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## ASX RELEASE

13<sup>th</sup> December 2010

### KILLI KILLI HILLS GOLD-RARE EARTH ELEMENT PROJECT

### GOLD RESULTS FROM DRILLING

Orion Metals is pleased to announce that highly encouraging results have been received for gold analyses of 30 shallow RC drill holes (total of 366 metres) which were recently completed on its EL80/4029 tenement. This programme was a preliminary scout drilling exercise to test surface rare earth element (REE) and gold (Au) mineralisation which was previously confirmed in the outcrop rock chip sampling undertaken earlier in the year. The results below are the first assays that have been received and the analyses for the REEs are expected to be received prior to the end of December.

On the Eastern Anomaly 1, a shallow (6 metre) hole KKO1 returned the following gold results which averaged 6 metres at 5.85 g/t Au:-

0-1 metre	0.46 g/t Au
1-2 metre	21.10 g/t Au
2-3 metre	12.30 g/t Au
3-4 metre	0.14 g/t Au
4-5 metre	0.93 g/t Au
5-6 metre	0.17 g/t Au

A further 22 samples of one metre intercepts in other holes drilled into a predominantly basal conglomerate unit were anomalous (>0.1 g/t Au - see table below).

A composite intersection in KK025 in the eastern drilling area, also had anomalous values for gold:-

4-5 metre	0.44 g/t Au
5-6 metre	0.15 g/t Au
6-7 metre	0.14 g/t Au
7-8 metre	1.03 g/t Au



The chip sampling of conglomerate along 1100 metres of unconformity between the Eastern Anomaly 1 and Eastern Anomaly 2 showed only sporadic gold with a maximum of 0.23 g/t Au in a sample located 400 metres west of Eastern Anomaly 1.

Further assessment of the significance of these results will be made when the rare earth element results are received.

Our specialist consultant, Prof. Ken Collerson, has conducted fluorine (F) analyses on one fifth of approximately 400 samples taken and these have returned highly anomalously values. He has concluded that the coincident gold, fluorine and strontium (Au/F/Sr) anomalism, in combination with the petrology of mineralisation samples, strongly indicate that a hydrothermal igneous source was responsible for this exotic assemblage and further investigations are continuing.

**James Canning-Ure**

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

## 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.





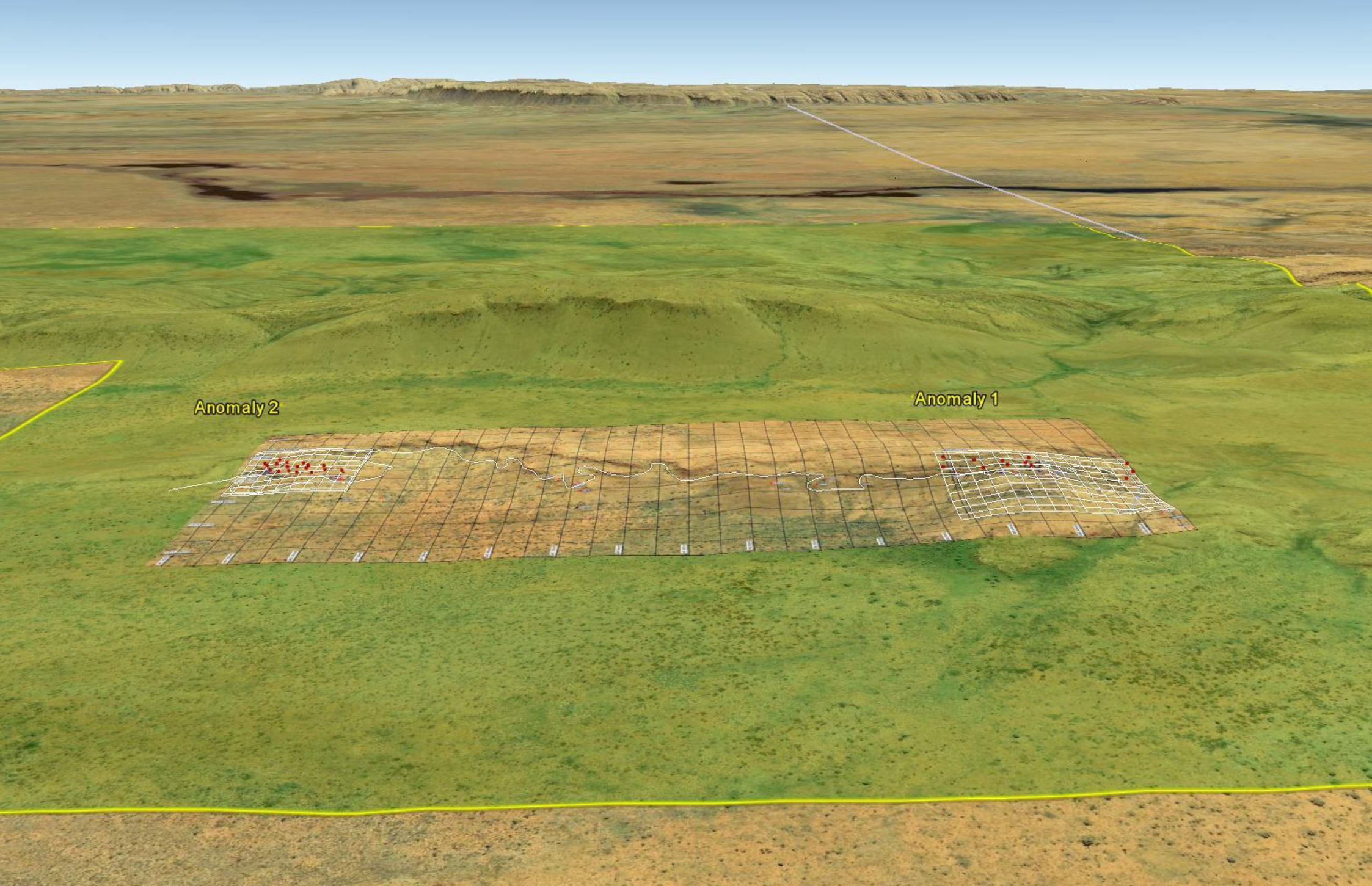
<u>HOLE No</u>	<u>INTERCEPT</u>	<u>GOLD VALUE g/t</u>
KKO1	0 - 1	0.46
	1 - 2	21.1
	2 - 3	12.3
	3 - 4	0.14
	4 - 5	0.93
	5 - 6	0.17
KKO2	2-3	0.21
KKO3	2 - 3	0.11
KKO4	0 - 1	0.1
	1 - 2	0.11
KKO5	8 - 9	0.18
	9 - 10	0.55
KKO6	NSR	
KKO7	4 - 5	0.22
	5 - 6	0.38
KKO8	57 - 58	0.21
KKO9	0 - 1	0.14
	1 - 2	0.12
KKO10	NSR	
KKO11	NSR	
KKO12	NSR	
KKO13	1 - 2	0.63
	4 - 5	0.29
KKO14	NSR	
KKO15	3 - 4	0.4
KKO16	NSR	
KKO17	NSR	
KKO18	NSR	
KKO19	NSR	
KKO20	NSR	
KKO21	6 - 7	0.12



KKO22	15 - 16	0.43
KKO23	13 - 14	0.34
KKO24	NSR	
KKO25	4 - 5	0.44
	5 - 6	0.15
	6 - 7	0.14
	7 - 8	1.03
	12 - 13	0.19
KKO26	NSR	
KKO27	NSR	
KKO28	NSR	
KKO29	0 - 1	0.12
KKO30	NSR	

Sandstone and Conglomerate outcrops on EL 80/4029 Killi Killi Hills unconformity

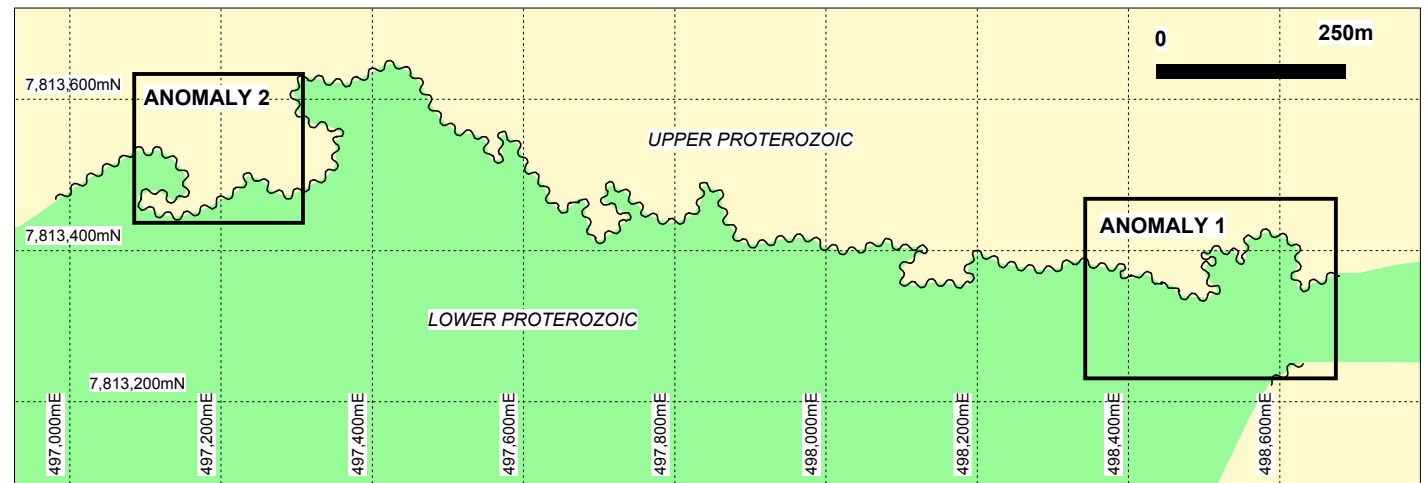
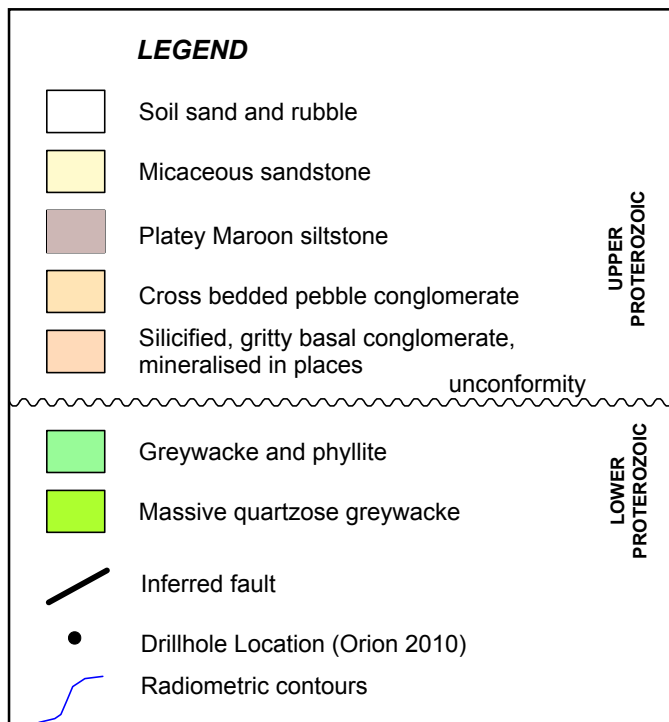
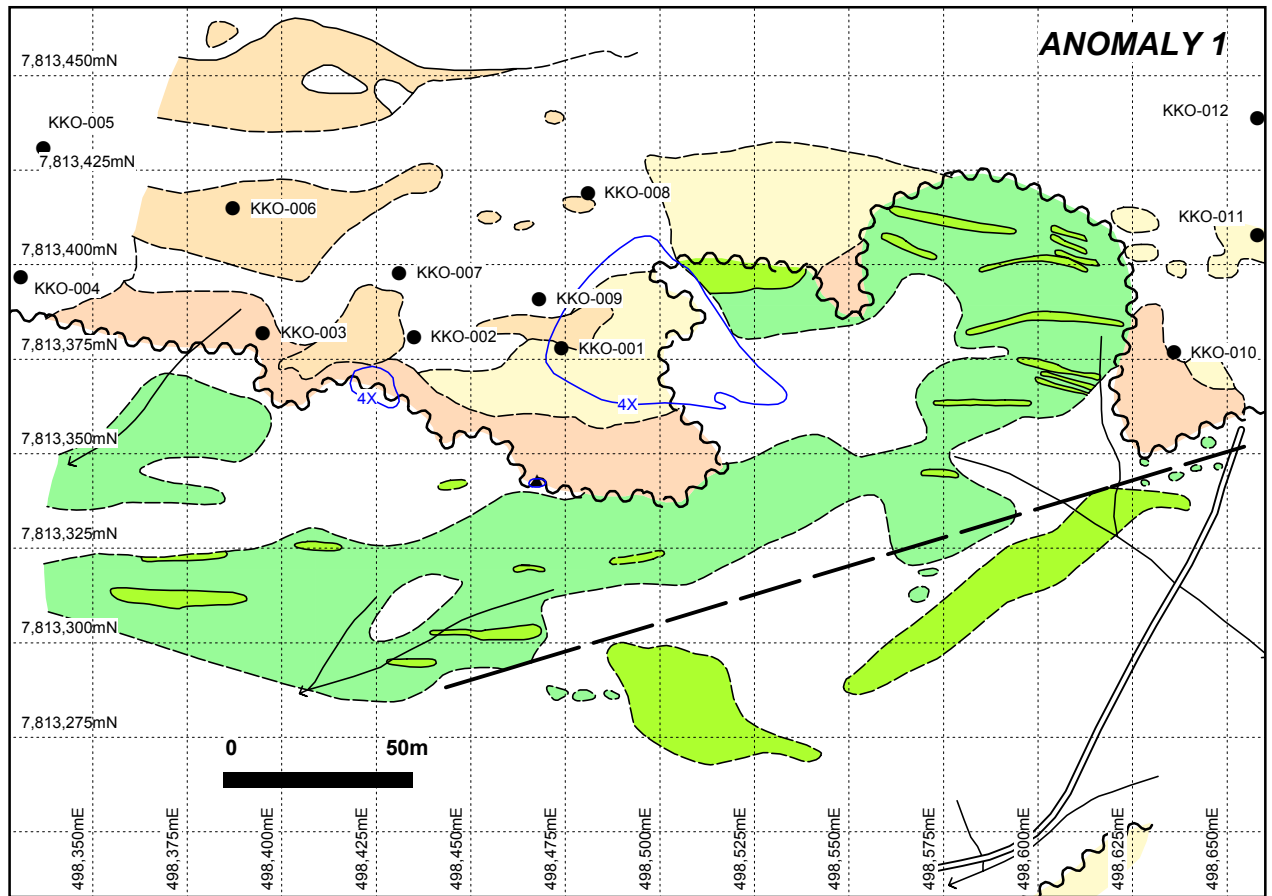
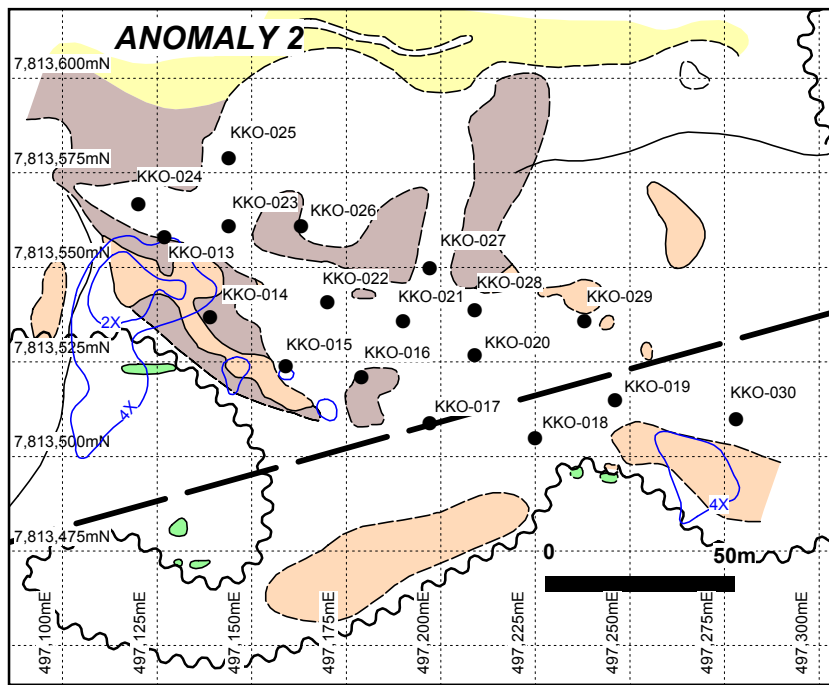




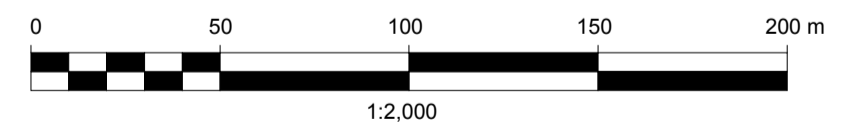
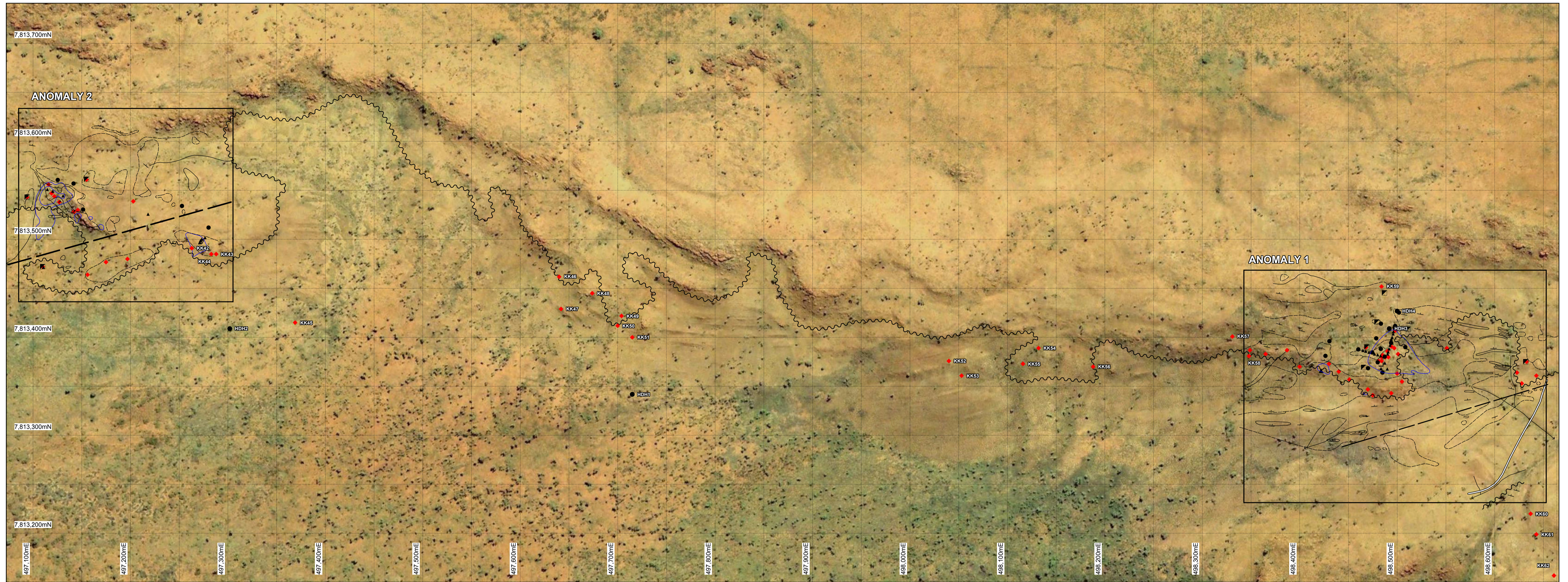
Anomaly 2

Anomaly 1

Drilling locations (red dots) on the EL 80/4029 tenements looking north at the anomalies joined by the Killi Killi Hills unconformity. The coarse grid is 40x40m and the fine grid is 20x20m.



**ORION METALS LIMITED**  
**KILLI KILLI EAST PROJECT - WESTERN AUSTRALIA**  
**DRILLHOLE LOCATIONS (2010)**



<b>ORION METALS LIMITED</b>			
E80/4029			KILLI KILLI
<b>KILLI KILLI EAST</b> Western Australia <b>LOCATION</b> showing <b>ROCK CHIP SAMPLES</b>			
COMPILED BY	A. DAY	SEP 10	SCALE 1:2,000
DRAFTED BY	K.J.CORRIE	SEP 10	PROJ: MGA94 Zone 52
REVISED BY	K.J.CORRIE	NOV 10	Dwg No.
			ENCLOSURE