



## ASX RELEASE

17 AUGUST 2012

### KILLI KILLI REE & GOLD PROJECT DRILLING PROGRAMME COMPLETED

- 24 Drill Holes completed to test new 800m REE zone at KKE
- 8 Drill holes testing possible Extensions of Gold zone at KKW
- Total programme totaled 1,848 metres

The Directors of Orion Metals (ASX:ORM) are pleased to announce that a drilling programme of 24 RC holes totalling 908 metres has been completed at the Company's Killi Killi East (KKE) tenement (EL 80/4029) on the zone between the KKE 1 & KKE 2 REE prospects. The tenement is located in the Tanami Desert on the Western Australian side of the WA: NT border.

The purpose of the drilling programme was to test the REE mineralisation in the 800m interval between the two Killi Killi East Prospects that was proved to be anomalous in REE/strontium mineralisation in the rock chip sampling programme completed in May.

The rock chip results indicated that a new broad zone of highly significant REE/strontium mineralisation existed between the two known REE occurrences, and the purpose of this drilling campaign was to:-

- Define the lateral continuity between the sampled mineralised outcrops;
- Test the extent of this mineralisation at depth, above and below the unconformity;
- Investigate the possibility of intrusive bodies that might be the source of the REE and strontium anomalism.

Drilling has indicated that the conglomerate/sandstone succession forming the REE mineralised host sequence is limited to an average of 5 metre thickness downdip from the outcrop, and is therefore very flat dipping. No visual mineralisation was evident, as is standard for the Killi Killi-style mineralisation, however low order radiometric responses were recorded for some individual intercepts. No exotic intrusive rocks were intersected.

At Killi Killi West (EL 80/4197), 2 traverses of 4 holes each have been drilled on north-south sections 50 metres apart to test for the possible extension of the broad anomalous gold zone to the east intersected in previous drilling. The 8 holes aggregated 940 metres and were between 90 and 130 metres in depth, the majority being 120 metres as planned. All holes penetrated the conglomerate/sandstone sequence and varying depths of basement rocks. There was some indication of structural offsets by faulting. No visual mineralisation or intrusive rocks were observed apart from weak quartz veining locally in the basement metamorphics.



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Samples have been submitted to SGS Australia laboratory in Perth and preliminary assay results are expected in 6-8 weeks.

The drilling schedule was completed on time and within budget. The locations of the drill holes in KKE and Killi Killi West are shown in the attached Figures 1 and 2 respectively.

**For further information contact: -**

Adrian Day (Exploration Manager) or

Garry Gill (Chief Operating Officer)

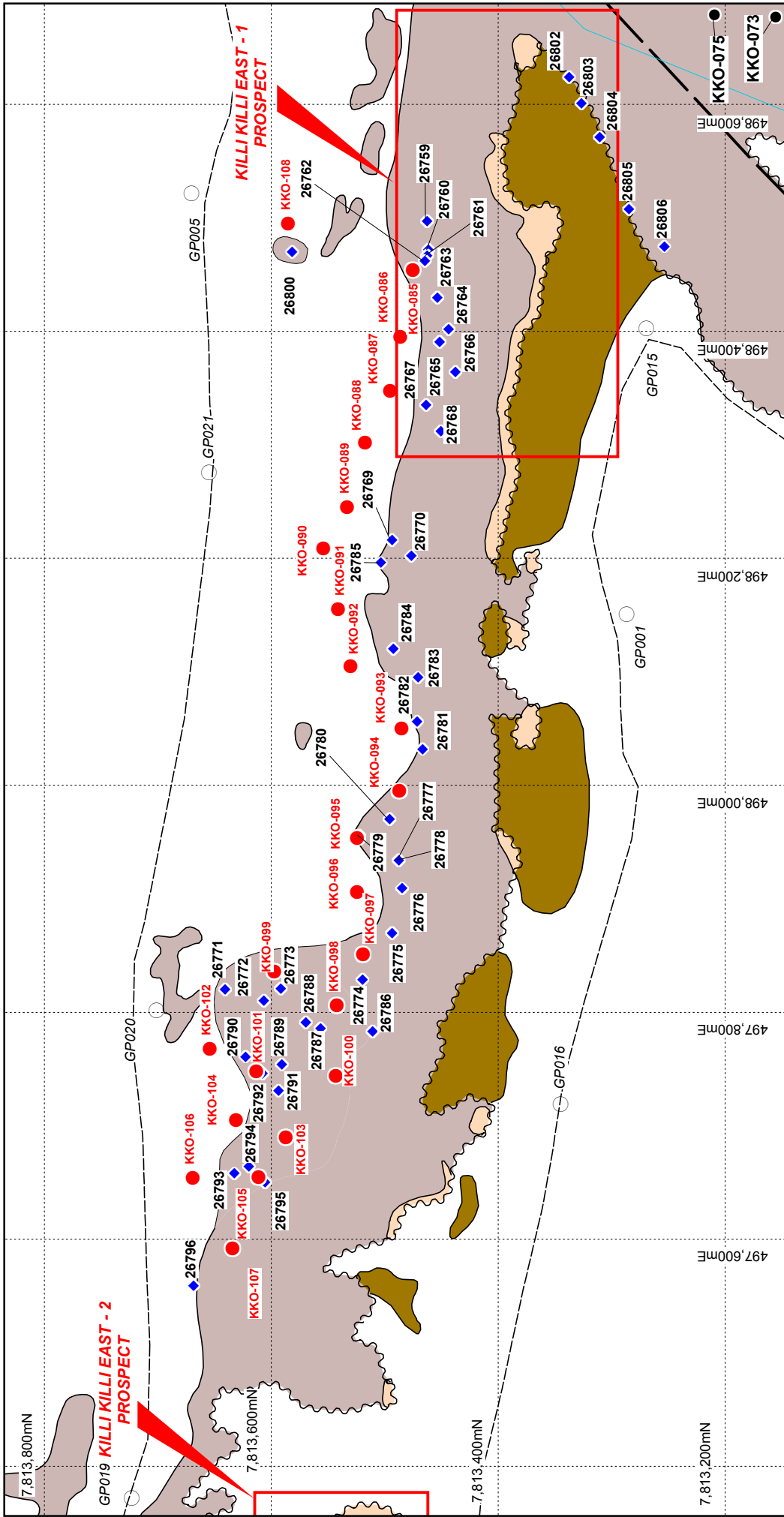
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Further information on Orion Metals Ltd. visit [www.orionmetals.com.au](http://www.orionmetals.com.au)

***Competent Person Statement***

*"The information in this report that relates to exploration results is based on information compiled by Mr Adrian Day, who is a Member of the Australian Institute of Geoscientists and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the "JORC Code"). Mr Day, is employed by Australian Asiatic Gems Pty Ltd a consultant to Orion Metals Limited. Mr Day consents to the inclusion in this report of the matters based on his information in the form and context in which it appears."*



**ORION METALS LIMITED**

**KILLI KILLI EAST**

**E80/4029**

**KILLI KILLI EAST PROSPECT**

**ROCK CHIP SAMPLE LOCATIONS**

**(JUNE 2012)**

**and**

**2012 DRILLING**

COMPILED BY	A. DAY	SCALE	1:5,000	<b>FIGURE</b>
DRAFTED BY	K.J.CORRIE		Proj: MGS04 Zone 52	
REVISED	K.J.CORRIE		DWG No.:	

**GEOLOGY LEGEND**

Sand

Geology from QML 1969 ;  
Alcoa 1977

Upper Proterozoic

Laminated quartz greywacke with white massive quartzite and ripple marked sandstone

Micaceous siltstone and upper conglomerate

Basal conglomerate grit and sandstone

Unconformity

**LOWER PROTEROZOIC**

Track

Drillhole location October 2011 (Orion)

Drillhole location July 2012 (Orion)

Area of 2010/2011 drilling (Orion)

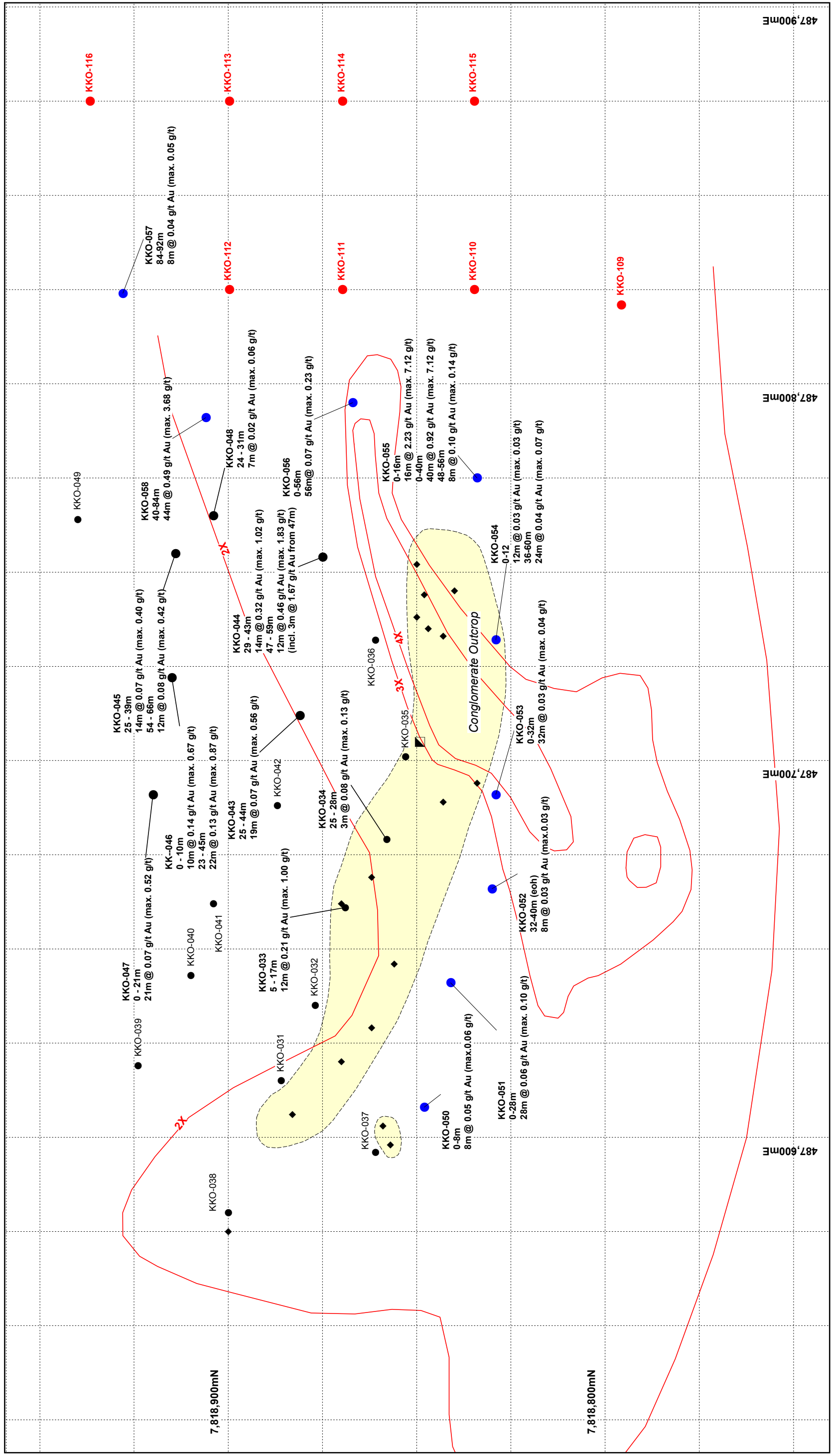
GP006

Early 1980's exploration drilling for Uranium (Alcoa)  
No REE or Au analyses

Rock chip sample location 2012

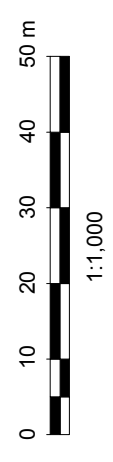
Scale: 1:5,000

0 50 100 150 200 250 m



**LEGEND**

- ◆ Rock chip sample location
- KKO-049 Drillhole location Phase 1 drilling ( June 2011)
- Drillhole location Phase 1 drilling showing anomalous Au results
- KKO-050 Drillhole location Phase 2 drilling ( October 2011) showing anomalous Au results
- KKO-111 Drillhole location ( July 2012)
- 2X — QML Radiometric Anomaly
- ▣ QML prospect pit



<b>ORION METALS LIMITED</b>			
E80/4197			
KILLIKILLI WEST			
<b>DRILLHOLE LOCATIONS</b>			
COMPILED BY	A. DAY	SCALE	1:1,000
DRAFTED BY	K.J. CORRIE	SEP 11	Proj: MGA4 Zone 52
REVISED	K.J. CORRIE	AUG 12	DWG No.:
			<b>FIGURE</b>