



ASX RELEASE

21 JUNE 2012

KILLI KILLI REE & GOLD PROJECT ROCK CHIP SAMPLES RESULTS RECEIVED

- High Rare Earth Elements (REE) values recorded in new area
- Significantly enlarging the KK East REE mineralization
- Total 39 rock chips collected - averaged 3,593 ppm REE plus over 858 ppm Neodymium (Nd)
- 21 Drill Holes Planned to test this new 800m REE zone in July

The Directors of Orion Metals (ASX:ORM) are pleased to announce that a rock chip sampling program covering approximately 800m between Killi Killi East (KKE) 1 & KKE 2 REE prospects located in the Tanami Desert on the Western Australian side of the WA:NT border. The purpose of the sampling programme carried out in May 2012 was to test for REE mineralisation in the 800m interval between the two Killi Killi East Prospects.

Previous sampling had shown sporadic anomalous values in the basal conglomerate/sandstone units immediately above the unconformity. In pursuing an alternative genetic model for the mineralisation, it was decided to selectively sample similar beds further up the sequence and away from the unconformity where previous work had focussed. Results indicate that a new broad zone of highly significant REE mineralisation has been discovered and the distribution is far more extensive than previously recorded.

The highly REE mineralised outcrops are non-radioactive, and as verified by analysis (with maximum uranium result recorded only 18.2 ppm), so have remained undetected by airborne and ground radiometric surveys.

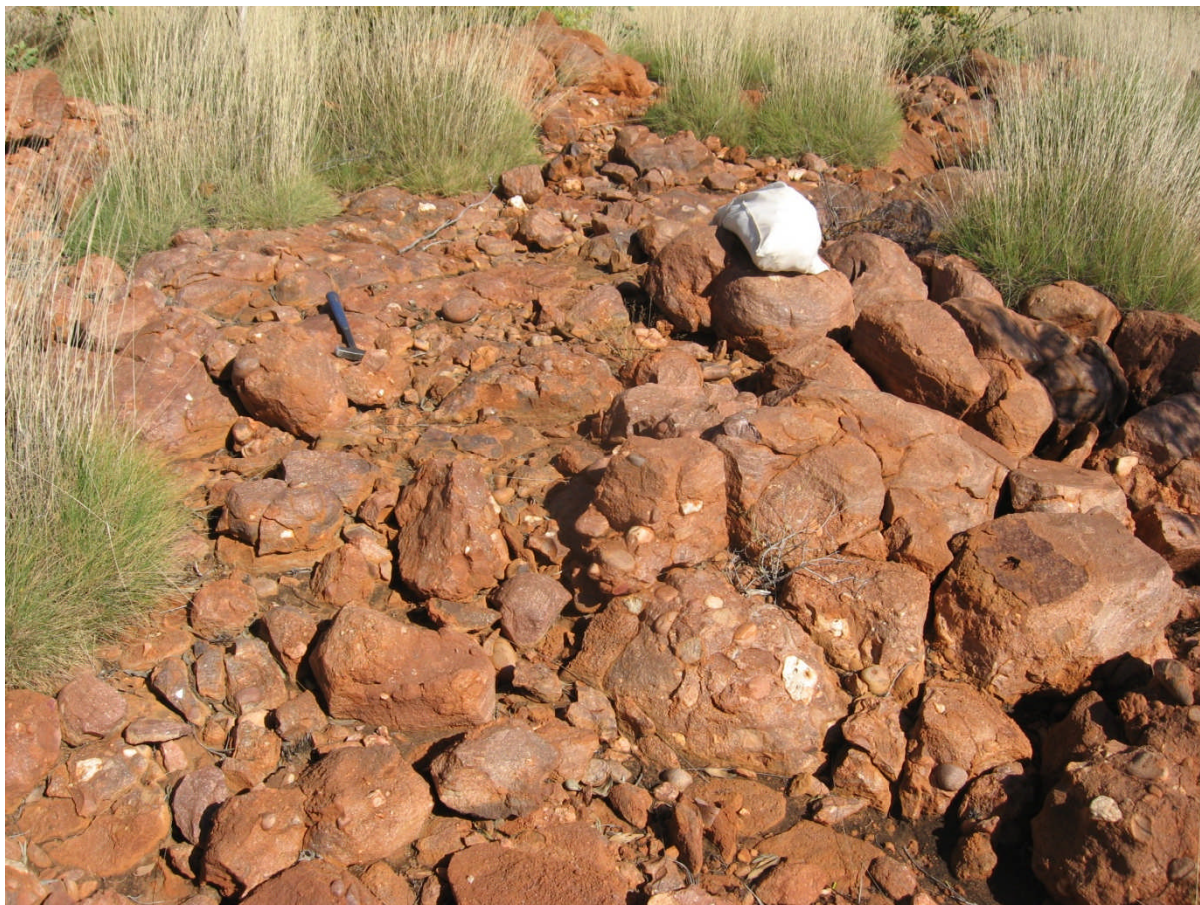
A total of 39 samples were representatively collected from various outcrops over a strike length of approximately 1 km concentrating on the silicified conglomerate dominated outcrops interbedded with sandstones between the two known REE prospects KKE 1 & 2. Analysis was conducted by SGS Australia laboratory, Perth and preliminary assay results were received yesterday. Precise assays on over-range values for neodymium (>1,000ppm Nd) and strontium (>1% Sr) are still awaited. The average of REE's for all the 39 samples conservatively taking Nd nominally at 1,000ppm is 4,451ppm TREEs. They are also characterised by highly anomalous strontium levels over 7,000ppm and with final assays pending likely to be even higher. Strontium has proved to be a valuable geochemical pathfinder element in the Killi Killi mineralisation.

Analytical results of the REE elements are summarised in **Table 1** and located on **Figure 1** attached. The latter also denotes the sites of approximately 21 planned RC holes which will drill test this extensive zone of surface REE mineralisation next month, see **Figure 2**.

These results are not only extremely encouraging as far as the potential of the Killi Killi East Project is concerned in that larger near surface tonnages appear to exist, but



enhances the regional potential of having possible REE-mineralised outcrops in ORM's exploration licences that remain undetected because they lack radioactivity and the mineralisation is not visually obvious. Further field surveys will concentrate more expansively on the surface geochemistry of the Killi killi area rocks and any further discoveries will be aggressively evaluated and drilled.



REE mineralised conglomerate outcrop at Killi Killi East

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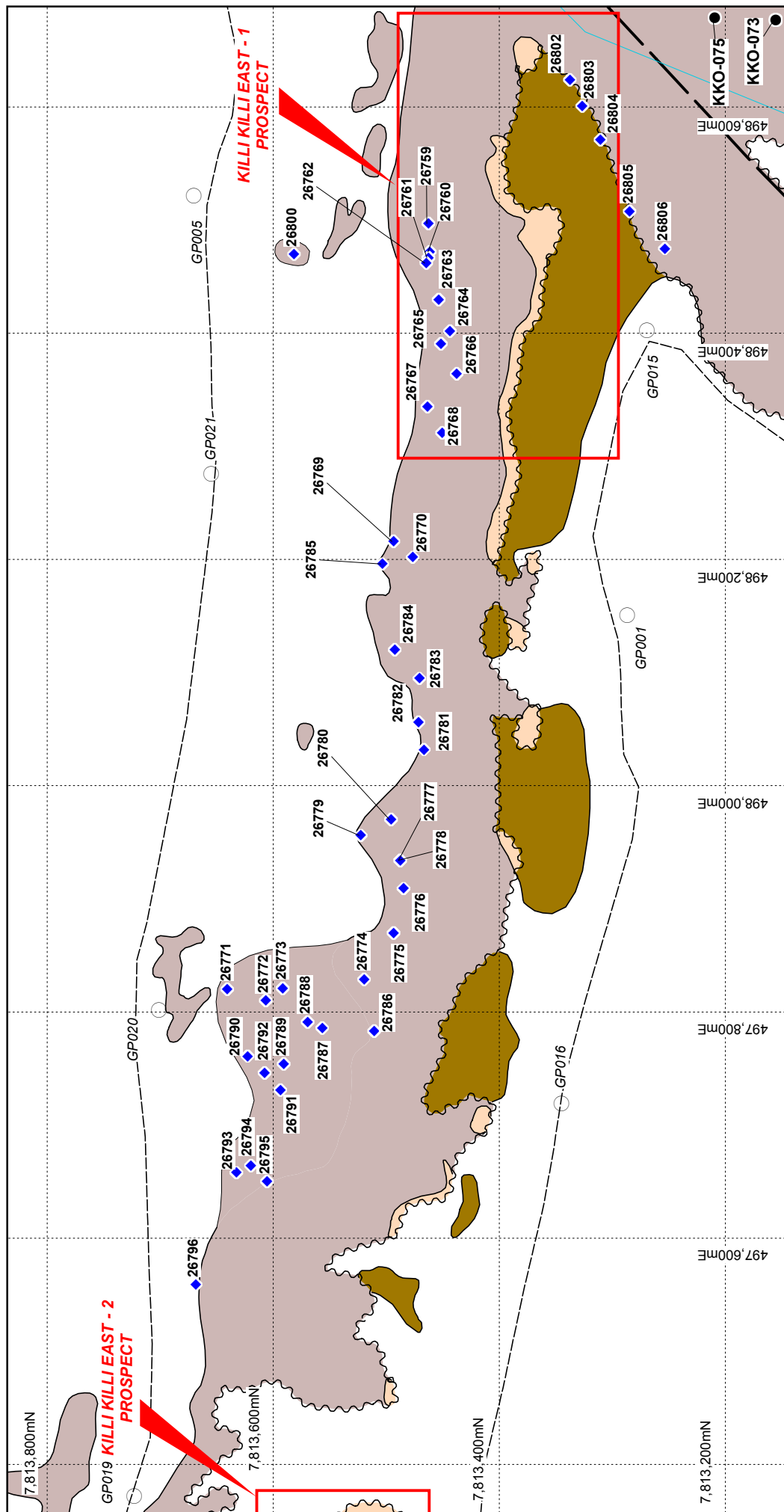
Further information on Orion Metals Ltd. visit www.orionmetals.com.au

**TABLE 1 - REE analyses of rock chips from Killi Killi East (>final assays awaiting)**

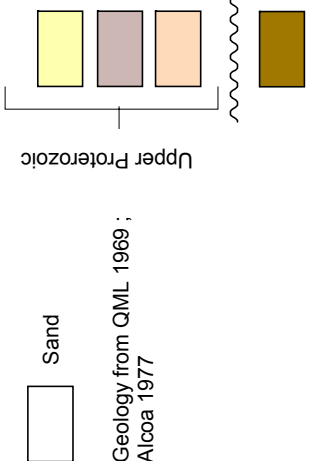
Sample	Ce	La	Dy	Er	Eu	Gd	Nd	Pr	Sm	Tb	Yb	Y	Sr
26759	2650	802	33	24	22	123	>1000	430	281	9	29	189	>10000
26760	186	57	3	1	2	11	169	31	30	1	1	7	1280
26761	1610	504	11	6	12	61	>1000	249	169	4	5	42	6510
26762	597	177	7	7	7	35	481	97	86	2	2	18	3050
26763	1650	527	19	14	12	64	>1000	261	163	5	19	94	6780
26764	1580	473	29	16	15	78	>1000	247	182	7	19	110	7340
26765	1970	597	28	21	19	94	>1000	321	243	7	25	169	8440
26766	1560	428	18	7	21	99	>1000	281	272	6	6	55	8680
26767	1780	564	32	29	12	66	>1000	273	153	6	31	152	6710
26768	141	48	2	1	1	6	79	19	11	1	1	7	0
26769	1970	631	193	187	18	133	>1000	257	161	24	257	925	8770
26770	652	229	12	4	8	41	395	91	71	4	3	30	5090
26771	639	213	13	4	10	48	432	95	84	4	3	33	4580
26772	1780	548	31	23	17	97	>1000	271	191	7	21	185	8100
26773	1920	635	74	61	19	117	>1000	298	209	12	83	508	>10000
26774	1550	527	42	30	18	88	863	202	161	9	30	227	6200
26775	3310	979	302	306	30	199	>1000	434	292	37	427	1460	>10000
26776	1300	362	10	5	9	49	936	202	123	4	6	25	4970
26777	2820	867	84	69	27	153	>1000	429	292	16	80	563	>10000
26778	2200	653	30	15	18	94	>1000	309	205	9	13	118	>10000
26779	1730	577	114	115	14	89	881	223	134	14	151	665	>10000
26780	1160	351	11	5	8	41	636	156	86	3	4	38	3890
26781	1520	450	70	62	15	95	>1000	220	158	11	70	571	7110
26782	2090	562	476	390	30	256	>1000	283	240	60	400	3050	7980
26783	2310	630	394	331	25	218	>1000	295	223	50	362	2340	8470
26784	2500	700	593	541	34	307	>1000	343	280	68	626	3550	>10000
26785	2120	605	128	122	15	100	>1000	284	161	18	172	661	>10000
26786	1630	493	43	33	15	85	>1000	243	160	8	42	273	7920
26787	693	209	29	26	6	34	510	108	70	4	30	175	3860
26788	2110	577	162	154	16	111	>1000	283	204	19	226	813	>10000
26789	1140	311	15	7	11	54	862	175	143	4	7	54	5340
26790	1610	412	96	79	22	131	>1000	241	250	13	89	555	8840
26791	1420	423	48	49	15	82	>1000	216	187	8	70	247	8800
26792	1770	411	356	249	34	278	>1000	300	345	51	242	2230	8110
26793	2280	660	198	156	21	148	>1000	312	231	26	185	1060	>10000
26794	1430	432	34	25	16	79	>1000	215	188	7	29	180	7830
26795	2700	679	339	209	40	297	>1000	394	398	52	199	1650	>10000
26796	383	131	16	11	4	23	219	51	39	3	12	89	1310
26800	2020	708	21	12	12	67	>1000	270	133	1	8	102	7470
Average	1654	491	105	87	17	106	858	241	180	15	102	595	7076



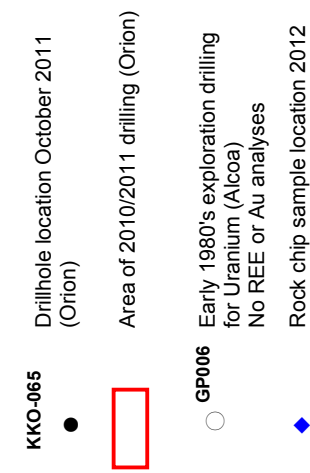
“The information in this report that relates to exploration results is based on information compiled by Mr Adrian Day, who is a Member of the Australian Institute of Geoscientists and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to 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 a Non-Executive Director of Orion Metals and through his consulting company, is employed by Orion Metals Ltd and he consents to the inclusion of this report of the matters based on his information in the form and context in which it appear”.



GEOLOGY LEGEND



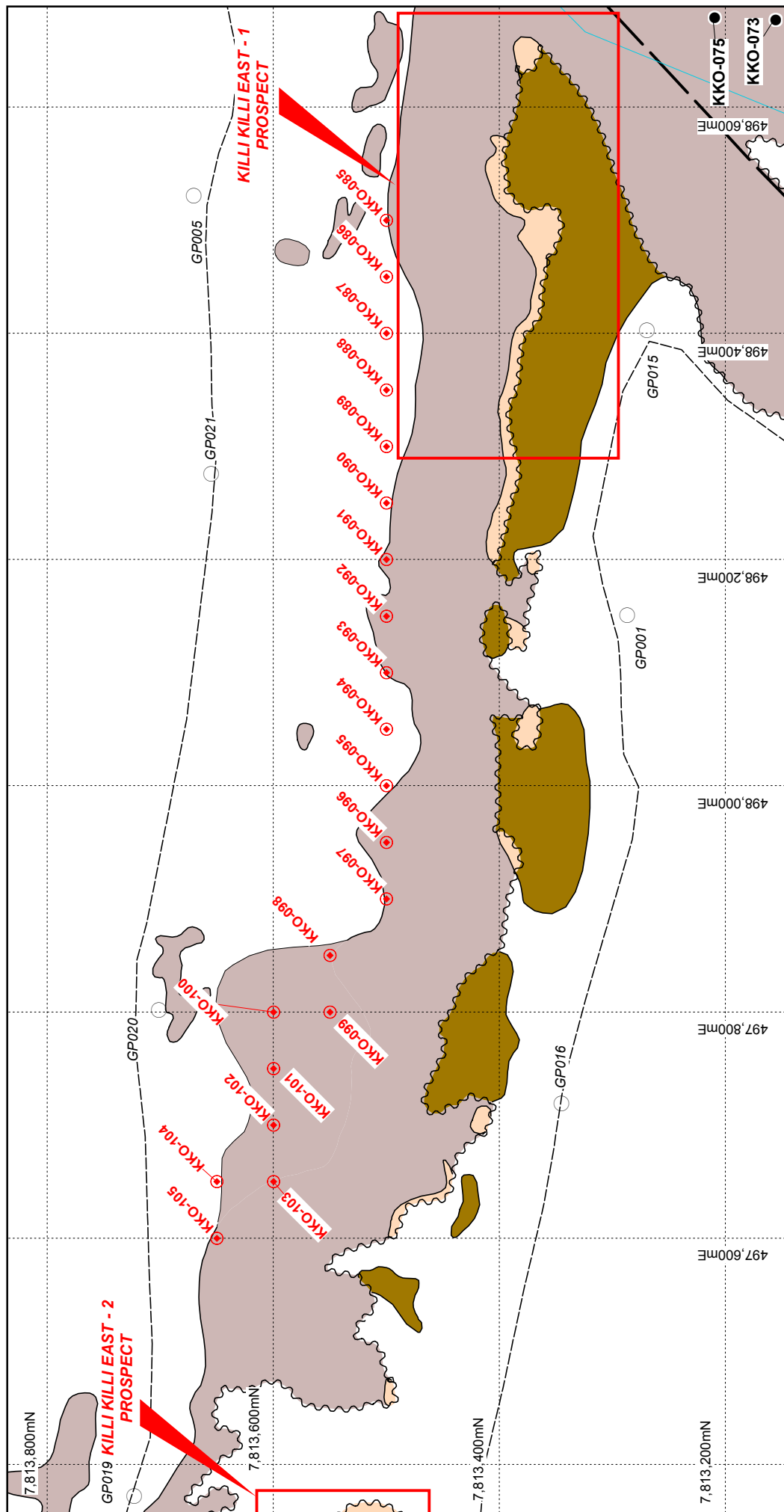
Track



ORION METALS LIMITED

E80/4029
KILLI KILLI EAST
KILLI KILLI EAST PROSPECT
ROCK CHIP SAMPLE LOCATIONS
(JUNE 2012)

COMPILED BY	A. DAY	JUN 12	SCALE	1:5,000	FIGURE
DRAFTED BY	K.J. CORRIE	JUN 12	Proj. MGA84 Zone 52		
REVISED			DWG No.:		



GEOLOGY LEGEND

Sand

Geology from QML 1969 ;
Alcoa 1977



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

- KKO-065 Drillhole location October 2011 (Orion)
- Area of 2010/2011 drilling (Orion)
- GP006 Early 1980's exploration drilling for Uranium (Alcoa)
No REE or Au analyses
- Proposed drillhole 2012

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E80/4029

KILLI KILLI EAST

KILLI KILLI EAST PROSPECT

PROPOSED DRILLING

(JUNE 2012)

COMPILED BY	A. DAY	JUN 12	SCALE	1:5,000	FIGURE
DRAFTED BY	K.J. CORRIE	JUN 12	Proj: MGA84 Zone 52		
REVISED			DWG No: 1		