \$150,000.00 spent. (The latter figure will be as \$100,000.00 direct exploration cost and \$50,000.00 paid to MetalBank after expending the exploration amount).

MetalBank will have the option to contribute its 20% proportion of any mine development, or elect to retire to a 5% share of profit of the operation. Under the agreement, MetalBank will be engaged by its partner Orion on commercial terms, to assist with the management of the exploration activities at the Killi Killi projects. The Joint Venture will benefit immensely from such an arrangement by utilising the skills of MetalBank's specialist Tanami Geologist, Mr Adam Elliston.

Metalbank proudly announced Mr Ellison's appointment as Exploration Manager to the market on 18th March 2011, highlighting his commercial successes as a Geologist.



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Both Metalbank and Orion are equally pleased to have Mr Elliston involved with the Killi Killi Rare Earth/Gold projects.

MetalBank is delighted to have entered into this sale and funding agreement with ORM, because it will allow the Company to leverage its position in an emerging Rare Earths exploration region. The sale and funding agreement with Orion makes it possible to maximise the exploration and development potential of the project.

About the Killi Killi project area

The area is also a proven gold region, with Tanami Gold's (ASX: TAM) 350,000 tonnes per annum capacity Coyote Gold Mine located immediately south of the Killi Killi project area. ORM's regional studies have shown that the project area hosts a concealed granite intrusion surrounded by an extensive alteration halo, (see Figure 1, attached) that could be the hydrothermal engine driving REE/U/gold mineralisation in the Killi Killi district. The Killi Killi prospects and the granite lie in the major north-west trending structural zone, known as the Trans-Tanami Structural Corridor and appear to be at the intersection of a north-north-east fracture system.

This location is considered to be highly prospective for significant REE/gold occurrences.

For further information please contact:

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Figure 1 – Killi Killi Area Map

