

21 April 2015



QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 31 MARCH 2015

HIGHLIGHTS

ASX Code: ORN

Issued Capital:

Ordinary Shares: 306M

Options: 89M

Directors:

Denis Waddell
Chairman

Errol Smart
Managing Director, CEO

Bill Oliver
Technical Director

Alexander Haller
Non-Executive Director

Management:

Kim Hogg
Company Secretary

Martin Bouwmeester
Business Development Manager

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- **Maiden drill program at Connors Arc Project in Queensland delivers encouraging initial results:**
 - Drilling at the Aurora Flats Prospect intersects a substantial epithermal vein system.
 - Phase 2 drilling program implemented immediately to follow up results from AFRCD012 (9m at 0.45g/t Au and 27.7g/t Ag from 229m, including 3m at 1.10g/t Au and 59.0g/t Ag).
 - Phase 2 drilling has intersected epithermal veins, vein breccias and altered stockwork zones down-dip and along strike from AFRCD012.
 - Final results from Phase 2 awaited at the date of this report.
 - Comprehensive review of geochemical and SWIR data from phases 1 and 2 to be completed to refine targetting at the Aurora Flats Prospect.
 - First drillholes ever drilled at Veinglorious intersect shallow dipping epithermal vein system.
 - Significant precious metal values intersected with exceptionally high levels of pathfinder elements for an epithermal system.
 - Potential for presence of proximal porphyry intrusive body identified which presents a possible new gold-copper target in addition to epithermal gold-silver potential.

- **High powered fixed loop electromagnetic ('EM') survey completed across Pennor Prospect and adjacent portions of the Peninsula Project in the Fraser Range, WA:**
 - Aiming to validate and refine anomalies detected in moving loop survey, adjacent to margins of magma chambers.
 - Follow up programs designed for other targets within project.



Exploration

During the Quarter, the Company continued an intensive exploration program at the Connors Arc Epithermal Gold Project (Queensland) comprising drilling at the Aurora Flats and Veinglorious Prospects. The Company's maiden drill program culminated with a very encouraging intersection of quartz veins with associated vein breccias and alteration in AFRC012. The Company commenced a follow up drill campaign in March 2015 and is awaiting assay results.

In the Fraser Range (Western Australia) the Company received results from its high powered moving loop EM ('MLEM') survey at Pennor and adjacent areas carried out in the December 2014 Quarter. Following the identification of a number of anomalies the Company completed a high powered fixed loop EM survey ('FLEM') over the anomalies to allow the anomalies to be validated and refined including modelling of any associated bedrock conductors.

Connors Arc Epithermal Gold Project (Queensland)

During the Quarter, the Company completed its maiden drill program at the Aurora Flats Prospect within the Connors Arc Project. A total of 10 holes were completed for 2,709.8 metres (Figure 1). Drilling was also carried out at the Veinglorious Prospect, with 4 holes completed for 667.7 metres. Results received during the Quarter included a 20m wide, highly altered zone with strong epithermal veining, vein breccia and quartz stockwork from 229m – 245m down-hole in hole AFRC012 (approximately 200m below surface).

Following results from Phase 1 of drilling, the Company quickly moved into a follow up drill program consisting of 6 holes for 1,885.8metres at Aurora Flats and a single hole for 423.8 metres at Veinglorious (Phase 2). Final assay and Short Wave Infrared (SWIR) results are expected to be received shortly with results being compiled and interpreted to facilitate detailed review of both phases of drilling by the Company's expert consultants Professor Noel White and Dr Scott Halley.

Phase 1 Drill Results – Aurora Flats

Phase 1 drilling at Aurora Flats focused on a single dip section around midway along the approximately 4,500 metres of mapped vein trend (Figure 1). This fence line of intense drilling was undertaken to provide data as baseline orientation for geochemical and petrological trends within the system. Two further holes tested the veins at a vertical depth of more than 250 metres, which is below the top of the potentially mineralised interval to the north (AFRC012) and south (AFRC003) of the orientation section, for comparison with data from the orientation section.

Drilling intersected multiple epithermal veins and stockwork zones, both below veins mapped at surface and also veins which do not have surface expression (refer ASX Release 21 January 2015). Fine grained and occasionally banded quartz with associated adularia and very fine to fine grained sulphides are strongly developed. Encouragingly, the surrounding country rock is strongly altered, displaying silicic zones and prophyllitic alteration. Disseminated epidote is developed distally to the veins and epidote veining is strongly developed close to the veins.

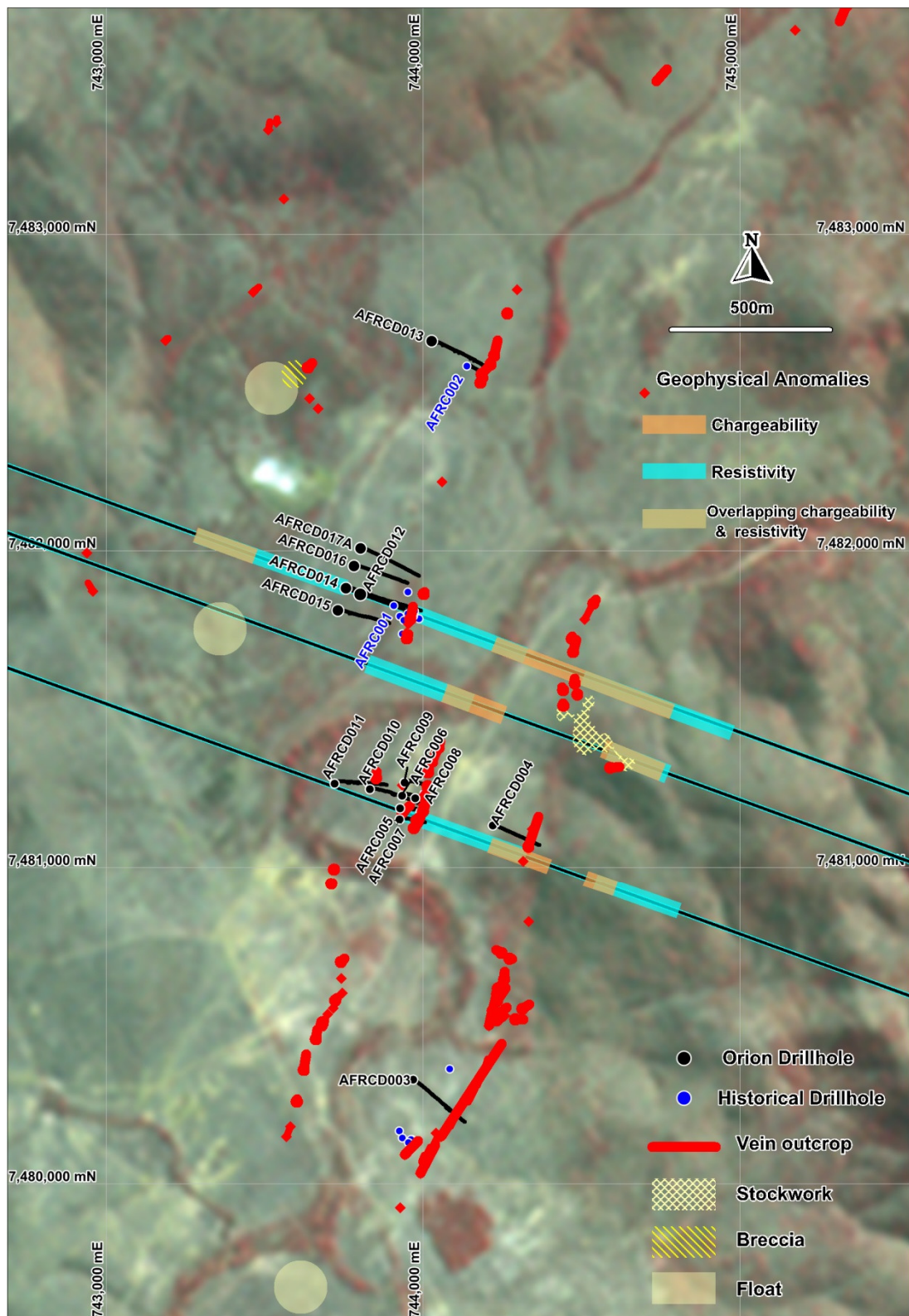


Figure 1: Plan showing location of drillholes completed at Aurora Flats, as well as mapped epithermal veins, geophysical anomalies and historical drilling.



The best intersection returned was from drillhole AFRC012 which intersected a 20m wide, highly altered zone with strong epithermal veining, vein breccia and quartz stockwork from 229m – 245m down-hole (approximately 200m below surface – refer ASX Release 17 February 2015 and Figure 2). The zone returned assay results of **9m at 0.45g/t Au and 27.7g/t Ag** from 229m down-hole, including **3m at 1.10g/t Au and 59.0g/t Ag** from 235m and peak grades of **1.92g/t Au and 91.5g/t Ag over 1.0m** from 236m. The zone is interpreted to lie proximal to, but slightly above the optimal interval for precious metal deposition. The intersection exhibits mineralogy indicative of the uppermost reaches of the boiling zone in an epithermal system and includes illite, adularia and accumulations of very fine-grained sulphides in veinlets and clusters. While being above the interpreted optimal depth, a wide zone of low-grade gold and silver at this elevation in the system bodes well for the existence of a high-grade zone below.



Figure 2: Zone of epithermal veining intersected 229m – 245m AFRC012.

Phase 2 Drill Program

Phase 2 drilling was primarily aimed at testing the epithermal system down-dip and along strike from hole AFRC012. Based on the metal content returned and the epithermal textures seen within the vein and associated breccia, the Company considered follow-up drilling at this prospect to be high priority and therefore commenced drilling in March 2015. Four holes were drilled over a 225m strike length targetting 50m down-dip of the intersection in AFRC012 (refer Figure 3 for an example). These holes were drilled to establish the optimum elevation for the host structure and to provide geochemical data for vectoring along strike of the structure once the optimum depth elevation was established

Drilling has again intersected multiple epithermal veins with associated vein breccias and stockwork zones (Figure 4 shows an example from AFRC016). SWIR spectral scanning is being carried out on the core to determine the exact pressure and temperature of the alteration mineralogy associated with the veins intersected within the epithermal system. These SWIR results, along with the precious metal assays and trace element geochemistry, are required to determine whether these veins formed at the “critical depth” where pressure and temperature cause deposition of precious metals from the system and to provide data to guide drilling along strike to intersect high grade zones which may occur in multiple lenses within the host structure and limited to depths where boiling occurred at >250°C.

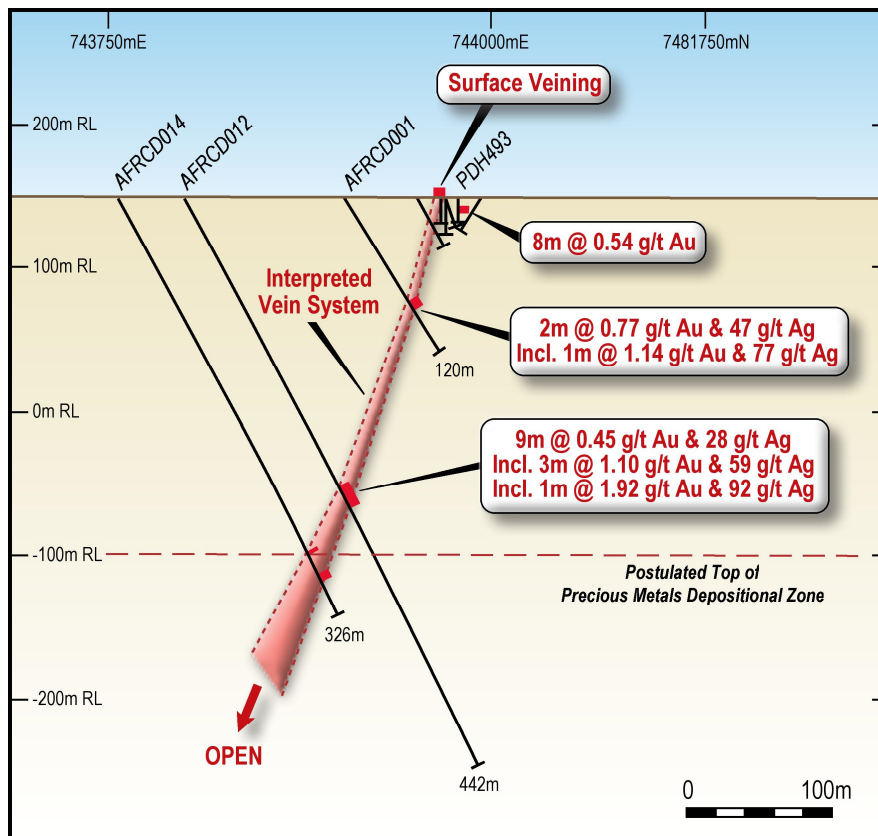


Figure 3: Cross section showing AFRCD012 and AFRCD014.

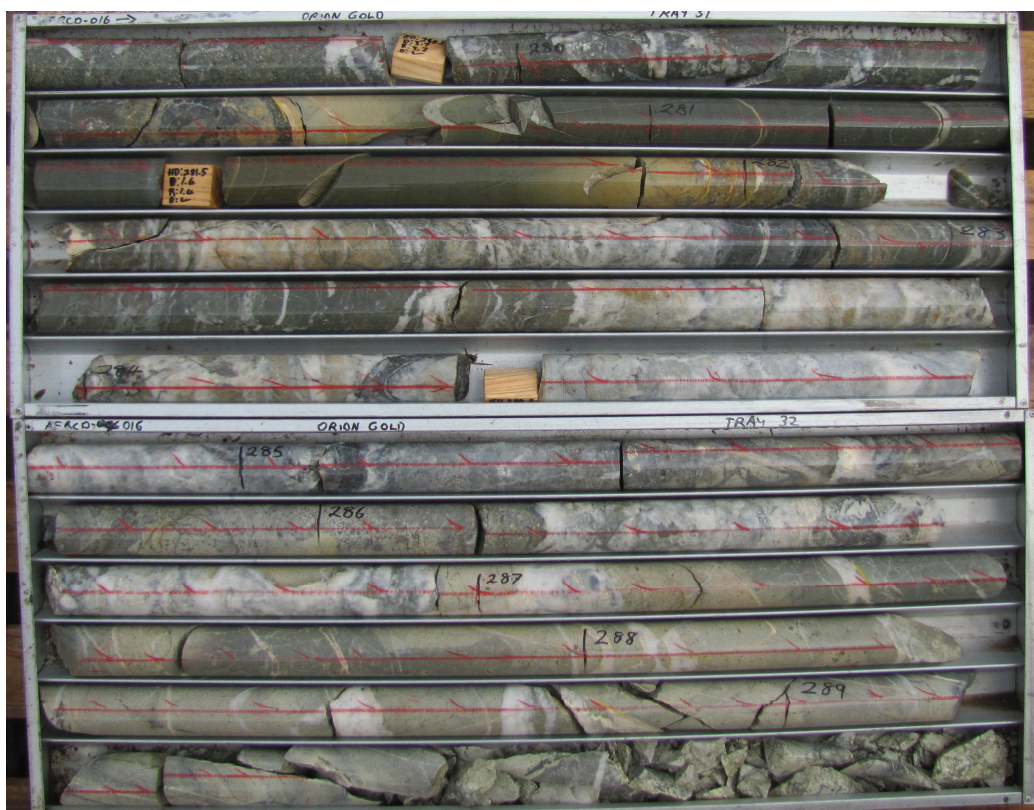


Figure 4: Zone of epithermal quartz veining intersected, 282 – 290m, AFRCD016.

Drilling also tested a zone of veining to the north of the Aurora Flats prospect where historic hole AFRC002 had intersected quartz veining with similar geochemistry to that observed in AFRC001 (refer ASX Releases 21 January 2015 and 15 July 2013). In the ASX release of 17 February 2015 the Company noted an apparent trend of increasing metal content from south to north. AFRC013 was drilled to a depth of 434.5 metres to test this hypothesis as well as test the epithermal system down-dip from AFRC002 with several zones of stockwork quartz veining intersected.

Phase 1 Drill Results – Veinglorious

As part of the Company's maiden drilling program, a short program of RC and diamond core drilling was carried out at the Veinglorious Prospect, a prospect identified during the Company's field mapping program where a number of rock-chip samples returned assays greater than 100g/t silver (refer Figure 5 and ASX Release, 11 December 2014).

Drilling yielded several intersections of shallow dipping epithermal veining with a peak value of 1.08g/t gold and 418g/t silver. Several samples yielded gold values greater than 0.1g/t and silver greater than 50g/t (illustrated in Figure 6 and 7, refer ASX Release 24 February 2015).

The distribution of grades in the intersections indicates shallow plunging shoots in the vein set. As detailed above and shown on Figure 7 a further drillhole VGRCD005 was drilled to 423.8m as part of the Phase 2 program to test down-dip / down-plunge from these intersections and better characterise the level in the epithermal system. Figure 8 shows an interval of quartz veining from drillhole VGRCD005 which is currently being logged and sampled.

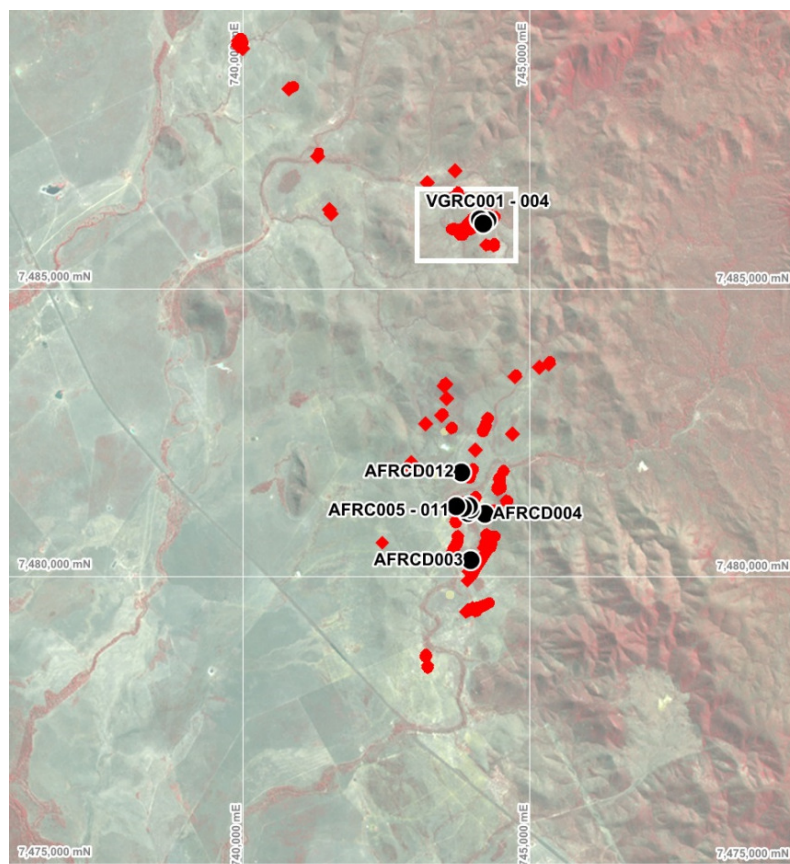


Figure 5: Plan showing location of Veinglorious Prospect along with Phase 1 drillholes and mapped veins. White box indicates area of Figure 6.

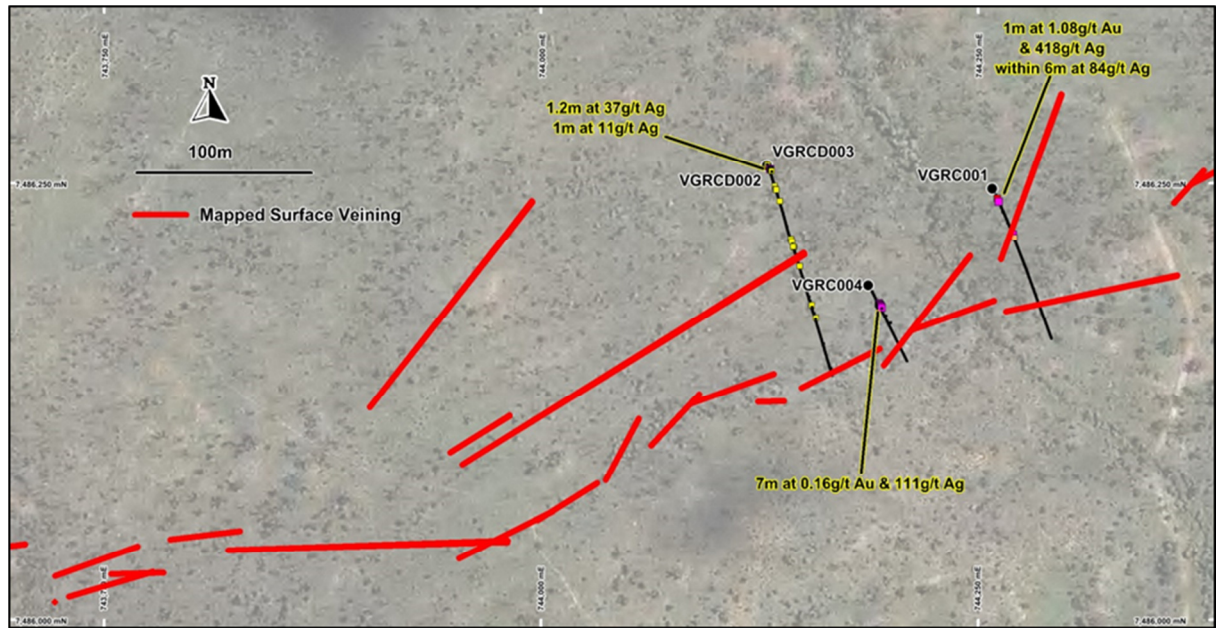


Figure 6: Plan showing results from Phase 1 drilling at the Veinglorious Prospect and mapped veins.

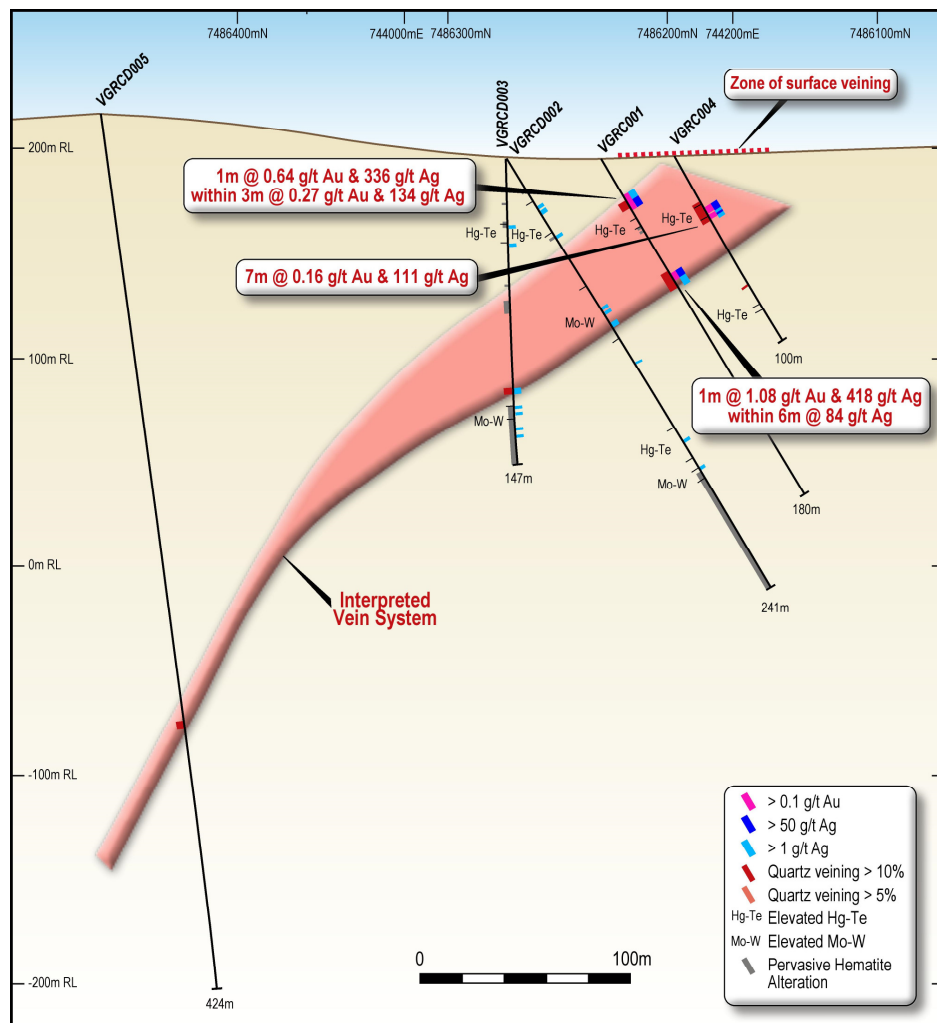


Figure 7: Cross section showing drilling at Veinglorious.



Geochemical data from Phase 1 drilling showed the grades of several key indicator metals to be highly elevated, specifically tellurium (Te), tungsten (W) and molybdenum (Mo) (refer ASX Release 24 February 2015).

While these metals are often found at elevated levels in epithermal systems and are therefore considered important geochemical indicators for precious metal deposition, the values encountered at Veinglorious are considered exceptionally high.



Figure 8: Quartz vein intersected in drillhole VGRCD005 293m – 297m.

Identification of Porphyry Potential - Veinglorious

In addition to intersecting prospective epithermal veins at Veinglorious, drilling also intersected wide zones of pervasive haematite alteration in the volcanic host rocks, which indicates the potential for a porphyry intrusive body proximal to Veinglorious.

The potential for a porphyry intrusive body proximal to Veinglorious is underscored by the suite of indicator metals which, although commonly expected in epithermal veins, are more often encountered at such highly elevated levels when located in proximity to a porphyry deposit. Pervasive potassic alteration, not limited to the epithermal veining, provides further evidence of the possible proximity to a porphyry intrusive.

Inversion modelling of helicopter magnetic data undertaken during the Quarter identified a number of remnant magnetic bodies in the Veinglorious - Aurora Flats area (Figure 9). As described in the ASX Release of 21 November 2014, a number of blind chargeability anomalies were detected in the Company's 2014 IP survey which may represent sulphide accumulations associated with porphyry intrusions.

The Company's exploration team is currently working on geochemical and SWIR data to assess the paragenesis and relationship of the indicators that are indicative of porphyry-style alteration. Further geophysical surveys are also planned to explore for porphyry mineralisation in the project area.

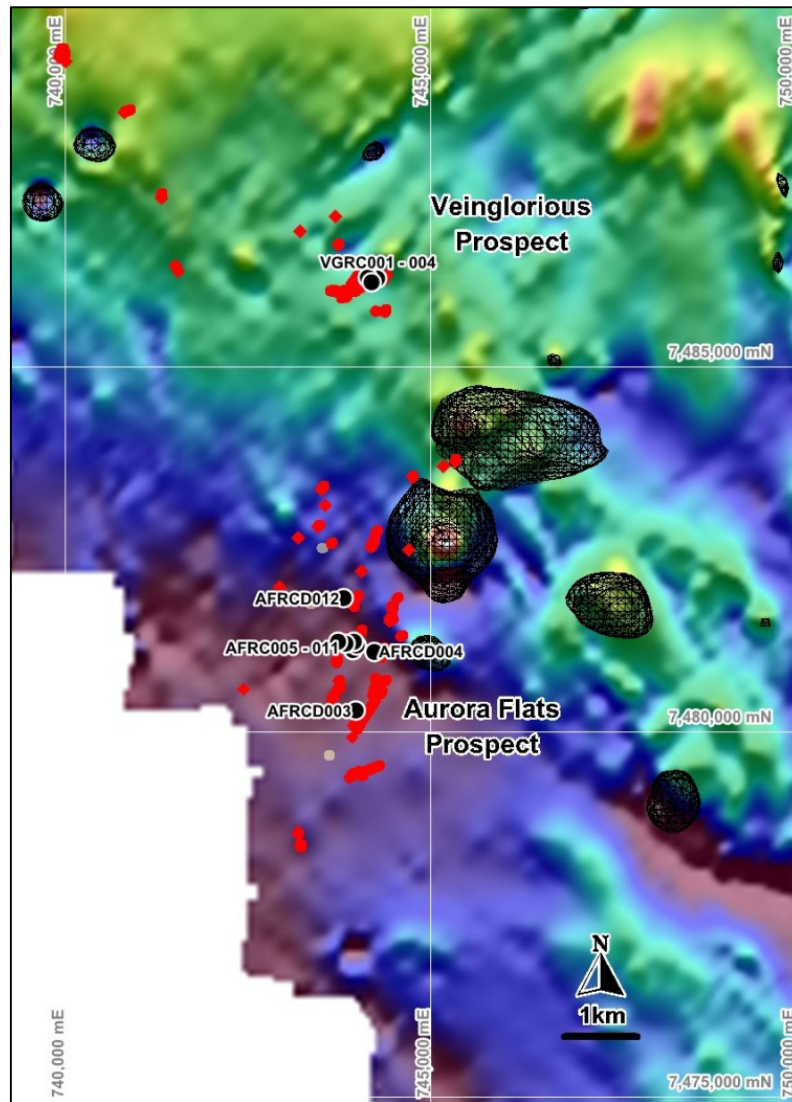


Figure 9: Plan showing interpreted magnetic bodies in the Aurora Flats – Veinglorious area.

Background

The New England Fold Belt in Queensland hosts numerous +1Moz Devonian through to Triassic aged epithermal and intrusion-related Au deposits. Many of these are Permian – Carboniferous aged systems and are intimately associated with intrusive lithologies of similar age.

Orion's Connors Arc project area is 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 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 in historical drilling which suggests that some prospects may be shallowly eroded, implying potential for higher gold grades at depth and existence of blind to surface orebodies.

In addition, several targets have been identified based on historical data review and using coincident ASTER alteration, geological and geophysical features which represent grass-roots additions to the project's target portfolio, which complement more mature targets such as Aurora Flats.

Fraser Range - Nickel-Copper and Gold-Projects (Western Australia)

Peninsula Prospect

During the Quarter, the Company received results from its moving loop EM survey which defined four anomalies adjacent to the HA2 magma chamber and to the west of the Peninsula-HA2 Prospect (refer ASX Release 18 February 2015). A follow-up fixed loop ground EM survey was completed during the Quarter aimed at refining and validating these anomalies and to enable modelling of the source bedrock conductors.

The surveys utilise cutting-edge high powered ground EM techniques which have been successfully used elsewhere in the belt. However, ground conditions at the Peninsula Prospect present unique challenges in the application of this technology due to the strong polarisation effects returned by the mafic intrusions. Therefore, the EM data is being processed and modelled in conjunction with other datasets (gravity and magnetic) to validate those targets and confirm if they should be considered as having high potential to be sulphide accumulations.

Other Targets

While fieldwork during the Quarter focussed on the Peninsula Complex (incorporating the mafic-ultramafic intrusions identified at the Pennor and Peninsula-HA2 Prospects) work was also carried out on the 23 targets the Company has previously defined within its Fraser Range Project (shown on Figure 10). The Company commenced a major review of the airborne EM, ground gravity and aeromagnetic datasets with three objectives:

- Evaluate airborne EM anomalies (refer ASX Release 3 February 2014) and prioritise for follow up based on geological interpretation and gravity data;
- Identifying previously unrecognised mafic intrusives within the project area based on re-interpretation and modelling of gravity and magnetic data; and
- Identify areas where metal bearing sulphides may have mobilised from their host intrusions to the margins of the intrusions and/or into adjacent structures as a result of post-magmatic processes.

The last target style is a key process in forming the Thompson Nickel Deposit in Manitoba, Canada and there is evidence that similar processes have occurred in the Fraser Range, including deformation due to the active basin margin as well as subsequent metamorphism.

The Company is currently working with its consultants and a number of collaborators to complete this review and will announce the findings in coming weeks.

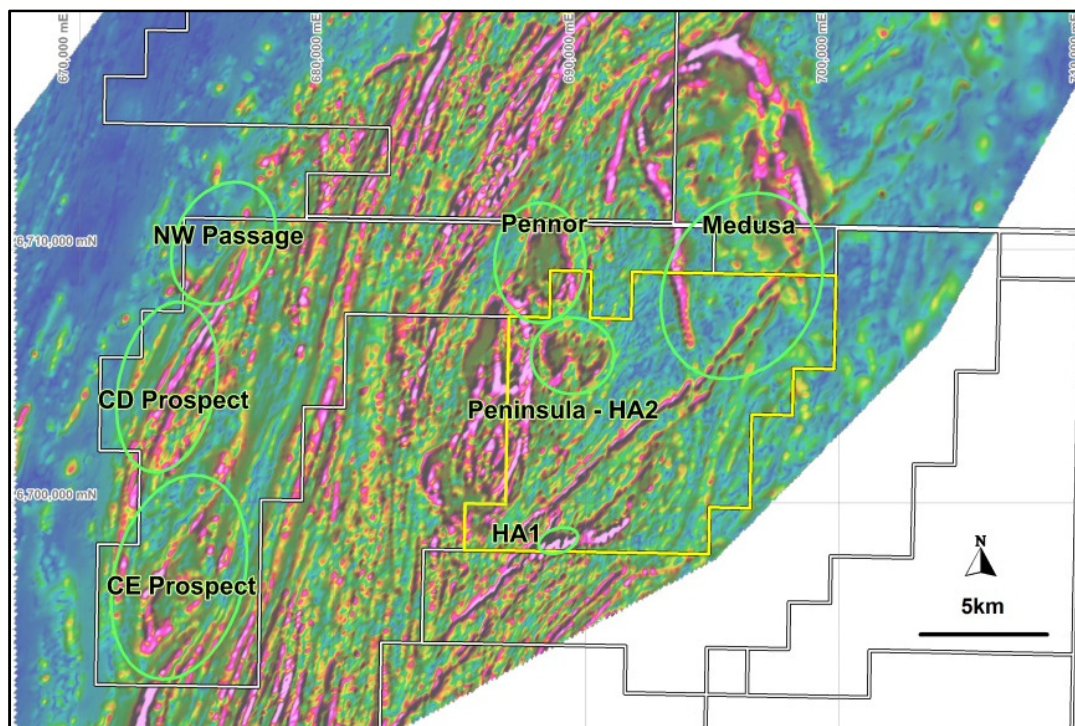


Figure 10: Plan showing key targets at the Fraser Range Project over data from historical high resolution aeromagnetic survey (as reprocessed by Orion).

Background

The 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 (Figure 11). 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.

Nickel-PGE exploration in the Peninsula Project, to the north-east of the Cundeelee Shear Zone, was carried out by Western Areas NL between 2000 and 2006. Scout RC drilling in 2005 yielded intersections of gabbro-norite and other mafic units which were interpreted to represent differentiated mafic intrusives, similar to those which were later discovered and host Sirius Resources' Nova-Bollinger nickel-copper-cobalt deposit.

Exploration of the Peninsula Project pre-dated the Nova-Bollinger discovery and the Company has now reinterpreted data from the Project in that context and acquired additional geophysical data to generate targets for drilling to test for deposits obscured by surface cover.

In December 2013, the Company carried out its maiden drilling program at the Peninsula Project and identified prospective mafic-ultramafic intrusive lithologies in areas where intrusive bodies had not previously been identified. RC drilling at Peninsula in early 2014 yielded anomalous Ni-Cu results which are the subject of current work programs.

In addition, a total of 23 Ni-Cu-PGE targets have been generated based on geophysical, geochemical and geological criteria across the Company's substantial landholding of over



4,700km². The Company's interest in these tenements is between 70% - 100% and includes 1,623km² of granted tenements and 2,597km² of applications where the company and its partner are the sole or priority applicant.

The Company's exploration programs have recently focussed on the Peninsula Prospect where the following key indicators have been observed:

- Large bodies of mafic-ultramafic intrusives are present, with the Company's drilling confirming the nature and extent of the magma chamber at Pennor;
- Detailed geochemical data from drillhole (fresh rock) samples confirms that:
 - the large HA2 and Pennor intrusive bodies are related and from the same source;
 - the parent magmas for these intrusions are fertile as sources of Ni-Cu;
 - a substantial amount of crustal contamination has occurred during uplift and emplacement of these magmas, adding the necessary components to form sulphides;
 - the HA2 magma chamber contains sulphides which were formed in the parent magma then entrained by magma dynamics;
 - the Pennor magma chambers contains magma which is depleted in Ni-Cu, relative to the parent magma; and
 - the Ni-Cu segregated out (or entrained in the case of HA2) is expected to have accumulated along basal contacts in magma chamber or in feeder zones to the large chambers.

At the Company's Cundeelee Gold Project, anomalous gold-in-calcrete geochemistry is coincident with the regional scale Cundeelee Shear Zone and extends for a significant distance along this shear zone. Aircore drilling by Dominion Mining (comprising 1,131 holes for 52,595m between 2006 and 2011) principally targeted these geochemical anomalies with encouraging results. However, only two RC holes were drilled to test for mineralisation below supergene anomalies.

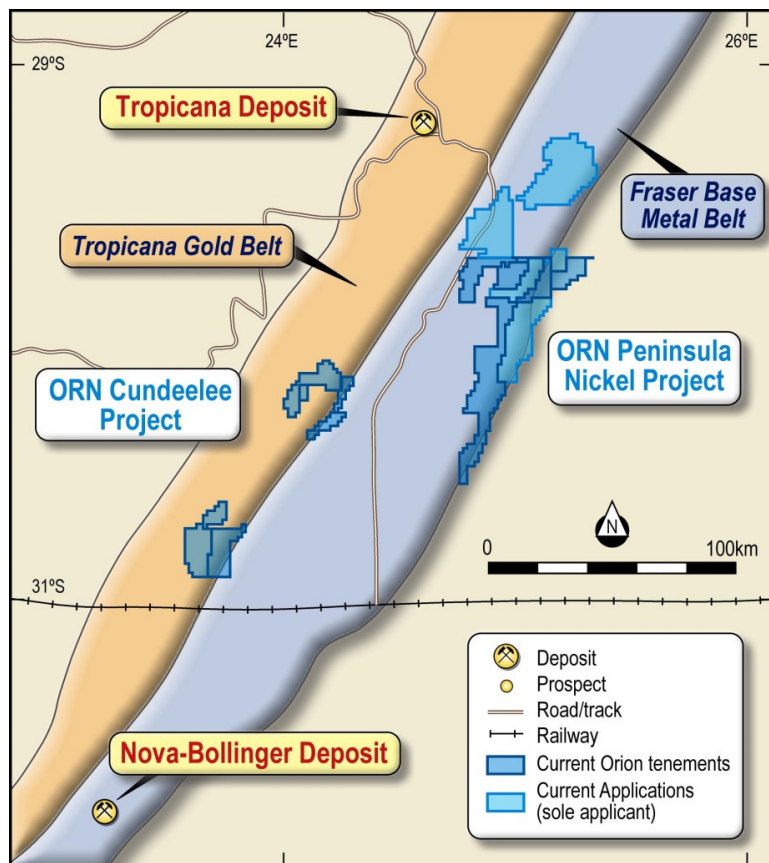


Figure 11: Location of tenements in the Fraser Range Project.

**Walhalla Gold and Polymetals Project (Victoria)****Walhalla Polymetals Project, Victoria (PGE-Copper-Nickel)**

During the Quarter, the Company did not carry out any exploration activity on the Walhalla Project. Please refer to the Corporate section for details of the Option Agreement entered into with A1 Consolidated Gold Limited ('A1 Gold') on 29 August 2014 where A1 Gold may acquire Orion's Walhalla Project tenements in Victoria with Orion retaining certain rights to known polymetal prospects and any further polymetal deposits discovered. A1 continues with due diligence investigations including drilling and sampling.

Background

The Walhalla – Woods Point District is most widely known as the third largest goldfield in Victoria, with significant past production exceeding 4 million ounces of gold at a reported head grade of over 25g/t gold. The current JORC resources comprise 268,000 ounces of gold in the Inferred category (detailed in Appendix 1).

While the Walhalla – Woods Point District is mostly known for gold mining, high grade copper - nickel and PGE mineralisation also occurs within the belt. Both mineralisation styles are hosted by dykes from the Woods Point Dyke Swarm (WPDS), a series of ultramafic to felsic dykes occurring over a 75km long north-south belt which are now interpreted to be the "plumbing" for a magmatic system of significant scale. The same studies have also developed a co-genetic model for the gold and the "polymetal" mineralisation. Five key Cu-Ni-PGE occurrences are known within the WPDS and three of these lie with Orion's tenement package (Figure 12). Despite these occurrences being known, sampled and, in the case of Coopers Creek, previously mined, there has been only been sporadic exploration for polymetallic deposits (mostly in the 1970's and 1980's).

The new understanding of the related polymetal and gold mineralisation in this district, as well as the model for mineralisation to be controlled by magmatic processes, has lead Orion to a new focus on exploration for polymetal, dyke-hosted deposits. The bulk of each individual dyke will likely exhibit only traces of sulphide mineralisation and minor Cu-Ni-PGE anomalism, however, examples such as Coopers Creek clearly demonstrate the potential for accumulation of sulphides in structural traps, resulting in zones of high grade mineralisation. Subsurface geometry of each dyke occurrence is considered one of the crucial factors in the development of such zones of sulphide accumulation and high grade mineralisation.

Orion recognises the opportunity presented by these unique deposits as well as their potential value, illustrated in Table 1 by the valuation of the metal content intersected in historical drill hole CC003.

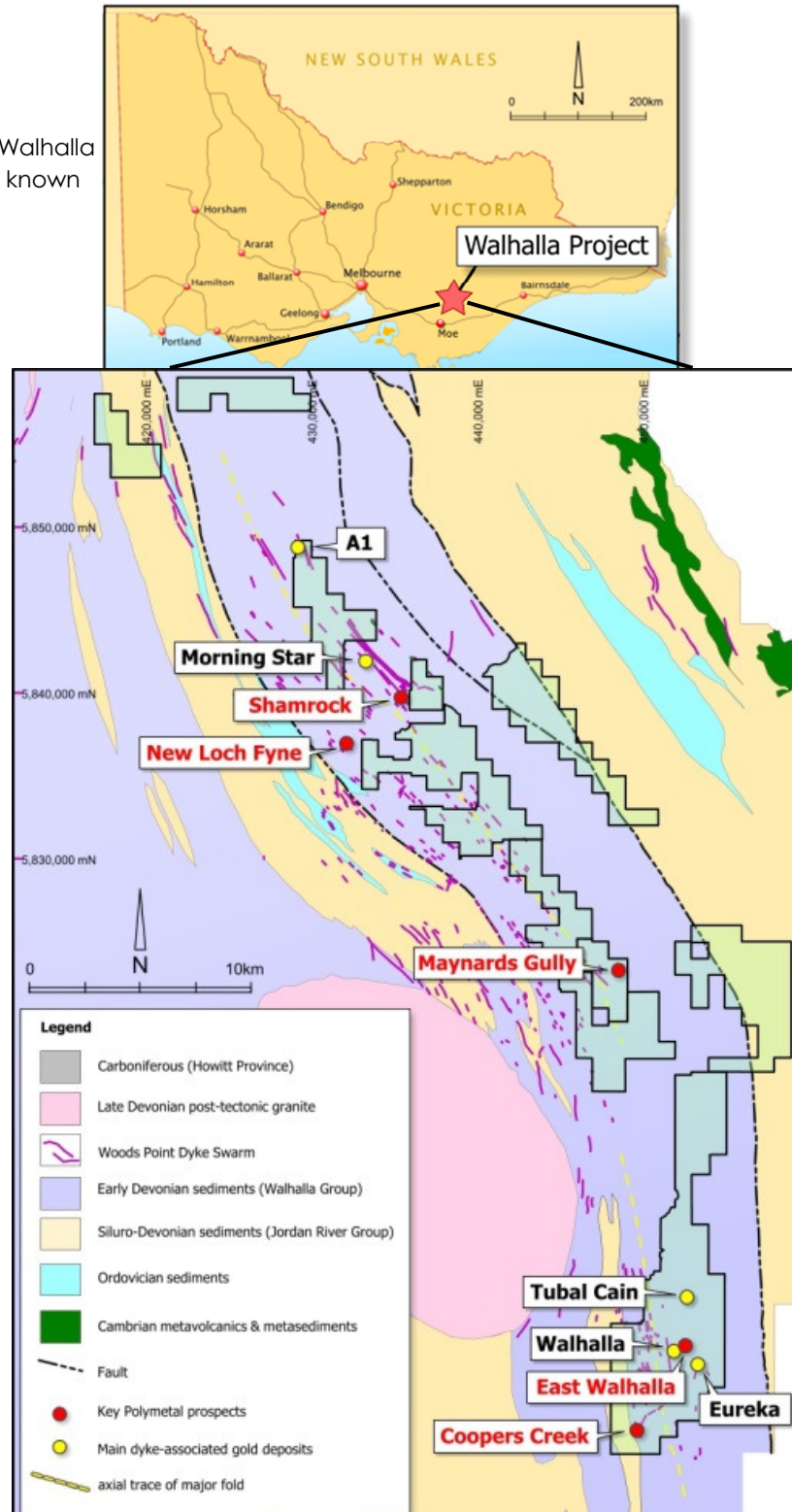
Table 1. Metal equivalent grade calculations for drill hole CC003 (Coopers Creek), drilled by Ausplat Minerals/Golden Shamrock, 1988

| | Price | Over 36 Meters | | | | Over 3.5 Meters | | | |
|-------|----------|----------------|------------------|---------------|---------------|-----------------|------------------|---------------|---------------|
| | | Grade | US\$ value/tonne | Au equivalent | Cu equivalent | Grade | US\$ value/tonne | Au equivalent | Cu equivalent |
| Au | \$1,217 | 0.39g/t | 15.25 | 0.39g/t | 0.23% | 1.3g/t | 50.85 | 1.30g/t | 0.75% |
| Pt | \$1,300 | 0.78g/t | 32.60 | 0.83g/t | 0.48% | 1.16g/t | 48.48 | 1.24g/t | 0.72% |
| Pd | \$802 | 1.08g/t | 27.85 | 0.71g/t | 0.41% | 1.64g/t | 42.29 | 1.08g/t | 0.63% |
| Ag | \$17.11 | 8.6g/t | 4.73 | 0.12g/t | 0.07% | 14.4g/t | 7.92 | 0.20g/t | 0.12% |
| Cu | \$6,735 | 1.75% | 117.86 | 3.01g/t | 1.75% | 3.23% | 217.54 | 5.56g/t | 3.23% |
| Ni | \$16,500 | 0.20% | 33.00 | 0.84g/t | 0.49% | 0.53% | 87.45 | 2.24g/t | 1.30% |
| Total | | | \$231.29 | 5.91g/t | 3.43% | | \$454.53 | 11.62g/t | 6.75% |



Note on Table 1: Orion has considered the in-situ grades reported in the context of the metal prices as reported by the London Bullion Market Association, the London Platinum & Palladium Fixing Company and the London Metal Exchange on 30 September 2014. The gangue and ore mineral assemblage as reported for the intersection is typical of PGE ores commonly mined in Southern Africa where >90% of world PGE production takes place. The metals and minerals identified are conventionally recoverable to a sulphide concentrate with standard metallurgical practices and a reasonable expectation of recovering >90% of each of the ore minerals. The concentrates produced can be expected to have composition typical of those commonly purchased and/or toll treated by base metal + PGE refineries in South Africa. The Competent Person is thus of the opinion that the metal equivalent estimate is a reasonable approach as an initial indication of economic merit of the mineral occurrence. The metal equivalence is stated as gold equivalence for Orion, which is a gold exploration and development company and has reported JORC compliant gold resources on the same tenement. Copper equivalence is also stated since copper is the metal contributing most economic value in the intersection.

Figure 12: Location of the Walhalla Gold-PGE Project showing known Cu-Ni-PGE occurrences.



Tenement Schedule

| Tenement | Project | Ownership Interest | Change in Quarter | Joint Venture Partner |
|--------------------------|--------------|--------------------|-----------------------|------------------------------|
| Western Australia | | | | |
| E28/1298 | Fraser Range | 0% | Extension not granted | Quadrio Resources Ltd |
| E28/1299 | Fraser Range | 85% | --- | Quadrio Resources Ltd |
| E28/1345 | Fraser Range | 0% | Relinquished | Quadrio Resources Ltd |
| E28/1531 | Fraser Range | 0% | Extension not granted | Quadrio Resources Ltd |
| E28/2231 | Fraser Range | 90% | --- | GeoBase Australia Pty Ltd |
| E28/2232 | Fraser Range | 90% | --- | GeoBase Australia Pty Ltd |
| E28/2292 | Fraser Range | 100% | --- | --- |
| E39/1653 | Fraser Range | 80% | --- | Geological Resources Pty Ltd |
| E28/2016 | Fraser Range | 70% | --- | Ponton Minerals Pty Ltd |
| E39/1654 | Fraser Range | 70% | --- | NBX Pty Ltd |
| E69/2379 | Fraser Range | 70% | --- | Ponton Minerals Pty Ltd |
| E69/2380 | Fraser Range | 70% | --- | Ponton Minerals Pty Ltd |
| Queensland | | | | |
| EPM19825 | Connors Arc | 100% | --- | --- |
| EPM25122 | Connors Arc | 100% | --- | --- |
| EPM25283 | Connors Arc | 100% | --- | --- |
| Victoria | | | | |
| EL3311 | Walhalla | 100% | --- | --- |
| EL4660 | Walhalla | 85% | --- | CMS Australia Pty Ltd |
| EL5043 | Walhalla | 100% | --- | --- |
| EL5077 | Walhalla | 100% | --- | --- |
| MIN5487 | Walhalla | 100% | --- | --- |
| EL5340 | Walhalla | 100% | --- | --- |
| EL5348 | Walhalla | 100% | --- | --- |

Corporate

Cash and Finance

Cash on hand at the end of the Quarter was \$1.08 million.

Entitlements Issue

On 29 September 2014, the Company announced that it had received underwriting commitments of \$1.0 million for a pro-rata renounceable entitlements issue ('Entitlements Issue') to shareholders. The maximum amount to be raised under the Entitlements Issue was approximately \$2.43 million at 3.0 cents per fully paid ordinary share ('Share'). Eligible shareholders were entitled to participate in the Entitlements Issue on the basis of one Share for every three Shares held. Shareholders were also given priority to apply for shortfall shares in addition to their entitlement.

The Entitlements Issue was underwritten to an aggregate amount of \$1.0 million. Underwriters included entities associated with Orion directors, Mr Denis Waddell (\$0.50 million) and Mr Errol Smart (\$0.10 million), as well as other professional investors.

Acceptances under the Entitlements Issue closed on 21 November 2014 and on 28 November 2014 the Company issued 12,026,515 Shares totalling \$0.36 million, with a shortfall of 69,246,275 Shares including an underwritten shortfall of 21,306,820 Shares.

On 19 December 2014 the Company issued 47,856,062 Shares to underwriters to finalise their underwriting commitments in relation to the Company's Entitlements Issue and for take-up of shortfall in relation to the Entitlements Issue.

On 12 February 2015 the Company issued 1,928,999 Shares for take-up of shortfall in relation to the Entitlements Issue. The offer of shortfall Shares closed on 21 February 2015.

Walhalla Project - Option Agreement

On 29 August 2014, the Company announced it had entered into an option agreement with A1 Gold for A1 Gold to acquire Orion's Walhalla Project tenements in Victoria.

The 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;
- the 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:
 - \$0.5 million cash payment;

- \$0.5 million 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.

Research and Development Tax Incentive

During the Quarter, the Company received a Research and Development ('R&D') Tax Incentive rebate from the Australian Taxation Office of \$1.22 million. During the year ended 30 June 2014, Orion incurred eligible R&D expenditure from which the rebate was calculated.

Breakaway Issue Research Report

On 23 March 2015, the Company announced that Breakaway Research had completed a research report on the Company.

To view a copy of the report, entitled "Intensive exploration confirms Au-Ag veining at depth at Orion's Connors Arc Epithermal Project", please visit our website at www.oriongold.com.au.

Breakaway Research is an independent research company. It is a member of Breakaway Investment Group - an Australian financial services company that specialises in the resource sector providing funds management, equity research and corporate advisory services. As disclosed in the report, Breakaway Research was commissioned by the Company to prepare the research report.

Competent Persons Statement

The information in this report that relates to Exploration Results and other technical information for the Fraser Range Nickel-Gold Projects (also described as the Cundeelee Gold Project, the Peninsula Nickel Project and the Plumridge Lakes Project) complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") and has been compiled by 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 Chief Operating Officer 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 announcement of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results at the Connors Arc Project complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") and is based on information compiled by Mr Bruce Wilson, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Wilson is the Principal of Mineral Man Pty Ltd, a consultant to Orion Gold, 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 Wilson consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results and other technical information for the Walhalla PGE-Cu-Ni "Polymetals" Project complies with the 2012 Edition of the JORC Code and has been compiled and assessed under the supervision of Mr Errol Smart, Orion Gold NL's Managing Director, from historical records and field investigation. Mr Smart (PrSciNat) is registered with the South African Council for Natural Scientific Professionals, a ROPO for JORC purposes and has experience in the identification and exploration of mineralisation of this style. Mr Smart consents to the public release of the information in the context contained within this release as a Competent Person as defined in the 2012 Edition of the JORC Code).

The information in this announcement relating to Mineral Resources and Exploration Targets complies with the 2012 Edition of the JORC Code and is based on and accurately reflects grade estimation and modelling undertaken by Mr Phil Jankowski MSc MAusIMM(CP) on behalf of Orion Gold. Mr Jankowski is a Director with of Baltica Consulting and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' Mr Jankowski also consents to the inclusion in the report of the information in the form and context in which it appears.

Disclaimer

This release may include forward-looking statements. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements inherently involve subjective judgement and analysis and are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Orion Gold NL. Actual results and developments may vary materially from those expressed in this release. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Orion Gold NL makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

Appendix 1: Mineral Resources at the Walhalla Gold Project.

| Walhalla Gold Project – In situ Mineral Resources | | | | |
|---|-------------------|------------------|-------------|----------------|
| Deposit | Cut-off Au g/t | Inferred | | |
| | | Tonnes | Au g/t | Ounces Au |
| Tubal Cain | 2 ¹ | 932,000 | 4.10 | 122,900 |
| Eureka ² | 4 | 153,000 | 9.90 | 49,200 |
| Cohen's | 2 | 825,000 | 3.63 | 96,300 |
| Total | | 1,910,000 | 4.37 | 268,400 |

Notes:

1. The 2g/t applies to the bulk of the deposit, below the 475mRL. Above this depth a 1g/t cutoff is used as surface mining may be able to be used for this portion of the deposit.
2. The Eureka Deposit was estimated based on the 2004 JORC Code and has been "grandfathered" in accordance with the 2012 JORC guidelines as there has been no material change to the Mineral Resource.
3. Further information on these Mineral Resources is included in the December 2013 Quarterly Activities Report and it is recommended that these resources are reviewed in conjunction with this information.

| Walhalla Gold Project – Exploration Targets | | | |
|---|----------------------------|-------------------------|--------------------------------|
| Deposit | Tonnage Range | Grade range (Au g/t) | Contained Ounces Range (Au) |
| Tubal Cain | 500,000 – 1,500,000 | 1.5 – 2.5 | 25,000 – 120,000 |
| Cohen's | 100,000 – 300,000 | 2 – 4 | 5,000 – 40,000 |
| Total | 600,000 – 1,800,000 | 1.6 – 2.8 | 30,000 – 160,000 |

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information in this announcement relating to Exploration Targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. The Exploration Targets cover areas where there has been insufficient exploration to define a Mineral Resource which complies with the JORC Code, and it is uncertain if further exploration will result in the determination of a Mineral Resource. The potential tonnages and grades presented in these Exploration Targets are conceptual in nature.