



ASX Release

25 OCTOBER 2011

KILLI KILLI REE & GOLD PROJECT

FURTHER DETAILS ON COMPLETED DRILLING

Further to our last release dated 13 October (Second Drilling Program Completed), the Directors of Orion Metals Limited (ASX:ORM) wish to provide additional information on the drilling at Killi Killi now that the Exploration Director Mr. Adrian Day has returned from site.

A total of 27 holes (KK50 to 76) were completed in the program on the following targets:-

Killi Killi West (see Figure 1)

- a. 9 holes (KK50-58) peripheral to the first round of holes on the Killi Killi West Prospect to test for extensions of the zone of anomalous gold mineralisation intersected during the last program in June;
- b. 2 holes (KK59-60) on the eastern strike extension of the Killi Killi West outcrop to test possible conglomerate occurrences in the sedimentary sequence; and
- c. 2 traverses each of 3 holes shallow (~30m depth) holes to test a large radiometric anomaly approximately 800m west and 1.2km south-west of the Prospect.

Killi Killi East (see Figure 2)

- a. 4 holes (KK67-70) on the western extremity of the unconformity outcrop where conglomerates registered low order REE values in outcrop chip samples, 300 metres west of Killi Killi East No.2 Prospect;
- b. 4 holes (KK73-76) on the eastern extension of the conglomerate outcrop 250 metres east of the Killi Killi East No.1 Prospect; and
- c. 2 holes (KK71-72) where the unconformity containing basal conglomerates with low order REE values is intersected by an interpreted fault.

The positions of these holes are detailed on the Figures 1 & 2 attached.

This phase of drilling was designed to test possible extensions of known mineralisation and to move into proximal areas as part of the program to better

understand regional distribution and controls of Rare Earth Elements (REE) and gold mineralisation. It is the Company's contention that only a small part of our tenements have been geologically prospected as most is covered by transported sand.

This assessment will be aided by the detailed interpretation of the recently completed airborne geophysical survey which is presently being prepared by consultant experts.

Preliminary metallurgical testwork has been conducted on a bulk sample from Killi Killi East No.1 Prospect with very favourable results. This has demonstrated that a much higher concentration of the xenotime mineralisation can be achieved by standard magnetic separation. It has been established that optimising the grind size will enhance separation and this should result in maximising recovery to a high grade REE concentrate. The Directors are now considering the next phase of testwork which may include chemical leaching of the magnetic REE concentrate product.

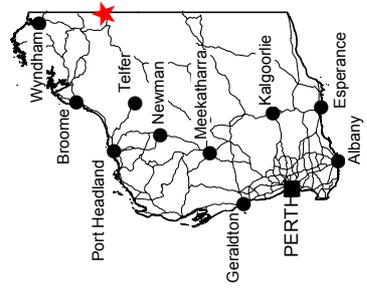
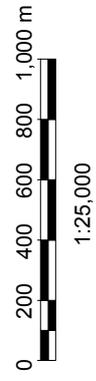
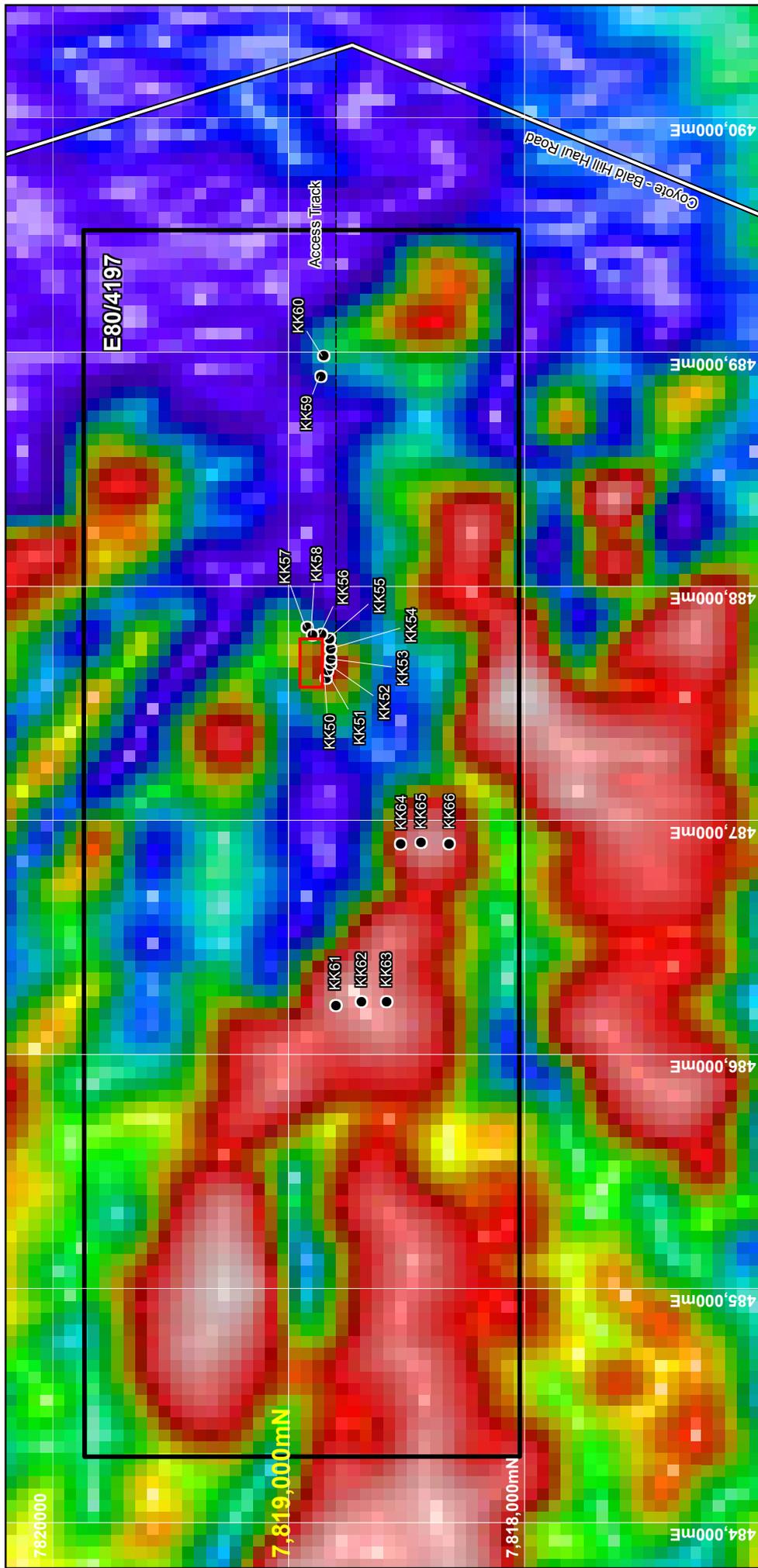


David K Barwick
Chairman
Phone +61 7 3249 3060

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

Competent Persons Statement

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.

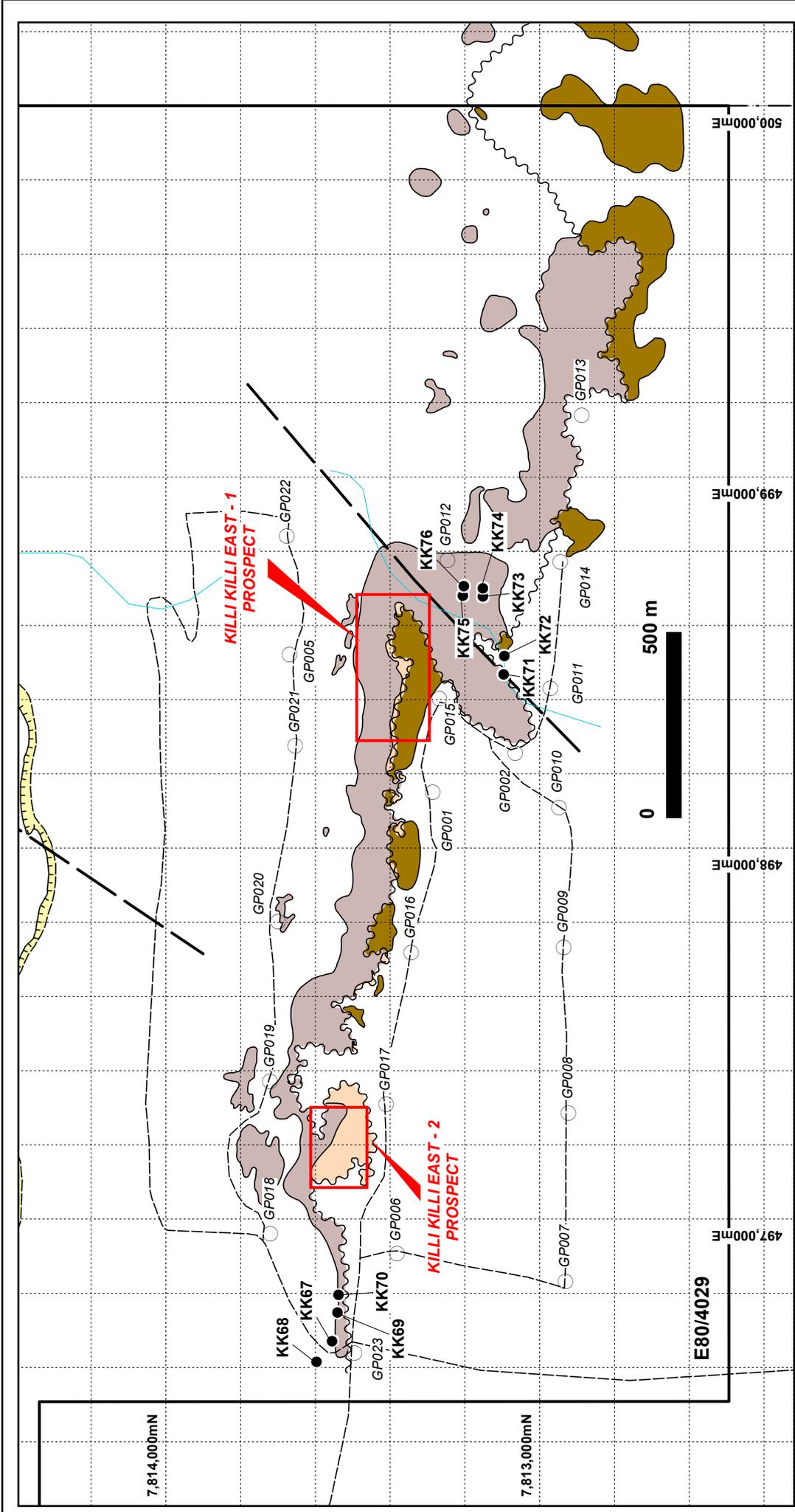


WESTERN AUSTRALIA
INDEX MAP

● Drillhole location (September 2011)

□ Area of June 2011 drilling

ORION METALS LIMITED	
KILLI KILLI WEST	
KILLI KILLI WEST PROSPECT	
DRILLHOLE LOCATIONS	
(September 2011)	
with	
RADIOMETRICS (Total Count)	
E80/4197	FIGURE 1
COMPILED BY A. DAY	OCT 11
DRAFTED BY K.J. CORRE	OCT 11
REVISD	DWG No.:
SCALE 1:25,000	Proj: MGA94 Zone 52



ORION METALS LIMITED

KILLI KILLI EAST

E80/4029

KILLI KILLI EAST PROSPECT

DRILLHOLE LOCATIONS

(September 2011)

COMPILED BY	A. DAY	OCT 11	SCALE	1:100,000	FIGURE 2
DRAFTED BY	K.J. CORRIE	OCT 11	Proj.	MGASA Zone 52	
REVISED			DMG 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 September 2011 (Orion)

Area of 2010 drilling (Orion)

GP006 Early 1980's exploration drilling for Uranium (Alcoa)
No RRE our Au analyses