



Orion Gold_{NL}

ANNUAL REPORT 2014



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Key Points

2014

ANNUAL REPORT – KEY POINTS

- Substantial exploration program undertaken at Fraser Range Project:
 - 23 targets successfully defined by airborne & ground geophysics;
 - Initial drill programs completed at highest ranking prospects; and
 - Ni – Cu mineralisation intersected with thicknesses up to 80 metres.
- Field work initiated at Connors Arc Project:
 - Key applications granted;
 - Initial geological reconnaissance undertaken; and
 - Identification of a significant intermediate sulphidation epithermal gold and silver system.
- Diamond drill program undertaken at Coopers Creek Prospect, Walhalla Project:
 - 3 holes drilled, total 696 metres, testing for Cu-Ni-PGE “polymetal” mineralisation;
 - Confirmed PGE-rich component to this mineralisation style; and
 - Two styles of mineralisation present, expanding target style for further exploration.
- \$4.25 million capital raising completed by way of:
 - An initial private placement of shares to raise approximately \$1.74 million ('First Placement'); and
 - A further private placement ('Second Placement') comprising:
 - shares to raise approximately \$2.51 million; and
 - options to investors who were issued shares under the First Placement and the Second Placement on the basis of one attaching option granted for each share issued.
- \$1.5 million raised via Share Purchase Plan. Total of \$0.5 million issued to SPP participants and \$1.0 million to underwriters including Orion directors, Silja (Orion's major shareholder), Orion's Fraser Range joint venture partner Mark Creasy and several sophisticated and professional investors.
- Finalised agreements with Silja whereby:
 - The principal balance of the loan facility which expired on 31 December 2013 was converted into Orion shares and the obligation to pay unpaid interest was forgiven; and
 - The Company secured an additional \$0.5 million loan facility and repaid that facility prior to expiry on 30 June 2014.



Chairman's Report

Dear Shareholder,

I am pleased to report that during the past year, the Company has continued to build its tenement holdings in the Fraser Range (Western Australia) and the Connors Arc Project area (Queensland), with both projects now well advanced based on the results from exploration programs completed during the past twelve months.

Having raised \$5.90 million during the year, the Company has been able to expand its ground holdings and remain active in the field. Following the acquisition of a further seven tenements in the Fraser Range (2,628km² acquired) from the Creasy Group, resulting in the Creasy Group becoming a Joint Venture partner and a substantial shareholder, the Company has established a strong presence in the Fraser Range. Importantly, systematic exploration programs completed to date have delivered very encouraging results with follow up exploration programs currently being planned.

The Company also completed further drill programs at our Walhalla Prospect in Victoria, with encouraging copper – nickel – platinum group elements results being returned.

In addition to the Fraser Range and Walhalla programs, the Company commenced field work on our highly prospective Connors Arc Epithermal Project in Queensland. Very pleasing early stage results have been achieved which has significantly upgraded the prospectivity of the Project area and the potential for discovery of epithermal gold deposits. Due to the positive early stage exploration results, the Company has recently increased its land holdings at Connors Arc significantly with new applications taking the project area to over 2000km².

With the focus of our ongoing exploration programs being Fraser Range and Connors Arc, the Board decided to progress divesting our gold interests at Walhalla with an option agreement recently executed with A1 Consolidated Gold Limited. A1 Gold has an option to acquire the Walhalla tenements with Orion retaining the rights to copper, nickel and platinum group elements.

For further details on our projects and the A1 Consolidated Gold Limited agreement, I refer you to the Review of Operations section of this report.

On behalf of the Board of Directors, I thank our dedicated and loyal team of employees for their continued efforts during the past year which have resulted in the progress made on our projects.

I also thank you, our shareholders, for your ongoing support of the Company which will hopefully be rewarded with exploration success in the near future.

Yours faithfully,



Mr Denis Waddell
Chairman

Review of Operations

The 2014 financial year saw heightened exploration activity across the Company's projects. In Western Australia, the Company carried out two phases of drilling at its Fraser Range Project (8,856 metres of aircore and RC drilling), with a third completed subsequent to the end of the financial year. In Queensland the Company commenced work on its Connors Arc Epithermal Project at years end, with further work ongoing work planned during the new financial year. Finally, in Victoria, the Company carried out a successful program at the Coopers Creek Cu-Ni-PGE Prospect confirming the PGE potential of this prospect.



Figure 1: Map of the Company's current project areas within Australia.

Fraser Range - Gold-Nickel-Copper Project (Western Australia)

The Company's Fraser Range Project is located between two world-class discoveries, being the Tropicana Gold Project to the north, owned by Independence Group and AngloGold Ashanti and the Nova Nickel-Copper-Cobalt Project to the south, owned by Sirius Resources. The tenement areas cover prospective targets for both Tropicana-style gold and Nova-style nickel deposits, with historical geochemical anomalies and scout drilling identifying bedrock mineralisation of both minerals. The Company's primary target in the Fraser Range is magmatic hosted nickel-copper deposits, which are formed by the intrusion, emplacement and cooling of mafic-ultramafic magmas followed by later uplift. The schematic diagram below shows some of the characteristics of these deposits, as well as the elements required to form them.

The year began with a substantial change in the scale of the Company's Fraser Range Project, with the acquisition of a significant contiguous landholding adjacent to its Peninsula Project from the Creasy Group (Figure 3, refer ASX Release – 5 August 2014). As a result the Company welcomed Mr Mark Creasy onto its register as a substantial shareholder and as a joint venture partner in its Fraser Range exploration.

Exploration commenced with several ground EM surveys over the Peninsula Project verifying anomalies detected in a HelITEM survey as well as carrying out reconnaissance EM surveying over the newly acquired tenements. While the aim of this latter survey was to assist in the design of airborne EM surveys it also detected a strong bedrock conductor in a magnetic "eye" feature, subsequently named the CE Prospect. A geological mapping and reconnaissance trip was also carried out during the first quarter of the financial year.

In November-December 2013 the Company carried out its maiden drill program at the Peninsula Project testing interpreted bedrock conductors identified at the HA1, HA2 and HA3 Prospects. 35 holes were drilled for 1,736 metres (Figure 4). Mafic-ultramafic intrusives were identified at all prospects with results of interest from HA1 and HA2 (refer ASX Releases – 19 December 2013 and 17 March 2014).

Review of Operations

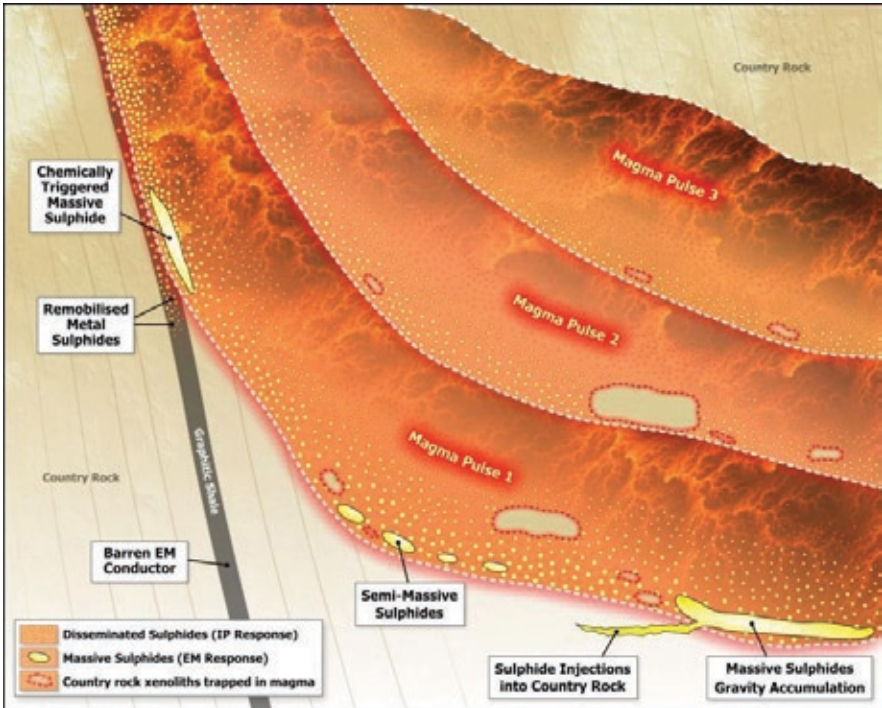


Figure 2: Schematic cross section of the various models for accumulation of magmatic Ni-Cu sulfides.

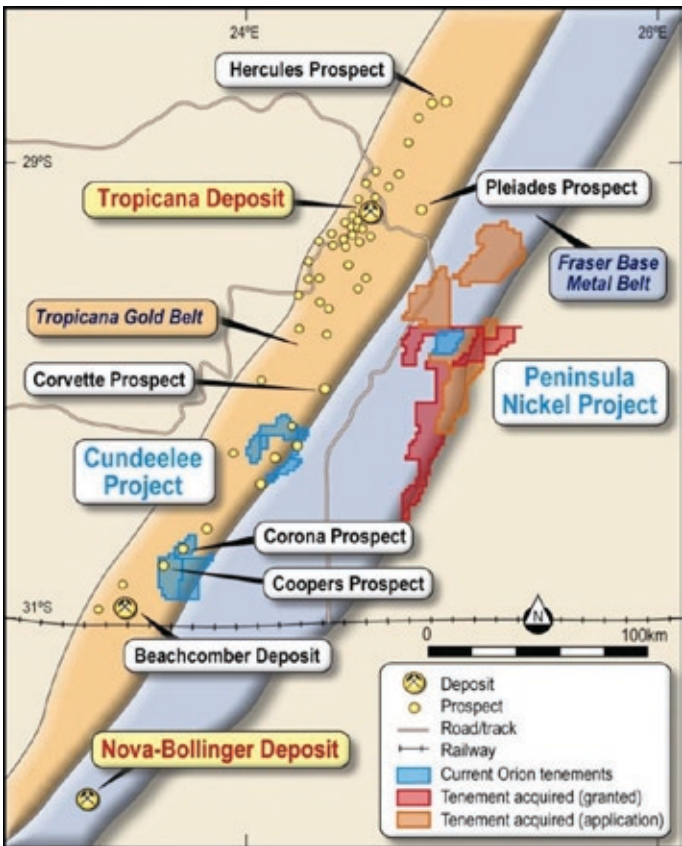


Figure 3: Tenements acquired in the Creasy Group transaction

In addition to the maiden drilling program the Company commissioned two key geophysical surveys across a large area within its tenements. In December 2013 a ground gravity survey was completed (Refer ASX Releases – 14 January 2014 and 31 January 2014) and in January 2014 an airborne VTEMmax survey was carried out. The results of these surveys provided the Company's technical team with two new datasets to aid in the definition and evaluation of targets. The results of these surveys were integrated with historical aeromagnetic data and geochemistry and led to the definition of 23 initial target areas within the Company's landholdings (Figure 4, refer ASX Release – 24 January 2014).

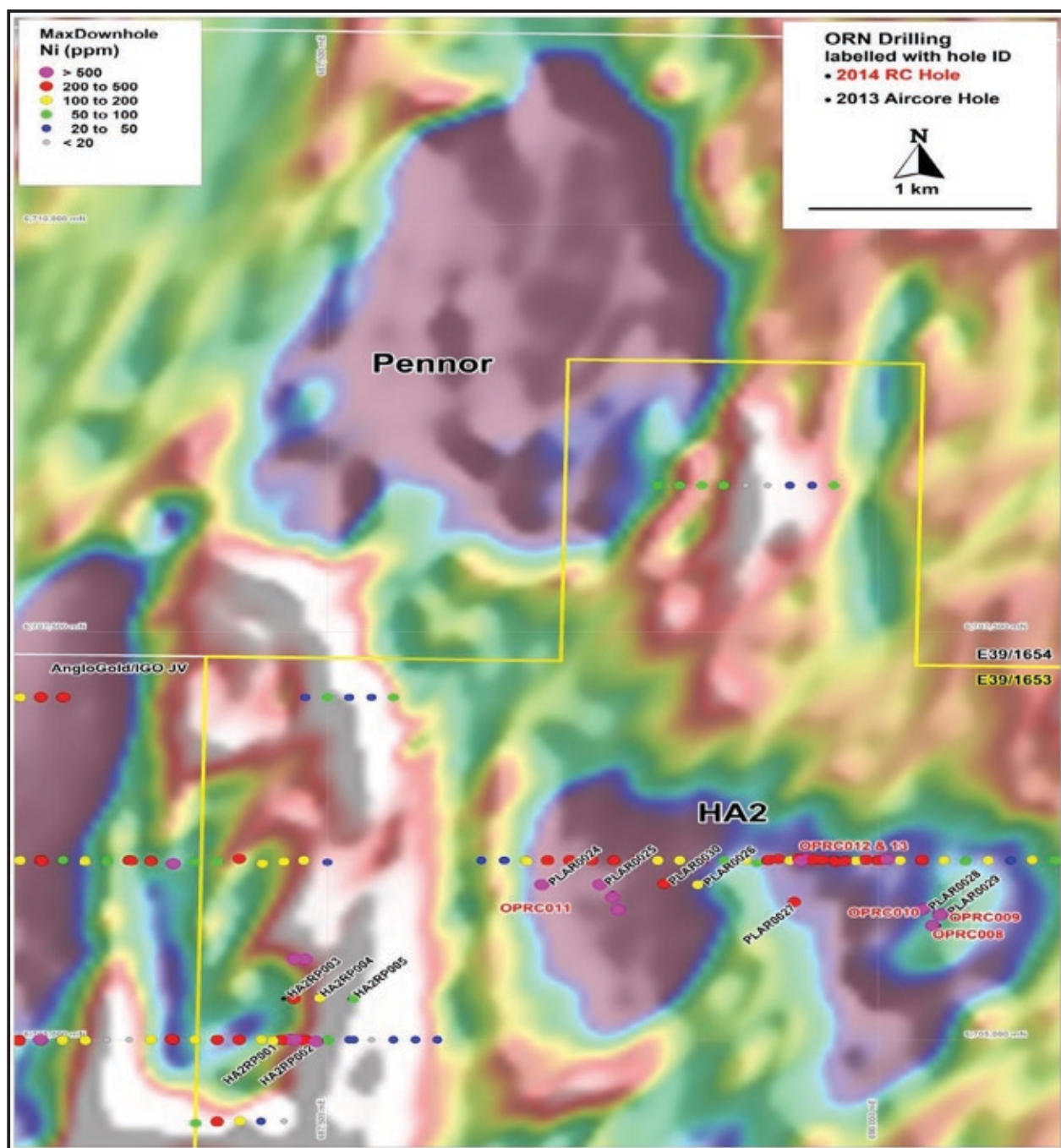


Figure 4: Plan showing results from Orion drilling at the Peninsula HA2 Prospect on aeromagnetic data (maximum Ni assay per hole). Also shown are results from historical drilling. Note the location of the Pennor Prospect.

Review of Operations

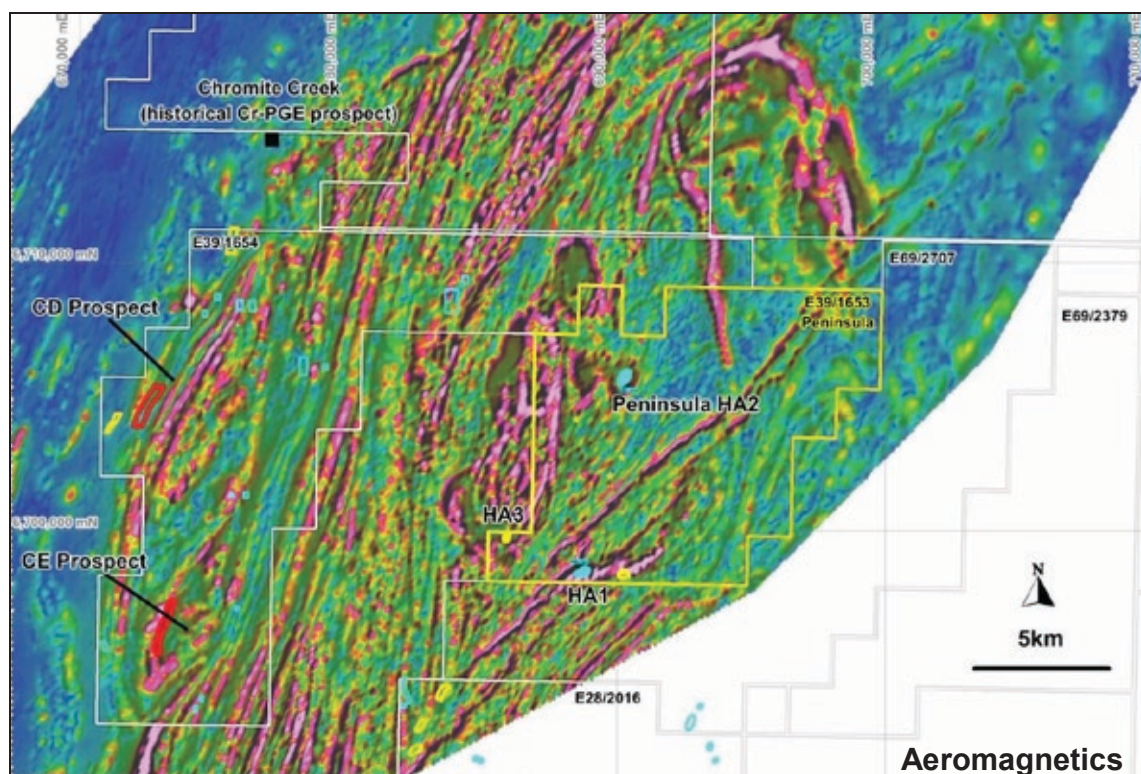


Figure 5a: Plan showing targets generated at the Fraser Range Project over data from historical high resolution aeromagnetic survey (as reprocessed by Orion).

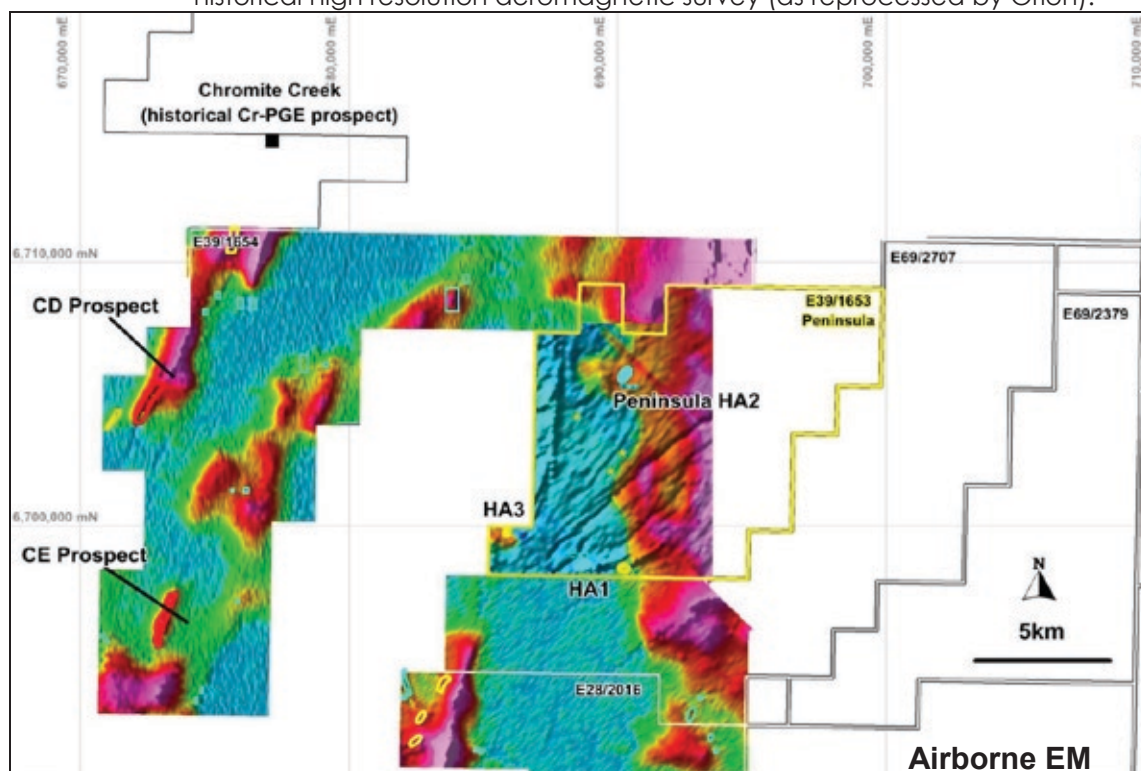


Figure 5b: Plan showing targets over results from airborne EM surveys carried out by Orion at the Fraser Range Project (2013 HeliTEM and 2014 VTEM_(max)).

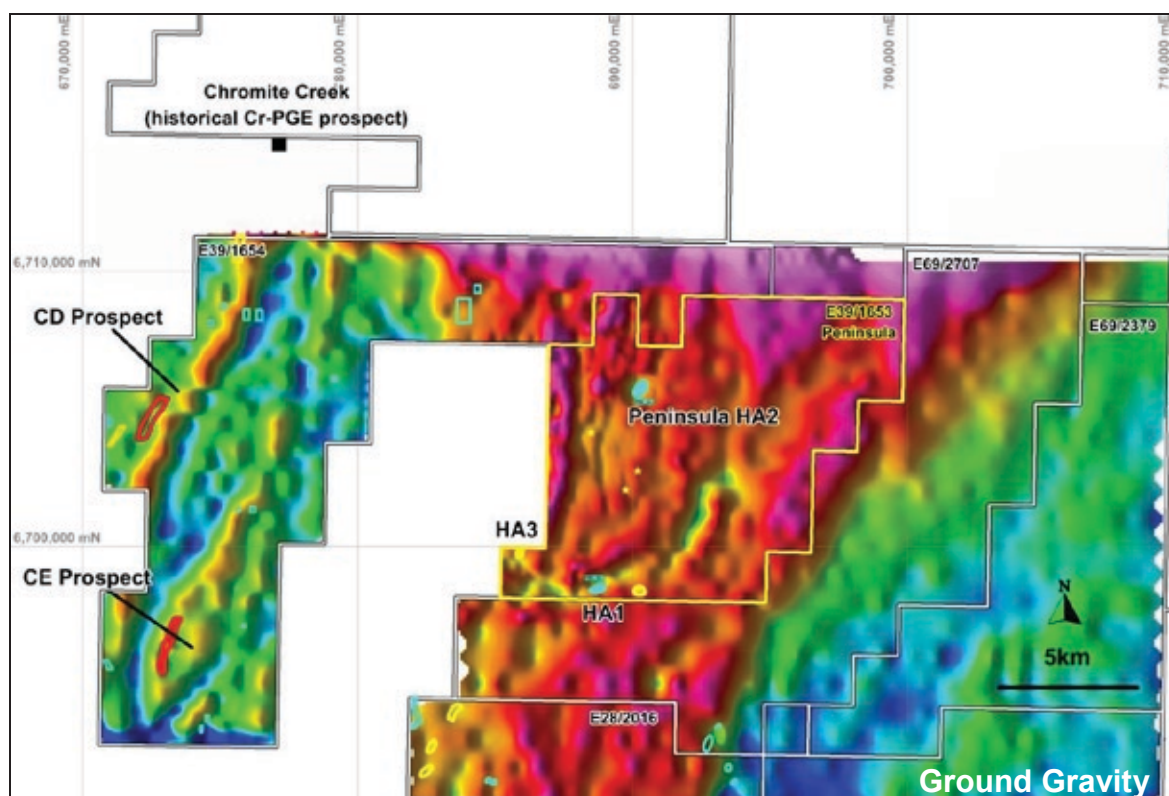


Figure 5c: Plan showing targets over results from ground gravity survey carried out by Orion at the Fraser Range Project in late 2013.

In February 2014 drilling recommenced in the Fraser Range with an aircore program at the CE Prospect, followed by RC drilling at both CE and HA2. A total of 97 holes were drilled at CE for 5,009 metres. While aircore drilling intersected mafic intrusives at CE, the source of the conductor detected by the ground EM survey was identified as a graphitic shale (Refer ASX Releases - 14 February 2014, 27 February 2014 and 17 March 2014). Further work is planned at the CE Prospect following up elevated nickel results in the mafic intrusive which was intersected (Refer ASX Release - 29 April 2014).

In the same program 13 RC holes were drilled at Peninsula-HA2 for 2,111 metres following up prospective geology and geochemistry intersected in the 2013 aircore campaign, as well as testing anomalies identified by a trial Induced Polarisation (IP) survey over a portion of the prospect (Figure 6). Drilling successfully intersected wide zones of nickel-copper sulphide mineralisation within the intrusive body (Figure 6). Encouragingly one of the intersections was coincident with the strongest of the IP anomalies (Figure 7, refer ASX Release – 17 March 2014), which will result in wider use of IP surveys in future exploration. Best results included:

- 80 metres at 0.11%Ni, 0.05%Cu & 0.01%Co from 44 metres (OPRC008);
 - including 12 metres at 0.22%Ni, 0.11%Cu & 0.02%Co from 52 metres.
- 8 metres at 0.06%Ni & 0.01% Co from 132 metres* (OPRC008);
- 47 metres at 0.08%Ni, 0.02%Cu & 0.01%Co from 44 metres (OPRC009);
- 13 metres at 0.07%Ni, 0.02%Cu & 0.01%Co from 138 metres (OPRC009);
- 10 metres at 0.07%Ni & 0.04%Cu from 170 metres (OPRC009);
- 6 metres at 0.10%Ni , 0.05%Cu & 0.01%Co from 190 metres (OPRC009);
- 18 metres at 0.06%Ni, 0.02%Ni & 0.01%Co from 38 metres (OPRC010);
- 50 metres at 0.09%Ni, 0.04%Cu & 0.01%Co from 100 metres* (OPRC010);
 - including 10 metres at 0.14%Ni, 0.07%Cu & 0.01%Co from 116 metres.

**end of hole intersection*

Review of Operations

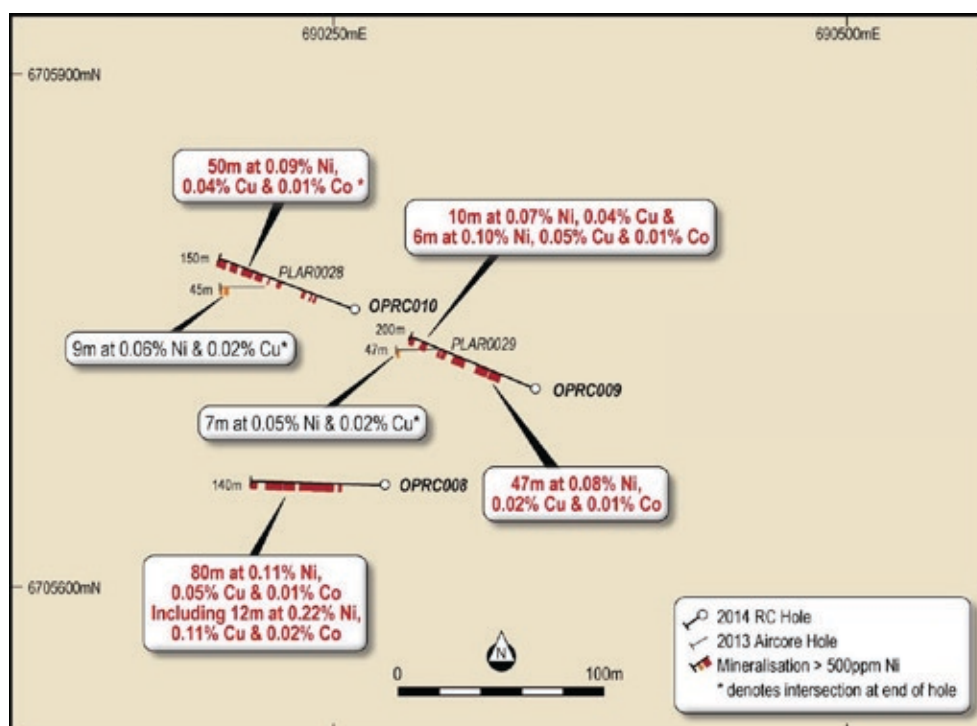


Figure 6: Results from RC drilling at Peninsula HA2

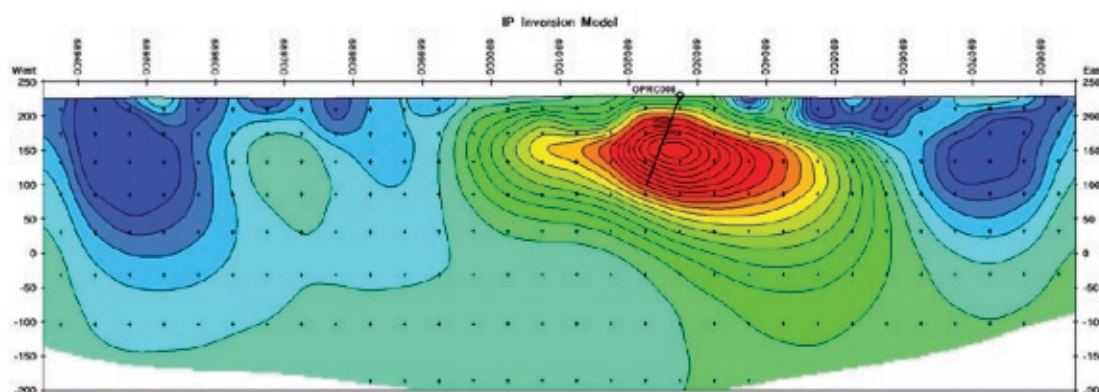


Figure 7: Cross section 6705700N showing IP inversion model and hole OPRC008.

A detailed review of geochemical and petrological data from this drilling, refined the target at HA2 and identified that the entire body was sourced from the same magma pulse, increasing the prospectivity of adjacent, larger bodies with similar geophysical characteristics such as Pennor (Refer ASX Releases – 13 May 2014 and 15 July 2014). While these areas were inferred from geophysics to be intrusive bodies, no drill testing had been carried out and significantly no exploration for potential feeder zones between these bodies had been completed (Refer ASX Release – 15 July 2014). Drill programs at Pennor and adjacent areas have recently been completed and shareholders should refer to recent ASX announcements for results and other updates.

Importantly the exploration results from this year's work have validated the Company's deposit model for exploration. This deposit model (Figure 2) puts the focus on the basal or floor contact of mafic and ultramafic intrusive bodies. Drilling and geophysics have to date only tested the bodies to an effective depth of 200 – 300 metres. The Company is working with its geophysical consultants to design programs to test the bodies below 300 metres for disseminated and massive sulphide ore, where these are expected to accumulate immediately above the basal contact of the magma bodies.

Connors Arc Epithermal Gold Project (Queensland)

Orion's Connors Arc project area incorporates prospects located within a geological and structural setting very similar to other significant epithermal gold systems in Queensland. Notable features include close proximity to the eastern margin of the Bowen Basin and prospective, Permo-Carboniferous aged volcanic and intrusive lithologies. In addition:

- Key prospects are spatially associated with a known, large, magmatic hydrothermal system (Mt Mackenzie);
- This hydrothermal system is located within a geological and structural setting which is very similar to other significant epithermal gold systems in Queensland such as Cracow and Mt Carlton and is of the same broad age (Permo-Carboniferous) as many other intrusion-related gold systems in Queensland; and
- Geological and geochemical characteristics suggest that some prospects may be shallowly eroded, implying potential for higher gold grades at moderate depth.

Epithermal gold deposits can be individually very large and as a deposit style account for more gold production across the globe than any other style of mineralization other than the Witwatersrand.



Figure 8: Connors Arc Project Location and Regional Setting

During the year, the Company was granted key tenements 19825 & 25122 at its Connors Arc Epithermal Project in Central Queensland (Figure 8). Work focussed on compilation and review of historical drill and geochemical data as well as reviewing ASTER data generated by respected consultants Global Ore Discovery (Figure 9, Refer ASX Releases – 15 July 2013, 27 August 2013 and 5 December 2013).

Review of Operations

ASTER ('Advanced Spaceborne Thermal Emission and Reflection Radiometer') is an imaging instrument on-board NASA's Terra satellite. ASTER images are used in mineral exploration to interpret alteration mineralogy, illite-sericite kaolinite crystallinity, and illite composition/chlorite composition. An understanding of zonation of these facets of alteration minerals can assist in developing vectors to epithermal & porphyry gold mineralisation. This work has resulted in the identification of five areas of interest (Figure 9), based on coincident ASTER alteration, geological and geophysical features.

The most advanced prospect at the Connors Arc Project is the Aurora Flats Prospect, where historic shallow percussion and RC drilling tested veins to a depth of 80 metres below surface. Drilling returned several significant intersections from vein material at approximately 80 metres below surface including 1 metre at 1.14g/t Au and 77g/t Ag (Refer ASX Release – 15 July 2013). The geochemical data from this drilling supports the Company's belief that it has tested a high level of the epithermal system, above the zone expected to be prospective for the highest grade gold and silver mineralisation.

The Company is targeting the Aurora Flats area based on the combination of the reported presence and textures of epithermal veining at surface which would indicate that the surface exposure is at a high elevation in the system. Available data indicates that the system has only been tested well above the zone where pressure and temperature would have been suitable for bulk deposition of precious metals. The presence of gold and silver values at gram level concentrations, above this critical zone are very encouraging, and bode well for exploration at depths below 200 metres below surface.

Review of the drill data noted the presence of elevated manganese and base metal contents in the samples from vein material. In addition the silver contents of these veins are far greater than the gold tenor. The presence of these metals, in these proportions in the high elevations of an epithermal system are diagnostic indicators for Intermediate Sulphidation ("IS") epithermal systems.

Intermediate sulphidation ("IS") epithermal systems occur where fortuitous interaction between LS epithermal systems and a HS epithermal system occurs. IS systems are essentially hybrids and benefit from two sources of metal for deposition in brittle vein fractures and stockworks.

Significant Intermediate Sulphidation systems have not been encountered in Australia before. Where they have been discovered internationally, they account for some Giant Deposits (>10 million ounces) such as Acupan, Baguio in the Phillipines and Pachuca in Mexico (White, SEG Epithermal Short Course, 2012, unpublished), which are key examples of silver rich, IS systems.

It is important to note that while IS systems are often silver-rich, the silver endowment does not come at the expense of gold endowment. The silver can be an economically important additional mineral to gold, even approaching gold in monetary value, but the gold grade is not impaired by inclusion of silver.

The Company undertook a number of field visits, initially to engage local landowners and stakeholders and subsequent to the end of the year carried out a program of geological mapping, sampling and other reconnaissance. The Company is very encouraged by the prospectivity of the Connors Arc Project and anticipates increased activity at this project in coming months.

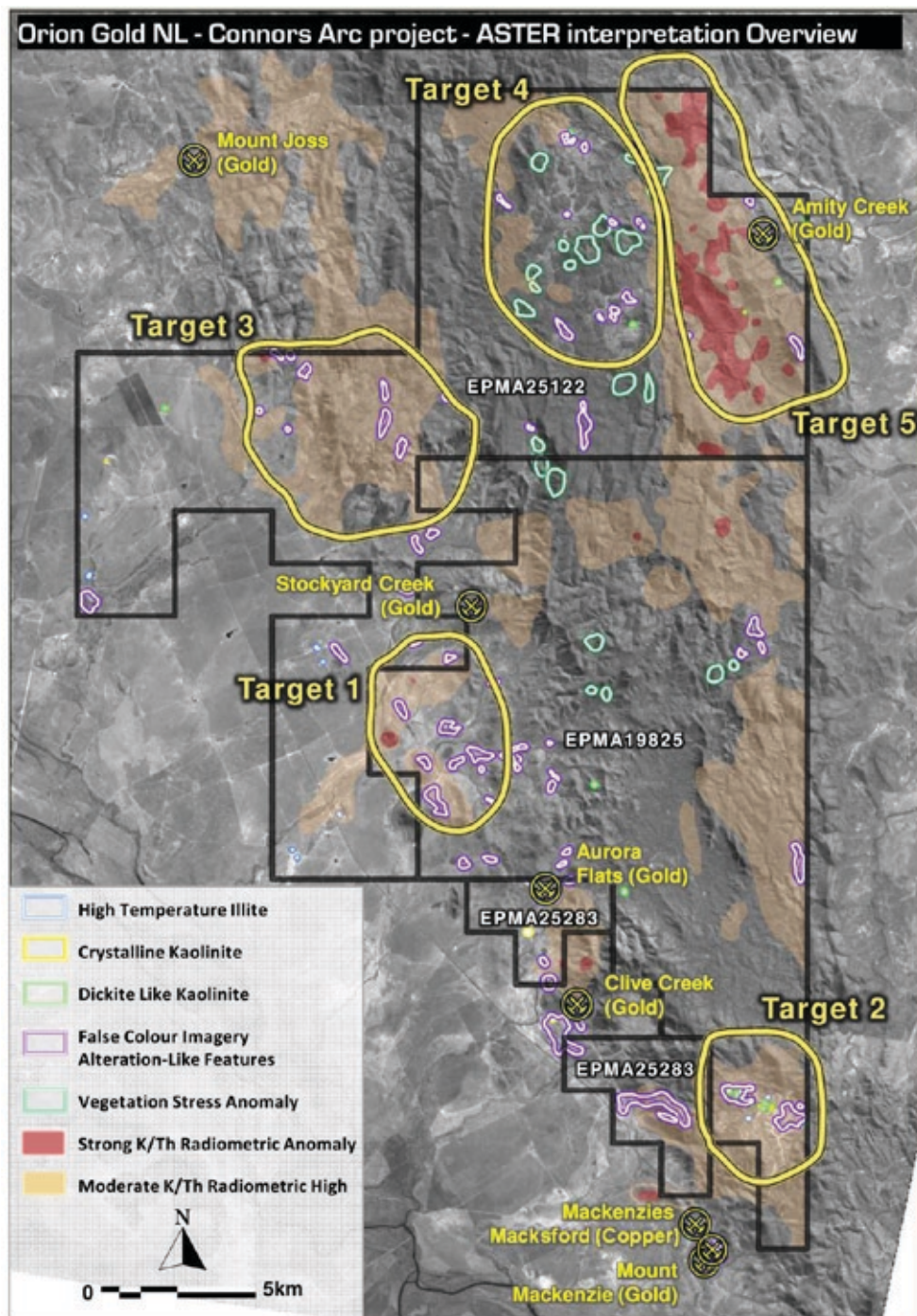


Figure 9: ASTER interpretation of the Connors Arc Project with identified target areas.

Walhalla Gold & Polymetals Project (Victoria)

During the year exploration at the Walhalla Project focused on the Cu-Ni-PGE mineralization present within the project, aiming to advance this unique opportunity. A 3 hole drill program was completed at the Coopers Creek Prospect, with 696 metres of diamond core drilled, and confirmed the presence of PGE mineralization. Results from drill holes OCC001 – OCC003 were released to the ASX on 25 March 2014 and included results $>0.5\%Cu$ of:

Review of Operations

- 7.5 metres at 0.63% Cu, 0.54g/t Pt and 0.93g/t Pd from 21.5 metres (OCC003);
- 4.5 metres at 0.92% Cu, 0.81g/t Pt and 1.31g/t Pd from 34.0 metres (OCC003);
- 7.1 metres at 0.61% Cu, 0.42g/t Pt and 0.78g/t Pd from 187.9 metres (OCC003);
- 5.6 metres at 0.69% Cu, 0.45g/t Pt and 0.79g/t Pd from 201.4 metres (OCC003);
 - including: 1.6m at 0.95% Cu, 0.66g/t Pt and 1.16g/t Pd from 201.4 metres;
 - within a broader intersection of 24m at 0.49% Cu, 0.12g/t Au, 0.33g/t Pt and 0.58g/t Pd from 184 metres.
- 2 metres at 1.17% Cu, 0.65g/t Pt and 1.03g/t Pd from 22.5 metres (OCC001);
 - within a broader intersection of 31.2 metres at 0.27% Cu, 0.17g/t Pt and 0.29g/t Pd from 1.5 metres.

The drill program was aimed at testing for extensions to mineralisation intersected by previous explorers (diamond drill hole CC003, which returned 36 metres @ 1.75% Cu, 0.20% Ni, 0.39g/t Au, 8.6g/t Ag, 0.78g/t Pt and 1.08g/t Pd (Refer ASX Release – 18 February 2013).

Significantly, assay and downhole EM results from OCC003 indicate the presence of two styles of sulphide mineralisation within the host dyke (Figure 10):

- Disseminated sulphide Cu-PGM mineralisation located along the footwall (western) margin of the dyke, representing 'bulk style' lower grade mineralisation that may have continuity along the strike of the dyke;
- Pods and lenses of higher grade Cu-PGM-Ni mineralisation resulting from gravity accumulation of sulphides within undulations in the basal contact and suitable trap-site(s) in the dyke (such as the aforementioned "keel" position), as evidenced by the net-textured sulphides intersected in drilling by previous explorers (i.e. CC003).

Both styles of mineralisation (footwall and "keel") will be considered in the planning and design of further exploration work at the Coopers Creek prospect. The prospect remains open at depth with no drilling carried out to test either the footwall or the "keel" below the intersection in CC003.

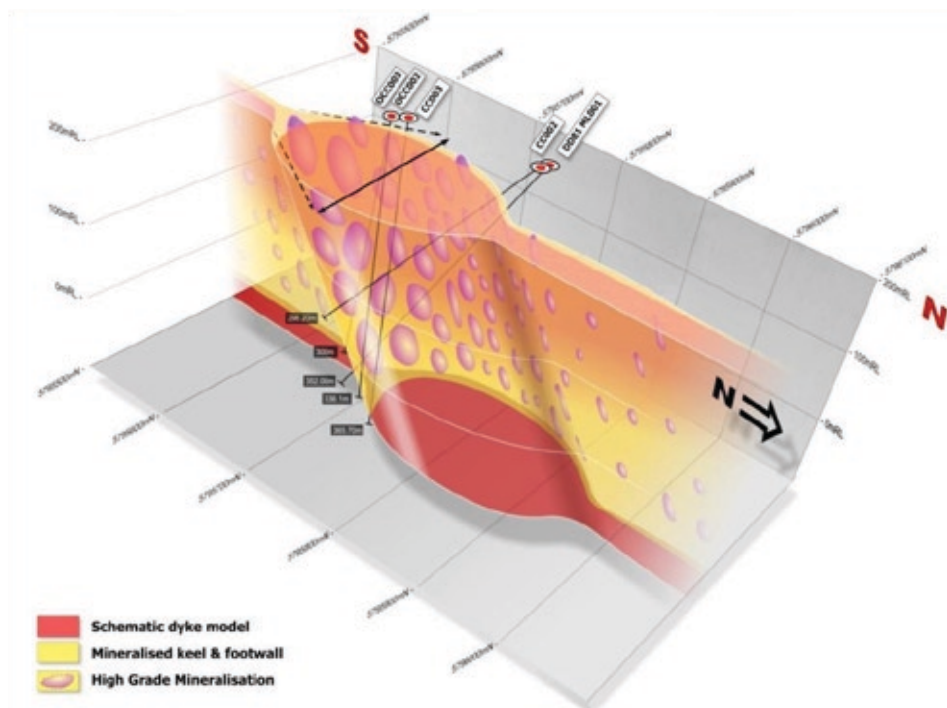


Figure 10: Schematic 3D diagram of the Coopers Creek dyke (red), illustrating new target area with mineralisation focussed within the bulge "keel" and along the footwall (western) side of the dyke (yellow). Higher grade 'pods' of Cu-Ni-PGM sulphide mineralisation (purple) exist within these mineralised domains.

In addition, there are a number of other prospects within the Walhalla Project with potential to host similar mineralisation style. During the year the Company carried out a program of targeting and reconnaissance work to identify potential prospects not previously identified by prospectors or other explorers. Most of the work was carried out at two known copper prospects – Maynards Gully and Walhalla East – with geochemical data confirming the potential for PGE mineralisation at these prospects (Refer ASX Releases – 8 July 2013 and 29 July 2014).

The studies identified that the dykes at the identified Cu-Ni-PGE prospects within the Walhalla Project area are from the same magma source. This means that the Company is now able to quickly evaluate new prospects identified as any which are co-magmatic with the known mineralised dykes are likely to be prospective for Cu-Ni-PGE mineralisation.

In the near term the Company plans to focus on identifying and advancing new prospects within the Project area by mapping, geochemical surveys and ground geophysical methods.

On 29 August 2014 the Company announced to the ASX that it has entered into an option agreement with A1 Consolidated Gold Limited (A1 Gold) for A1 Gold to acquire the Company's Walhalla Project tenements in Victoria. The Company retains the rights to Cu-Ni-PGE mineralisation.

Key terms of the option agreement are:

- Non-refundable option fee payable to Orion of \$50,000 cash with \$10,000 paid on execution of the option agreement and \$40,000 payable in 12 weeks from the date of execution of the option agreement;
- Option term expires 31 July 2015;
- A1 Gold will manage the tenements, is required to maintain the tenements in good standing and will meet all statutory expenditure requirements;
- Orion will retain the rights to explore for, develop and mine all deposits which are 67% or greater intrusive hosted sulphide minerals, including copper, nickel and platinum group elements (PGEs) with subordinate gold and silver;
- Upon exercise of the option A1 Gold will pay Orion:
 - \$500,000 cash payment;
 - \$500,000 worth of fully paid ordinary A1 Gold shares issued to Orion at the volume weighted average price of the A1 Gold shares as traded on the ASX in the ten trading days prior to the date of exercise of the option. The A1 Gold shares issued to Orion shall be voluntary escrowed for a period of 12 months from date of issue; and
 - A 2% ongoing net smelter royalty on all gold produced from the tenements.

Competent Persons

The information in this report that relates to Exploration Results complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") and summarises information compiled and assessed under the supervision of Mr Bill Oliver, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Oliver is the Technical Director of Orion Gold NL and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Oliver consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. The Exploration Results are based on standard industry practises for drilling, logging, sampling, assay methods including quality assurance and quality control measure which were detailed in the ASX Announcements where they were first released. The information in this report should be read in conjunction with these releases and specifically the data included as prescribed by the 2012 Edition of the JORC Code.

Review of Operations

Corporate

The Company recorded a loss of \$12,866,030 after tax for the year ended 30 June 2014. This compares to a loss of \$8,515,184 after tax for the previous year. The result is driven primarily by a review of the carrying value of each exploration area of interest undertaken by the Group. As a result of this review, the carrying value of deferred exploration, evaluation and development expenditure at the Walhalla exploration project was written down by \$9,549,838. This is due to an analysis performed by management indicating that the capitalised exploration on an area of interest would not be recoverable by the Company as successful future development is not expected. Net cash used in operating activities totalled \$4,941,665 for the year. Cash on hand at the end of the year was \$875,758.

The Company continues to focus strongly on exploration within its new Fraser Range – Gold-Nickel-Copper Project (Western Australia), Connors Arc Epithermal Gold Project (Queensland) and its Walhalla Gold and Polymetals Project (Victoria). A total of \$6,055,476 in exploration expenditure was incurred in the year ended 30 June 2014, which includes the consideration transferred to acquire the interest in tenements from the Creasy Group.

Kamax Resources Limited

The Company announced on 22 March 2013 that it had entered into a binding heads of agreement to facilitate the acquisition of all of the securities in an unlisted company, Kamax Resources Limited ('Kamax') (the 'Acquisition'). The agreement will result in the Company acquiring exploration licences covering more than 913sqkm in the Tropicana Belt and Fraser Range Province of Western Australia.

On 27 May 2013, the Company announced that it had completed its due diligence and executed all share sale agreements relating to the Acquisition, which constituted 100% acceptance from Kamax security holders for the offer. Following this, on 13 June 2013, the Company obtained shareholder approval for the issue of the Company's shares and options to Kamax security holders in consideration for their Kamax securities.

The Company obtained control of Kamax at this date as the outstanding conditions precedent at the time were considered administrative in nature, and the Company obtained control of the assets on 13 June 2013.

On 22 July 2013, the Company announced that all conditions precedent to the completion of the Acquisition had been met to the satisfaction of the Company. As a result, on 22 July 2013 the Company issued Kamax security holders a total of 12,040,086 fully paid ordinary shares ('Shares') in the Company and 12,040,086 unlisted options in the Company (exercisable at 20 cents at any time until 30 April 2014 and have subsequently expired).

Silja Loan Confirmation Agreement

The Company announced on 1 July 2013, that it has finalised a variation to the existing loan agreement ('Facility') with Silja Investment Ltd ('Silja'), the Company's major shareholder. Key terms of the Facility were renegotiated as follows:

- the Facility limit was increased \$2,000,000;
- the Facility expiry date was extended to 31 December 2013;
- Silja may elect to convert cash drawn down under the Facility to Shares, as part of a possible future capital raising subject to various conditions including:
 - Shareholder approval where required by law, including the ASX listing rules;
 - Shares will be issued to Silja on the same terms as Shares issued to other subscribers as part of a capital raising; and
 - Silja's participation in the capital raising being an amount up to Silja's proportionate shareholding in the Company (approximately 60% at 1 July 2013) up to the Facility limit.
- No capital raising fee would be payable by the Company to Silja where it subscribes for its share allocation in a capital raising; and
- Cash drawn down under the Facility and repaid may be redrawn by the Company.

Otherwise, the terms of the Facility remained substantially unchanged.

The Company announced on 31 January 2014, that it had entered into a loan confirmation agreement ('Agreement') with Silja whereby the unpaid principal balance under the Facility will

be converted into Shares and Silja will waive its entitlement to receive, and will forgive the Company's obligation to pay any unpaid interest in relation to the Facility.

Key terms of the Agreement are as follows:

- the amount of unpaid principal drawn by the Company under the Facility is \$102,281 ('Unpaid Principal');
- the amount of unpaid interest on principal monies drawn by the Company under the Facility is \$90,587 ('Unpaid Interest');
- the Unpaid Principal will in due course be converted into Shares as part of a future capital raising subject to various conditions including:
 - Shareholder approval where required by law, including the ASX listing rules; and
 - Shares will be issued to Silja on the same terms as Shares issued to other subscribers as part of a capital raising.
- the Company will not be required to pay Silja any interest in respect of the Unpaid Principal on and from 1 January 2014;
- Silja has waived its entitlement to receive, and has forgiven the Company's obligation to pay, the Unpaid Interest; and
- Silja will release the fixed and floating charge over the assets of the Company.

As approved at a General Meeting of shareholders held on 23 May 2014, the Company issued 2,272,905 Shares in the Company at \$0.045 per Share to Silja on 23 June 2014, thereby capitalising \$102,281 which was the total amount of the Facility owed by the Company to Silja. In accordance with the terms of the Silja Loan Facility, the Silja Loan Facility is still secured by security over all present and after-acquired property of the Company as at 30 June 2014. Refer to note 15 for further details in relation to the Silja Loan Facility.

Creasy Group

On 5 August 2013, the Company announced to the ASX that it had signed a binding term sheet ('Term Sheet') with entities controlled by the Creasy Group to acquire a 70% interest in seven tenements covering 2,628km² of the northern Fraser Range Belt of Western Australia (named the Plumridge Lakes Project) surrounding the Company's Peninsula Project ('Acquisition'). The terms of the Term Sheet were subsequently varied by agreement between the parties, as announced to ASX on 21 August 2013.

On 26 September 2013, the Company obtained shareholder approval for the issue of Shares and options to the Creasy Group in consideration for the Acquisition.

On 23 December 2013, the Company announced that it had completed its due diligence, had executed a tenement sale and joint venture agreement and that all conditions precedent to the completion of the Acquisition had been met to the satisfaction of the Company. As a result, the Company issued the Creasy Group a total of 15,800,000 Shares and 23,000,000 unlisted Orion Gold NL options on the following terms:

Number of options	Exercise Price	Expiry Date
5,000,000	\$0.20	30/04/2014
6,000,000	\$0.15	31/07/2014
6,000,000	\$0.25	31/07/2015
6,000,000	\$0.35	31/07/2016

The shares are subject to a 12-month voluntary escrow period from their date of issue (ending 23 December 2014).

Placement

The Company announced on 21 August 2013, that it was raising funds through a capital raising. On 28 August 2013, the Company completed the first stage of the capital raising by issuing 17,440,000 Shares at 10 cents per share pursuant to a placement to raise \$1,744,000 ('Placement 1'). The second phase of the capital raising ('Placement 2') involved a further placement of 25,060,000 Shares to raise a total of \$2,506,000 of new funds and the grant of 42,500,000 options to investors issued Shares under either Placement 1 or Placement 2 on the basis of one attaching option granted for each share issued.

Review of Operations

The Company held a general meeting of shareholders on 26 September 2013 and obtained approval from its shareholders for the issue of Shares and options subscribed for under Placement 1 and Placement 2. In early October 2013, the Company received \$2,376,000 in funds associated with Placement 2 and issued Shares and options on 3 October 2013.

Shares and options to Directors and Executives

- On 8 July 2013, the Company issued 15,000,000 options and 1,000,000 Shares to Mr Errol Smart as approved by the Company's shareholders at a general meeting held on 13 June 2013. The Shares were issued via a non-recourse loan, as approved by the Company's shareholders at a general meeting held on 13 June 2013.
- On 8 July 2013, the Company issued 6,000,000 options to Mr Denis Waddell as approved by the Company's shareholders at a general meeting held on 13 June 2013.
- On 8 July 2013, the Company issued 3,000,000 options to Mr Martin Bouwmeester as approved by the Company's shareholders at a general meeting held on 13 June 2013.
- On 3 October 2013, the Company issued 3,000,000 options to Mr William Oliver under the terms of the Company's Employee Option and Performance Rights Plan.

Shares in Lieu of Directors' Fees

On 3 October 2013, the Company issued 1,041,667 Shares to Directors of the Company in lieu of directors' fees owing to them by the Company (as approved at the Company's General Meeting on 26 September 2013).

Silja Loan

On 13 March 2014 the Company announced that it had finalised a \$500,000 loan agreement with Silja Investment Ltd ('Silja'), the Company's major shareholder ('Loan'). On 29 April 2014, under the terms of the Loan Silja advanced \$100,000 to the Company and on 3 June 2014, the Company repaid \$100,000 to Silja. The Loan expired on 30 June 2014.

Share Purchase Plan

On 16 April 2014, the Company announced an offer to shareholders of Shares under a share purchase plan ('SPP'). The SPP was underwritten by Orion's directors, Orion's major shareholder (Silja Investment Limited), Orion's Fraser Range joint venture partner Mark Creasy and several other underwriting parties who are "sophisticated investors" or "professional investors" for the purposes of section 708 of the Corporations Act ('Underwriters') to an aggregate amount of \$1,500,000.

Following the closure of the SPP offer on 16 May 2014, on:

- 22 May 2014, the Company issued to SPP participants 10,699,972 Shares in the Company at \$0.045 per Share, raising \$481,499;
- 23 June 2014, the Company issued 15,100,009 Shares in the Company at \$0.045 per Share, raising \$679,500, to Underwriters including Orion directors and Orion's major shareholder, Silja Investment Limited ('Silja') as approved at a General Meeting of shareholders held on 23 May 2014; and
- 30 June 2014, the Company issued 8,298,894 Shares in the Company at \$0.045 per Share to Underwriters, raising \$373,450 as approved at a General Meeting of shareholders held on 23 May 2014. The issue of these Shares completed the SPP underwriting commitments.

Issue of Shares

As approved at a General Meeting of shareholders held on 23 May 2014, the Company issued the following Shares on 23 June 2014:

- 2,578,888 Shares in the Company at \$0.045 per Share, raising \$116,050 to sophisticated and professional investors, including to Mr Denis Waddell (Mr Waddell subscribed for the full amount approved by shareholders); and
- 3,333,333 Shares at \$0.045 per Share to Billandbry Consulting Pty Ltd ('Billandbry'), MBJ Investments Pty Ltd ('MBJ') and Mr Errol Smart (or nominee) ('Smart') in satisfaction of amounts to be paid by the Company to Billandbry, MBJ and Smart for services provided. No funds were received from the issue of these Shares.

Directors' Report

Your directors submit their report for the year ended 30 June 2014.

BOARD OF DIRECTORS

The names of the directors of Orion Gold NL ("Company") in office at any time during or since the end of the financial year:

Mr Denis Waddell	-	Non-executive Chairman	Appointed 27 February 2009
Mr Errol Smart	-	Managing Director/CEO	Appointed 26 November 2012
Mr William Oliver	-	Technical Director/COO	Appointed 7 April 2014
Mr Alexander Haller	-	Non-executive director	Appointed 27 February 2009
Mr Martin Bouwmeester	-	Finance director	Appointed 11 February 2014 Resigned 7 April 2014

The experience, qualification, special responsibilities and other directorships of the directors are as follows.

Name	Experience, qualifications, special responsibilities and other directorships
------	------------------------------------------------------------------------------

Mr Denis Waddell
Non-executive
Chairman
(Appointed 27
February 2009)

Mr Waddell is a Chartered Accountant with extensive experience in the management of exploration and mining companies. Prior to establishing Tanami Gold NL in 1994, Mr Waddell was the Finance Director of the Metana Minerals NL group.

During the past 30 years, Mr Waddell has gained considerable experience in corporate finance and operations management of exploration and mining companies.

Qualifications

ACA, FAICD

Directorships in the past three years

Tanami Gold NL

Mr Errol Smart
Managing
Director/ CEO
(Appointed 26
November 2012)

Mr Smart is a geologist, registered with the South African Council of Natural Scientific Professionals, a Recognised Overseas Professional Organisation for JORC purposes. Mr Smart has more than 24 years of industry experience across all aspects of exploration, mine development and operation with experience in precious and base metals, and in particular, shear hosted underground operations. Mr Smart has a wealth of public and private company corporate experience and has been on the founding teams and managed a number of exploration and mining companies throughout Africa and has had strong exposure to Australian projects. Mr Smart has held positions in AngloGold, Cluff Mining, Metallon Gold, Clarity Minerals and LionGold Corporation. In his role at LionGold, Mr Smart was responsible for project acquisition and growth of the company, which saw it become the first gold mining company to be listed on the main board of the Singapore Stock Exchange

Qualifications

BSc(Hons) Geology (University of Witwatersrand)
NHD Economic Geology (Technikon Witwatersrand)

Directors' Report

Mr William Oliver
Technical
Director/COO
(Appointed 7 April
2014)

Mr Oliver is a geologist with over 15 years' experience in the international resources industry working for both major and junior companies. He has had wide-ranging exploration experience with considerable success and has expertise in project identification and acquisition. Mr Oliver has led exploration teams in Europe and Australia, including senior roles with Harmony Gold, Iberian Resources, BC Iron and Bellamel Mining, and most recently was the Managing Director of Signature Metals. Mr Oliver is also a Non-Executive Director of both Celsius Coal Ltd and Minbos Resources Ltd.

Qualifications

BSc (Hons) Geology (UWA), Grad Dip App Fin (FINSIA), MAIG, MAusIMM

**Mr Alexander
Haller**
Non-executive
Director
(Appointed 27
February 2009)

Mr Haller is a partner of Zachary Capital Management, providing advisory services to a number of private investment companies, including Silja Investment Ltd, focusing on the principal investment activities for these companies. From 2001 to 2007 Mr Haller worked in the corporate finance division at JPMorgan in the U.S, advising on corporate mergers and acquisitions as well as financing in both the equity and debt capital markets.

Qualifications

BSc (Economics)

**Mr Martin
Bouwmeester**
Finance director
(Appointed 11
February 2014.
Resigned 7 April
2014)

Mr Bouwmeester has 18 years' experience in the mining industry and was Business Development Manager, Chief Financial Officer and Company Secretary of Perseverance Corporation Limited. Mr Bouwmeester was a key member of the team that evaluated the sulphide mineralisation at the Fosterville Gold Mine; an initiative that led to the discovery and definition of more than 3 million ounces of gold and the funding for the development of the mine and processing plant to exploit those resources. At Orion Gold NL, Mr Bouwmeester held the position of General Manager – Corporate from 27 February 2009 until 31 January 2013, held the position of Chief Financial Officer from 31 January 2013 until 14 May 2014, held the position of Finance Director from 11 February 2014 until 7 April 2014. Mr Bouwmeester also held the position of Company Secretary from 23 September 2009 until 30 May 2014 and has held the position of Business Development Manager since 15 May 2014.

Qualifications

BBus (Accounting), CPA

DIRECTORS COMMITTEE MEMBERSHIPS

Audit		
Mr Denis Waddell	Chairman	
Mr Errol Smart	Member	Appointed September 2014
Mr Alexander Haller	Member	

COMPANY SECRETARY

The name and details of the Company secretary in office during the financial year and until the date of this report is as follows:

Name

Experience, qualifications, and special responsibilities

Mr Kim Hogg
Company
Secretary
(Appointed 30 May
2014)

Mr Kim Hogg has worked in the private sector for more than 20 years as a principal of an accounting practice, providing specialist services to clients seeking to raise capital and list on the ASX. Mr Hogg has predominantly been involved in the preparation of prospectuses and in compliance work as company secretary for both listed and unlisted entities, and is currently secretary of several ASX listed companies.

Qualifications

BCom

Directors' Report (continued)

Mr Martin Bouwmeester
Company Secretary
(Resigned 30 May 2014)

Mr Bouwmeester has 18 years' experience in the mining industry and was Business Development Manager, Chief Financial Officer and Company Secretary of Perseverance Corporation Limited. Mr Bouwmeester was a key member of the team that evaluated the sulphide mineralisation at the Fosterville Gold Mine; an initiative that led to the discovery and definition of more than 3 million ounces of gold and the funding for the development of the mine and processing plant to exploit those resources.

Qualifications
BBus (Accounting), CPA

CORPORATE STRUCTURE

Orion Gold NL is a no liability company that is incorporated and domiciled in Australia. The Company has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, being the wholly-owned subsidiaries Kamax Resources Limited and Goldstar Resources (WA) Pty Ltd (referred to as the "Group").

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was exploration and evaluation of the Fraser Range Project in Western Australia, the Connors Arc Epithermal Gold Project in central Queensland and the Walhalla Gold and Polymetals Project in Victoria. There were no significant changes in the nature of the Group's principal activities during the year.

OPERATING AND FINANCIAL REVIEW

Operations

The 2014 financial year saw heightened exploration activity across the Company's projects. In Western Australia the Company carried out two phases of drilling at its Fraser Range Project, with a third completed subsequent to the end of the financial year. In Queensland the Company commenced work on its Connors Arc Epithermal Project at years end, with further ongoing work planned during the new financial year. Finally, in Victoria, the Company carried out a successful program at the Coopers Creek Cu-Ni-PGE Prospect confirming the PGE potential of this prospect.

Fraser Range – Gold-Nickel-Copper Project (Western Australia)

At the start of the year the Company acquired a significant contiguous landholding adjacent to its Peninsula Project from the Creasy Group. The Company carried out several ground EM surveys over the Peninsula Project verifying anomalies detected in a HeliTEM survey as well as carrying out reconnaissance EM surveying over the newly acquired tenements. While this survey was primarily to assist in the design of airborne EM surveys it detected a strong bedrock conductor in a magnetic "eye" feature, subsequently named the CE Prospect.

In November-December 2013 the Company carried out its maiden drill program at the Peninsula Project testing the HA1, HA2 and HA3 Prospects. Mafic-ultramafic intrusives were identified at all prospects with results of interest from HA1 and HA2. The Company also carried out a project wide ground gravity survey. In January 2014 an airborne VTEMmax survey was carried out across the tenements acquired from the Creasy Group, resulting in the identification of new targets for verification.

In February 2014 drilling recommenced in the Fraser Range with an aircore program at the CE Prospect followed by RC drilling at both CE and HA2. While aircore drilling intersected mafic intrusives at CE the conductor identified by ground EM was identified as a graphitic shale. Further work is planned at the CE Prospect following up elevated nickel results in the mafic intrusive.

Directors' Report

RC drilling was also carried out at Peninsula-HA2 and successfully intersected wide zones of nickel-copper mineralisation. A detailed review of geochemical and petrological data from this drilling refined the target at HA2 and identified that the entire body was sourced from the same magma pulse, increasing the prospectivity of adjacent, larger bodies with similar geophysical characteristics such as Pennor. While these areas were inferred to be intrusive bodies no drill testing had been carried out and significantly no exploration for potential feeder zones between these bodies had been completed. Drill programs at Pennor and adjacent areas have recently been completed.

Connors Arc Epithermal Gold Project (Queensland)

During the year, the Company was granted key tenements at its Connors Arc Epithermal Project in Central Queensland. Work focussed on compilation of historical drilling and geochemical data as well as reviewing ASTER data generated by respected consultants Global Ore Discovery. The Company undertook a number of field visits, initially to engage local landowners and stakeholders and subsequent to the end of the year carried out a program of geological mapping, sampling and other reconnaissance. The Company is very encouraged by the prospectivity of the Connors Arc Project and anticipates increased activity at this Project in coming months.

Walhalla Gold & Polymetals Project (Victoria)

During the year exploration focussed on Cu-Ni-PGE mineralisation at the Walhalla Project. Drilling was carried out at the Coopers Creek Prospect and successfully intersected PGE mineralisation, highlighting the unique opportunity existing within the project area. Work was also carried out at two known copper prospects – Maynards Gully and Walhalla East – with geochemical data confirming the potential for PGE mineralisation at these prospects. Targetting and reconnaissance work was also carried out to identify potential prospects not previously identified by prospectors or other explorers.

On 29 August 2014 the Company announced that it has entered into an option agreement with A1 Consolidated Gold Limited (A1 Gold) for A1 Gold to acquire the Company's Walhalla Project tenements in Victoria.

Key terms of the option agreement are:

- Non-refundable option fee payable to Orion of \$50,000 cash with \$10,000 paid on execution of the option agreement and \$40,000 payable 12 weeks from the date of execution of the option agreement;
- Option term expires 31 July 2015;
- A1 Gold will manage the tenements, is required to maintain the tenements in good standing and will meet all statutory expenditure requirements;
- Orion will retain the rights to explore for, develop and mine all deposits which are 67% or greater intrusive hosted sulphide minerals, including copper, nickel and platinum group elements (PGEs) with subordinate gold and silver;
- Upon exercise of the option A1 Gold will pay Orion:
 - \$500,000 cash payment;
 - \$500,000 worth of fully paid ordinary A1 Gold shares issued to Orion at the volume weighted average price of the A1 Gold shares as traded on the ASX in the ten trading days prior to the date of exercise of the option. The A1 Gold shares issued to Orion shall be voluntarily escrowed for a period of 12 months from date of issue; and
 - A 2% ongoing net smelter royalty on all gold produced from the tenements.

Corporate

Issue of Shares

As approved at a General Meeting of shareholders held on 23 May 2014, the Company issued the following fully paid ordinary shares ('Shares') on 23 June 2014:

- 2,578,888 Shares in the Company at \$0.045 per Share, raising \$116,050 to sophisticated and professional investors, including to Mr Denis Waddell (Mr Waddell subscribed for the full amount approved by shareholders); and
- 3,333,333 Shares at \$0.045 per Share to Billandbry Consulting Pty Ltd ('Billandbry'), MBJ Investments Pty Ltd ('MBJ') and Mr Errol Smart (or nominee) ('Smart') in satisfaction of amounts to be paid by the Company to Billandbry, MBJ and Smart for services provided. No funds were received from the issue of these Shares.

Directors' Report (continued)

Share Purchase Plan

On 16 April 2014, the Company announced an offer to shareholders of shares under a share purchase plan ('SPP'). The SPP was underwritten by Orion's directors, Orion's major shareholder (Silja Investment Limited), Orion's Fraser Range joint venture partner Mark Creasy and several other underwriting parties who are "sophisticated investors" or "professional investors" for the purposes of section 708 of the Corporations Act ('Underwriters') to an aggregate amount of \$1,500,000.

Following the closure of the SPP offer on 16 May 2014, on:

- 22 May 2014, the Company issued to SPP participants 10,699,972 Shares in the Company at \$0.045 per Share, raising \$481,499;
- 23 June 2014, the Company issued 15,100,009 Shares in the Company at \$0.045 per Share, raising \$679,500, to Underwriters including Orion directors and Orion's major shareholder, Silja Investment Limited ('Silja') as approved at a General Meeting of shareholders held on 23 May 2014; and
- 30 June 2014, the Company issued 8,298,894 Shares in the Company at \$0.045 per Share to Underwriters, raising \$373,450 as approved at a General Meeting of shareholders held on 23 May 2014. The issue of these shares completed the SPP underwriting commitments.

Silja Loan

On 13 March 2014 the Company announced that it had finalised a \$500,000 loan agreement with Silja Investment Ltd ('Silja'), the Company's major shareholder ('Loan'). On 29 April 2014, under the terms of the Loan Silja advanced \$100,000 to the Company and on 3 June 2014, the Company repaid \$100,000 to Silja. The Loan expired on 30 June 2014.

Silja Loan Confirmation Agreement

The Company announced on 1 July 2013, that it has finalised a variation to the existing loan agreement ('Facility') with Silja Investment Ltd ('Silja'), the Company's major shareholder. Key terms of the Facility were renegotiated as follows:

- the Facility limit was increased \$2,000,000;
- the Facility expiry date was extended to 31 December 2013;
- Silja may elect to convert cash drawn down under the Facility to shares, as part of a possible future capital raising subject to various conditions including:
 - Shareholder approval where required by law, including the ASX listing rules;
 - Shares will be issued to Silja on the same terms as shares issued to other subscribers as part of a capital raising; and
 - Silja's participation in the capital raising being an amount up to Silja's proportionate shareholding in the Company (approximately 60% at 1 July 2013) up to the Facility limit.
- No capital raising fee would be payable by the Company to Silja where it subscribes for its share allocation in a capital raising; and
- Cash drawn down under the Facility and repaid may be redrawn by the Company.

Otherwise, the terms of the Facility remained substantially unchanged.

The Company announced on 31 January 2014, that it had entered into a loan confirmation agreement ('Agreement') with Silja whereby the unpaid principal balance under the Facility will be converted into Shares and Silja will waive its entitlement to receive, and will forgive the Company's obligation to pay any unpaid interest in relation to the Facility.

Key terms of the Agreement are as follows:

- the amount of unpaid principal drawn by the Company under the Facility is \$102,281 ('Unpaid Principal');
- the amount of unpaid interest on principal monies drawn by the Company under the Facility is \$90,587 ('Unpaid Interest');
- the Unpaid Principal will in due course be converted into Shares as part of a future capital raising subject to various conditions including:
 - Shareholder approval where required by law, including the ASX listing rules; and
 - Shares will be issued to Silja on the same terms as shares issued to other subscribers as part of a capital raising.
- the Company will not be required to pay Silja any interest in respect of the Unpaid Principal on and from 1 January 2014;
- Silja has waived its entitlement to receive, and has forgiven the Company's obligation to pay, the Unpaid Interest; and
- Silja will release the fixed and floating charge over the assets of the Company.

Directors' Report

As approved at a General Meeting of shareholders held on 23 May 2014, the Company issued 2,272,905 Shares in the Company at \$0.045 per Share to Silja on 23 June 2014, thereby capitalising \$102,281 which was the total amount of the Facility owed by the Company to Silja. In accordance with the terms of the Silja Loan Facility, the Silja Loan Facility is still secured by security over all present and after-acquired property of the Company as at 30 June 2014. Refer to note 15 for further details in relation to the Silja Loan Facility.

Creasy Group

On 5 August 2013, the Company announced to the ASX that it had signed a binding term sheet ('Term Sheet') with entities controlled by the Creasy Group to acquire a 70% interest in seven tenements covering 2,628km² of the northern Fraser Range Belt of Western Australia (named the Plumridge Lakes Project) surrounding the Company's Peninsula Project ('Acquisition'). The terms of the Term Sheet were subsequently varied by agreement between the parties, as announced on 21 August 2013.

On 26 September 2013, the Company obtained shareholder approval for the issue of Orion Gold NL shares and options to the Creasy Group in consideration for the Acquisition.

On 23 December 2013, the Company announced that it had completed its due diligence, had executed a tenement sale and joint venture agreement and that all conditions precedent to the completion of the Acquisition had been met to the satisfaction of the Company. As a result, the Company issued the Creasy Group a total of 15,800,000 Shares and 23,000,000 unlisted Orion Gold NL options on the following terms:

Number of options	Exercise Price	Expiry Date
5,000,000	\$0.20	30/04/2014
6,000,000	\$0.15	31/07/2014
6,000,000	\$0.25	31/07/2015
6,000,000	\$0.35	31/07/2016

The shares are subject to a 12-month voluntary escrow period from their date of issue (ending 23 December 2014).

Placement

The Company announced on 21 August 2013, that it was raising funds through a capital raising. On 28 August 2013, the Company completed the first stage of the capital raising by issuing 17,440,000 Shares at 10 cents per share pursuant to a placement to raise \$1,744,000 ('Placement 1'). The second phase of the capital raising ('Placement 2') involved a further placement of 25,060,000 shares to raise a total of \$2,506,000 of new funds and the grant of 42,500,000 options to investors issued shares under either Placement 1 or Placement 2 on the basis of one attaching option granted for each share issued. The Company held a general meeting of shareholders on 26 September 2013 and obtained approval from its shareholders for the issue of shares and options subscribed for under Placement 1 and Placement 2. In early October 2013, the Company received \$2,376,000 in funds associated with Placement 2 and issued shares and options on 3 October 2013.

Shares and options to Directors and Executives

- On 8 July 2013, the Company issued 15,000,000 options and 1,000,000 Shares to Mr Errol Smart as approved by the Company's shareholders at a general meeting held on 13 June 2013. The Shares were issued via a non-recourse loan, as approved by the Company's shareholders at a general meeting held on 13 June 2013.
- On 8 July 2013, the Company issued 6,000,000 options to Mr Denis Waddell as approved by the Company's shareholders at a general meeting held on 13 June 2013.
- On 8 July 2013, the Company issued 3,000,000 options to Mr Martin Bouwmeester as approved by the Company's shareholders at a general meeting held on 13 June 2013.
- On 3 October 2013, the Company issued 3,000,000 options to Mr William Oliver under the terms of the Company's Employee Option and Performance Rights Plan.

Directors' Report (continued)

Kamax Resources Limited

The Company announced on 22 March 2013 that it had entered into a binding heads of agreement to facilitate the acquisition of all of the securities in an unlisted company, Kamax Resources Limited ('Kamax') (the 'Acquisition'). The agreement will result in the Company acquiring exploration licences covering more than 913sqkm in the Tropicana Belt and Fraser Range Province of Western Australia.

On 27 May 2013, the Company announced that it had completed its due diligence and executed all share sale agreements relating to the Acquisition, which constituted 100% acceptance from Kamax security holders for the offer. Following this, on 13 June 2013, the Company obtained shareholder approval for the issue of the Company's shares and options to Kamax security holders in consideration for their Kamax securities.

The Company obtained control of Kamax at this date as the outstanding conditions precedent at the time were considered administrative in nature, and the Company obtained control of the assets on 13 June 2013.

On 22 July 2013, the Company announced that all conditions precedent to the completion of the Acquisition had been met to the satisfaction of the Company. As a result, on 22 July 2013 the Company issued Kamax security holders a total of 12,040,086 Shares in the Company and 12,040,086 unlisted options in the Company (exercisable at 20 cents at any time until 30 April 2014 and have subsequently expired).

Kamax Resources Limited became a wholly-owned subsidiary member of the Orion Gold NL tax consolidated group with effect from 22 July 2013.

Shares in Lieu of Directors' Fees

On 3 October 2013, the Company issued 1,041,667 shares to Directors of the Company in lieu of directors' fees owing to them by the Company (as approved at the Company's General Meeting on 26 September 2013).

Results of operations – the Group

The Group recorded a loss of \$12,866,030 after tax for the year ended 30 June 2014. This compares to a loss of \$8,515,184 after tax for the previous year. The result is driven primarily by a write down in the carrying value of deferred exploration, evaluation and development expenditure at the Walhalla exploration project of \$9,549,838. Net cash used in operating activities totalled \$2,631,687 and in investing activities totalled \$3,207,627. For the year, the Group's net cash used in exploration and evaluation activities was \$4,941,665. Cash on hand at the end of the year was \$875,758.

The Group continues to focus strongly on exploration within its new Fraser Range – Gold-Nickel-Copper Project (Western Australia), Connors Arc Epithermal Gold Project (Queensland) and its Walhalla Polymetals Project (Victoria). A total of \$6,055,476 in exploration expenditure was incurred in the year ended 30 June 2014, which includes the consideration transferred to acquire the interest in tenements from the Creasy Group. The Group undertook a review of the carrying value of each exploration area of interest. As a result, the carrying value of deferred exploration, evaluation and development expenditure was written down by \$9,549,838 due to analysis performed by management indicating that the capitalised exploration on an area of interest would not be recoverable by the Company as successful future development is not expected.

The basic loss per share for the Group for the year was (\$6.94) and diluted loss per share for the Group for the year was (\$6.94) (2013: loss per share (\$11.88) and diluted loss per share (\$11.88)).

No dividend has been paid during or is recommended for the financial year ended 30 June 2014.

Business Strategies

The Company will continue to focus on exploration within its Fraser Range – Gold-Nickel-Copper Project (Western Australia), its Connors Arc Epithermal Gold Project (Queensland) and its Walhalla Polymetals Project (Victoria).

The Company is reviewing a number of new project areas for possible acquisition, ranging from exploration projects in prospective terrains to more advanced projects that have the potential to generate cash flow through near-term production. These other opportunities may include making investments in resource assets outside of gold or nickel and/or in jurisdictions outside of Australia.

Directors' Report

Risks to the Business

Risks to the business are rated on the basis of their potential impact on the Group as a whole after taking into account current mitigating actions. Investors should be aware that the below list is not an exhaustive list and that there are a number of other risks associated with an investment in the Company. The Group regularly reviews the possible impact of these risks and seeks to minimise their impact through its internal controls, risk management policy, and corporate governance. The following describes the principal risks and uncertainties that could materially impact the Group:

- Each of the Group's key exploration targets remain in the exploration phase. Future exploration programs require substantial levels of expenditure to ensure that Group's tenements are held in good standing. The Group is currently reliant on the capital and debt markets to fund its ongoing operations and therefore any unforeseeable events in these markets may impact the Group's ability to finance its future exploration projects;
- Interests in tenements held by the Group are governed by Federal and State legislation and are evidenced by the granting of mining or exploration licences. These licences are subject to periodic review and compliance, including the relinquishment of certain areas. As a result, there is no guarantee that these areas of interest will be renewed in the future or if there will be sufficient funds available to meet the attaching minimum expenditure commitments when they arise. It is also possible that in relation to tenements which the Group has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Group to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected;
- There are inherent uncertainties in estimating reserve and resource estimates as it requires significant subjective judgements and determinations based on the available geological, technical, and economic information. Estimates and assumptions that were previously valid may change significantly when new information or techniques become available and therefore may require restatement; and
- The State government regulations in the various states which the Group operates require rehabilitation of drill sites including any other sites where the Group has caused surface and ground disturbance. To date drilling in a particular area of interest is complete or not active for an extended period of time due to other drilling project priorities. The Group's intention is to conduct its activities to the highest level of environmental obligations, however there are certain risks inherent in the Group's activities which could subject the Group to future liabilities.

SUBSEQUENT EVENTS AFTER THE BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years except for those matters referred to below:

- On 26 August 2014, the Company announced that it had finalised two loan agreements together totalling \$350,000. A \$200,000 loan facility was agreed with Tarney Holdings Pty Ltd ('Tarney'), a company associated with the Company's Chairman Mr Denis Waddell and a \$150,000 loan facility was agreed with Silja, the Company's major shareholder (together the 'Facilities').

Tarney Loan Facility

Under the terms of the Tarney loan facility, the Company may elect to convert the outstanding capitalised loan balance under the facility to Shares, subject to shareholder approval where required by law, including the ASX listing rules. Any Shares issued to Tarney upon conversion, will be issued at the lower of the volume weighted average price of the Company's shares as traded on the ASX in the ten trading days prior to the issue of shares to Tarney, and \$0.045 (being the price of shares issued under the Company's recent SPP). To the extent that the Company has not converted the outstanding capitalised loan balance to shares (or commenced the conversion process), the Tarney facility becomes payable on 31 December 2014 (unless otherwise agreed by the parties).

Silja Loan Facility

The Company was notified that it had been awarded a \$150,000 grant in Round 8 of the Western Australian Government's Exploration Incentive Scheme. Under the terms of the Silja loan facility, the Company will be required to repay the facility in cash in accordance with the receipt of grant funds and in any case, repay any outstanding capitalised loan balance in cash by 30 June 2015.

Directors' Report (continued)

Other Key Terms of the Facilities

Tarney and Silja each have the discretion as to whether to make an advance to the Company upon receipt of each drawdown notice. Interest will be capitalised under each facility at 7.5% per annum. No facility fees are payable by the Company to either Silja or Tarney. Both Facilities are secured by security over all present and after-acquired property of the Company.

As at the date of this report, the Company has drawn \$340,000 on the Facilities.

- On 29 August 2014 the Company announced that it has entered into an option agreement with A1 Consolidated Gold Limited (A1 Gold) for A1 Gold to acquire the Company's Walhalla Project tenements in Victoria.

Key terms of the option agreement are:

- Non-refundable option fee payable to Orion of \$50,000 cash with \$10,000 paid on execution of the option agreement and \$40,000 payable 12 weeks from the date of execution of the option agreement;
 - Option term expires 31 July 2015;
 - A1 Gold will manage the tenements, is required to maintain the tenements in good standing and will meet all statutory expenditure requirements;
 - Orion will retain the rights to explore for, develop and mine all deposits which are 67% or greater intrusive hosted sulphide minerals, including copper, nickel and platinum group elements (PGEs) with subordinate gold and silver;
 - Upon exercise of the option A1 Gold will pay Orion:
 - \$500,000 cash payment;
 - \$500,000 worth of fully paid ordinary A1 Gold shares issued to Orion at the volume weighted average price of the A1 Gold shares as traded on the ASX in the ten trading days prior to the date of exercise of the option. The A1 Gold shares issued to Orion shall be voluntarily escrowed for a period of 12 months from date of issue; and
 - A 2% ongoing net smelter royalty on all gold produced from the tenements.
- On 29 September 2014 the Company announced that it was raising up to approximately \$2,430,000 via a pro-rata renounceable entitlements issue ('Entitlements Issue') to shareholders at 3.0 cents per Share.

Key terms of the raising are:

- Eligible shareholders entitled to participate in Entitlements Issue on the basis of one Share for every three Shares held;
- Entitlements issue underwritten to \$1,000,000 by the Company's directors (Mr Denis Waddell and Mr Errol Smart) and several sophisticated and professional investors;
- Current underwriting commitments of \$1,000,000 will not attract an underwriting fee;
- Orion's Fraser Range Joint Venture Partner, Mark Creasy, committed to participating in the Entitlements Issue;
- Shareholders will be given priority for shortfall take up of Shares at the price of 3.0 cents per Share over underwriters, should a shortfall in take up occur;
- Entitlements Issue expected to be completed end of November 2014

Prior to the completion of the Entitlements Issue (which is expected to occur in November 2014), the Group's current lenders, Silja and Tarney, have both committed to provide credit facilities to the Group in addition to the existing loan facilities provided to the Group ('Credit Facility').

The Credit Facility will be to a maximum limit of \$500,000. Neither Silja (\$200,000) nor Tarney (\$300,000) shall demand payment of the Credit Facility until the completion of at least a \$2,000,000 capital raising, and will not require repayment if such demand would impact negatively on the solvency of the Company.

Directors' Report

DIRECTORS' MEETINGS

The number of meetings attended by each Director of the Company during the financial year was:

	Board meetings		Audit committee meetings	
	Number held and entitled to attend	Number attended	Number held and entitled to attend	Number attended
Mr D Waddell	22	22	2	2
Mr E Smart	22	22	-	2
Mr W Oliver	5	5	-	-
Mr A Haller	21	21	2	2
Mr M Bouwmeester	5	5	-	1

DIRECTORS' INTERESTS

The relevant interest of each director in the shares, or options over such instruments issued by the Company, as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary shares	Options over ordinary shares
Mr D Waddell	16,546,104	8,000,000
Mr E Smart (i)	5,409,333	15,900,000
Mr W Oliver	5,471,088	3,000,000
Mr A Haller (ii)	58,675,493	4,720,000

- (i) On 8 July 2013, Mr Smart was issued 1,000,000 Shares at an issue price of \$0.10 per Share as part of his remuneration package. The Company provided Mr Smart with an interest free, non-recourse loan for Mr Smart to purchase the Shares ('Share Loan'). The Share Loan will be repayable upon either the sale of the Shares or within one month of Mr Smart ceasing to be a Director of the Company.
- (ii) Mr Haller holds relevant interests as follows: Silja 46,855,687 Shares and 4,720,000 unlisted options exercisable at \$0.20 expiring 31 August 2015, Mr Haller 11,300,928 Shares, Pershing Securities 1,320 Shares and EPIC Pacific Rim LLC 517,558 Shares.

SHARE OPTIONS

Options granted to directors and executives of the Company

During or since the end of the financial year, the Company granted options for no consideration over unissued ordinary shares in the Company to the following key management personnel as part of their remuneration:

	Number of options granted	Exercise price	Expiry date
Executive Directors			
Mr E Smart (i)	5,000,000	\$0.15	31 May 2018
	5,000,000	\$0.25	31 May 2018
	5,000,000	\$0.35	31 May 2018
Mr W Oliver (ii)	1,000,000	\$0.15	31 May 2018
	1,000,000	\$0.25	31 May 2018
	1,000,000	\$0.35	31 May 2018
Non-executive Directors			
Mr D Waddell (i)	2,000,000	\$0.15	31 May 2018
	2,000,000	\$0.25	31 May 2018
	2,000,000	\$0.35	31 May 2018
Mr A Haller	-	-	-

Directors' Report (continued)

Executives			
Mr Kim Hogg	-	-	-
Mr M Bouwmeester (i)	1,000,000	\$0.15	30 April 2018
	1,000,000	\$0.25	30 April 2018
	1,000,000	\$0.35	30 April 2018

- (i) Options issued on 8 July 2013, as approved by the Company's shareholders at a general meeting held on 13 June 2013.
- (ii) These options were granted on 3 October 2013 under the terms of the Orion Gold Option and Performance Rights Plan.

Unissued shares under options and performance rights

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Exercise price	Number of shares
30 June 2015	\$1.60	50,000
30 June 2015(i)	-	10,625
31 July 2015	\$0.25	6,000,000
31 August 2015	\$0.25	3,500,000
31 August 2015	\$0.20	42,500,000
31 July 2016	\$0.35	6,000,000
30 April 2018	\$0.15	1,000,000
30 April 2018	\$0.25	1,000,000
30 April 2018	\$0.35	1,000,000
31 May 2018	\$0.15	9,000,000
31 May 2018	\$0.25	9,000,000
31 May 2018	\$0.35	9,000,000
		88,060,625

- (i) Employee performance rights.

Shares issued on exercise of options

There were no options exercised during or since the end of the financial year.

REMUNERATION REPORT - AUDITED

The Remuneration Report sets out remuneration information for Orion Gold NL for the year ended 30 June 2014. The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

(i) Executive directors

Mr Errol Smart	Managing Director/CEO	Appointed 26 November 2012
Mr William Oliver	Technical Director/COO	Appointed 7 April 2014
Mr Martin Bouwmeester	Finance Director	Appointed 11 February 2014 Resigned 7 April 2014

(ii) Non-executive directors

Mr Denis Waddell	Chairman (Non-Executive)	Appointed 27 February 2009
Mr Alexander Haller	Director (Non-executive)	Appointed 23 July 2008

Directors' Report

REMUNERATION REPORT - AUDITED (continued)

(iii) Executives

Mr William Oliver	Chief Operating Officer	Appointed 8 May 2013
Mr Kim Hogg	Company Secretary	Appointed 30 May 2014
Mr Martin Bouwmeester	Business Development Manager	Appointed 15 May 2014
	Company Secretary	Appointed 23 September 2009
		Resigned 30 May 2014
	Chief Financial Officer	Appointed 31 January 2013
		Resigned 14 May 2014

Remuneration Policy

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the directors and executives of the Company and the Group, which comprise executives that report directly to the Managing Director and CEO of the Company and the Group.

It is the Group's objective to provide maximum stakeholder benefit from the retention of a high quality Board and management by remunerating directors and executives fairly and appropriately with reference to relevant employment and market conditions. To assist in achieving the objective the Board links the nature and amount of executive directors' remuneration to the Group's financial and operational performance.

The expected outcome of the Group's remuneration structure is:

- Retention and motivation of directors and executives;
- Attraction of quality management to the Group; and
- Performance rewards to allow directors and executives to participate in the future success of the Group.

Remuneration may include base salary and fees, short term incentives, superannuation contributions and long term incentives. Any equity based remuneration for directors will only be made with the prior approval of shareholders at a general meeting. All base salary and fees, short term incentives, superannuation contributions granted to key management personnel during the year was fixed under service agreements between the Company and key management personnel and was not impacted by performance related measures. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of the Group and the performance of the individual during the period.

The Board of directors is responsible for determining and reviewing compensation arrangements for the executive and non-executive directors. The maximum remuneration of non-executive directors is the subject of shareholder resolution in accordance with the Company's Constitution, and the Corporations Act 2001 as applicable.

The total level of remuneration for the financial year for all non-executive directors of \$87,500 is maintained within the maximum limit of \$350,000 approved by shareholders. When setting fees and other compensation for non-executive directors, the Board may seek independent advice and apply Australian benchmarks. The Board may recommend additional remuneration to non-executive directors called upon to perform extra services or make special exertions on behalf of the Group.

There is no scheme to provide retirement benefits, other than statutory superannuation when applicable, to non-executive directors.

The Chairman will undertake an annual assessment of the performance of the individual directors and meet privately with each director to discuss this assessment. Position descriptions are in place for directors and executives and will be used as a basis for assessing performance.

Directors' Report (continued)

REMUNERATION REPORT - AUDITED (continued)

Consequences of performance on shareholders wealth

In considering the Group's performance and benefits for shareholders wealth, the Board of directors has regard to the following indices in respect of the current financial year and the previous four financial years.

	2014	2013	2012	2011	2010
Net profit/(loss) attributable to equity holders of the Company	\$(12,866,030)	\$(8,515,184)	\$2,516,668	\$1,498,834	\$(14,145,490)
Dividends paid	-	-	-	-	-
Actual share price (i)	\$0.04	\$0.04	\$0.28	\$0.64	\$0.88

- (i) Consolidation of the Company's share capital through the conversion of every 40 shares into one share took effect from 21 December 2012.

Long Term Incentive Based Remuneration

The Company has an option and performance rights based remuneration scheme for executives. In accordance with the provisions of the Orion Gold Option and Performance Rights Plan, as approved by shareholders at a general meeting, executives may be granted options or performance rights to purchase ordinary shares. The number and terms of options or performance rights granted is at the absolute discretion of the Board, provided that the total number of options on issue under the scheme at the time of the grant does not exceed 5% of the number of ordinary shares on issue.

A total of 3,000,000 options were granted during the year ended 30 June 2014 under the terms of the Orion Gold Option and Performance Rights Plan as remuneration for executives. A further 3,000,000 options were granted to employees during the year ended 30 June 2014.

Shareholder consent must be obtained at a general meeting for the issue of options to directors. A total of 24,000,000 options were granted during the year ended 30 June 2014 to key management personnel, which were subject to shareholder approval. These options were not performance related, rather were issued as part of the overall market competitive remuneration package offered to key management personnel of which an appropriate component is both incentive based and promotes retention, whilst enabling the Company to cash reserves.

The issue of options to directors and employees encourages the alignment of personal and shareholder interests.

Service contracts

Key terms of the existing service contracts for key management personnel are as follows:

Managing Director/CEO

Unlimited in term but capable of termination on 3 months' notice. The Group retains the right to terminate the contract immediately, by making that payment in lieu of notice.

Technical Director/COO

Unlimited in term but capable of termination on 3 months' notice. The Group retains the right to terminate the contract immediately, by making that payment in lieu of notice.

Business Development Manager (formerly CFO)

Existing service contract expires 30 November 2014 but capable of termination on 1 months' notice. The Group retains the right to terminate the contract immediately, by making that payment in lieu of notice.

Company Secretary

Unlimited in term but capable of termination without notice.

Key management personnel are also entitled to receive on termination of employment, redundancy benefits, their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

Directors' Report

REMUNERATION REPORT - AUDITED (continued)

The service contract outlines the components of compensation paid to the key management personnel but does not prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the compensation policy.

The services of Company Secretary, provided by Mr Hogg, are retained through Anthony Ho & Associates. A fee is payable direct to Anthony Ho & Associates for the services provided by Mr Hogg.

Directors

Total compensation for all non-executive directors, last voted upon by shareholders at the 2007 Annual General Meeting, is not to exceed \$350,000 per annum and is set based on advice from external advisors with reference to fees paid to other directors of comparable companies. The level of remuneration for each non-executive director's base fees is presently \$50,000 per annum.

The Chairman receives \$75,000 per annum. Non-executive directors do not receive performance related compensation. Directors' fees cover all main board activities and membership of one committee.

Directors may be paid additional amounts for consulting services provided in addition to normal director duties. Such additional amounts are paid on commercial terms.

Remuneration report approval at the 2013 Annual General Meeting

The 30 June 2013 Remuneration Report received positive shareholder support at the Company's Annual General Meeting with a positive vote of 84% in favour.

Directors and Executive Officers' Remuneration – 2014

		Primary salary, incentives, superannuation and consultancy payments				Share based payments (ix)	Total remuneration	% of remuneration in options
Names	Year	Salary & fees \$ (viii)	Short term incentives \$	Super-annuation \$	Termination benefits \$	Options \$	\$	%
Directors								
Executive Directors								
Mr E Smart(i)	2014	225,000	-	-	-	278,370	503,370	55
	2013	149,000	-	-	-	-	149,000	-
Mr W Oliver (ii)	2014	222,319	-	-	-	127,543	349,862	36
	2013	42,681	-	-	-	-	42,681	-
Sub-total executive Directors	2014	447,319	-	-	-	405,913	853,232	48
	2013	191,681	-	-	-	-	191,681	-
Non-executive Directors								
Mr D Waddell	2014	75,000	-	-	-	83,814	158,814	53
	2013	75,000	-	-	-	-	75,000	-
Mr A Haller (x)	2014	12,500	-	-	-	-	12,500	-
	2013	50,000	-	-	-	-	50,000	-
Mr G Sloan(v)	2014	-	-	-	-	-	-	-
	2013	37,500	-	-	-	-	37,500	-
Mr C Roberts (v)	2014	-	-	-	-	-	-	-
	2013	118,500	-	-	-	8,404	126,904	7
Total directors remuneration	2014	534,819	-	-	-	489,727	1,024,546	48
	2013	472,681	-	-	-	8,404	481,085	2

Directors' Report (continued)

REMUNERATION REPORT - AUDITED (continued)

Directors and Executive Officers' Remuneration– 2014 (continued)

Executives								
Current								
Mr K Hogg (iii)	2014	-	-	-	-	-	-	-
	2013	-	-	-	-	-	-	-
Mr M Bouwmeester (iv)	2014	217,129	-	-	-	49,027	266,156	18
	2013	288,701	-	-	-	-	288,701	-
Former								
Dr. J Anderson (vii)	2014	-	-	-	-	-	-	-
	2013	153,731	-	13,948	-	-	167,679	-
Mr S Cahoon (vi)	2014	-	-	-	-	-	-	-
	2013	19,487	-	3,747	-	-	23,234	-
Total executives remuneration	2014	217,129	-	-	-	49,027	266,156	18
	2013	461,919	-	17,695	-	-	479,614	-
Total directors and executive officers remuneration	2014	751,948	-	-	-	538,754	1,290,702	42
	2013	934,600	-	17,695	-	8,404	960,699	1

- (i) Mr Smart has held the position of Managing Director and Chief Executive Officer from 26 November 2012. On 8 July 2013, Mr Smart was issued 1,000,000 Shares at an issue price of \$0.10 per Share as part of his remuneration package (\$100,000). The Company provided Mr Smart with an interest free, non-recourse loan for Mr Smart to purchase the Shares. The transaction is recorded as a share based payment (\$68,834) in accordance with AASB 2 Share Based Payments, with the loan being repayable upon either the sale of the Shares or within one month of Mr Smart ceasing to be a Director of the Company.
- (ii) Mr Oliver was appointed Technical Director on 7 April 2014 and has held the position of Chief Operating Officer since 8 May 2013.
- (iii) Mr Hogg was appointed Company Secretary on 30 May 2014. There were no fees incurred by the Company from 30 May 2014 to 30 June 2014.
- (iv) Mr Bouwmeester held the position of General Manager – Corporate from 27 February 2009 until 31 January 2013, held the position of Chief Financial Officer from 31 January 2013 until 14 May 2014 and held the position of Finance Director from 11 February 2014 until 7 April 2014. Mr Bouwmeester also held the position of Company Secretary from 23 September 2009 until 30 May 2014 and has held the position of Business Development Manager since 14 May 2014.
- (v) Mr Roberts and Mr Sloan resigned on 3 April 2013.
- (vi) Mr Cahoon held the position of Chief Financial Officer from 30 June 2009 until termination of his employment on 31 January 2013.
- (vii) Dr Anderson held the position of General Manager – Exploration from 30 June 2009 until 8 May 2013 and has held the position of Exploration Manager - Walhalla Gold from 8 May 2013.
- (viii) On 23 June 2014 the Company issued 1,111,111 Shares at \$0.045 per Share (\$50,000) to Billandbry Consulting Pty Ltd ('Billandbry'), an entity associated with Mr William Oliver, in satisfaction of amounts to be paid by the Company to Billandbry. Of these Shares, an amount of \$32,000 was a prepayment for services not yet provided as at year end.
- (ix) Share based payments represent the fair values of options estimated at the date of grant using the Black Scholes option pricing model. These amounts are not paid in cash.
- (x) Mr Haller has waived his entitlement to receive fees for his position as Non-executive Director from 1 October 2013. Fees may be reinstated at a later date by resolution of the Board.

Insurance premiums paid on behalf of directors and officers are not allocated to or included in total remuneration.

Directors' Report

REMUNERATION REPORT – AUDITED (continued)

Options and Rights over equity instruments granted as compensation

As at the date of this report, there were 34,620,000 unissued ordinary shares under option issued to directors and executives (2013: 26,175,000 unissued ordinary shares under option).

Details on options over ordinary shares in the Company that were granted as compensation to each key management personnel during the reporting period and details on options that were vested during the reporting period are as follows:

	Number of options granted during 2014 (i)	Grant date	Fair value per option at grant date (\$)	Exercise price per option \$(ii)	Expiry date	Number of options vested during 2014
Directors						
Mr D Waddell	2,000,000	8 July 2013	\$0.02	\$0.15	31 May 2018	2,000,000
	2,000,000	8 July 2013	\$0.02	\$0.25	31 May 2018	-
	2,000,000	8 July 2013	\$0.02	\$0.35	31 May 2018	-
Mr E Smart	5,000,000	8 July 2013	\$0.02	\$0.15	31 May 2018	5,000,000
	5,000,000	8 July 2013	\$0.02	\$0.25	31 May 2018	-
	5,000,000	8 July 2013	\$0.02	\$0.35	31 May 2018	-
Mr W Oliver	1,000,000	3 October 2013	\$0.07	\$0.15	31 May 2018	1,000,000
	1,000,000	3 October 2013	\$0.06	\$0.25	31 May 2018	-
	1,000,000	3 October 2013	\$0.06	\$0.35	31 May 2018	-
Mr A Haller	-	-	-	-	-	-
Executives						
Mr K Hogg	-	-	-	-	-	-
Mr M Bouwmeester	1,000,000	8 July 2013	\$0.02	\$0.15	30 April 2018	1,000,000
	1,000,000	8 July 2013	\$0.02	\$0.25	30 April 2018	1,000,000
	1,000,000	8 July 2013	\$0.02	\$0.35	30 April 2018	-

- (i) The options were provided at no cost to the recipient. Each option gives the option holder the right to subscribe for one ordinary share in the capital of the Company upon exercise of the option in accordance with the attaching terms and conditions.
- (ii) The options are exercisable between 1 and 5 years from grant date.

Directors' Report (continued)

REMUNERATION REPORT – AUDITED (continued)

Analysis of Options and Rights over equity instruments granted as compensation

Details of the vesting profile of the options granted as remuneration to each key management personnel of the Group as at the end of the reporting period are detailed below.

Directors	Options granted		% vested in year	% lapsed in year (i)	Date grant vests (v)
	Number (ii)	Date			
Mr D Waddell	2,000,000	8 July 2013	100%	-%	26 November 2013
	2,000,000	8 July 2013	-%	-%	26 November 2014
	2,000,000	8 July 2013	-%	-%	26 November 2015
	500,000	24 June 2009	-%	100%	31 March 2010
	500,000	24 June 2009	-%	100%	31 March 2011
Mr E Smart	5,000,000	8 July 2013	100%	-%	26 November 2013
	5,000,000	8 July 2013	-%	-%	26 November 2014
	5,000,000	8 July 2013	-%	-%	26 November 2015
Mr W Oliver	1,000,000	3 October 2013	100%	-%	26 November 2013
	1,000,000	3 October 2013	-%	-%	26 November 2014
	1,000,000	3 October 2013	-%	-%	26 November 2015
Mr A Haller	-	-	-%	-%	-
Executives					
Mr K Hogg	-	-	-%	-%	-
Mr M Bouwmeester	1,000,000	8 July 2013	100%	-%	30 September 2013
	1,000,000	8 July 2013	100%	-%	31 March 2014
	1,000,000	8 July 2013	-%	-%	31 March 2015
	250,000	12 June 2009	-%	100%	31 March 2010
	250,000	12 June 2009	-%	100%	31 March 2011
Former					
Dr J Anderson (iii)	125,000	30 June 2009	-%	-%	30 June 2010
	125,000	30 June 2009	-%	-%	30 June 2011
Mr S Cahoon (iv)	62,500	30 June 2009	-%	-%	30 June 2010
	62,500	30 June 2009	-%	-%	30 June 2011
	25,000	13 September 2010	-%	-%	30 June 2011
	25,000	13 September 2010	-%	-%	30 June 2012

- (i) The % lapsed in the year represents the reduction from the maximum number of options available to be exercised.
- (ii) Following the 1:40 consolidation of shares that occurred in December 2012, the number of options issued prior to December 2012 was consolidated in the same 1:40 ratio as the ordinary capital.
- (iii) Dr Anderson held the position of General Manager – Exploration from 30 June 2009 until 8 May 2013 and has held the position of Exploration Manager - Walhalla Gold from 8 May 2013.
- (iv) Mr Cahoon held the position of Chief Financial Officer from 30 June 2009 until the termination of his employment on 31 January 2013. Due to Mr Cahoon's contribution to the Company, the Board of directors elected to waive cessation of employment expiry terms on all outstanding options granted to Mr Cahoon.
- (v) The vesting conditions attached to each option granted require the key management personnel to remain in employment with the Company until the vesting date, unless the Board of directors elects to waive the expiry terms attached to the grant.

Directors' Report

REMUNERATION REPORT – AUDITED (continued)

Analysis of movements in options

The movement during the reporting period, by value, of options over ordinary shares in the Company held by each key management person, and each of the named Company executives is detailed below.

	Value of options		
	Granted in year \$	Exercised in year \$ (i)	Lapsed in year \$
Mr D Waddell	114,000	-	304,000
Mr E Smart	285,000	-	-
Mr W Oliver	184,800	-	-
Mr A Haller	-	-	-
Mr K Hogg	-	-	-
Mr M Bouwmeester	56,000	-	150,000

(i) No options were exercised during the year.

Options and rights over equity instruments

The movement during the reporting period, by number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Balance at beg of period 01-Jul-13	Granted as remuneration	Purchased or acquired	Expired	Balance at end of period 30- Jun-14	Not vested & not exercisable	Vested & exercisable
Specified directors							
Mr Denis Waddell	6,000,000	6,000,000	2,000,000	(6,000,000)	8,000,000	4,000,000	4,000,000
Mr Errol Smart	-	15,000,000	900,000	-	15,900,000	10,000,000	5,900,000
Mr William Oliver	-	3,000,000	3,096,086	(3,096,086)	3,000,000	2,000,000	1,000,000
Mr Alexander Haller	18,792,278	-	4,720,000	(18,792,278)	4,720,000	-	4,720,000
Specified executives							
Mr Kim Hogg	-	-	-	-	-	-	-
Mr Martin Bouwmeester	500,000	3,000,000	-	(500,000)	3,000,000	1,000,000	2,000,000
Total	25,292,278	27,000,000	10,716,086	(28,388,364)	34,620,000	17,000,000	17,620,000

Following the 1:40 consolidation of shares that occurred in December 2012, the number of options issued prior to December 2012 was consolidated in the same 1:40 ratio as the ordinary capital.

Directors' Report (continued)

REMUNERATION REPORT – AUDITED (continued)

	Balance at beg of period 01-Jul-12	Granted as remuneration	Purchased or acquired	Expired	Balance at end of period 30- Jun-13	Not vested & not exercisable	Vested & exercisable
Specified directors							
Mr Denis Waddell	1,000,000	-	5,000,000	-	6,000,000	-	6,000,000
Mr Errol Smart	-	-	-	-	-	-	-
Mr Alexander Haller	-	-	18,792,278	-	18,792,278	-	18,792,278
Former							
Mr Graeme Sloan (ii)	375,000	-	500,000	(375,000)	500,000	-	500,000
Mr Chris Roberts (i)	375,000	-	-	(375,000)	-	-	-
Specified executives							
Mr William Oliver	-	-	-	-	-	-	-
Mr Martin Bouwmeester	500,000	-	-	-	500,000	-	500,000
Former							
Dr Jim Anderson	250,000	-	-	-	250,000	-	250,000
Mr Sean Cahoon	175,000	-	-	-	175,000	-	175,000
Total	2,675,000	-	24,292,278	(750,000)	26,217,278	-	26,217,278

Following the 1:40 consolidation of shares that occurred in December 2012, the number of options issued prior to December 2012 was consolidated in the same 1:40 ratio as the ordinary capital.

- (i) 187,500 options expired 60 days subsequent to the date on which Mr Roberts ceased to be a director of the Company and 187,500 options which had not vested on the date on which Mr Roberts ceased to be a director of the Company, expired on the date on which Mr Roberts ceased to be a director of the Company.
- (ii) 375,000 options expired 60 days subsequent to the date on which Mr Sloan ceased to be a director of the Company.

Other transactions with key management personnel

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control, joint control or a relevant interest over the financial or operating policies of those entities. A number of these entities transacted with the Group during the year. The terms and conditions of the transactions with key management personnel and their related parties were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Directors' Report

REMUNERATION REPORT – AUDITED (continued)

Movement in shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Balance 1-Jul-13 Ordinary	Purchased or acquired during the year	On options exercised	Fully paid contributing shares	Disposals of shares	Other transfers of shares	Balance at end of period 30-Jun-14
Specified directors							
Mr Denis Waddell	6,687,500	9,858,604	-	-	-	-	16,546,104
Mr Errol Smart	40,000	5,369,333	-	-	-	-	5,409,933
Mr William Oliver	-	5,471,088	-	-	-	-	5,471,088
Mr Alexander Haller (i)	77,493,695	11,181,798	-	-	(30,000,000)	-	58,675,493
Specified executives							
Mr Kim Hogg	-	-	-	-	-	-	-
Mr Martin Bouwmeester	6,250	1,111,111	-	-	-	-	1,117,361
Total	84,227,445	32,991,934	-	-	(30,000,000)	-	87,219,979

- (i) Mr Haller holds relevant interests as follows: Silja 46,855,687 Shares, Mr Haller 11,300,928 Shares, Pershing Securities 1,320 Shares and EPIC Pacific Rim LLC 517,558 Shares. On 14 February 2014, Silja Investment Ltd, the Company's major shareholder, undertook an off market transfer restructure of its holding in the Company. The restructure of their holding included the sale of 40,000,000 Shares in the Company to a number of Haller family members, including Alexander Haller, a non-executive director of the Company.

	Balance 1-Jul-12 Ordinary	Purchased or acquired during the year	On options exercised	Fully paid contributing shares	Disposals of shares	Other transfers of shares	Balance at end of period 30-Jun-13
Specified directors							
Mr Denis Waddell	125,000	6,562,500	-	-	-	-	6,687,500
Mr Errol Smart	-	40,000	-	-	-	-	40,000
Mr Alexander Haller (i)	5,615,370	71,878,325	-	-	-	-	77,493,695
Former							
Mr Graeme Sloan	-	916,947	-	-	-	-	916,947
Mr Chris Roberts	-	283,334	-	-	-	-	283,334
Specified executives							
Mr Martin Bouwmeester	6,250	-	-	-	-	-	6,250
Mr William Oliver	-	-	-	-	-	-	-
Former							
Dr Jim Anderson	-	-	-	-	-	-	-
Mr Sean Cahoon	2,500	-	-	-	-	-	2,500
Total	5,749,120	79,681,106	-	-	-	-	85,430,226

- (i) Mr Haller holds relevant interests as follows: Silja 76,090,556 Shares and 18,792,278 unlisted options exercisable at \$0.20 expiring 31 March 2014, Mr Haller 884,261 Shares, Pershing Securities 1,320 Shares and EPIC Pacific Rim LLC 517,558 Shares.

Directors' Report (continued)

REMUNERATION REPORT – AUDITED (continued)

Engagement of remuneration consultants

The Board of Directors from time to time, seek and consider advice from independent remuneration consultants to ensure that the Company has at its disposal information relevant to the determination of all aspect of remuneration relating to key management personnel.

The Board follows a set of protocols when engaging remuneration consultants to satisfy themselves, that the remuneration consultants engaged are free from any undue influence by the members of the key management personnel to whom advice and recommendations relate and that the requirements of the Corporations Act 2001 are complied with. The set of protocols followed by the Board include:

- Remuneration consultants are engaged by and report directly to the Board; and
- Communication between remuneration consultants and the Company is limited to those KMPs whose remuneration is not under consideration.

No remuneration consultants were engaged during the year.

End of Remuneration Report.

ENVIRONMENTAL ISSUES

The state government regulations in the various states which the Group operates require rehabilitation of drill sites including any other sites where the Group has caused surface and ground disturbance. The costs are not of a material nature and vary across disturbance sites. To date rehabilitation has taken place on drill sites as drill rigs are moved as part of the exploration program when drilling in a particular area of interest is complete or not active for an extended period of time due to other drilling project priorities.

As part of the Group's environmental policy exploration and access sites are regenerated to match or exceed local government and state government expectations. The costs are not considered to be material by the Group however this policy will be reviewed as exploration and development activities increase.

Based on the results of enquires made, the board is not aware of any significant breaches during the period covered by this report.

DIVIDENDS

There were no dividends paid or declared during the financial year (2013: \$nil).

INDEMNIFICATION OF DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company and all office bearers of the Company and of any body corporate against any liability incurred whilst acting in the capacity of director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. Orion Gold NL, to the extent permitted by law, indemnifies each director or secretary against any liability incurred in the service of the Group provided such liability does not arise out of conduct involving a lack of good faith and for costs incurred in defending proceedings in which judgement is given in favour of the person in which the person is acquitted. The Company has not provided any insurance or indemnity for the auditor of the Company.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Directors' Report

NON-AUDIT SERVICES

KPMG, the Company's auditor, has not performed any non-audit services in addition to their statutory duties during the year ended 30 June 2014.

The board considered the non-audit services provided in the prior year by the auditor and was satisfied that the provision of those non-audit services in the prior year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor, KPMG, and its related practices for non-audit services provided during the year are set out below.

	Consolidated	
	2014 \$	2013 \$
Services other than statutory audit:		
Other services		
Taxation compliance services (KPMG Australia)	-	6,000
	-	6,000

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 39 and forms part of the Directors' Report for the financial year ended 30 June 2014.

CORPORATE GOVERNANCE

The Board of directors recognises the recommendations of the Australian Securities Exchange Corporate Governance Council for Corporate Governance Principles and Recommendations (2nd Edition) and considers that the Company substantially complies with those guidelines, which are of critical importance to the commercial operation of a junior listed resources company. The Company's corporate governance statement and disclosures are contained in pages 40 to 45 of this Annual Financial Report.

This report is made in accordance with a resolution of the directors.



Denis Waddell
Chairman

Perth, Western Australia

Date: 30 September 2014

Auditor's Independence Declaration



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Orion Gold NL

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'KPMG', written over a horizontal line.

KPMG

A handwritten signature in black ink, appearing to read 'Tony Romeo', written over a horizontal line.

Tony Romeo
Partner

Melbourne

30 September 2014

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Corporate Governance Statement

The Board of Directors of Orion Gold NL ("Orion" or "Company") is responsible for the corporate governance of the Company. The Company's corporate governance practices for the full year ended 30 June 2014 are set out below. These practices are generally in line with the ASX Corporate Governance Council's Recommendations (**Recommendations**) (2nd edition, dated 2010), with exceptions noted in italics and cross-referenced in the table below. Further information is available in the Corporate Governance section of the Company's website www.oriongold.com.au.

In March 2014, the ASX Corporate Governance Council released the 3rd edition of the Recommendations, which applies to ASX listed companies in respect of their first full financial year commencing on or after 1 July 2014. Accordingly, the 3rd edition of the Recommendations will apply to Orion for its financial year ending 30 June 2015. The Board intends that, where practicable, its corporate governance practices comply with the recommendations in the 3rd edition, and the Company's Corporate Governance Statement for its financial year ending 30 June 2015 will report its compliance against those recommendations.

1. THE BOARD

The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board Charter is available on the website.

To ensure the Board is well equipped to discharge its responsibilities, it has established guidelines for the nomination and selection of directors and for the operation of the Board.

The composition of the Board is determined in accordance with the following principles and guidelines:

- the Board should comprise at least three directors, a majority of whom should be non-executive directors;
- the Board should comprise directors with an appropriate range of qualifications and expertise; and
- the Board shall meet at regular intervals and follow meeting guidelines set down to ensure all directors have all necessary information to participate in an informed discussion of all agenda items.

The membership of the Board, its activities and composition are subject to periodic review.

The Board considers that its current structure is appropriate given its size and that the current directors provide the necessary diversity of skills and experience appropriate for the Company's current projects and business.

The Company does not comply with Recommendation 2.1, as a majority of Directors are not independent; Denis Waddell as Non-executive Chairman is not considered to be independent as he has within the past three years been employed in an executive capacity by Orion. Alexander Haller, although a non-executive director, is not considered to be independent because he is associated with Silja Investment Ltd, a substantial shareholder of the Company. William Oliver is employed by the Company as its Chief Operating Officer.

The Company does not comply with Recommendation 2.2, as the Non-executive Chairman, Denis Waddell, is not independent.

Managing Director and Chief Executive Officer

Errol Smart was appointed Managing Director and CEO in November 2012. As the head executive Director of the Company, Mr Smart is responsible for communication with senior management, the day-to-day administration and management of the Company, and keeping the Board properly informed. The Board reviews and provides feedback on the CEO's performance, and is responsible for the appointment and removal of the CEO.

The criteria for determining the identification and appointment of a suitable candidate for the Board shall include qualifications, experience and achievement, credibility within the Company's scope of activities, intellectual ability to contribute to the Board's duties and ability to undertake Board duties and responsibilities.

The Company does not comply with Recommendation 2.4, as there is no separate nomination committee. The Board considers that the current size and level of activities of the Company are not of a sufficient level to justify having a nomination committee. The whole Board conducts the functions of the nomination committee, and is guided by the charter posted on the website.

The Company does not comply with Recommendations 3.2, 3.3 or 3.4 as the Company has not established a policy concerning gender diversity nor disclosed a policy or summary of that policy. The Company has not disclosed in its annual report, the measurable objectives for achieving gender diversity. The Board considers that at this time no efficiencies or other benefits would be gained by introducing a formal diversity policy.

In the future, as the Group grows and increases in size and activity, the Board will adopt a formal diversity policy.

Corporate Governance Statement (continued)

2. BOARD RESPONSIBILITIES

The Board is responsible for:

- (a) driving the success of Orion in a way that ensures the interests of shareholders and key stakeholders are properly recognised and protected;
- (b) setting the strategic direction of Orion and monitoring the performance of the Chief Executive Officer/Managing Director ("CEO/MD") and those senior executives who report to the CEO/MD;
- (c) ensuring there are adequate resources available to meet the Orion Group's business plans and strategic objectives;
- (d) appointing and where appropriate removing the CEO/MD and overseeing succession plans for the senior executives who report to the CEO/MD;
- (e) ratifying the appointment and where appropriate, the removal of the Chief Financial Officer (CFO) or equivalent and the Company Secretary;
- (f) approving conditions of service and performance monitoring procedures to apply to all executive directors and those senior executives who report to the CEO/MD;
- (g) approving policies of a company-wide nature;
- (h) approving and monitoring Orion's financial reporting, major capital expenditure and capital management;
- (i) approving and monitoring the progress of Orion's business plans and strategic objectives;
- (j) ensuring that adequate audit, risk management and compliance systems and procedures exist, and are being effectively utilised;
- (k) ensuring that Orion has appropriate corporate governance structures in place, including an ethical code of conduct; and
- (l) ensuring that the Board has the appropriate blend of experience, skills and attributes to meet the changing needs of Orion.

The Board has delegated responsibility for the day-to-day operations and administration of Orion to the CEO/MD.

3. MONITORING OF THE BOARD'S PERFORMANCE

The Board will from time to time, evaluate its performance (including individual Board members) and the Board committees to determine whether they are functioning effectively by reference to their charters and current best practice.

4. AUDIT COMMITTEE

The Audit Committee has been established by the Board. Its primary function is to assist the Board in fulfilling its responsibilities by reviewing the:

- Quality and integrity of financial reporting;
- Systems of internal control that management and the Board have established to safeguard the Group's financial and physical assets and facilitate compliance with relevant statutory and regulatory requirements;
- Processes for business risk identification, quantification and mitigation;
- Effectiveness and independence of the external audit process; and
- Quality and relevance of financial and non-financial information provided to management and the Board on which decisions will be based.

The Audit Committee comprises Denis Waddell (Chairman), Errol Smart and Alexander Haller. Each member has the relevant financial and industry experience required to perform Audit Committee functions. Details of their qualifications and experience are set out in the Directors' Report. The Audit Committee Charter is available on the website.

Corporate Governance Statement

The Company does not comply with Recommendation 4.2, as the Audit Committee consists of three members, Denis Waddell is the Chairman of both the Board and the Audit Committee, and is not independent, Errol Smart is the Managing Director and CEO and is not independent, and non-executive director Alexander Haller is not independent. The Board considers that the current structure is appropriate given the size of the Company and the necessary skills and experience that the current Audit Committee members bring to these meetings.

5. REMUNERATION

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. The expected outcomes of the remuneration structure are:

- Retention and motivation of key executives;
- Attraction of quality management to the Company; and
- Performance incentives that allow executives to share the rewards of the success of Orion.

For details on the amount of remuneration and all monetary and non-monetary components for all directors, refer to the Directors' Report.

In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of Orion and the performance of the individual during the period. A performance review for Directors and executives was conducted by the Board during the year in review.

There is no scheme to provide retirement benefits, other than statutory superannuation, to directors.

The Company does not comply with Recommendations 8.1 or 8.2, as there is currently no separate remuneration committee. The Board considers that the current size and level of activities of the Company are not of a sufficient level to justify having a remuneration committee. The whole Board conducts the functions of the remuneration committee and is guided by the charter posted on the website.

6. ADDITIONAL INFORMATION

- The Company has established a **Risk Management and Internal Control Policy**, which is available on the Company's website. Management reports regularly to the Board on its management of material business risks. The Board has received assurance from the CEO and CFO that the declaration for the financial report, provided in accordance with section 295A of the *Corporations Act*, is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.
- The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company and its controlled entities that a reasonable person would expect to have a material effect on the price of the Company's securities. The Company's **Continuous Disclosure Policy** is posted on the website. All information disclosed to ASX is immediately posted on the website and emailed to those parties who have supplied their email addresses. Before analysts are briefed on aspects of the Company's operations, the presentation is released to ASX and posted on the website.
- The Company's **Shareholder Communication Policy** is posted on the website.
- The Company's **Securities Trading Policy** is available on the website. It binds Directors, officers and employees of the Company and prohibits trading in the Company's securities by anyone in possession of price-sensitive information. They may only trade in the Company's securities or securities of the Company's joint venture partners after receiving written approval from the Chairman, Managing Director, or Company Secretary. Written approval will not be given for trading during closed periods, being the four weeks prior to, and 24 hours after, the release of the annual report or half-year report, unless there are exceptional circumstances.
- The Board has adopted a **Code of Conduct** and policies on Community, OH&S, and the Environment. The Code and policies are available on the website.

Directors have the right, in connection with their duties and responsibilities as Directors, to seek **independent professional advice** at the Company's expense. The Company will only meet that expense if they obtain the advice after obtaining the Chairman's prior written approval, which will not be unreasonably withheld.

Corporate Governance Recommendations (incl 2010 amendments)	Action taken and reasons if not adopted
<p><u>Principle 1: Lay solid foundation for management and oversight</u></p> <p>1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.</p> <p>1.2 Companies should disclose the process for evaluating the performance of senior executives.</p> <p>1.3 Companies should provide the information indicated in the Guide to reporting on Principle 1.</p>	<p>Adopted</p>
<p><u>Principle 2: Structure the board to add value</u></p> <p>2.1 A majority of the board should be independent.</p> <p>2.2 The chairperson should be an independent Director.</p> <p>2.3 The roles of chairperson and chief executive officer should not be exercised by the same individual.</p> <p>2.4 The board should establish a nomination committee.</p> <p>2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.</p> <p>2.6 Companies should provide the information indicated in the Guide to reporting on Principle 2.</p>	<p>Adopted except as follows:- 2.1, 2.2 and 2.4 – see italics in section 1, above.</p>
<p><u>Principle 3: Promote ethical and responsible decision-making</u></p> <p>3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none"> the practices necessary to maintain confidence in the company's integrity; the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and the responsibility and accountability of individuals for reporting or investigating reports of unethical practices. <p>3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.</p> <p>3.3 Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.</p> <p>3.4 Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.</p> <p>3.5 Companies should provide the information indicated in the Guide to reporting on Principle 3.</p>	<p>Adopted except as follows:- 3.2, 3.3, and 3.4 – see italics in section 1, above.</p>

Corporate Governance Statement

Corporate Governance Recommendations (incl 2010 amendments)	Action taken and reasons if not adopted
<p><u>Principle 4: Safeguard integrity in financial reporting</u></p> <p>4.1 The board should establish an audit committee.</p> <p>4.2 The audit committee should be structured so that it:</p> <ul style="list-style-type: none"> • consists only of non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair, who is not chair of the board; and • has at least three members. <p>4.3 The audit committee should have a formal charter.</p> <p>4.4 Companies should provide the information indicated in the Guide to reporting on Principle 4.</p>	<p>Adopted except as follows:</p> <p>4.2 - see italics in section 4, above.</p>
<p><u>Principle 5: Make timely and balanced disclosure</u></p> <p>5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.</p> <p>5.2 Companies should provide the information indicated in the Guide to reporting on Principle 5.</p>	<p>Adopted</p>
<p><u>Principle 6: Respect the rights of shareholders</u></p> <p>6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.</p> <p>6.2 Companies should provide the information indicated in the Guide to reporting on Principle 6.</p>	<p>Adopted</p>
<p><u>Principle 7: Recognise and manage risk</u></p> <p>7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.</p> <p>7.2 The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.</p> <p>7.3 The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.</p> <p>7.4 Companies should provide the information indicated in the Guide to reporting on Principle 7.</p>	<p>Adopted</p>

Corporate Governance Recommendations (incl 2010 amendments)	Action taken and reasons if not adopted
<p><u>Principle 8: Remunerate fairly and responsibly</u></p> <p>8.1 The board should establish a remuneration committee.</p> <p>8.2 The remuneration committee should be structured so that it:</p> <ul style="list-style-type: none"> • consists of a majority of independent directors; • is chaired by an independent director; and • has at least three members. <p>8.3 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.</p> <p>8.4 Companies should provide the information indicated in the Guide to reporting on Principle 8.</p>	<p>Adopted except as follows:</p> <p>8.1 and 8.2 - see italics in section 5, above.</p>

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
Continuing operations			
Other income	3	111,558	58,918
Exploration and evaluation expenses	3	(1,568,157)	(719,508)
Administration expenses	3	(1,893,555)	(1,516,148)
Rehabilitation expenses		-	(230,000)
Impairment of non-current assets	9	(9,549,838)	(76,677)
Plant and equipment written-off	8	(7,399)	(52,769)
Fair value movement in convertible note derivative	14	-	(5,056,873)
Results from operating activities		(12,907,391)	(7,593,057)
Finance income	3	45,363	37,121
Finance expense	3	(4,002)	(959,248)
Net finance costs		41,361	(922,127)
Profit/(loss) before income tax		(12,866,030)	(8,515,184)
Income tax (expense)/benefit	4	-	-
Net profit/(loss) from continuing operations attributable to equity holders of the Company		(12,866,030)	(8,515,184)
Other comprehensive income			
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive income/(loss) for the period		(12,866,030)	(8,515,184)
Earnings/(loss) per share (cents per share)			
Basic earnings/(loss) per share (AUD)	5	(6.94)	(11.88)
Diluted earnings/(loss) per share (AUD)	5	(6.94)	(11.88)

The comparative earnings per share information has been restated in accordance with accounting standard requirements following the share consolidation that occurred during the year ended 30 June 2013. Refer to note 13 for further details.

The notes on pages 50 to 89 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

AS AT 30 JUNE 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current assets			
Cash on hand and at bank	6	875,758	1,027,779
Trade and other receivables	7	115,319	32,288
Inventories		9,732	17,189
Prepayments		37,290	61,655
Total current assets		1,038,099	1,138,911
Non-current assets			
Trade and other receivables	7	395,272	390,886
Property, plant and equipment	8	137,902	160,310
Deferred exploration, evaluation and development	9	5,438,637	10,501,156
Total non-current assets		5,971,811	11,052,352
TOTAL ASSETS		7,009,910	12,191,263
LIABILITIES			
Current liabilities			
Trade and other payables	11	716,829	852,544
Loan	15	-	102,281
Provisions	12	47,565	347,545
Total current liabilities		764,394	1,302,370
Non-current liabilities			
Provisions	12	27,735	24,100
Total non-current liabilities		27,735	24,100
TOTAL LIABILITIES		792,129	1,326,470
NET ASSETS		6,217,781	10,864,793
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	13	71,617,637	63,670,907
Accumulated losses		(66,527,431)	(54,267,887)
Other reserves	13	1,127,575	1,461,773
TOTAL EQUITY		6,217,781	10,864,793

The notes on pages 50 to 89 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Payments for exploration and evaluation		(1,798,157)	(796,185)
Payments to suppliers and employees		(889,913)	(997,492)
Interest received		46,296	36,804
Receipts from customers		10,087	3,554
Net cash used in operating activities	6	(2,631,687)	(1,753,319)
Cash flows from investing activities			
Purchase of property, plant and equipment		(69,850)	(31,862)
Restricted cash investments		(4,386)	-
Payments for exploration and evaluation		(3,143,508)	(962,419)
Proceeds from insurance recoveries		10,117	55,364
Net cash acquired as part of acquisition		-	9,310
Net cash from investing activities		(3,207,627)	(929,607)
Cash flows from financing activities			
Proceeds from issue of shares		5,900,500	3,439,425
Share issue expenses		(213,207)	(286,587)
Proceeds from borrowings	19	100,000	400,000
Repayment of borrowings	19	(100,000)	-
Net cash from financing activities		5,687,293	3,552,838
Net increase/(decrease) in cash and cash equivalents		(152,021)	869,912
Cash and cash equivalents at beginning of period		1,027,779	157,867
Cash on hand and at bank at end of period	6	875,758	1,027,779

The exploration and evaluation assets of \$1,343,811 acquired as part of the Creasy Group tenement acquisition as set out in note 9 constitutes a non-cash investing activity and are not included in the Consolidated Statement of Cash Flows above.

The settlement of outstanding directors' and creditors' fees through the issue of shares to the value of \$315,997 (2013: \$293,778), constitutes a non-cash operating activity and is not included in the Consolidated Statement of Cash Flows above.

In the comparative year, the convertible note – liability of \$7,495,975 and convertible note – derivative of \$7,003,185 were settled. The settlement constitutes a non-cash financing activity and is not included in the Consolidated Interim Statement of Cash Flows above.

In the comparative year, the exploration and evaluation assets of \$884,829 acquired as part of the Kama acquisition as set out in note 9 constitutes non-cash investing activities and is not included in the Consolidated Statement of Cash Flows above.

The notes on pages 50 to 89 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2014

	Attributable to equity holders of the Company			
	Issued capital	Accumulated losses	Other reserves	Total equity
	\$	\$	\$	\$
At 30 June 2012	43,933,657	(47,831,796)	2,753,639	(1,144,500)
Total comprehensive income for the year	-	(8,515,184)	-	(8,515,184)
Issue of share capital	20,136,591	-	-	20,136,591
Capital raising costs during the year	(399,341)	-	-	(399,341)
Share-based payments expense	-	-	41,621	41,621
Unlisted share options not vested	-	-	(33,217)	(33,217)
Unlisted share options expired	-	2,079,093	(2,079,093)	-
Share based payment acquisition consideration	-	-	778,823	778,823
At 30 June 2013	63,670,907	(54,267,887)	1,461,773	10,864,793
Total comprehensive income for the year	-	(12,866,030)	-	(12,866,030)
Issue of share capital	7,424,778	-	-	7,424,778
Capital raising costs during the year	(200,453)	-	-	(200,453)
Share-based payments expense	-	-	666,295	666,295
Waiver of interest owed to Shareholder	-	90,587	-	90,587
Issue of share capital to Kamax Resources Ltd vendors	722,405	-	(722,405)	-
Unlisted share options expired	-	515,899	(515,899)	-
Share based payment acquisition consideration	-	-	237,811	237,811
At 30 June 2014	71,617,637	(66,527,431)	1,127,575	6,217,781

The notes on pages 50 to 89 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

1 CORPORATE INFORMATION

Orion Gold NL ("Company") is a company domiciled in Australia. The address of the Company's registered office is Suite 2, 64 Thomas Street, West Perth Western Australia 6005. The consolidated financial statements as at and for the year ended 2014 comprises the Company and its subsidiaries, (together referred to as the "Group"). The Group is a for-profit Group and is primarily involved in copper, nickel, gold and platinum group elements exploration.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

(i) Statement of compliance

The consolidated financial statements are general purpose financial statement which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB). The consolidated financial statements were authorised for issue by the Board of directors on 30 September 2014.

(ii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except where otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group except as required by the new accounting standards and interpretations adopted as disclosed in Note 2(b).

Certain comparative amounts have been reclassified to conform with the current year's presentations.

(iii) Going concern

The Group recorded a loss of \$12,866,030 after tax for the year ended 30 June 2014 with the major reason for the loss being a write down in the carrying value of deferred exploration, evaluation and development expenditure at the Walthalla exploration project of \$9,549,838. The Group's position as at 30 June 2014 was as follows:

- The Group had cash reserves of \$875,758 and had combined negative operating and investing cash flows of \$5,839,314 (including \$4,941,665 in payments for exploration and evaluation) for the year ended 30 June 2014;
- The Group had a positive working capital position of \$273,705; and
- The Group's main activity is exploration and as such it presently does not have a source of income, rather it is reliant on debt and / or equity raisings to fund its activities.

Current forecasts indicate that cash on hand as at the date of this report will not be sufficient to fund planned exploration and operational activities during the next twelve months and to maintain the Group's tenements in good standing. Accordingly, the Group will be required to raise additional equity, restructure the existing funding facilities, consider alternative funding options or a combination of the foregoing.

The Group's position as at the date of this report is as follows:

- The Group has cash reserves of \$148,657, following the draw down of a total of \$340,000 from the existing \$350,000 loan facilities provided by the Group's current lenders, being \$150,000 from Silja Investments Ltd ('Silja') and \$200,000 from Tarney Holdings Pty Ltd ATF The DP & FL Waddell Family Trust ('Tarney') subsequent to year end; and

FOR THE YEAR ENDED 30 JUNE 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- The Group has a working capital deficiency of \$165,317, offset by the financing activity disclosed below.

Prior to the completion of the Capital Raising (which is expected to occur in November 2014), the Group's current lenders, Silja and Tarney, have both committed to provide credit facilities to the Group in addition to the existing loan facilities provided to the Group ('Credit Facility').

The Credit Facility will be to a maximum limit of \$500,000. Neither Silja (\$200,000) nor Tarney (\$300,000) shall demand payment of the Credit Facility until the completion of at least a \$2,000,000 capital raising, and will not require repayment if such demand would impact negatively on the solvency of the Company. The purpose of the Credit Facility is to enable the Company to continue to meet its operating expenditures and essential expenditures to maintain its tenements in good standing and pay its debts as and when they fall due whilst more permanent, longer term financing is secured. Based on current forecasts, the Credit Facility will provide the Group with sufficient cash until the completion of the proposed Capital Raising.

The Company announced on 29 September 2014, that it has received underwriting commitments of \$1,000,000 for a pro-rata renounceable entitlements issue ('Capital Raising') to shareholders. The maximum amount to be raised under the Capital Raising is approximately \$2,430,000 at 3.0 cents per Share. Eligible shareholders will be entitled to participate in the Capital Raising on the basis of one Share for every three Shares held. The record date for the Capital Raising has not yet been determined but is expected to be mid October 2014.

The Capital Raising is underwritten to an aggregate amount of \$1,000,000. Underwriters include entities associated with the Group's directors being Mr Denis Waddell, to the amount of \$500,000 (inclusive of the amount drawn down under the financing facilities provided by Tarney and referred above) and Mr Errol Smart (\$100,000), as well as other professional investors. The underwriters of the \$1,000,000 referred to above will not be paid an underwriting fee. The Company is in discussions with third parties in relation to additional underwriting, which if put in place is likely to attract a 5% fee.

A prospectus containing further details of the Capital Raising will be lodged with the Australian Securities Exchange in October 2014 and is expected to be sent to shareholders in mid October 2014.

The amount and timing of any additional funding requirements for operational and exploration plans is the subject of ongoing review and will be ultimately determined by exploration success. The Group also continues to review new project areas for possible acquisitions, which would require separate equity/debt funding in order to meet any acquisition and minimum expenditure requirements.

The Directors are confident that the Group will raise sufficient cash to ensure that the Group can meet its minimum exploration and operational expenditure commitments for at least the next twelve months, maintain the Group's tenements in good standing and pay its debts, as and when they fall due. The Company has previously been successful in raising capital as and when required as evidenced by capital raisings of \$5,900,500 during the year ended 30 June 2014 to support the Group's current exploration programs. Cash raised during this period has funded recent exploration programs which are continuing. Based on results to date from such programs, the Directors are confident of obtaining the continued support of the Company's shareholders and a number of brokers that have supported the Company's previous capital raisings.

With the recent focus on what the Group considers to be more prospective exploration areas in the Fraser Range Belt of Western Australia and in Central Queensland, the Group undertook a review of its exploration portfolio. On 29 August 2014 the Company announced that it has entered into an option agreement with A1 Consolidated Gold Limited (A1 Gold) for A1 Gold to acquire the Company's Walhalla Project tenements in Victoria, at A1 Gold's discretion. The key terms of the option agreement include that A1 Gold will manage the tenements, that A1 Gold is required to maintain the tenements in good standing and will meet all statutory expenditure requirements and upon exercise of the option A1 Gold will pay the Company a \$500,000 cash payment and \$500,000 worth of fully paid ordinary A1 Gold shares issued to the Company at the volume weighted average price of the A1 Gold shares as traded on the ASX in the ten trading days prior to the date of exercise of the option.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The A1 Gold shares issued to the Company shall be voluntarily escrowed for a period of 12 months from date of issue. The option agreement allows the Company to reduce its minimum exploration and operational expenditure commitments for the Walhalla Project until at least 31 July 2015.

Accordingly, the financial statements for the year ended 30 June 2014 have been prepared on a going concern basis as, in the opinion of the Directors, the Group will be in a position to continue to meet its operating costs and exploration expenditure commitments and pay its debts as and when they fall due for at least twelve months from the date of this report.

However, the Directors recognise that if sufficient additional funding is not raised from the proposed Capital Raising or through alternative funding sources, there is a material uncertainty as to whether the going concern basis is appropriate with the result that the Group may relinquish title to certain tenements and may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. In this case, Silja and Tarney as the holders of a fixed and floating charge over the assets of the Group under existing funding agreements would take priority in relation to the assets of the Group. No allowance for such circumstances has been made in the financial report.

(b) New accounting standards and interpretations

(i) New accounting standards adopted

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013.

- AASB 10 Consolidated Financial Statements – introduced a new approach in determining which investees should be consolidated and whether an investor is exposed, or had the rights to, variable returns from its involvement with the investee. In accordance with the transitional provisions of AASB 10, the Group reassessed the control conclusion for its investees at 1 July 2013. The control conclusion remained unchanged.
- AASB 11 Joint Arrangements – changes the consolidation requirements for joint operations and joint ventures depending on whether or not parties have rights to and obligations for underlying assets and liabilities. Application of this new standard did not have any impact on the financial statements.
- AASB 12 Disclosure of Interests in Other Entities – sets out disclosure requirements arising from AASB 10 and AASB 11 and replaces the disclosures currently required by AASB 127 and AASB 128. As a result of AASB 12 the Group has expanded its disclosures about its interests in subsidiaries (see Note 19).
- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 – establishes a single source of guidance for all fair value measurements and aims to enhance fair value disclosures. In accordance with the transitional provisions of AASB 13 and its associated amendment, the Group has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the group's assets and liabilities.
- AASB 119 Employee Benefits (September 2011) – is amended focussing on the accounting for defined benefit plans. In addition, it changes the definition of short-term and other long term employee benefits and some disclosure requirements. The adoption of the revised AASB 119 Employee Benefits does not have a material impact on the financial statements.
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement removes the requirements to include individual key management personnel disclosures in the notes to the financial statements. The Company has provided these disclosures in the Remuneration Report under s.300A of the Corporations Act 2001. The amendments did not have any impact on the financial statements, other than removal of duplicated disclosures.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2014, but have not been applied in preparing this financial report:

- AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transitional Disclosures. The new standards which become mandatory for the Group's 2018 financial statements could change the classification and measurement of financial assets and financial liabilities. The new standards are not expected to have significant impact on the financial statements.
- AASB 2014-1 Amendments to Australian Accounting Standards – Part E: Financial Instruments – Defers the mandatory application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. The Group has not determined the potential effect of the revised standard on the financial report.
- AASB 2014-1 Amendments to AASB 1053 – Part A: Annual Improvements 2010-2012 and 2011-2013 cycles. Amendments to existing accounting standards, particularly in relation to clarifying share-based payments vesting and non-vesting conditions, operating segment asset disclosures, clarification of current/non-current classification of debt, clarification of KMP when an entity has a management entity/responsible entity (such as a trustee), the meaning of effective IFRS, exemptions for joint ventures from business combination requirements, clarification of the scope exception for measuring the fair value of financial assets and liabilities on a portfolio basis, and clarifying the interrelationship between business combinations and investment property when classifying property as investment property or owner-occupied. The standard will become mandatory for the Group's 30 June 2015 financial statements and will be expected to impact disclosures relating to share based payments in the financial statements.
- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities. Amendments to AASB 132 clarify when an entity has a legally enforceable right to set-off financial assets and financial liabilities permitting entities to present balances net on the balance sheet. The standard will become mandatory for the Group's 30 June 2015 financial statements and is not expected to have a significant impact on the financial statements.
- Interpretation 21 Levies. Provides clarity on when a liability should be recognised in respect of a levy in accordance with AASB 137. The standard will become mandatory for the Group's 30 June 2015 financial statements and is not expected to have a significant impact on the financial statements.

The following are standards, amendments to standards and interpretations that have been issued by the IASB that the AASB are yet to endorse. They have been identified as those which may impact the Group in the period of initial application however they are not available for early adoption at 30 June 2014.

- IFRS 15 Revenue from Contracts with Customers. Application date 1 January 2017. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The revised standard is not expected to have a significant impact on the financial statements.
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38). Application date 1 January 2016. Introduces a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. Limited opportunity for presumption to be overcome. Clarifies that revenue-based depreciation for property, plant and equipment cannot be used. The standard will become mandatory for the Group's 30 June 2017 financial statements and is not expected to have a significant impact on the financial statements.
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). Application date 1 January 2016. Business combination accounting required to be applied to acquisitions of interests in a joint operation that meets the definition of a business. The standard will become mandatory for the Group's 30 June 2017 financial statements and is not expected to have a significant impact on the financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Orion Gold NL ("parent company") from time to time during the year and at 30 June 2014 and the results of its controlled entities, Kamax Resources Limited and Goldstar Resources (WA) Pty Ltd, for the year then ended. The effects of all transactions between entities in the economic entity are eliminated in full.

The financial statements of the subsidiary are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(d) Foreign currency translation

The functional and presentation currency of the Company and its Australian subsidiary's is Australian Dollars.

Transactions in foreign currencies are translated to the respective functional currency of Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

FOR THE YEAR ENDED 30 JUNE 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a reducing balance basis using estimated remaining useful life of the asset. The estimated useful lives for the current and comparative period are as follows:

Plant and equipment - over 3 to 15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(f) Impairment

(i) Non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to dispose and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to dispose and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit and loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(ii) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Financial assets measured at amortised cost.

The Group considers evidence of impairment for these assets measured at both an individual asset and a collective level. All individually significant assets are individually assessed for specific impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(g) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(h) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Funds placed on deposit with financial institutions to secure performance bonds are classified as non-current other receivables and not included in cash and cash equivalents.

(i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(j) Employee benefits

(i) Wages, salaries and annual leave

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits are based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as superannuation, workers compensation insurance and payroll tax.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iv) Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black Scholes model. Further details are given in note 10.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(k) Leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(l) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(ii) Government grants

Grants that compensate the Group for expenditures incurred are recognised in profit or loss on a systematic basis in the periods in which the expenditures are recognised.

(m) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(i) Tax consolidation

The Company and its wholly-owned Australian resident entity are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity from that date. The head entity within the tax-consolidated group is Orion Gold NL.

Kamax Resources Ltd became a wholly-owned subsidiary member of the Orion Gold NL tax consolidated group with effect from 22 July 2013.

(n) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(o) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure which can be directly attributed to operational activities in the area of interest, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred. For each area of interest the expenditure is recognised as an exploration and evaluation asset where the following conditions are satisfied:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- exploration activities in the area of interest have not, at balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Exploration and evaluation assets include:

- Acquisition of rights to explore;
- Topographical, geological and geophysical studies;
- Exploration drilling, trenching and sampling; and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resources.

General and administrative costs are not recognised as an exploration and evaluation asset. These costs are expensed as incurred.

Exploration and evaluation assets are classified as tangible or intangible according to the nature of the assets. As the assets are not yet ready for use, they are not depreciated. Assets that are classified as tangible assets include:

- Piping and pumps;
- Tanks; and
- Exploration vehicles and drilling equipment.

Assets that are classified as intangible assets include:

- Drilling rights;
- Acquired rights to explore;
- Exploratory drilling costs; and
- Trenching and sampling costs.

Exploration expenditure which no longer satisfies the above policy is written off. In addition, a provision is raised against exploration expenditure where the directors are of the opinion that the carried forward net cost may not be recoverable under the above policy. The increase in the provision is charged against the financial performance for the year.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off in the year in which the decision to abandon is made, firstly against any existing provision for that expenditure, with any remaining balance being charged to earnings.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the economic entity's rights of tenure to that area of interest are current. Amortisation is not charged on areas under development, pending commencement of production.

Exploration and evaluation assets are assessed for impairment if:

- (i) Sufficient data exists to determine technical feasibility and commercial viability; and
- (ii) the term of exploration license in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- (iii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- (iv) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and a decision has been made to discontinue such activities in the specified area; or
- (v) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they are not expected to be recoverable in the future.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Critical accounting judgements and key sources of estimation uncertainty

In the application of AASB'S management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgments made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements and include:

- Note 9 - Deferred exploration, evaluation and development,
- Note 12 - Provisions,
- Note 10/13 - Measurement of share based payments, and
- Note 14 - Measurement of financial instruments (convertible notes).

(q) Convertible notes

Under the terms of the convertible loan agreement, convertible notes issued by the Group can be converted to share capital at the option of the holder prior to the expiry date, and the number of shares to be issued may vary depending upon the price at which the Company issues shares during the term of the convertible notes. The issuer has the option to convert the share capital or settle in cash at the expiry date.

The liability component of the convertible note is recognised initially at the fair value of a similar liability that does not have a conversion option. Subsequent to initial recognition, the liability component of the convertible notes is measured at amortised cost using the effective interest method. Interest, dividends, losses and gains relating to the financial liability are recognised in the income statement as a non cash item. The conversion option is recognised initially at fair value. Subsequent to initial recognition all changes in its fair value are recognised immediately in the income statement.

(r) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees that are expected to be exercised.

(s) Segment reporting

(i) Determination and presentation of operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director and Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director and Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

(u) Finance income and expenses

Finance income comprises interest income on funds invested. Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in profit and loss using the effective interest method.

(v) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Convertible notes

The fair value of the convertible option is determined at each reporting date by an external, independent company that has appropriate, recognized professional qualifications and experience to value financial instruments of this nature. In relation to the converting option feature of the convertible notes, the fair value is determined by this company using a binomial option pricing model.

(ii) Share-based payment transactions

The fair value of the employee share options and the share appreciation rights is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

3. REVENUES AND EXPENSES

	2014 \$	2013 \$
Other income		
Sundry revenue	10,087	3,554
Insurance recoveries from plant and equipment	10,117	55,364
Government Grant (i)	91,354	-
Total other income	111,558	58,918
Exploration and evaluation expenses		
Exploration and evaluation expenses	1,012,145	416,404
Employee expenses	556,012	303,104
Total exploration and evaluation expenses	1,568,157	719,508
Administration expenses		
Administration expenses	879,679	897,950
Employee expenses	256,617	465,273
Superannuation	6,105	46,051
Employee share based payments	666,295	8,404
Depreciation	84,859	98,470
Total Expenses from ordinary activities	1,893,555	1,516,148
Net finance costs		
Finance income		
Interest income	45,363	37,121
Total finance income	45,363	37,121
Finance expense		
Interest expense - convertible notes liability	-	911,193
Interest expense	4,002	48,055
Total finance expense	4,002	959,248

- (i) During the year the Group was awarded a \$150,000 grant in Round 8 of the Western Australian Government's Exploration Incentive Scheme ('Grant'). Under the Co-funded Government-Industry Drilling Program, the Government will match direct drilling costs incurred at the Peninsula Project in the 2014 calendar year up to the amount of the Grant, subject to the satisfaction of certain conditions. As at 30 June 2014 the Company had accrued a total \$91,354, which is claimable pursuant to the terms of Grant.

FOR THE YEAR ENDED 30 JUNE 2014

4 INCOME TAX

Income tax expense	2014 \$	2013 \$
Profit / (loss) before tax	(12,866,030)	(8,515,184)
	(12,866,030)	(8,515,184)
Income tax using the corporation rate of 30%	(3,859,809)	(2,554,555)
Movements in income tax expense due to:		
Non deductible expenses	91	39
Exploration expenditure	(1,533,247)	(288,726)
Impairment of Exploration Expenditure	2,864,951	-
Kamax Resources Limited deductions	(422,969)	-
Employee share based payments expensed	294,688	2,521
Convertible notes revaluation	-	1,790,420
Adjustment for timing differences	29,522	(30,301)
Adjustment for permanent differences	-	-
	(2,626,773)	(1,080,602)
(Under) / over provided in prior years	(798,076)	-
Tax effect of tax losses not recognised	(3,424,849)	1,080,602
	-	-
Income tax (expense)/benefit	-	-

No income tax is payable by the Group. The directors have considered it prudent not to bring to account the future income tax benefit of income tax losses and exploration deductions until it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

The Group has estimated un-recouped gross income tax losses of \$70,390,077 (2013: \$58,364,549) which may be available to offset against taxable income in future years.

The benefit of these losses and timing differences will only be obtained if:

- the Group derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- the Group continues to comply with the condition of deductibility imposed by Australian law; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the loss.

Tax consolidation

For the purposes of income taxation, the Company and its 100% controlled Australian entity, Goldstar Resources (WA) Pty Ltd elected to form a tax consolidation group from 1 July 2006.

Kamax Resources Limited became a wholly-owned subsidiary member of the Orion Gold NL tax consolidated group with effect from 22 July 2013. A total of un-recouped gross income tax losses of \$609,364 were transferred to the consolidated group on 22 July 2013.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

5 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of potentially dilutive options and dilutive partly paid contributing shares).

The following reflects the income and share data used to calculate basic and diluted earnings per share:

a) Basic and diluted profit per share

	2014	2013
	Cents	Cents
Basic earnings/(loss) attributable to ordinary equity holders of the Company	(6.94)	(11.88)
Diluted earnings/(loss) attributable to ordinary equity holders of the Company	(6.94)	(11.88)

b) Reconciliation of earnings used in calculating earnings per share

	2014	2013
	\$	\$
Profit / (loss) attributable to ordinary shares	(12,866,030)	(8,515,184)

c) Weighted average number of shares

	2014	2013
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share.	185,391,027	71,701,518
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share.	185,391,027	71,701,518

FOR THE YEAR ENDED 30 JUNE 2014

6 CASH AND CASH EQUIVALENTS

	2014 \$	2013 \$
Cash on hand and at bank (a)	875,758	1,027,779
	875,758	1,027,779

(a) Cash on hand and at bank earns interest at floating rates based on daily bank rates.

	2014 \$	2013 \$
Reconciliation from the net loss after tax to the net cash flows from operations		
Net profit/(loss)	(12,866,030)	(8,515,184)
<i>Adjustments for:</i>		
Depreciation	84,859	98,470
Insurance recoveries	(10,117)	(55,364)
Convertible note revaluation	-	5,968,066
Share based payments expense	666,295	8,404
Deferred exploration, evaluation and development impairment	9,549,838	76,677
(Gain)/loss on disposal of plant and equipment	7,399	52,769
Net impact of non-cash settlement of fees in shares	315,997	(24,626)
Fees & Interest Waived by Shareholder	103,340	-
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(83,031)	3,260
(Increase)/decrease in inventories	7,458	836
(Increase)/decrease in prepayments	24,365	(225)
(Decrease)/increase in trade and other payables	(135,715)	374,044
(Decrease)/increase in provisions	(296,345)	259,554
Net cash used in operating activities	(2,631,687)	(1,753,319)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

7 TRADE AND OTHER RECEIVABLES

	2014 \$	2013 \$
Current receivables:		
Other receivables	113,625	29,661
Interest receivable	1,694	2,627
	115,319	32,288
Non-current receivables:		
Security deposits and environmental bonds (a)	395,272	390,886
	395,272	390,886

Other receivables are non-interest bearing and are generally on 30-day terms. The increase in other receivables is due to the Government Grant income recorded during the year. Refer to note 3 for further details.

- (a) Security deposits comprise cash placed on deposit to secure bank guarantees in respect of obligations entered into for office rental obligations and environmental performance bonds issued in favour of the Victorian Department of State Development Business & Innovation (formerly Department of Primary Industries), Government of Western Australia and Queensland Department of Natural Resources & Mines. These deposits are not available to finance the Group's day to day operations.

8 PROPERTY, PLANT AND EQUIPMENT

	2014 \$	2013 \$
Opening cost - 1 July	1,493,498	4,481,860
Accumulated depreciation	(1,333,188)	(2,330,469)
Accumulated impairment loss	-	(1,882,820)
Opening written down value	160,310	268,571
Additions	69,850	42,978
Disposals/write offs	(7,399)	(52,769)
Depreciation charge for the year	(84,859)	(98,470)
Written down value at 30 June	137,902	160,310

During the prior period, the Group undertook a review of its fixed assets and it was determined that the skipway asset located at Walhalla should be disposed of as no foreseeable use could be identified for the asset. The total cost of the assets written off in the prior period was \$3,031,340 and had an accumulated depreciation of \$1,095,751 and accumulated impairment loss of \$1,882,820 as at 30 June 2013.

FOR THE YEAR ENDED 30 JUNE 2014

9 DEFERRED EXPLORATION, EVALUATION AND DEVELOPMENT

	2014 \$	2013 \$
Acquired mineral rights		
Opening cost	884,829	-
Exploration and evaluation acquired (c)	1,343,811	884,829
Exploration, evaluation and development	2,228,640	884,829
Deferred exploration and evaluation expenditure		
Opening cost	9,616,327	8,653,908
Expenditure incurred	4,711,665	1,758,604
Exploration expensed (a)	(1,568,157)	(719,508)
Impairment (b)	(9,549,838)	(76,677)
Deferred exploration and evaluation expenditure	3,209,997	9,616,327
Net Carrying amount at 30 June	5,438,637	10,501,156

- (a) During the year ended 30 June 2014 the Group incurred exploration expenditure of \$1,568,157 which under the Group's deferred exploration, evaluation and development policy did not qualify and was expensed.
- (b) As at 31 December 2013 the Group undertook a review of the carrying value of each area of interest. As a result, the carrying value of deferred exploration, evaluation and development expenditure in the balance sheet for the Walhalla Exploration Project as at 31 December 2013 was written down by \$8,670,428.

As at 30 June 2014 the Group undertook a review of the carrying value of each area of interest. As a result, the carrying value of deferred exploration, evaluation and development expenditure in the balance sheet for the Walhalla Exploration Project as at 30 June 2014 was written down by a further \$879,410 due to analysis performed by management indicating that the capitalised exploration on an area of interest would not be recoverable by the Company as successful future development is not expected.

On 29 August 2014 the Company announced that it has entered into an option agreement with A1 Consolidated Gold Limited (A1 Gold) for A1 Gold to acquire the Company's Walhalla Project tenements in Victoria. Key terms of the option agreement are:

- Non-refundable option fee payable to the Company of \$50,000 cash with \$10,000 paid on execution of the option agreement and \$40,000 payable 12 weeks from the date of execution of the option agreement;
- Option term expires 31 July 2015;
- A1 Gold will manage the tenements, is required to maintain the tenements in good standing and will meet all statutory expenditure requirements;
- The Company will retain the rights to explore for, develop and mine all deposits which are 67% or greater intrusive hosted sulphide minerals, including copper, nickel and platinum group elements (PGEs) with subordinate gold and silver;
- Upon exercise of the option A1 Gold will pay The Company:
 - \$500,000 cash payment;
 - \$500,000 worth of fully paid ordinary A1 Gold shares issued to the Company at the volume weighted average price of the A1 Gold shares as traded on the ASX in the ten trading days prior to the date of exercise of the option. The A1 Gold shares issued to the Company shall be voluntarily escrowed for a period of 12 months from date of issue; and
 - A 2% ongoing net smelter royalty on all gold produced from the tenements.

The directors consider that the carrying value of deferred exploration, evaluation and development attributable to the Walhalla exploration project based on the consideration within the A1 Gold agreement entered into on 28 August 2014 is appropriate. However, the recoverability of the carrying amount is dependent on the renewal of key tenements (refer below), and the exercise of the option by A1 Gold.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

9 DEFERRED EXPLORATION, EVALUATION AND DEVELOPMENT (continued)

The value attributable to the Walhalla Exploration Project is \$1,000,000 in relation to exploration licence 3311. The valuation of \$1,000,000 is based on the consideration under the A1 Gold agreement and is a Level 2 input under AASB 13 (Fair Value Measurement).

The exploration licence associated with this tenement is due to expire in the period ending November 2014. The Company has been notified by the Department of State Development, Business & Innovation that renewal of exploration licence 3311 after November 2014 will only be possible in exceptional circumstances. The Group is presently holding ongoing discussions in relation to this application. The Company has made application for a retention licence for an area within exploration licence 3311, which contains the Company's gold resources. The Company fully expects that the retention licence will be granted. Should the exploration licence not be renewed and/or the retention licence not be granted, then the carrying value of the capital exploration for exploration licence 3311 may need to be expensed.

(c) Kamax Resources Limited acquisition

The Company announced on 22 March 2013 that it had entered into a binding heads of agreement to facilitate the acquisition of all of the securities in an unlisted company, Kamax (the 'Acquisition'). On 27 May 2013, the Company announced that it had completed its due diligence and executed all share sale agreements relating to the Acquisition, which constituted 100% acceptance from Kamax security holders for the offer. Following this, on 13 June 2013, the Company obtained shareholder approval for the issue of the Company's shares and options to Kamax security holders in consideration for their Kamax securities. The Company obtained control of Kamax at this date as the outstanding conditions precedent at the time were considered administrative in nature, and the Company deemed management took control of the assets on 13 June 2013. The acquisition was therefore recognised on 13 June 2013.

On 22 July 2013, the Company announced that all conditions precedent to the completion of the Acquisition had been met to the satisfaction of the Company. As a result, on 22 July 2013 the Company issued Kamax security holders a total of 12,040,086 fully paid ordinary shares in the Company and 12,040,086 unlisted options in the Company (exercisable at 20 cents at any time until 30 April 2014). As a result, the Company recognised \$884,829 of acquired mineral rights.

Creasy Group tenement acquisition

On 5 August 2013, the Company announced it had signed a binding term sheet ('Term Sheet') with entities controlled by Mark Creasy ('Creasy Group') to acquire a 70% interest in seven tenements covering 2,628km² of the northern Fraser Range Belt of Western Australia (named the Plumridge Lakes Project) surrounding the Company's Peninsula Project ('Acquisition'). The terms of the Term Sheet were subsequently varied by agreement between the parties, as announced on 21 August 2013.

On 26 September 2013, the Company obtained shareholder approval for the issue of Orion Gold NL shares and options to the Creasy Group in consideration for the Acquisition and on 23 December 2013 the Company issued the Creasy Group a total of 15,800,000 fully paid ordinary shares and 23,000,000 unlisted options. As a result, the Company recognised \$1,343,811 of acquired mineral rights.

10 SHARE BASED PAYMENTS

Orion Gold NL option and performance rights plan

The Group has an Option and Performance Rights Plan (OPRP) for the granting of options or performance rights to employees.

The directors consider it desirable to maintain an option and performance rights plan under which selected employees and executives of the Company may be offered the opportunity to participate in the issue of options in the Company in order to increase the range of potential incentives and to strengthen links between the Company, its directors and employees.

FOR THE YEAR ENDED 30 JUNE 2014

10 SHARE BASED PAYMENTS (continued)

Options and rights issued under the OPRP will vest when both the following conditions have been met:

- (i) the employee continues to be an employee in the service of the Group; and
- (ii) when the employee has completed at least one full year of employment.

Other relevant terms and conditions applicable to options and rights granted under the OPRP are determined by the Board in its discretion with respect to that option at the time of grant of that option. Upon exercise, these options will be settled in ordinary shares of the Company. Each option gives the option holder the right to subscribe for one ordinary share in the capital of the Company.

Set out below are summaries of options granted to directors, employees and contractors either under the Company's OPRP approved by shareholders or on exercise of discretion by the Board and approved by shareholders at a General Meeting of shareholders:

Grant date	Expiry date	Exercise price	Balance at start of the year (i)	Granted during the year (vi)	Exercised during the year	Expired during the year (v)	Forfeited during the year	Balance at end of the year	Exercisable at end of the year
Consolidated – 2014									
12-Jun-09	31-Mar-14	\$0.40	500,000	-	-	(500,000)	-	-	-
24-Jun-09	31-Mar-14	\$0.40	1,000,000	-	-	(1,000,000)	-	-	-
30-Jun-09	31-Jul-14	\$0.40	625,000	-	-	-	-	625,000	625,000
13-Sep-10	30-Jun-15	\$1.60	50,000	-	-	-	-	50,000	50,000
13-Sep-10	30-Jun-15	\$0.00	10,625	-	-	-	-	10,625	10,625
8-Jul-13(iii)(D)	30-Apr-18	\$0.15	-	1,000,000	-	-	-	1,000,000	1,000,000
8-Jul-13(iii)(E)	30-Apr-18	\$0.25	-	1,000,000	-	-	-	1,000,000	1,000,000
8-Jul-13(iii)(F)	30-Apr-18	\$0.35	-	1,000,000	-	-	-	1,000,000	-
8-Jul-13(ii)(A)	31-May-18	\$0.15	-	7,000,000	-	-	-	7,000,000	7,000,000
8-Jul-13(ii)(B)	31-May-18	\$0.25	-	7,000,000	-	-	-	7,000,000	-
8-Jul-13(ii)(C)	31-May-18	\$0.35	-	7,000,000	-	-	-	7,000,000	-
3-Oct-13(iv)(G)	31-May-18	\$0.15	-	2,000,000	-	-	-	2,000,000	2,000,000
3-Oct-13(iv)(H)	31-May-18	\$0.25	-	2,000,000	-	-	-	2,000,000	-
3-Oct-13(iv)(I)	31-May-18	\$0.35	-	2,000,000	-	-	-	2,000,000	-
Total			2,185,625	30,000,000	-	(1,500,000)	-	30,685,625	11,685,625
Weighted average exercise price			\$0.43	\$0.25	-	\$0.40	-	\$0.26	\$0.18

- (i) In accordance with the terms of the options and performance rights, following the 1:40 consolidation of shares that occurred in December 2012, the number of options and performance rights issued prior to December 2012 were consolidated in the same 1:40 ratio as the ordinary capital.
- (ii) On 8 July 2013, the Company issued 15,000,000 options to Mr Errol Smart and 6,000,000 options to Mr Denis Waddell as approved by the Company's shareholders at a general meeting held on 13 June 2013.
- (iii) On 8 July 2013, the Company issued 3,000,000 options to Mr Martin Bouwmeester as approved by the Company's shareholders at a general meeting held on 13 June 2013.
- (iv) On 3 October 2013, the Company issued 3,000,000 options to Mr William Oliver under the terms of the Company's Employee Option and Performance Rights Plan. On 3 October 2013, the Company issued 3,000,000 options to employees of the Company under the terms of the Company's Employee Option and Performance Rights Plan.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

10 SHARE BASED PAYMENTS (continued)

- (v) 1,500,000 options exercisable at \$0.40 expired on 31 March 2014.
 (vi) The fair values of the options are estimated at the date of grant using the Black Scholes option pricing model. The following table outlines the assumptions made in determining the fair value of the options granted during the year ended 30 June 2014.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Dividend yield (%)	-	-	-	-	-	-	-	-	-
Expected volatility (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%
Risk-free interest rate (%)	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%
Expected life of option (years)	4.90	4.90	4.90	4.81	4.81	4.81	4.66	4.66	4.66
Option exercise price (\$0.00)	\$0.15	\$0.25	\$0.35	\$0.15	\$0.25	\$0.35	\$0.15	\$0.25	\$0.35
Share Price at grant date (\$0.00)	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.10	\$0.10	\$0.10

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense was \$666,295 (2013: \$8,404).

The weighted average contractual life for the share options outstanding as at 30 June 2014 is between 1 and 4 years (2013: 1 and 2 years).

During the year, the Company provided the Managing Director and CEO a non-recourse loan as part of his remuneration package to purchase 1,000,000 fully paid ordinary shares in the Company. Accounting Standards require shares issued via non-recourse loans be accounted for as a share based payment. As a result, they are measured at fair value at the grant date using the Black Scholes option pricing model and reflects the value of options granted. The amounts receivable from employees in relation to these loans have not been recognised in the financial statements. The fair value attributable to this option was determined as being \$68,834.

Grant date	Expiry date	Exercise price	Balance at start of the year (i)	Granted during the year (iv)	Exercised during the year	Expired during the year (ii) (iii)	Forfeited during the year	Balance at end of the year	Exercisable at end of the year
Consolidated – 2013									
12-Jun-09	31-Mar-14	\$0.40	500,000	-	-	-	-	500,000	500,000
24-Jun-09	31-Mar-14	\$0.40	1,000,000	-	-	-	-	1,000,000	1,000,000
30-Jun-09	31-Jul-14	\$0.40	625,000	-	-	-	-	625,000	625,000
26-Nov-09	31-Mar-14	\$0.80	375,000	-	-	(375,000)	-	-	-
13-Sep-10	30-Jun-15	\$1.60	50,000	-	-	-	-	50,000	50,000
13-Sep-10	30-Jun-15	\$0.00	10,625	-	-	-	-	10,625	10,625
20-Dec-11	30-Nov-16	\$0.80	375,000	-	-	(375,000)	-	-	-
Total			2,935,625	-	-	(750,000)	-	2,185,625	2,185,625
Weighted average exercise price			\$0.52	-	-	\$0.80	-	\$0.43	\$0.43

FOR THE YEAR ENDED 30 JUNE 2014

10 SHARE BASED PAYMENTS (continued)

- (i) In accordance with the terms of the options and performance rights, following the 1:40 consolidation of shares that occurred in December 2012, the number of options and performance rights issued prior to December 2012 were consolidated in the same 1:40 ratio as the ordinary capital.
- (ii) 187,500 options expired 60 days subsequent to the date on which Mr Roberts ceased to be a director of the Company and 187,500 options which had not vested on the date on which Mr Roberts ceased to be a director of the Company, expired on the date on which Mr Roberts ceased to be a director of the Company.
- (iii) 375,000 options expired 60 days subsequent to the date on which Mr Sloan ceased to be a director of the Company.
- (iv) The fair values of the options are estimated at the date of grant using the Black Scholes option pricing model. The following table outlines the assumptions made in determining the fair value of the options granted prior to the year ended 30 June 2014.

	2013	2012	2011	2010
Dividend yield (%)	-	-	-	-
Expected volatility (%)	-	100	100	100
Risk-free interest rate (%)	-	4.45	4.5	5.1
Expected life of option (years)	-	2	2	4
Option exercise price (\$0.00)	-	0.80	1.60	0.80
Share price at grant date (\$0.00)	-	0.40	0.88	2.04

11 TRADE AND OTHER PAYABLES

	2014 \$	2013 \$
Current		
Trade payables	600,204	346,019
Accruals	116,625	506,525
	716,829	852,544

Trade payables are non-interest bearing and are normally settled on 30 – 60 day terms. For terms and conditions relating to Related Parties refer to note 19.

12 PROVISIONS

Current		
Rehabilitation (i)	-	230,000
Employee benefits - annual leave	47,565	117,545
	47,565	347,545
Non-current		
Employee benefits - long service leave	27,735	24,100
	27,735	24,100
Total	75,300	371,645

- (i) During the year ending 30 June 2013, the Company determined certain assets at site were to be decommissioned. As a result, a provision for rehabilitation and rehabilitation expense were recognised for the removal of the assets and associated rehabilitation of the site. The Company completed the site rehabilitation in August 2013.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

13 ISSUED CAPITAL AND RESERVES

	2014	
	Quantity	\$
Ordinary shares	242,993,740	71,615,286
Contributing shares	58,775	2,351
	243,052,515	71,617,637

	2013	
	Quantity	\$
Ordinary shares	127,709,686	63,668,556
Contributing shares	58,775	2,351
	127,768,461	63,670,907

	2014 \$	2013 \$
Ordinary shares		
Issued and fully paid	71,615,286	63,668,556

	2013		
	Number of Shares	Issue/ Exercise Price	\$
Movement in ordinary shares on issue for the year ended 30 June 2013			
Opening balance (1 July 2012)	764,960,097	-	43,931,306
Issue of fully paid ordinary shares (i)	57,370,000	\$0.0025	143,425
Conversion of convertible note (iii)	2,088,441,838	-	14,499,160
Consolidation of shares at 40:1 (ii)	(2,838,002,309)	-	-
Issue of ordinary fully paid shares – repayment of loan	18,792,278	\$0.10	1,879,228
Issue of fully paid ordinary shares	30,150,000	\$0.10	3,015,000
Issue of fully paid ordinary shares – director fees	2,937,782	\$0.10	293,778
Issue of fully paid ordinary shares – share purchase plan	2,810,000	\$0.10	281,000
Issue of fully paid ordinary shares	250,000	\$0.10	25,000
Less: issue costs	-	-	(399,341)
Closing balance (30 June 2013)	127,709,686		63,668,556

FOR THE YEAR ENDED 30 JUNE 2014

13 ISSUED CAPITAL AND RESERVES (continued)

	2014		
	Number of Shares	Issue/ Exercise Price	\$
Movement in ordinary shares on issue for the year ended 30 June 2014			
Opening balance (1 July 2013)	127,709,686	-	63,668,556
Issue of ordinary fully paid shares (iv)	1,000,000	-	-
Issue of ordinary fully paid shares	12,040,086	\$0.06	722,405
Issue of ordinary fully paid shares	17,440,000	\$0.10	1,744,000
Issue of ordinary fully paid shares – director fees	1,041,667	\$0.10	104,167
Issue of ordinary fully paid shares	618,300	\$0.10	61,830
Issue of ordinary fully paid shares	25,060,000	\$0.10	2,506,000
Issue of ordinary fully paid shares	15,800,000	\$0.07	1,106,000
Issue of ordinary fully paid shares – share purchase plan	34,098,875	\$0.045	1,534,450
Issue of ordinary fully paid shares	2,578,888	\$0.045	116,050
Issue of ordinary fully paid shares	3,333,333	\$0.045	150,000
Issue of ordinary fully paid shares – Silja loan (v)	2,272,905	\$0.045	102,281
Less: issue costs	-	-	(200,453)
Closing balance (30 June 2014)	242,993,740		71,615,286

- (i) The issue of fully paid ordinary shares was a pre-consolidation placement.
- (ii) Consolidation of the Company's share capital through the conversion of every 40 shares into one share took effect from 21 December 2012. Where the consolidation of a shareholder's holding resulted in an entitlement to a fraction of a share, the fraction was rounded up to the nearest whole number of shares.
- (iii) In the prior period, the convertible note liability (\$7,495,975), and convertible note derivative (\$7,003,185) ('Notes') were converted into ordinary shares on 19 December 2012 following an agreement with Silja, under which the value of the Notes and related capitalised interest payable, calculated as if the Notes were held to maturity were converted at an agreed rate of \$0.0042. The agreed rate of \$0.0042 is higher than the conversion rate of \$0.0025 that Silja would have been entitled to, had the re-negotiation described above not occurred, resulting in Silja forgoing \$5,638,455.
- (iv) On 8 July, 2013 Mr Smart was issued with fully paid ordinary shares per the non recourse loan agreement. The carrying amount is recorded in Share Based Payments Reserve calculated at fair value.
- (v) As approved at a General Meeting of shareholders held on 23 May 2014, the Company issued 2,272,905 ordinary fully paid shares in the Company on 23 June 2014, at \$0.045 per Share to Silja Investment Ltd ('Silja'), thereby capitalising \$102,281 which was the total amount of the loan facility owed by the Company to Silja. Further details in relation to the loan facility are set out in note 15.

	2014 \$	2013 \$
Contributing shares		
Partly paid to 0.1 cents (9.9 cents outstanding)	2,351	2,351

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

13 ISSUED CAPITAL AND RESERVES (continued)

	2013	
	Quantity	\$
Movement in contributing shares for the year ended 30 June 2013		
Opening balance (1 July 2012)	2,351,000	2,351
Consolidation of shares at 40:1	(2,292,225)	-
Closing balance (30 June 2013)	58,775	2,351
	2014	
	Quantity	\$
Movement in contributing shares for the year ended 30 June 2014		
Opening balance (1 July 2013)	58,775	2,351
Closing balance (30 June 2014)	58,775	2,351

Share based payments reserve

	2014 \$	2013 \$
Share based payments:		
Opening balance	1,461,773	2,753,639
Share based payments expense	666,295	41,621
Unlisted share options not vested (i)	-	(33,217)
Unlisted share options expired and transferred to accumulated losses (ii)	(515,899)	(2,079,093)
Creasy acquisition (iv)	237,811	-
Kamax acquisition (issue) (iii)	(722,405)	778,823
At 30 June	1,127,575	1,461,773

Nature and purpose of reserves

Employee benefits

The employee share option and share plan reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to Note 10 for further details of these plans.

- (i) In the prior period, service based vesting conditions attached to previously granted options were not satisfied. Accordingly, on a cumulative basis, no amount was recognised for the services received in the prior period.
- (ii) During the year, previously recognised share based payment transactions for options which had vested but subsequently expired were transferred to accumulated losses.

Share based payments acquisition consideration

- (iii) Kamax acquisition

On 13 June 2013, the Company obtained shareholder approval for the issue of the Company's shares and options to Kamax security holders in consideration for their Kamax securities. The Company obtained control of Kamax at this date as the outstanding conditions precedent at the time were considered administrative in nature, and the Company deemed management took control of the assets on 13 June 2013. The acquisition was therefore recognised on 13 June 2013.

FOR THE YEAR ENDED 30 JUNE 2014

13 ISSUED CAPITAL AND RESERVES (continued)

On 22 July 2013, the Company announced that all conditions precedent to the completion of the acquisition of Kamax had been met to the satisfaction of the Company. As a result, on 22 July 2013 the Company issued Kamax security holders a total of 12,040,086 fully paid ordinary shares in the Company and 12,040,086 unlisted options in the Company (exercisable at 20 cents at any time until 30 April 2014). As a result, the \$722,405 attributable to these shares was transferred to share capital when issued.

(iv) Creasy acquisition

On 5 August 2013, the Company announced it had signed a binding term sheet ('Term Sheet') with entities controlled by the Creasy Group to acquire a 70% interest in seven tenements covering 2,628km² of the northern Fraser Range Belt of Western Australia (named the Plumridge Lakes Project) surrounding the Company's Peninsula Project ('Acquisition'). The terms of the Term Sheet were subsequently varied by agreement between the parties, as announced on 21 August 2013.

On 26 September 2013, the Company obtained shareholder approval for the issue of Orion Gold NL shares and options to the Creasy Group in consideration for the Acquisition, subject to the completion of due diligence by the Company. On 23 December 2013 the Company issued the Creasy Group a total of 15,800,000 fully paid ordinary shares and 23,000,000 unlisted options on the following terms:

Number of options	Exercise Price	Expiry Date
5,000,000	\$0.20	30/04/2014
6,000,000	\$0.15	31/07/2014
6,000,000	\$0.25	31/07/2015
6,000,000	\$0.35	31/07/2016

The fair value of the options issued to Kamax and Creasy Group security holders on acquisition were measured based on the Black-Scholes option pricing model. Expected volatility is estimated by considering historical volatility of the Company's share price over the period commensurate with the expected term.

	Kamax acquisition	Creasy acquisition
Dividend yield (%)	-	-
Expected volatility (%)	100%	100%
Risk-free interest rate (%)	2.86%	2.86%
Expected life of option (years)	0.9	0.35 – 2.6
Option exercise price (\$0.00)	\$0.20	\$0.15 - \$0.35
Share price at grant date (\$0.00)	\$0.06	\$0.07

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

14 CONVERTIBLE NOTES

The converting loan agreement between Silja Investment Ltd ('Silja') and the Company dated 9 September 2008, provided for Silja to provide a total of up to \$6,000,000 in funding to the Company by way of the following convertible notes:

- First tranche note - \$1,400,000;
- Second tranche note - \$1,600,000; and
- Third tranche note - \$3,000,000.

On 19 December 2012, the Company announced that it had received commitments from investors to subscribe for a minimum of \$3,000,000 as part of a capital raising. As agreed with Silja, on 19 December 2012, the Company converted all of the convertible notes held by Silja and applicable interest on the convertible notes at a conversion rate of \$0.0042 (pre-consolidation) into 52,211,046 (2,088,441,838 pre-consolidation) fully paid ordinary shares. The conversion option in the convertible note allowed Silja to convert the outstanding principal and accrued interest balance at a conversion rate of \$0.0025, as this was the lowest price at which the Company issued new shares since the issue of the convertible notes. The conversion rate of \$0.0042 was agreed to with Silja as part of the restructure of the Company's capital and debt position. The aggregate amount of the convertible note liability at 30 June 2014 is \$nil (30 June 2013: \$nil).

As the convertible note was extinguished in December 2012, the net loss of \$5,056,873 arising from the fair value movement in the convertible note – derivative and the interest expense of \$911,193 charged on the convertible note – liability were recorded in the comparative consolidated statement of comprehensive income. As this relates to the prior period, no liability or expense is recorded in the consolidated financial report as at and for the year ended 30 June 2014.

15 LOAN

On 12 October 2012 the Company announced its intention to undertake a number of steps to restructure its capital and debt position and to raise funds through capital raisings. The intended restructure included the issue of shares to Silja of up to \$1,879,228 as a reduction of the amount owed by the Company to Silja.

Following the Company's share consolidation on 21 December 2012, the Company issued Silja 18,792,278 fully paid ordinary shares resulting from Silja's election to subscribe for its full Capital Raising Allocation as described in the Company's Notice of Annual General Meeting dated 22 October 2012. Silja was issued 18,792,278 shares at \$0.10 per share, with an option (exercisable at \$0.20 at any time until 31 March 2014) attached to each share, thereby reducing the amount of the loan owed by the Company to Silja by \$1,879,228. As stated above, the terms of Facility included Silja's commitment to convert cash drawn down under the Facility to shares, providing that the issue price of shares was not less than \$0.01 per share. Conversion of cash drawn down under the facility to shares at a conversion rate of \$0.10 per share (\$0.0025 pre consolidation), with one option (exercisable at \$0.20 at any time until 31 March 2014) attached to each share, was agreed to with Silja as part of the restructure of the Company's capital and debt position.

On 1 July 2013 the Company announced that it has finalised a variation to the loan agreement with Silja Investment Ltd ('Facility'). Key terms of the Facility were renegotiated as follows:

- the Facility limit was increased \$2,000,000;
- the Facility expiry date was extended to 31 December 2013;
- Silja may elect to convert cash drawn down under the Facility to shares, as part of a possible future capital raising subject to various conditions including:
 - Shareholder approval where required by law, including the ASX listing rules;
 - Shares will be issued to Silja on the same terms as shares issued to other subscribers as part of a capital raising; and
- Silja's participation in the capital raising being an amount up to Silja's proportionate shareholding in the Company (approximately 60% - as at 1 July 2013) up to the Facility limit.
- No capital raising fee would be payable by the Company to Silja where it subscribes for its share allocation in a capital raising; and
- Cash drawn down under the Facility and repaid may be redrawn by the Company.

Otherwise, the terms of the Facility remained substantially unchanged.

FOR THE YEAR ENDED 30 JUNE 2014

15 LOAN (continued)

The Company announced on 31 January 2014, that it had entered into a loan confirmation agreement ('Agreement') with Silja whereby the unpaid principal balance under the Facility will be converted into ordinary fully paid shares in the Company and Silja will waive its entitlement to receive, and will forgive the Company's obligation to pay any unpaid interest in relation to the Facility.

Key terms of the Agreement are as follows:

- the amount of unpaid principal drawn by the Company under the Facility is \$102,281 ('Unpaid Principal');
- the amount of unpaid interest on principal monies drawn by the Company under the Facility is \$90,587 ('Unpaid Interest');
- the Unpaid Principal will in due course be converted into Shares as part of a future capital raising subject to various conditions including:
 - Shareholder approval where required by law, including the ASX listing rules; and
 - Shares will be issued to Silja on the same terms as shares issued to other subscribers as part of a capital raising.
- the Company will not be required to pay Silja any interest in respect of the Unpaid Principal on and from 1 January 2014;
- Silja has waived its entitlement to receive, and has forgiven the Company's obligation to pay, the Unpaid Interest; and
- Silja will release the fixed and floating charge over the assets of the Company.

As approved at a General Meeting of shareholders held on 23 May 2014, on 23 June 2014, the Company issued 2,272,905 Shares in the Company at \$0.045 per Share to Silja, thereby capitalising \$102,281 which was the total amount of the Facility owed by the Company to Silja.

As at 30 June 2014, the balance of the Facility was \$nil (30 June 2013: \$102,281). Interest expense accrued as at 30 June 2014 was \$nil (30 June 2013: \$86,586). Interest expense recognised in the consolidated statement of comprehensive income for the year ended 30 June 2014 was \$4,002 (2013: \$43,923). As at 30 June 2014 and at reporting date, Silja had a fixed and floating charge over the assets of the Company.

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Market risk.
- Credit risk.
- Liquidity risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's principal financial instruments are cash, short-term deposits, receivables, loan and payables.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income and expenses or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Equity price risk

During the prior year, the Company converted all of the convertible notes and applicable interest on the convertible notes into fully paid ordinary shares. As a result of this conversion, the Group is currently not subject to equity price risk movement.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from fluctuations in interest bearing financial assets and liabilities that the Group uses. Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets and investment decisions are governed by the monetary policy. During the year, the Group's only variable rate interest bearing liability was the loan (refer note 15). Interest on the loan was capitalised at a margin of 1.5% over the 90-day dealers' bill rate (re-set every 90 days). The Company announced on 31 January 2014 that it had entered into a loan confirmation agreement with Silja whereby the unpaid principal balance under the loan agreement with Silja ('Facility') will be converted into ordinary fully paid shares in the Company and Silja will waive its entitlement to receive, and will forgive the Company's obligation to pay any unpaid interest in relation to the Facility (refer note 15).

It is the Group's policy to settle trade payables within the credit terms allowed and therefore not incur interest on overdue balances.

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

Consolidated - 30 June 2014	Floating interest rate \$	Fixed interest rate maturing in 1 Year or less \$	Non-interest bearing \$	Total \$
Financial assets:				
Cash on hand and at bank	875,758	-	-	875,758
Trade and other receivables	-	395,272	115,319	510,591
Total	875,758	395,272	115,319	1,386,349
Weighted average interest rate	2.60%	3.93%	-	
Financial liabilities:				
Trade and other payables	-	-	716,829	716,829
Total	-	-	716,829	716,829
Weighted average interest rate	-	-	-	

FOR THE YEAR ENDED 30 JUNE 2014

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Consolidated - 30 June 2013	Floating interest rate \$	Fixed interest rate maturing in 1 Year or less \$	Non-interest bearing \$	Total \$
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Financial assets:

Cash on hand and at bank	1,027,779	-	-	1,027,779
Trade and other receivables	-	390,886	32,288	423,174
Total	1,027,779	390,886	32,288	1,450,953

Weighted average interest rate	2.76%	4.84%	-
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Financial liabilities:

Loan	-	102,281	-	102,281
Trade and other payables	-	-	852,544	852,544
Total	-	102,281	852,544	954,825

Fair value sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis is performed on the same basis for 2013.

Consolidated - 30 June 2014	Carrying value \$	Profit or loss		Equity	
		100bp increase \$'000	100bp decrease \$'000	100bp increase \$'000	100bp decrease \$'000
Cash on hand and at bank	875,758	9	(9)	-	-
Trade and other receivables	115,319	-	-	-	-
Cash flow sensitivity (net)	-	9	(9)	-	-

Consolidated - 30 June 2013					
Cash on hand and at bank	1,027,779	10	(10)	-	-
Trade and other receivables	32,288	-	-	-	-
Cash flow sensitivity (net)	-	10	(10)	-	-

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The Group trades only with recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. This risk is minimised by reviewing term deposit accounts from time to time with approved banks of a sufficient credit rating which is AA and above. The Company does not place funds on terms longer than 12 months and has the facility to place the deposit funds with more than one bank.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

Consolidated	Carrying amount	
	2014 \$	2013 \$
Cash on hand and at bank	875,758	1,027,779
Trade and other receivables	115,319	32,288
Security deposits and environmental bonds	395,272	390,886
	1,386,349	1,450,953

Impairment losses

There is no doubtful debt provision for trade and other receivables (2013: Nil).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Refer to note 2(a) for a summary of the Group's current plans for managing its liquidity risk.

The Group's objective is to maintain a balance between continuity of funding and flexibility. The following are the contractual maturities of financial liabilities:

Consolidated - 30 June 2014	Carrying amount \$	Contractual cash flows \$	1 year or less \$	2 – 5 years \$
Trade and other payables	716,829	716,829	716,829	-
	716,829	716,829	716,829	-

Consolidated - 30 June 2013	Carrying amount \$	Contractual cash flows \$	1 year or less \$	2 – 5 years \$
Trade and other payables	852,544	852,544	852,544	-
Loan	102,281	102,281	102,281	-
	954,825	954,825	954,825	-

Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of the Group is equal to their carrying value.

Foreign currency risk

The Group's exposure to currency risk is minimal at this stage of the operations.

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Commodity price risk

The Group's exposure to price risk is minimal at this stage of the operations.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The management of the Group's capital is performed by the Board.

The Board manages the Group's liquidity ratio to ensure that it meets its financial obligations as they fall due and specifically allowing for the expenditure commitments for its mining tenements to ensure that the Group's main assets are not at risk.

Refer to note 2(a) for a summary of the Group's current plan for managing its going concern.

None of the Group's entities are subject to externally imposed capital requirements.

17 FINANCIAL INSTRUMENTS

Fair value hierarchy

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June 2014, the Group does not have any financial assets or liabilities that fall within the fair value hierarchy.

In order to determine the fair value of such debt securities, management use a valuation technique in which all significant inputs were based on observable market data. There have been no transfers in either direction during the year ended 30 June 2014 (2013: no transfers in either direction).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

17 FINANCIAL INSTRUMENTS (continued)

Fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown on the balance sheet, are as follows:

		Carrying amount		Fair value	
		2014 \$	2013 \$	2014 \$	2013 \$
CONSOLIDATED	Notes				
<u>Financial assets</u>					
Cash – floating rate interest	6	875,758	1,027,779	875,758	1,027,779
Total cash and short term deposits		875,758	1,027,779	875,758	1,027,779
Trade receivables – current	7	115,319	32,288	115,319	32,288
Trade receivables – non current interest bearing	7	395,272	390,886	395,272	390,886
Total receivables		510,591	423,174	510,591	423,174
Total financial assets		1,386,349	1,450,953	1,386,349	1,450,953
<u>Financial liabilities</u>					
Trade payables - non interest bearing	11	(716,829)	(852,544)	(716,829)	(852,544)
Loan	15	-	(102,281)	-	(102,281)
Total payables		(716,829)	(954,825)	(716,829)	(954,825)
Net financial assets		669,520	496,128	669,520	496,128

18 COMMITMENTS AND CONTINGENCIES

Rental property commitments

The Group has entered into a commercial lease for office space in Melbourne, Victoria, for three years (expiring August 2014).

There are no restrictions placed upon the lessee by entering into these leases apart from the 12 month commitment from the agreement dates.

Future minimum rentals payable under non-cancellable commercial leases as at 30 June are as follows:

	2014 \$	2013 \$
Within one year	25,910	68,203
After one year but not more than five years	-	8,997
More than five years	-	-
	25,910	77,200

Guarantees

The Company has the following bonds at 30 June 2014:

- The Group has negotiated bank guarantees in favour of rental agreements. The total of these guarantees at 30 June 2014 was \$12,925 (2013: \$12,925).

FOR THE YEAR ENDED 30 JUNE 2014

18 COMMITMENTS AND CONTINGENCIES (continued)

Tenement commitments – Australia

The Group has a portfolio of tenements located in Western Australia, Queensland and Victoria, which all have a requirement for a certain level of expenditure each and every year in addition to annual rental payments for the tenements. Future minimum expenditure commitments as at 30 June are as follows:

	2014 \$	2013 \$
Within one year	1,312,500	991,160
After one year but not more than five years	5,129,000	3,964,640
More than five years	-	-
	6,441,500	4,955,800

The table above excludes the minimum exploration commitments for the Walhalla tenements in Victoria. Refer to note 20 and 24 for further details.

Guarantees

The Company has the following contingent liabilities at 30 June 2014:

- The Group has negotiated bank guarantees in favour of the Victorian Government for rehabilitation obligations of mining tenements. The total of these guarantees at 30 June 2014 was \$265,000 (2013: \$230,000). The Group has sufficient term deposits to cover the outstanding guarantees.
- It has guaranteed to cover the directors and officers in the event of legal claim against the individual or as a group for conduct which is within the Company guidelines, operations and procedures.

Provision for rehabilitation

The state government regulations in the various states in which the Group operates require rehabilitation of drill sites including any other sites where the Group has caused surface and ground disturbance. The costs are not of a material nature and vary across disturbance sites. To date rehabilitation has taken place on drill sites as drill rigs are moved as part of the exploration program when drilling in a particular area of interest is complete or not active for an extended period of time due to other drilling project priorities.

As part of the Group's environmental policy exploration and access sites are regenerated to match or exceed local government and state government expectations. The costs are not considered to be material by the group however this policy will be reviewed as exploration and development activities increase as the Company moves closer towards commercial production.

During the year, the Company completed decommissioning of the skipway which was used by the Company in the taking of the underground bulk sample at the Walhalla Gold Project's Eureka adit. Decommissioning and associated site rehabilitation was completed in August 2013 (see Note 12).

It is expected that most of these costs will not be significant in the next financial year and will be expensed as incurred.

19 RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of the Company and the subsidiary's listed in the following table.

	Country of incorporation	Equity interest 2014 %	2013 %	Investment 2014 \$	2013 \$
Goldstar Resources (WA) Pty Ltd	Australia	100	100	1	1
Kamax Resources Limited	Australia	100	100	778,823	778,823

Orion Gold NL is the ultimate Australian parent entity incorporated in Australia.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

19 RELATED PARTY DISCLOSURE (continued)

Subsidiaries

An inter-company loan exists between Orion Gold NL (parent) and:

- (i) Goldstar Resources (WA) Pty Ltd (subsidiary) of \$1,946,300 (2013: \$1,946,300). A provision for impairment of \$1,946,300 (2013: \$1,946,300) has been recognised in relation to this loan;
- (ii) Kamax Resources Limited (subsidiary) of \$1,983,546 (2013: \$25,750). A provision for impairment of \$nil (2013: \$nil) has been recognised in relation to this loan.

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made at both market prices and normal commercial terms. Refer to remuneration report and note 22 for transactions with key management personnel.

Consolidated related parties	Transaction	Transactions value		Balance outstanding	
		2014 \$	2013 \$	2014 \$	2013 \$
Nil	Nil	-	-	-	-
Total		-	-	-	-

Other related party transactions

Silja Loan

On 13 March 2014 the Company announced that it had finalised a \$500,000 loan agreement with Silja ('Silja'), the Company's major shareholder ('Loan'). On 29 April 2014, under the terms of the Loan, Silja advanced \$100,000 to the Company and on 3 June 2014, the Company repaid \$100,000 to Silja. The Loan expired on 30 June 2014.

Silja Loan Confirmation Agreement

The Company announced on 1 July 2013, that it has finalised a variation to the existing loan agreement ('Facility') with Silja Investment Ltd ('Silja'), the Company's major shareholder. Key terms of the Facility were renegotiated as follows:

- the Facility limit was increased \$2,000,000;
- the Facility expiry date was extended to 31 December 2013;
- Silja may elect to convert cash drawn down under the Facility to shares, as part of a possible future capital raising subject to various conditions including:
 - Shareholder approval where required by law, including the ASX listing rules;
 - Shares will be issued to Silja on the same terms as shares issued to other subscribers as part of a capital raising; and
 - Silja's participation in the capital raising being an amount up to Silja's proportionate shareholding in the Company (approximately 60% at 1 July 2013) up to the Facility limit.
- No capital raising fee would be payable by the Company to Silja where it subscribes for its share allocation in a capital raising; and
- Cash drawn down under the Facility and repaid may be redrawn by the Company.

Otherwise, the terms of the Facility remained substantially unchanged.

The Company announced on 31 January 2014, that it had entered into a loan confirmation agreement ('Agreement') with Silja whereby the unpaid principal balance under the Facility will be converted into ordinary fully paid shares in the Company and Silja will waive its entitlement to receive, and will forgive the Company's obligation to pay any unpaid interest in relation to the Facility.

Key terms of the Agreement are as follows:

- the amount of unpaid principal drawn by the Company under the Facility is \$102,281 ('Unpaid Principal');
- the amount of unpaid interest on principal monies drawn by the Company under the Facility is \$90,587 ('Unpaid Interest');
- the Unpaid Principal will in due course be converted into Shares as part of a future capital raising subject to various conditions including:
 - Shareholder approval where required by law, including the ASX listing rules; and

19 RELATED PARTY DISCLOSURE (continued)

- Shares will be issued to Silja on the same terms as shares issued to other subscribers as part of a capital raising.
- the Company will not be required to pay Silja any interest in respect of the Unpaid Principal on and from 1 January 2014;
- Silja has waived its entitlement to receive, and has forgiven the Company's obligation to pay, the Unpaid Interest; and
- Silja will release the fixed and floating charge over the assets of the Company.

As approved at a General Meeting of shareholders held on 23 May 2014, the Company issued 2,272,905 Shares in the Company at \$0.045 per Share to Silja on 23 June 2014, thereby capitalising \$102,281 which was the total amount of the Facility owed by the Company to Silja. In accordance with the terms of the Silja Loan Facility, the Silja Loan Facility is secured by security over all present and after-acquired property of the Company as at 30 June 2014 and reporting date.

20 SUBSEQUENT EVENTS AFTER THE BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years except for those matters referred to below:

- On 26 August 2014, the Company announced that it had finalised two loan agreements together totalling \$350,000. A \$200,000 loan facility was agreed with Tarney Holdings Pty Ltd ('Tarney'), a company associated with the Company's Chairman Mr Denis Waddell and a \$150,000 loan facility was agreed with Silja, the Company's major shareholder (together the 'Facilities').

Tarney Loan Facility

Under the terms of the Tarney loan facility, the Company may elect to convert the outstanding capitalised loan balance under the facility to Shares, subject to shareholder approval where required by law, including the ASX listing rules. Any Shares issued to Tarney upon conversion, will be issued at the lower of the volume weighted average price of the Company's shares as traded on the ASX in the ten trading days prior to the issue of shares to Tarney, and \$0.045 (being the price of shares issued under the Company's recent SPP). To the extent that the Company has not converted the outstanding capitalised loan balance to shares (or commenced the conversion process), the Tarney facility becomes payable on 31 December 2014 (unless otherwise agreed by the parties).

Silja Loan Facility

The Company was notified that it had been awarded a \$150,000 grant in Round 8 of the Western Australian Government's Exploration Incentive Scheme. Under the terms of the Silja loan facility, the Company will be required to repay the facility in cash in accordance with the receipt of grant funds and in any case, repay any outstanding capitalised loan balance in cash by 30 June 2015.

Other Key Terms of the Facilities

Tarney and Silja each have the discretion as to whether to make an advance to the Company upon receipt of each drawdown notice. Interest will be capitalised under each facility at 7.5% per annum. No facility fees are payable by the Company to either Silja or Tarney. Both Facilities are secured by security over all present and after-acquired property of the Company.

As at the date of this report, the Company has drawn \$340,000 on the Facilities.

- On 29 August 2014 the Company announced that it has entered into an option agreement with A1 Consolidated Gold Limited (A1 Gold) for A1 Gold to acquire the Company's Walhalla Project tenements in Victoria.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

20 SUBSEQUENT EVENTS AFTER THE BALANCE DATE (continued)

Key terms of the option agreement are:

- Non-refundable option fee payable to Orion of \$50,000 cash with \$10,000 paid on execution of the option agreement and \$40,000 payable 12 weeks from the date of execution of the option agreement;
 - Option term expires 31 July 2015;
 - A1 Gold will manage the tenements, is required to maintain the tenements in good standing and will meet all statutory expenditure requirements;
 - Orion will retain the rights to explore for, develop and mine all deposits which are 67% or greater intrusive hosted sulphide minerals, including copper, nickel and platinum group elements (PGEs) with subordinate gold and silver;
 - Upon exercise of the option A1 Gold will pay Orion:
 - \$500,000 cash payment;
 - \$500,000 worth of fully paid ordinary A1 Gold shares issued to Orion at the volume weighted average price of the A1 Gold shares as traded on the ASX in the ten trading days prior to the date of exercise of the option. The A1 Gold shares issued to Orion shall be voluntarily escrowed for a period of 12 months from date of issue; and
 - A 2% ongoing net smelter royalty on all gold produced from the tenements.
- On 29 September 2014 the Company announced that it was raising up to approximately \$2,430,000 via a pro-rata renounceable entitlements issue ('Entitlements Issue') to shareholders at 3.0 cents per Share.

Key terms of the raising are:

- Eligible shareholders entitled to participate in Entitlements Issue on the basis of one Share for every three Shares held;
- Entitlements issue underwritten to \$1,000,000 by the Company's directors (Mr Denis Waddell and Mr Errol Smart) and several sophisticated and professional investors;
- Current underwriting commitments of \$1,000,000 will not attract an underwriting fee;
- Orion's Fraser Range Joint Venture Partner, Mark Creasy, committed to participating in the Entitlements Issue;
- Shareholders will be given priority for shortfall take up of Shares at the price of 3.0 cents per Share over underwriters, should a shortfall in take up occur;
- Entitlements Issue expected to be completed end of November 2014

Prior to the completion of the Entitlements Issue (which is expected to occur in November 2014), the Group's current lenders, Silja and Tarney, have both committed to provide credit facilities to the Group in addition to the existing loan facilities provided to the Group ('Credit Facility').

The Credit Facility will be to a maximum limit of \$500,000. Neither Silja (\$200,000) nor Tarney (\$300,000) shall demand payment of the Credit Facility until the completion of at least a \$2,000,000 capital raising, and will not require repayment if such demand would impact negatively on the solvency of the Company.

FOR THE YEAR ENDED 30 JUNE 2014

21 AUDITORS' REMUNERATION

	2014 \$	2013 \$
Amounts received or due and receivable by KPMG Australia for:		
An audit or review of the financial report of the Company and any other entity in the Group	64,300	54,000
Other services in relation to the Company and any other entity in the Group		
(a) tax compliance	-	6,000
(b) other advisory	-	-
	64,300	60,000
Amounts received or due and receivable by auditors other than KPMG Australia for:		
An audit or review of the financial report	-	-
	64,300	60,000

22 KEY MANAGEMENT PERSONNEL

(a) Key management personnel compensation

The key management personnel compensation included in administration expenses and exploration and evaluation expenses (Note 3) and deferred exploration, evaluation and development (Note 9) is as follows:

	Consolidated	
	2014 \$	2013 \$
Short-term employee benefits	751,948	934,600
Post-employment benefits	-	17,695
Termination benefits	-	-
Other long term benefits	-	-
Share-based payments	538,754	8,404
	1,290,702	960,699

Individual directors and executives compensation disclosures

Information regarding individual directors and executives compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 is provided in the remuneration report section of the directors' report.

(b) Key management personnel and director transaction

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control, joint control or a relevant interest over the financial or operating policies of those entities.

A number of these entities transacted with the Group during the year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

From time to time, Directors of the Group, or their related entities, may provide services to the Group. These services are provided on terms that might be reasonably expected for other parties and are trivial or domestic in nature.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

23 SEGMENT REPORTING

The Group had one reportable segment during the period, being mineral exploration (including gold, copper, nickel and platinum group elements) in Australia, which was the Group's exploration focus. The Managing Director and Chief Executive Officer reviews internal management reports for this exploration area on monthly basis.

24 PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ending 30 June 2014 the parent company of the Group was Orion Gold NL.

	Company	
	2014	2013
	\$	\$
Result of parent entity		
Profit /(loss) for the period	(12,388,630)	(8,515,184)
Other comprehensive income	-	-
Total comprehensive income for the period	(12,388,630)	(8,515,184)
Financial position of parent entity at year end		
Current assets	941,303	1,126,584
Total assets	7,355,003	12,072,332
Current liabilities	632,087	1,183,439
Total liabilities	659,822	1,207,539
Total equity of the parent entity comprising of:		
Issued capital	71,617,637	63,670,907
Accumulated losses	(66,050,031)	(54,267,887)
Other reserves	1,127,575	1,461,773
Total equity	6,695,181	10,846,793

Parent entity contingencies

The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	2014	2013
	\$	\$
Commitments		
Rental property commitments	25,190	77,200
GST liabilities of other entities within the GST group	-	-
Tax liabilities of other entities within the tax consolidated group	-	-

FOR THE YEAR ENDED 30 JUNE 2014

24 PARENT ENTITY DISCLOSURES (continued)

Parent entity commitments in relation to minimum expenditure on tenements.

	2014 \$	2013 \$
Tenements		
Minimum expenditure requirement :		
Within one year	693,500	991,160
One year later and no later than five years	2,653,000	3,964,640
Later than five years	-	-
Total	3,346,500	4,955,800

Victorian Tenements

On 29 August 2014 the Company announced that it has entered into an option agreement with A1 Consolidated Gold Limited (A1 Gold) for A1 Gold to acquire the Company's Walhalla Project tenements in Victoria. Under the terms of the option agreement, A1 Gold will manage the tenements, is required to maintain the tenements in good standing and will meet all statutory expenditure requirements and therefore, no liability is carried in the Parent Entity minimum expenditure requirement. Refer to note 20 for further detail.

Contingent liabilities

The Company has issued bank guarantees in respect of its rental agreements and mining tenements. Under the terms of the financial guarantee contracts, the Company will make payments to reimburse the guarantors upon failure of the Company to make payments when due. Refer to Note 18.

Directors' Declaration

Directors' Declaration

- 1 In the opinion of the directors of Orion Gold NL (the Company):
 - (a) the consolidated financial statements and notes that are set out on pages 46 to 89 and the Remuneration report set out on pages 27 to 37, identified within in the Directors' report, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- 2 The directors draw attention to Note 2(a) to the consolidated financial statements which the directors have considered in forming their view that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 3 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2014.
- 4 The directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



Denis Waddell
Chairman
Perth, Western Australia

30 September 2014

Independent Auditor's Report



Independent auditor's report to the members of Orion Gold NL

Report on the financial report

We have audited the accompanying financial report of Orion Gold NL (the Company), which comprises the consolidated balance sheet as at 30 June 2014, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 24 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Independent Auditor's Report



Auditor's opinion

In our opinion:

- (a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Material uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to note 2, which states that the Group is dependent on the proposed capital raising or an alternate funding source to ensure sufficient funds are available to undertake exploration activities during the next twelve months and to maintain the tenements in good standing.

Because of this and other matters referred to in note 2, a material uncertainty exists related to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern. If the Group is unable to continue as a going concern, it may relinquish title to certain tenements and may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts other than as stated in the financial report.

Report on the remuneration report

We have audited the Remuneration Report included in pages 27 to 37 of the directors' report for the year ended 30 June 2014. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Orion Gold NL for the year ended 30 June 2014 complies with Section 300A of the *Corporations Act 2001*.

KPMG

Tony Romeo
Partner

Melbourne

30 September 2014

ASX Additional Information

Shareholder Information

FOR THE YEAR ENDED 30 JUNE 2014

Shareholdings

At 30 September 2014 the issued share capital of the Company was held as follows:

Distribution of Ordinary and Partly Paid Contributing Shareholders, Option holders and Performance Right Holders

	Fully paid ordinary shares		Partly paid contributing shares		Options		Performance rights	
	No. of holders	No. of shares	No. of holders	No. of options	No. of holders	No. of options	No. of holders	No. of rights
1 - 1,000	952	280,627	-	-	-	-	-	-
1,001 - 5,000	291	716,496	-	-	-	-	3	10,625
5,001 - 10,000	102	762,071	-	-	-	-	-	-
10,001 - 100,000	339	14,862,360	3	(1)58,715	-	-	-	-
100,001 and over	194	227,194,852	-	-	13	88,050,000	-	-
	1,830	243,816,406	3	58,715	13	88,050,000	3	10,625

(1) At the auction of forfeited partly paid shares held at 10.00am 7 August 2008, no shares were sold. Under the terms of the Company Constitution the shares will be held by the directors in trust for the Company and then be disposed of in such manner and on such terms as the directors determine.

Holders of non-marketable parcels

Number of fully paid ordinary shareholders with holdings of less than a marketable parcel was 1,368.

ASX Additional Information

The names of the twenty largest holders of ordinary fully paid shares are:

		Ordinary shares	%
1	Silja Investment Limited	46,855,686	19.22%
2	Tarney Holdings Pty Ltd	16,546,104	6.79%
3	Ponton Minerals Pty Ltd	12,603,344	5.17%
4	Mr Alexander Haller	11,300,928	4.64%
5	ABN Amro Clearing Sydney Nominees Pty Ltd	10,029,511	4.11%
6	Mr Stefan Haller	10,009,260	4.11%
7	Mr Robin Haller	10,009,260	4.11%
8	Jemaya Pty Ltd	10,000,972	4.10%
9	Ms Betty Jeanette Moore	6,252,500	2.56%
10	Mr William Oliver & Mrs Bryony Oliver	5,471,088	2.24%
11	Kinsella Holdings Ltd	5,233,333	2.15%
12	Yandal Investments Pty Ltd	3,965,447	1.63%
13	Zell Pty Ltd	3,804,450	1.56%
14	Delta Resource Management Pty Ltd	3,550,000	1.46%
15	NBX Pty Ltd	3,196,656	1.31%
16	Anthony Burke Pty Ltd	2,985,135	1.22%
17	BT Portfolio Services Limited	2,692,381	1.10%
18	Mr Michael George Fotios	2,372,222	0.97%
19	Hudson Bay Investments Pty Ltd	2,365,000	0.97%
20	Perth Select Seafoods Pty Ltd	2,000,000	0.82%
20	Hay Street Property Pty Ltd	2,000,000	0.82%
		173,243,277	71.06%
Total issued ordinary share capital		243,816,406	

Substantial shareholders

The following shareholders are recorded in the Company's register of substantial shareholders

Holders giving notice	Date of notice	Ordinary shares as at date of notice	% holding as at date of notice
Silja Investment Ltd (1)	12-02-2014	41,328,114	20.60
Alexander Haller (2)	28-12-2012	52,630,362	26.20
Josephine Haller (1)	12-02-2014	41,328,114	20.60
Denis Waddell	23-06-2014	16,546,104	6.80
Mark Creasy (3)	23-06-2014	15,925,000	7.93

This information is based on substantial holder notifications provided to the Company.

- (1) These substantial holdings relate to the same shares.
- (2) A total of 41,328,114 ordinary shares relate to the same shares as Silja Investment Ltd and Josephine Haller.
- (3) Mark Creasy is the holder of shares held by Ponton Minerals Pty Ltd 12,603,344, NBX Pty Ltd 3,196,656 and Yandal Investments Pty Ltd 125,000

Voting rights

Ordinary shares

Carry a voting right of one vote per share.

Franking credits

The Company has nil franking credits.

TENEMENT SCHEDULE

Project	Tenement	Status	Grant Date	Expiry Date	Holder (1)	Comments
Western Australia						
Fraser Range	E28/1298	Granted	16/10/2002	15/10/2014	QUA	KMX 85%
Fraser Range	E28/1299	Granted	16/10/2002	15/10/2014	QUA	KMX 85%
Fraser Range	E28/1345	Granted	10/02/2004	9/02/2015	QUA/KMX	KMX 85%
Fraser Range	E28/1531	Granted	24/11/2005	23/11/2014	QUA	KMX 85%
Fraser Range	E28/2016	Granted	5/08/2010	04/08/2015	PON	ORN 70%
Fraser Range	E28/2231	Granted	5/12/2012	4/12/2017	GEOB	KMX 90%
Fraser Range	E28/2232	Granted	19/11/2012	18/11/2017	GEOB	KMX 90%
Fraser Range	E28/2292	Granted	9/09/2013	8/09/2018	KMX	KMX 100%
Fraser Range	E39/1653	Granted	20/04/2012	19/04/2017	GRPL	KMX 80%
Fraser Range	E39/1654	Granted	23/04/2012	22/04/2017	NBX	ORN 70%
Fraser Range	E69/2379	Granted	21/05/2013	20/05/2018	PON	ORN 70%
Fraser Range	E69/2380	Granted	22/05/2013	21/05/2018	PON	ORN 70%
Fraser Range	E28/2367	Application	Application	Application	-	-
Fraser Range	E28/2378	Application	Application	Application	-	-
Fraser Range	E28/2380	Application	Application	Application	-	-
Fraser Range	E28/2381	Application	Application	Application	-	-
Fraser Range	E28/2462	Application	Application	Application	-	-
Fraser Range	E39/1658	Application	Application	Application	-	-
Fraser Range	E39/1818	Application	Application	Application	-	-
Fraser Range	E69/2706	Application	Application	Application	-	-
Fraser Range	E69/2707	Application	Application	Application	-	-
Queensland						
Aurora Flats	EPM19825	Granted	2/12/2013	1/12/2018	-	-
Aurora Flats South	EPM25283	Granted	23/9/2014	22/9/2019	-	-
Mt Mackenzie South	EPM25122	Granted	2/12/2013	1/12/2018	-	-
Aurora Flats	EPM25703	Application	Application	Application	-	-
Aurora Flats	EPM25708	Application	Application	Application	-	-
Aurora Flats	EPM25712	Application	Application	Application	-	-
Aurora Flats	EPM25714	Application	Application	Application	-	-
Aurora Flats	EPM25763	Application	Application	Application	-	-
Aurora Flats	EPM25764	Application	Application	Application	-	-

ASX Additional Information

Project	Tenement	Status	Grant Date	Expiry Date	Holder (1)	Comments
Victoria						
Walhalla	EL3311	Granted	10/11/1993	10/11/2014	ORN	ORN 100%
Toombon	EL4660	Granted	27/07/2005	26/07/2015	CMS	JV, ORN 85%
Walhalla	EL5043	Granted	10/10/2007	9/10/2015	ORN	ORN 100%
Walhalla	EL5077	Granted	3/07/2008	2/07/2015	ORN	ORN 100%
Walhalla	MIN5487	Granted	20/08/2008	19/08/2018	ORN	ORN 100%
Walhalla	EL5340	Granted	6/06/2013	5/06/2016	ORN	ORN 100%
Walhalla	EL5348	Granted	6/06/2013	5/06/2018	ORN	ORN 100%
Walhalla	ELA5042	Application	Application	Application	-	-
Walhalla	RL2004/0	Application	Application	Application	-	-
Walhalla	RL2021/0	Application	Application	Application	-	-

- (1) Holder abbreviations – ORN (Orion Gold NL); CMS (CMS Australia Pty Ltd); GEOB (GeoBase Australia Pty Ltd); GRPL (Geological Resources Pty Ltd); KMX (Kamax Resources Limited); NBX (NBX Pty Ltd); PON (Ponton Minerals Pty Ltd); QUA (Quadrio Resources Ltd).

Corporate Directory

DIRECTORS

Mr Denis Waddell (Non-executive Chairman)
Mr Errol Smart (Managing Director/CEO)
Mr William Oliver (Technical Director/COO)
Mr Alexander Haller (Non-executive Director)

COMPANY SECRETARY

Mr Kim Hogg

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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