



Orion Metals Limited (ASX:ORM)
71 Lytton Road East Brisbane Qld 4169
GPO Box 122 Brisbane Qld 4001
Phone: 61 7 3249 3060
Fax: 61 7 3249 3061
ABN 89 096 142 737

ASX RELEASE

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Orion increases land holding around Killi Killi Hills REE & Gold Project (WA)

Orion Metals Ltd (ASX: ORM) is pleased to announce that it has increased its land holding with two additional tenements E80/4558 Tanami East Project (5 Blocks covering 15 sq km) and E80/4559 Gardner Range West Project (7 Blocks covering 21 sq km) .

The Company also has applied for three larger areas within the Killi Killi Hills region but these are competing applications and their grant is subject to the exercise of Ministerial decision.

Geological and geochemical features recorded in the field sampling and drilling programs at Killi Killi have suggested new concepts for the genesis of the Rare Earth Element (REE) mineralisation. Ongoing desktop studies of regional geology and geophysics are being conducted by in-house professionals and consultants to apply new information and theories to the environs of the Killi Killi project area.

ORM has also commissioned a preliminary metallurgical study to ascertain a concentration route for the xenotime/florencite minerals with the ultimate aim of quantifying the REE grade of the resultant REE concentrate.

It is intended that the 2011 exploration program will be defined and budgeted within 4-6 weeks and fieldwork will commence as soon as access to the area has been confirmed which is estimated to be April 2011. A number of radiometric anomalies defined by a helicopter survey in 1969 are to be relocated and sampled, and any other anomalies resulting from the regional study will also be ground truthed.

Extensive XRF analysis and soil geochemical sampling is planned on the Killi Killi project to extend the level of knowledge of the significance of the newly discovered association of gold and strontium with the uranium/REE mineralisation. Sampling will also be conducted on other defined radiometric anomalies and features of interest.



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The intention of the Company is to conduct intensive fieldwork ahead of an initial RAB drilling program on selected sites at the earliest possible opportunity, hopefully by mid year 2011. Follow-up field reconnaissance and infill sampling will then be initiated to prepare targets for another phase of drilling soon after.

David K Barwick

Chairman

Phone: (07) 3249 3060

For further information on Orion Metals Ltd. visit www.orionmetals.com.au

