

30 October 2015



QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

HIGHLIGHTS

ASX Code: ORN

Issued Capital:

Ordinary Shares: 306M

Options: 37M

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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Exploration

- **Substantial progress made at Connors Arc Epithermal Gold-Silver Project, Queensland:**
 - High grade surface samples returned from newly identified epithermal veining 1200 metres north of the Veinglorious Prospect.
 - New vein swarms at Veinglorious identified with a strike length of +2 kilometres. Cumulative strike length of mapped veining increased to 4.2 kilometres, confirming the presence of a substantial epithermal system.
 - Surface geochemical program at Aurora Flats provides further targets coincident with targets generated from ground magnetics.
 - Anomalous gold-arsenic results in surface sampling of veining at Chough Prospect.
 - Follow-up drilling program planned to commence during the December 2015 Quarter.
- **Continued large landholding in the Fraser Range, WA:**
 - Over 34 identified targets for magmatic nickel-copper mineralisation.
 - New targets identified in area with no previous exploration and under thick cover.

Corporate

- **Placements planned to sophisticated and professional investors at 1.5 cents per share to raise up to \$1.5 million.**
- **Loan facilities executed with major shareholders, Silja and Tarney totalling \$1.0 million. Amounts drawn under loan facilities to be converted to Shares at 1.5 cents per Share (subject to shareholder approval).**
- **Option Agreement signed to assess potential new business development and acquisition opportunities.**



Orion Gold_{NL}

Exploration

Connors Arc Epithermal Gold Project (Queensland)

During the Quarter, the Company continued systematic exploration of the Connors Arc Epithermal Gold Project (Queensland). Highly encouraging results were received from the recently discovered veins at Veinglorious making this prospect the highest priority for follow up drilling (anticipated to commence in the December 2015 Quarter). In addition, surface geochemical surveys at the Aurora Flats Prospect both tested targets identified from review of drilling results and generated new targets for drill testing.

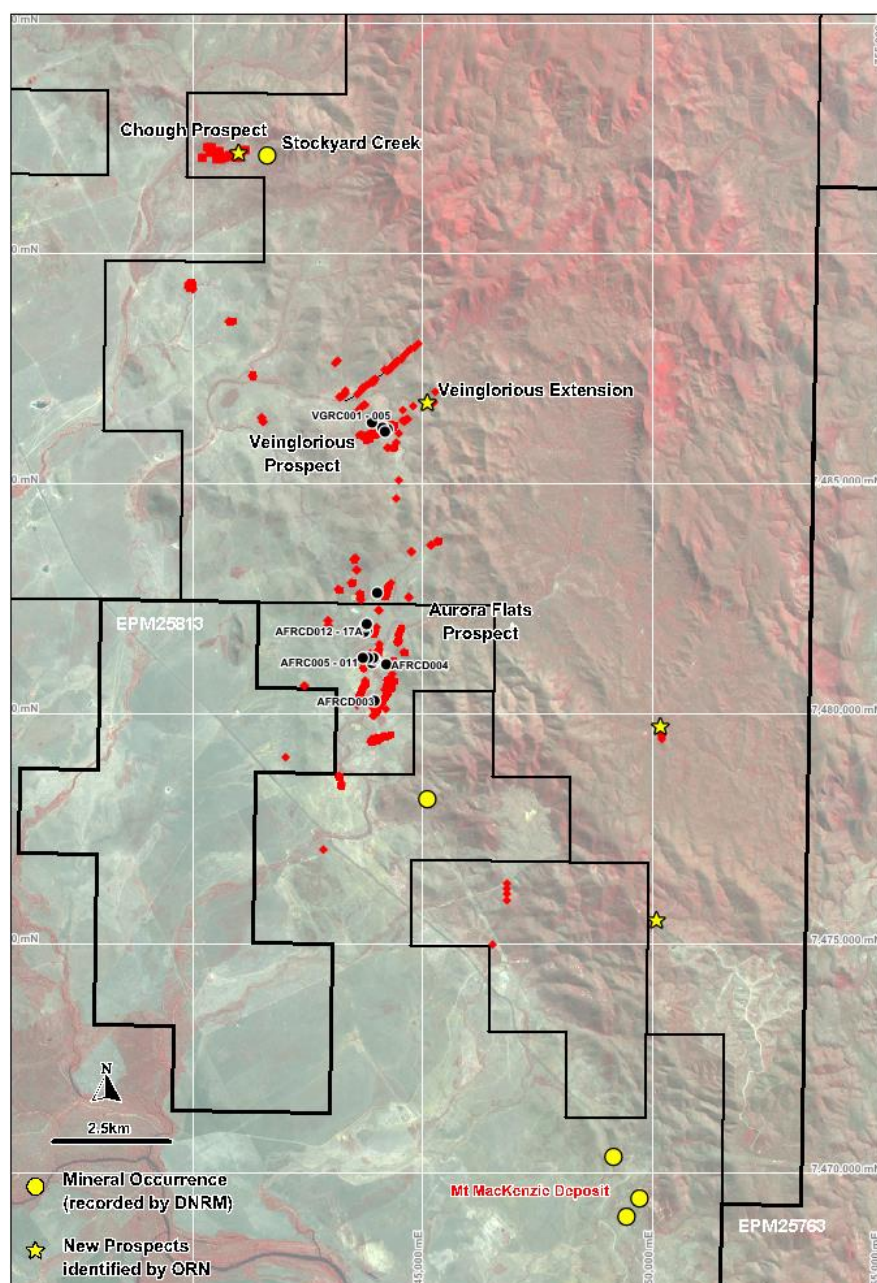


Figure 1: Plan showing location of Aurora Flats and Veinglorious Prospects along with Orion drillholes and mapped veins. Regional prospects and recorded mineral occurrences also shown.

Veinglorious Prospect

Exploration of the broader area around the Veinglorious Prospect led to the identification of substantial extensions to the epithermal vein system with two major parallel vein swarms discovered to the north of the Veinglorious Prospect (ASX Release 14 July 2015). Substantial veining has also been mapped north-north-east of the Veinglorious Prospect, along trend from the previously mapped strike of this Prospect (refer Figure 2). These additional discoveries confirmed the presence of a substantial epithermal system at Veinglorious given the cumulative strike length of all veins mapped to be approximately 4.2 kilometres.

Results from systematic rock-chip sampling of these vein swarms returned strongly anomalous gold and silver assays reported in a number of samples (ASX Release 22 September 2015). Encouragingly, the majority of the anomalous samples were from the same vein segment immediately north of the Veinglorious Prospect (refer Figure 2). Five samples of the thirty nine taken from this vein swarm returned high-grade silver assays of greater than 100g/t (samples V202, V296, V310, V331 and V337), being levels at which silver mineralisation with gold as by-product is of potential economic interest.

The western portion of this vein swarm also returned anomalous and mineralised gold assays with peak values of **2.75g/t gold** in V337 and **0.97g/t gold** in V331 (total of 12 samples taken, refer ASX Release 22 September 2015). This vein exhibits a range of epithermal textures and vein forms including parallel stringers, vein breccia, massive veining and stockwork over widths of up to 20 metres. Adularia is also present in discrete concentrations within the vein.

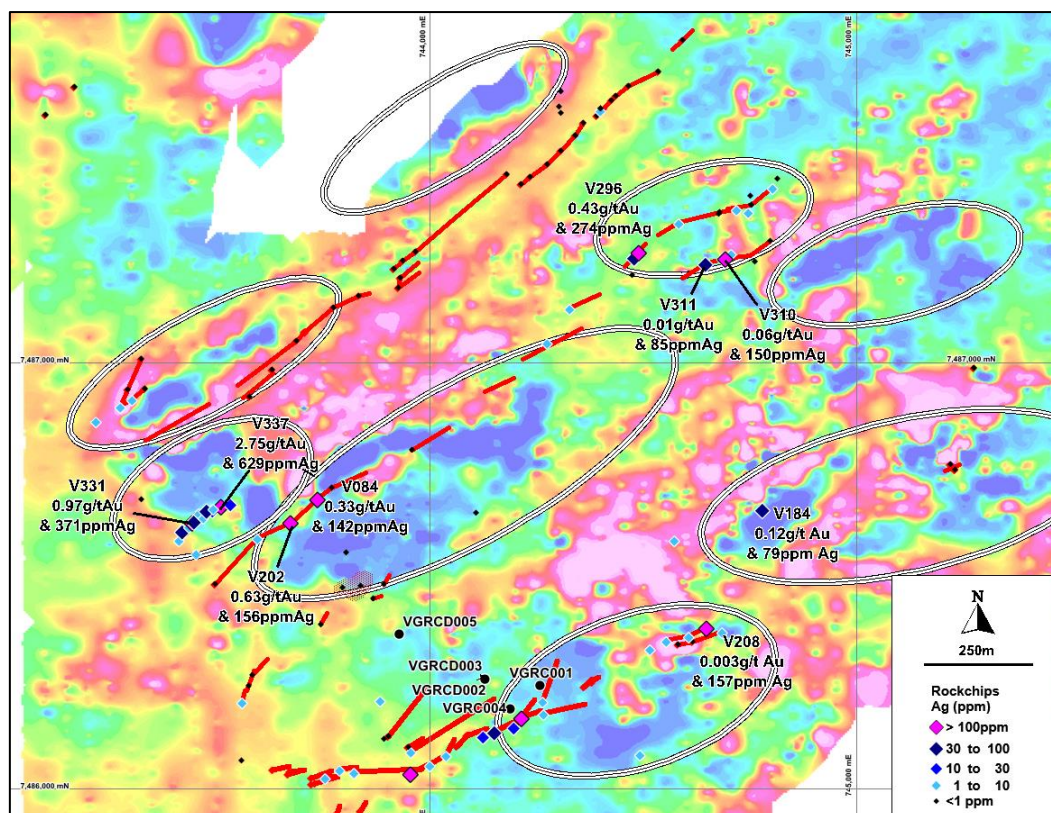


Figure 2: Plan showing high resolution total magnetic intensity (TMI) ground magnetic data, with white circles indicating magnetic low anomalies correlating to epithermal vein systems. Also shown are mapped epithermal vein outcrops and silver results from rockchip sampling.



As outlined in the June 2015 Quarterly Report, a follow up ground magnetic survey was carried out at the Veinglorious Prospect to extend the coverage across the mapped extensions to the Veinglorious system. A number of significant magnetic low features have been identified both along strike from and parallel to the Veinglorious prospect (refer ASX Releases 14 July 2015 and 22 September 2015; also Figure 2).

A large volume of epithermal fluid flow has the effect of altering and de-magnetising the host rocks in proximity to the veins, resulting in anomalous lows which are detectable in processed magnetic data. With dips of approximately 75° to the north-west, the newly mapped veins are notably steeper dipping than those drilled at the “main” Veinglorious prospect (refer Figure 3), indicating that the strong magnetic lows immediately north-west of samples V331-V337, as well as V084-V202 (refer Figure 2), are prime targets for strongly altered rocks.

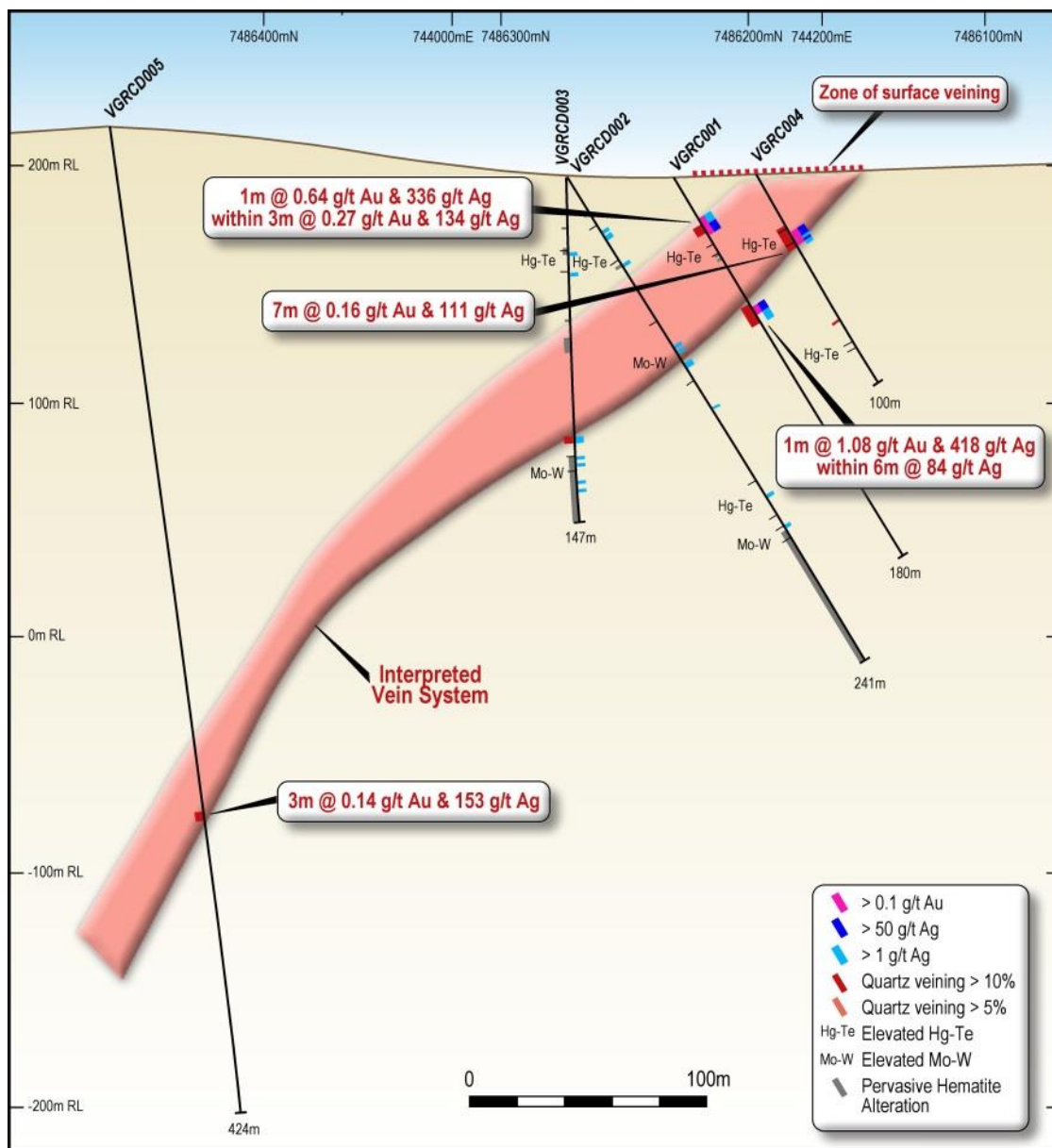


Figure 3: Cross-section showing results from drilling at Veinglorious.

Aurora Flats Prospect

During the Quarter, the Company received the results of a soil sampling program across the Aurora Flats Prospect. This program has enabled an initial test of targets defined in the Company's high- resolution ground mag survey at Aurora Flats (refer ASX Release 29 May 2015) as well as using results from the analysis of multi-element geochemical data by Professor Noel White and Dr Scott Halley from drill samples, to define further drill targets.

Figure 4 shows anomalies defined by an additive index of normalised gold (Au), silver (Ag), antimony (Sb), bismuth (Bi), molybdenum (Mo) and tellurium (Te). Data for each of the individual elements is contained in the ASX Release of 14 July 2015.

There is an excellent correlation between the geochemical anomalies defined by the soil sampling results and the geophysical targets defined in the ground magnetic survey (shown on Figure 4; also refer ASX Release 29 May 2015). The vein system at Aurora Flats has been shown to be dipping at approximately 70° West, therefore magnetic low features to the west of the veins and soil geochemical anomalies are considered important targets.

It is also noted that the eastern vein corridor appears to have stronger geochemical anomalism, while the more robust western corridor, where initial drilling was focused, is more subdued.

Significantly, the soil geochemistry has also delineated anomalies to the south of the mapped veining at Aurora Flats as well as along the "Powerlines" trend to the north of Aurora Flats. The strength of the southern anomaly makes it a high priority target in the upcoming drill program (Figure 4). The expanded survey has highlighted the unusual orientation of this anomaly, as it appears that the anomaly may follow the intersection of the "regional" NNE-SSW trend mapped throughout the Aurora Flats Prospect and an ENE – WSW trend mapped in epithermal veining adjacent to the anomaly. This second orientation appears to offset the "regional" trend in this area, and further investigation, including drill testing, will be carried out to confirm this apparent relationship.

These geochemical targets provide additional data to enable the targets delineated to date to be ranked for drilling in coming weeks.

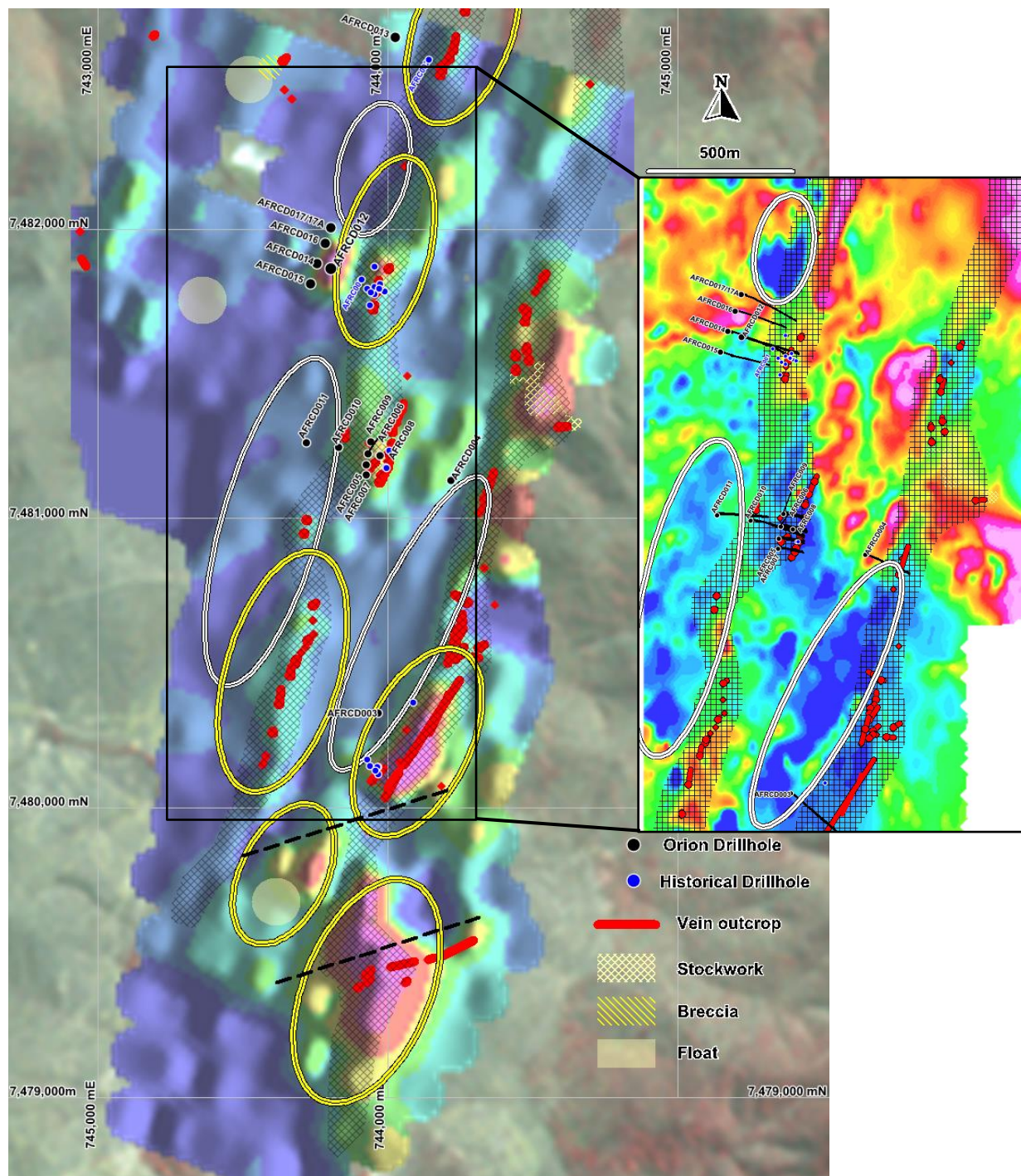


Figure 4: Plan showing results of soil sampling program at Aurora Flats. Image shown is a gridded additive index of Au+Ag+Bi+Mo+Sb+Te utilising a z score method of normalising each result using the mean and standard deviation of results for each element. Anomalous areas (or geochemical targets) are circled in yellow with white circles indicating geophysical targets (see below). Also shown are mapped epithermal vein outcrops and drilling carried out to date. The black dashed lines indicate the apparent ENE-WSW trends offsetting both the geochemical and geological trends in the southern areas.

Inset plan shows high resolution Reduced To Pole (**RTP**) ground magnetic data, with white circles highlighting magnetic low anomalies correlating to west dipping epithermal vein systems at the critical target depth for gold deposition (refer ASX Release 29 May 2015).

Ground Magnetism & Surface Geochemistry – Chough Prospect

A high-resolution ground magnetic survey was also carried out at the Chough Prospect during the Quarter (refer Figure 1 for location). This prospect was identified earlier in the year with epithermal and stockwork veining being identified in highly silicified, pyritic volcanic host rocks. The dominant trend of these veins was mapped as east-west, or ENE-WSW, with structures observed to offset the veins along a NE-SW corridor. The ground magnetic survey has identified a magnetic low in this NE-SW orientation which may indicate that this zone is related to fluid flow at this prospect (refer Figure 5).

Results have been received from sampling of these veins with interesting anomalous gold-arsenic results returned from a discrete area at the centre of the prospect (refer Figure 5, also ASX release 22 September 2015). The anomalous arsenic content and other geochemical characteristics indicate that the fluids which created the epithermal veins at the Chough Prospect are different from those which were prevalent at the Aurora Flats and Veinglorious Prospects.

A soil sampling survey has been completed to enable the geochemical area of interest to be better defined, as well as a field mapping program to enable the results of the ground magnetic survey to be placed into geological context.

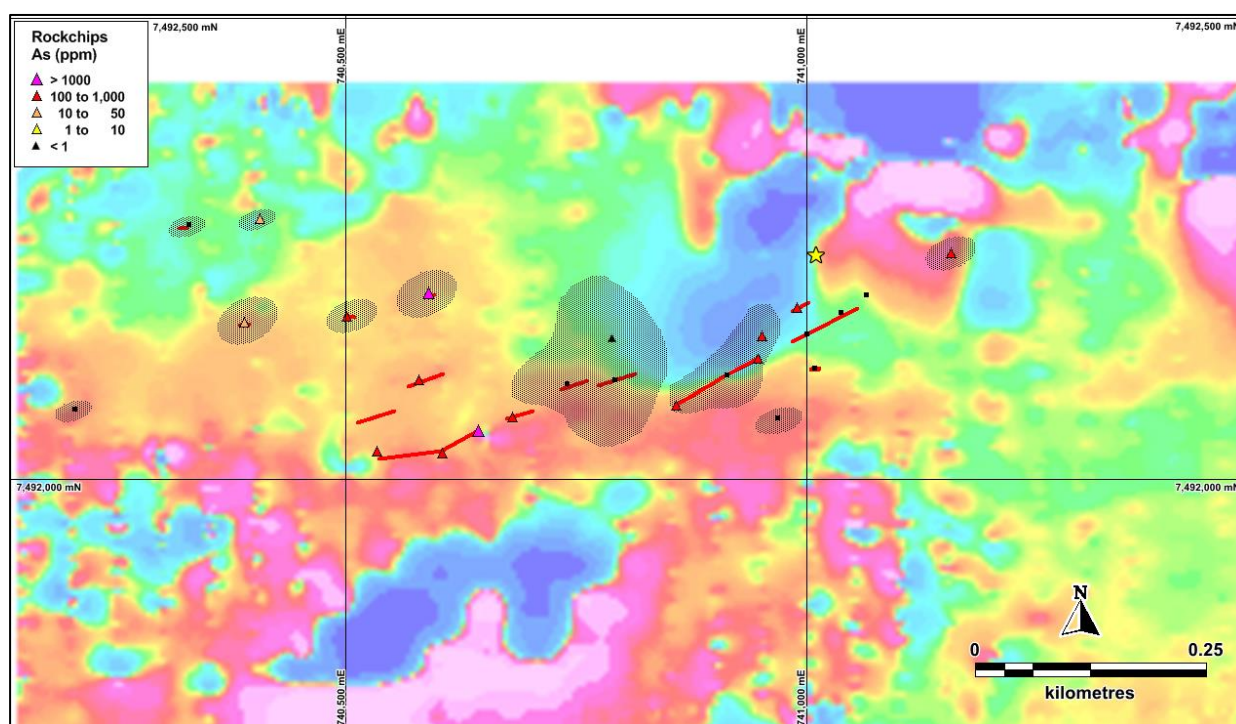


Figure 5: Plan showing high resolution total magnetic intensity (TMI) ground magnetic data, with deep blues indicating magnetic low anomalies potentially correlating to epithermal vein systems. Also shown are mapped epithermal vein outcrops and arsenic results from rockchip sampling.

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. Field mapping and sampling has also identified new targets.

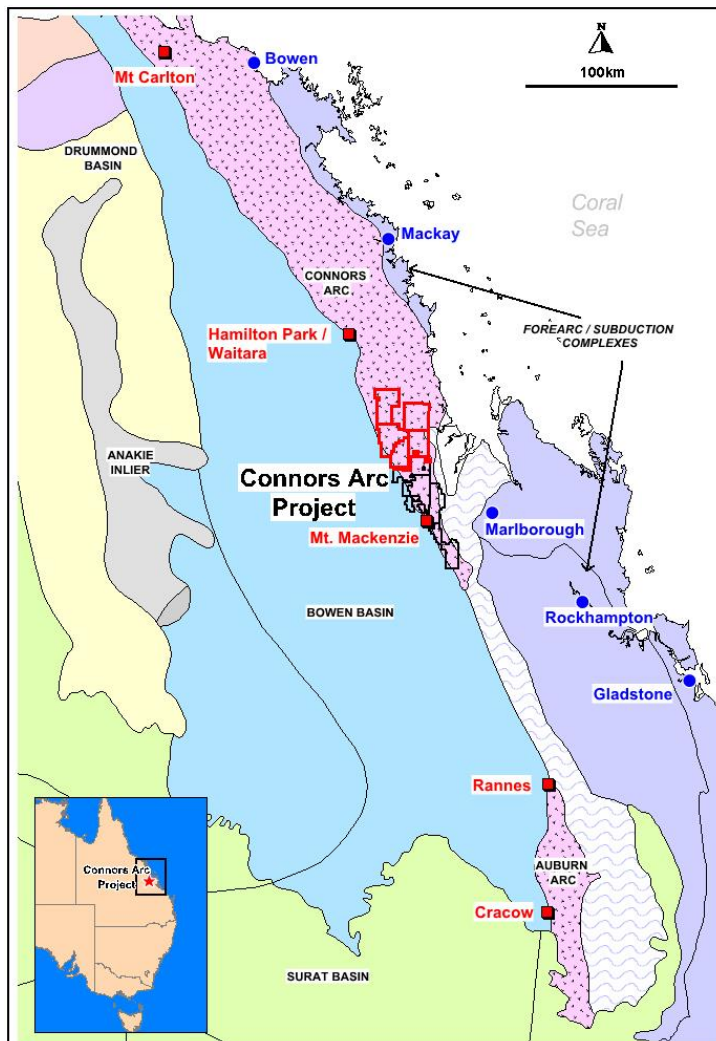


Figure 6: Location of tenements in the Connors Arc Project.

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

During the Quarter, work focussed on planning exploration programs to test the targets identified in the Company's Fraser Range holdings during the June 2015 Quarter (refer Figure 7, also ASX release 26 May 2015).

A number of these targets lie beneath deeper, modern sediment cover in the eastern project area, where airborne electromagnetic (**EM**) has been ineffective and, in some cases, where high-resolution magnetic data has not yet been acquired. These targets underlie an area of approximately 72 square kilometres, and a substantial effort is required to ensure the entire area is adequately tested by exploration. As a result, the Company has received advice from its expert consultants as to the options available to carry out effective exploration beneath this cover. Quotes have also been sourced as to the options to expand the level of detailed magnetic and gravity data from the current area to cover the entire landholding (refer Figure 8).

The new targets are believed to represent mafic-ultramafic intrusions due to the elevated sub-surface density interpreted within these areas, and are therefore prospective for magmatic Ni-Cu mineralisation. The new targets were identified using constrained gravity inversion modelling, which identified a number of bodies within the target area with the high SG characteristic of mafic intrusions in the Albany-Fraser Belt. Previously defined targets have also been progressed by integrating the results of the gravity modelling with data from magnetic and EM surveys.

The Company is in discussions with several parties who have expressed interest to become involved in our Fraser Range Projects. Involvement from these interested parties could provide both additional technical capability and potential financing for expanded exploration efforts on Orion's large tenement holding. Discussions with various parties are ongoing.

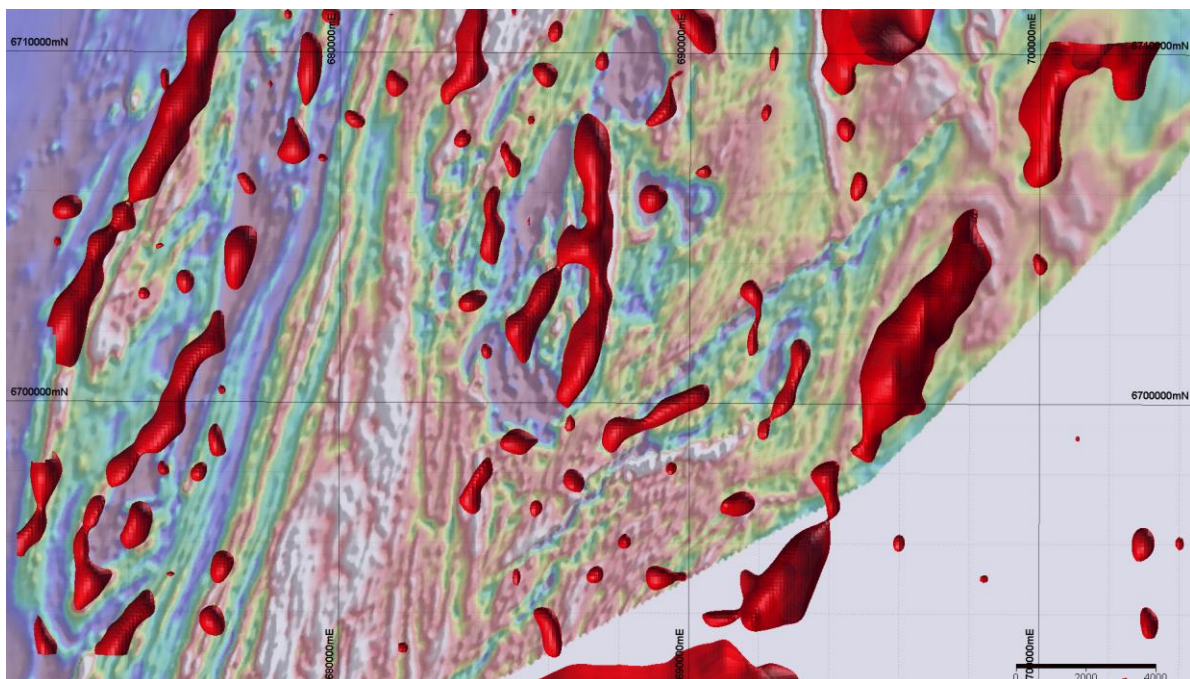


Figure 7: Plan showing bodies with SG greater than 3.0g/cm³, matching measured SG of mafic intrusions in the Albany-Fraser Belt, interpreted by inversion modelling of ground gravity data.

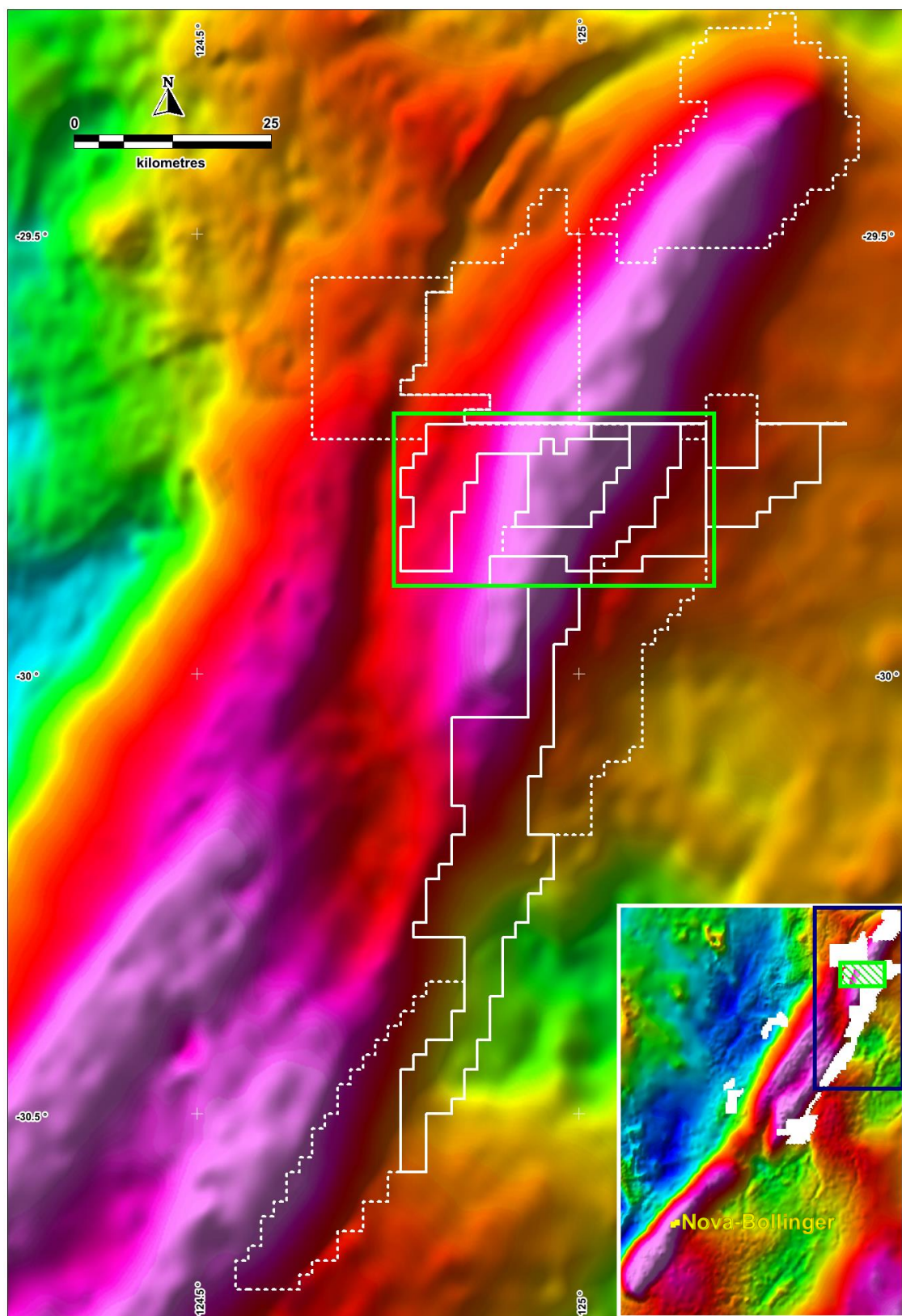


Figure 8: Map showing the Company's 4500km² Fraser Range tenement holding (white) and area of the gravity modelling study (green) over regional gravity data. The inset shows the dataset from the belt and the location of the Nova-Bollinger Deposit.

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 Independence Group (**IGO**). 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 IGO's 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 34 Ni-Cu-PGE targets have been generated based on geophysical, geochemical and geological criteria across the Company's substantial landholding of approximately 4,500km² (Figure 8). The Company's interest in these tenements is between 70% - 100% and includes 2,438km² of granted tenements and 2,019km² 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.



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. As disclosed previously the Company entered into an Option Agreement 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.

During the Quarter A1 Gold announced results from sampling of surface holes EUSDH-001 and EUSDH-001W1. These holes were drilled to test the area around the Western Adit at the Eureka Mine and intersected mineralised reef within the targeted zone, along with other mineralised reefs.

A total of 9 reefs were intersected in EUSDH-001 and 4 in EUSDH-001W1 including the E3 reef in EUSDH-001 that graded at 3.2m @ 10g/t at Western Adit level (refer A1 Gold ASX release 11 August 2015).

On 11 August 2015, the Company announced that it had entered into a binding term sheet with A1 Gold for A1 Gold to acquire the Company's Walhalla Project mining tenement 5487 in Victoria, which includes the Eureka and Tubal Cain deposits, for total consideration of \$0.85 million. Details of this term sheet are contained in the Corporate section.

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 75 kilometres 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 (refer Figure 9). 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.

Figure 9: Location of the Walhalla Gold-PGE Project showing known Cu-Ni-PGE occurrences.

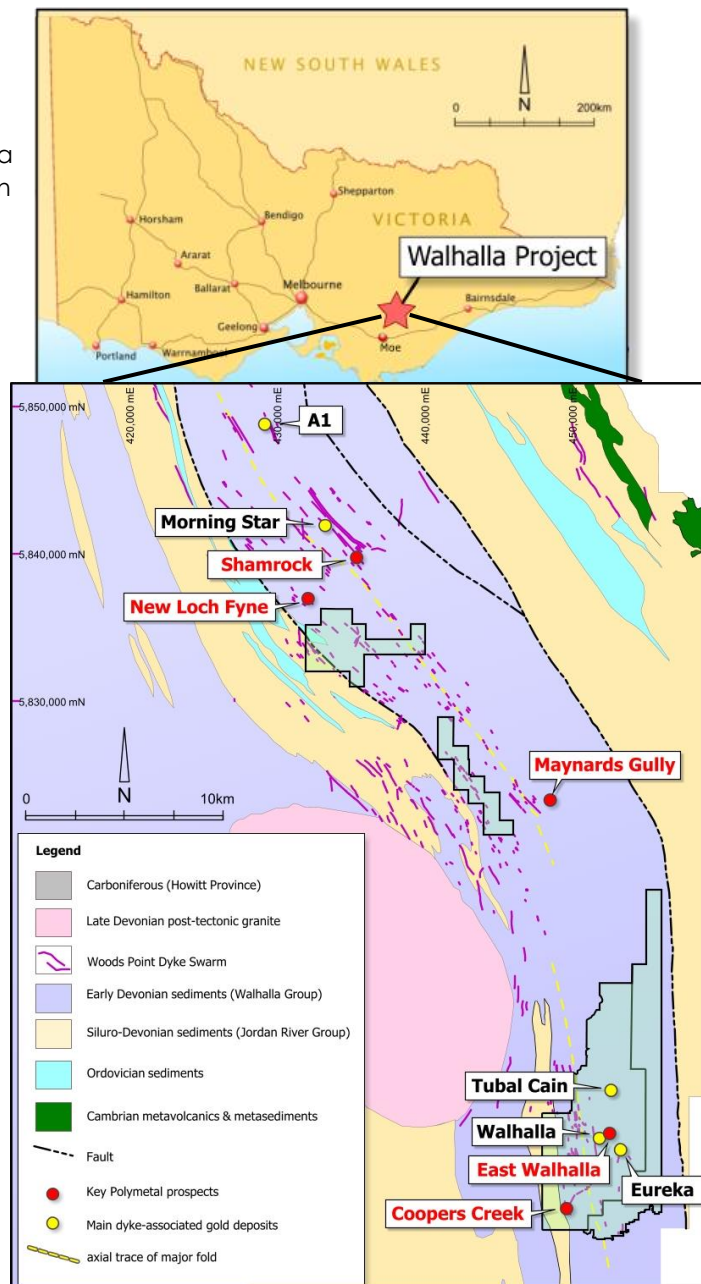


Table 1. Metal equivalent grade calculations for drill hole CC003 (Coopers Creek), drilled by Ausplat Minerals/Golden Shamrock, 1988

	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.

New Projects

As part of its longer term growth strategy, the Directors of Orion continually review new business opportunities. Against the backdrop of depressed conditions in the junior resource industry worldwide, a number of opportunities have recently been presented to the Company which are currently under review, ranging from exploration projects in prospective terrains to more advanced projects that have the potential to proceed to early development. In addition the Company routinely makes opportunistic applications for vacant ground in known mineralised provinces with the aim of building a landholding in these areas.

Orion's team is focusing its efforts on projects where in-house technical expertise may be applied to unlock value. This includes magmatic and volcanic-related metal exploration projects – including intrusive and extrusive nickel-copper sulphide deposits and epithermal/volcanogenic massive sulphide (**VMS**) related gold, silver, copper, zinc and lead deposits.

Orion is specifically interested in projects where initial exploration has been completed, indicating a project that is ready for a resource drill-out but where modern exploration methods may not have been applied, therefore offering significant exploration upside beyond current identified mineralisation. This project search is aimed at complementing the Company's exceptional portfolio of greenfields exploration projects in the Fraser Range region of Western Australia and the Connors Arc Project in Queensland.

Orion's long-term objective is to secure quality projects at a more advanced stage than its current projects, providing shareholders with exposure to a pipeline of development opportunities as well as greenfields exploration.

For one such opportunity, on 30 July 2015 Orion announced that it had executed a term sheet agreement with unrelated vendors providing it with an exclusive right to carry out due diligence and work towards completing a comprehensive option agreement within 90 days that may ultimately allow it to acquire a South African-based holding company with advanced gold and base metal assets.

The completion of this option agreement will give Orion a further nine months to undertake comprehensive due diligence before having the right to purchase the holding company, whose subsidiaries hold interests in a portfolio of epithermal and VMS metal occurrences in South Africa.

The vendors have carried out exploration, including drilling, on these properties. Orion has the right to terminate the term sheet agreement with the vendors at any time, with no further obligations. An option fee of ZAR 50,000 (approximately (A\$5,500) per month will be payable during the 90 day period that Orion works towards completing a comprehensive option agreement or until Orion elects to terminate the term sheet agreement.

Tenement Schedule

Tenement	Project	Ownership Interest	Change in Quarter	Joint Venture Partner
Western Australia				
E28/1299	Fraser Range	85%	---	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%	---	---
E28/2378	Fraser Range	100%	Granted	---
E28/2462	Fraser Range	100%	Granted	---
E39/1653	Fraser Range	80%	---	Geological Resources Pty Ltd
E28/2016	Fraser Range	0%	Surrendered	Ponton Minerals Pty Ltd
E28/2367	Fraser Range	100%	---	---
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
E69/2707	Fraser Range	70%	---	Ponton Minerals Pty Ltd
Queensland				
EPM19825	Connors Arc	100%	---	---
EPM25122	Connors Arc	100%	---	---
EPM25283	Connors Arc	100%	---	---
EPM25763	Connors Arc	100%	---	---
EPM25764	Connors Arc	100%	---	---
EPM25813	Connors Arc	100%	---	---
Victoria				
EL4660	Walhalla	0%	Surrendered	CMS Australia Pty Ltd
EL5043	Walhalla	100%	---	---
EL5077	Walhalla	0%	Surrendered	---
MIN5487	Walhalla	100%	---	---

Tenement	Project	Ownership Interest	Change in Quarter	Joint Venture Partner
EL5340	Walhalla	100%	---	---
EL5348	Walhalla	100%	---	---

Corporate

Cash and Finance

Cash on hand at the end of the Quarter was \$28k.

Placements

On 26 October 2015, the Company announced its intention to undertake capital raisings by way of the following actions:

- an initial private placement to raise approximately \$0.30 million;
- a second private placement of approximately \$1.2 million; and
- conversion of loan facilities to shares in the Company (refer to Loan Facilities, below).

The Company is intending to seek applications from selected sophisticated and professional investors to subscribe for up to 100 million ordinary fully paid shares (**Shares**) at an issue price of 1.5 cents to raise up to \$1.5 million as referred to in the Company's notice of Annual General Meeting (**AGM**). It is proposed that the Placement will occur in two stages, being:

- a placement of up to 30 million Shares prior to the AGM using the Company's 15% placement capacity under ASX Listing Rule 7.1; and
- a placement of up to 70 million Shares following the AGM (subject to shareholders approving the resolution at the AGM),

(together the **Placements**).

Loan Facilities

On 30 July 2015, the Company announced that it has finalised loan agreements with two of its major shareholders for a total of \$1.0 million.

A \$0.50 million loan facility was been agreed with Silja Investment Limited (**Silja**), the Company's largest shareholder, and a \$0.50 million loan facility was agreed with Tarney Holdings Pty Ltd (**Tarney**), a company associated with Orion's Chairman, Mr Denis Waddell (together the **Facilities**).

The proceeds from the Facilities have and will be used to progress ongoing exploration work being undertaken at the Company's Connors Arc Epithermal Gold-Silver Project in Queensland and Fraser Range Nickel-Copper Project in WA, as well as for working capital purposes.

Under the terms of the Facilities, Orion may elect to convert cash drawn down under the Facilities into Shares, subject to shareholder approval where required by law, including the ASX listing rules (**Approvals**). In certain circumstances, including where Orion elects to repay

the Facilities in cash, or announces a proposed capital raising, the financiers can elect to convert cash drawn down under the Facilities into shares subject to Approvals.

Any Shares issued to Silja and Tarney upon conversion will be issued at the lowest price at which Orion issues any Shares or announces to the ASX its intent to issue Shares under a capital raising, between the date of the Facilities and the date that an election is made by Orion or the financiers to convert cash drawn down under the Facilities into Shares. Should Orion not issue shares under a capital raising during this period, any shares issued to Silja and Tarney upon conversion will be issued at the volume weighted average price (**VWAP**) of Orion shares as traded on the ASX in the ten trading days prior to the issue of shares to Silja and Tarney.

Silja and Tarney each have the discretion as to whether to make an advance to the Company upon receipt of each draw-down notice. No interest or facility fees are payable by the Company to either Silja or Tarney and no capital raising fee would be payable by the Company to Silja or Tarney where it subscribes for its share allocation in a capital raising. The Silja facility is secured against all present and after-acquired property of the Company. In order to draw on either of the Facilities, the Company must meet certain conditions precedent including certain persons remaining directors of the Company.

As at 30 September 2015, the Company had drawn \$0.25 million against the Tarney Facility and anticipates that it will draw down the remaining \$0.25 million available under the Tarney Facility prior to the date of the AGM. As at 30 September 2015, the Silja Facility had a loan balance of \$0.14 million as a result of an agreement between Orion and Silja to transfer the amount that the Company drew down under the Silja loan facility announced to the ASX on 26 August 2014 and which expired on 30 June 2015, to the Silja Facility.

The Company has elected to convert the total amount drawn down under the Facilities to date to Shares (subject to Approvals). The Company is therefore seeking shareholder approval for the issue Shares at an issue price of 1.5 cents per Share (the same issue price as the Placements) in order to convert the balance of the entire Facilities to Shares.

No interest or facility fees are payable by the Company to either Silja or Tarney and no capital raising fee is payable by the Company to Silja or Tarney. The term of the Facilities is 31 December 2015 (unless otherwise agreed by the parties).

A1 Gold Agreement

On 11 August 2015, the Company announced that it had entered into a binding term sheet (**Term Sheet**) with A1 Gold for A1 Gold to acquire the Company's Walhalla Project mining tenement 5487 (**Tenement**) in Victoria, which includes the Eureka and Tubal Cain deposits, for total consideration of \$0.85 million.

Key terms of the Term Sheet are:

- \$0.05 million cash payment;
- \$0.3 million consideration through the issue of 7,816,285 fully paid ordinary A1 Gold shares (**A1 Gold Shares**) at the VWAP of the A1 Gold Shares as traded on the ASX in the ten trading days prior to 7 August 2015 (\$0.03838). The A1 Gold Shares will be issued to the Company on Completion Date (no later than 30 November 2015) and shall not be subject to escrow;

- 2% royalty on net smelter returns from the sale of gold recovered and sold by A1 Gold from the Tenement (**NSR**) to a value of \$0.5 million. In addition, A1 Gold has granted the Company a put option whereby the Company can at any time following a period of 36 months from the date of the Term Sheet, require A1 Gold to purchase the NSR at a price equal to \$500,000 less any NSR paid in accordance with the Term Sheet (**NSR Consideration**). The Company can elect to receive the NSR Consideration as cash or A1 Gold Shares issued to the Company at the VWAP of the A1 gold Shares as traded on the ASX in the ten trading days prior to the date of issue;
- On or prior to Completion Date, A1 Gold is required to replace the \$0.18 million rehabilitation bond that the Company has on deposit with the Department of Economic Development, Jobs, Transport and Resources (**DEDJTR**); and
- The Company will retain its Walhalla Project exploration tenements and retention licence applications, enabling the Company to continue to explore for gold, copper, nickel and PGEs.

The acquisition of the Tenement by A1 Gold is subject to the grant of consents required under the Mineral Resources (Sustainable Development) Act.

Option Agreement – Business Development

As referred to in the New Projects section of this Report, on 30 July 2015, the Company announced that it had executed a term sheet agreement with unrelated vendors providing it with an exclusive right to carry out due diligence and work towards completing a comprehensive option agreement within 90 days that may ultimately allow it to acquire a South African-based holding company with advanced gold and base metal assets.

The completion of this option agreement will give the Company a further nine months to undertake comprehensive due diligence before having the right to purchase the holding company, whose subsidiaries hold interests in a portfolio of epithermal and VMS metal occurrences in South Africa.

The vendors have carried out exploration, including drilling, on these properties. The Company has the right to terminate the term sheet agreement with the vendors at any time, with no further obligations. An option fee of ZAR 50,000 (approximately \$5,500) per month will be payable during the 90 day period that the Company works towards completing a comprehensive option agreement or until the Company elects to terminate the term sheet agreement.

Expiry of Options

The following options expired during the Quarter:

Exercise Price	Number of Options	Expiry Date
\$0.247849	6,000,000	31 July
\$0.197849	42,500,000	31 August
\$0.247849	3,500,000	31 August

The Company recorded a loss of \$3.36 million after tax for the full-year ended 30 June 2015. The result was affected considerably by impairment of exploration assets of \$1.63 million and exploration expenditure incurred of \$0.82 million which, under the Company's, evaluation and development policy, did not qualify to be capitalised and was expensed. Net cash used in operating activities totalled \$1.45 million and in investing activities totalled \$1.29 million. For the year, the Company's net cash used in exploration and evaluation activities was \$3.27 million.

Annual General Meeting

The Annual General Meeting of shareholders of the Company will be held on November 26, 2015 at Bentleys, Level 1, 12 Kings Park Road, West Perth, Western Australia, commencing at 10:00 a.m. (Perth time).

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 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 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 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.

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.