

ASX RELEASE

9th September 2010

Acquisition of Killi Killi Hills (W.A.) Prospect

- Heavy Rare Earth Elements (HREE)
- Gold & Uranium associated
- Near Northern Uranium (ASX:NTU) Browns Range HREE Project

Orion Metals Ltd. (ASX:ORM) is pleased to announce the strategic acquisition of two West Australian tenements, EL 80/4029 and EL 80/4197.

The purchase from Mount Resources Pty. Ltd. was finalised today for \$55,000. – made up of \$30,000 in cash and the issue of 500,000 ORM ordinary shares at 5 cents. ORM may also pay a future royalty of 1% of gross sales (capped at \$100,000) to Mount Resources.

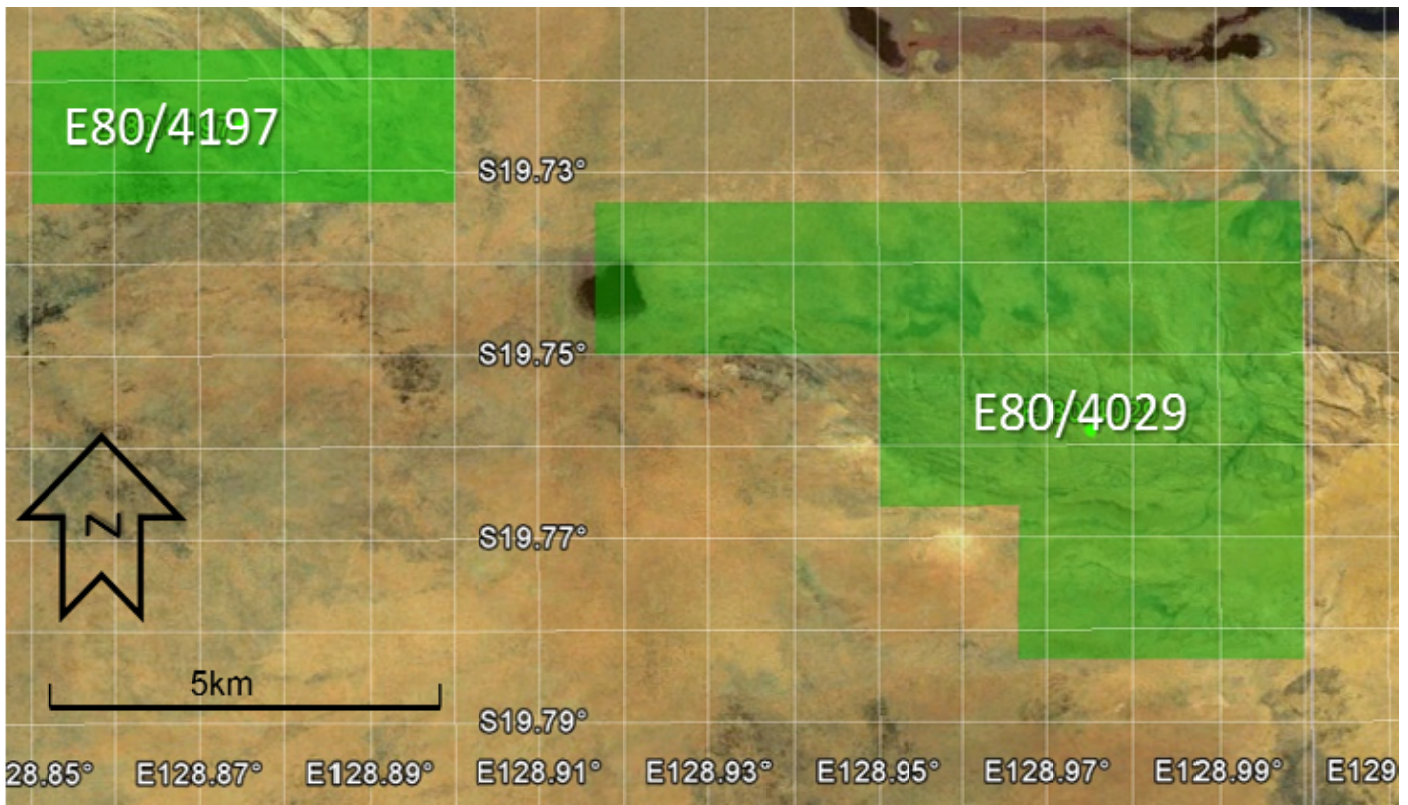


Diagram 1: Orion's Killi Killi Hills tenements

Tenement E80/4029 covers 32.3 square kilometres over 10 blocks and tenement E80/4197 is 9.7 square kilometres over 3 blocks for a total of 42 square kilometres. They are located on the Western Australia side of the Northern Territory border, approximately 10km north of the Halls Creek – Alice Springs road on the northern edge of the Tanami Desert, approximately 300 kilometres south-east of Halls Creek.

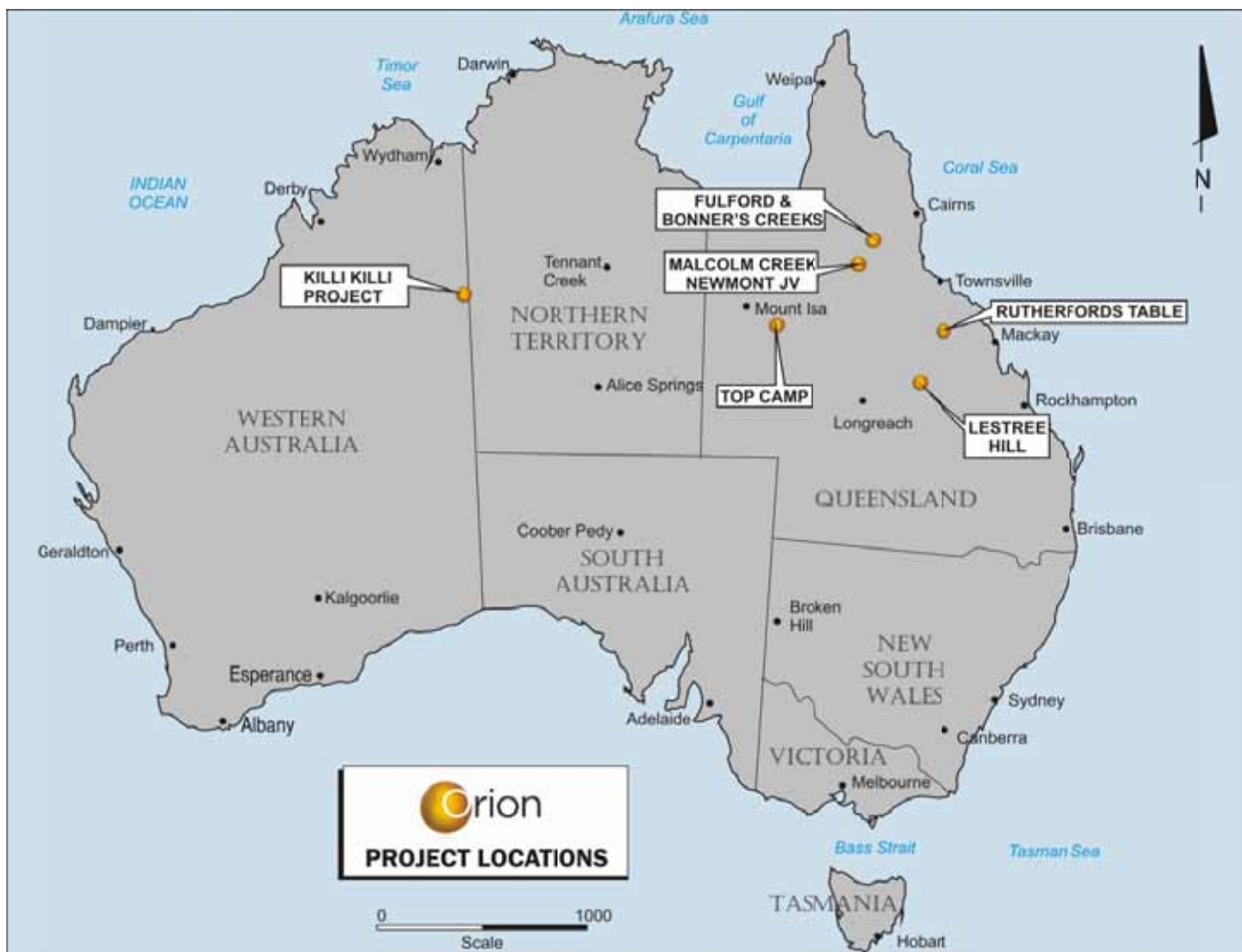


Diagram 2: Orion Metals Ltd. Project Locations

Previous exploration in 1969 confirmed low order uranium occurrences in a flat-dipping Upper Proterozoic basal conglomerate overlying Lower Proterozoic basement. Limited analyses at the time indicated the presence of Rare Earth Elements (REE), particularly yttrium and the “heavy” members of the REE suite.

A field inspection was conducted in July as part of the due diligence and 45 rock chip samples were collected in the immediate area of the 2 radiometric anomalies previously identified. This work indicated uranium mineralisation confirmed by spectrometer. We anticipate that we will have the complete set of laboratory results for each sample and a petrology report within the next 7 days.

It is anticipated that the re-assessment of the past exploration, new analyses and the application of modern geological concepts will considerably enhance the prospectively for HREE, gold and uranium.



Diagram 3: Halls Creek – Alice Springs Road and the Orion Killi Killi Hills tenements

The Directors believe that the Killi Killi Hills project will be a very attractive addition to Orion's existing Gold and Rare Earth projects at Fulford and Bonner Creek in North Queensland and will complement the company's ongoing strategy to develop HREE and gold opportunities.

James Canning-Ure

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<http://www.orionmetals.com.au/projects.htm>

Technical information and exploration results contained in this report have been compiled by Orion Metals Ltd Director Adrian Day who is a member of the Australasian Institute of Geoscientists and 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 consents to the inclusion in this release based on the information in the form and context in which it appears.