

8 June 2016



ASX Code: ORN

Issued Capital:

Ordinary Shares: 421M

Options: 91M

Directors:

Denis Waddell
Chairman

Errol Smart
Managing Director, CEO

Bill Oliver
Technical Director

Alexander Haller
Non-Executive Director

Management:

Martin Bouwmeester
Company Secretary &
Business Development Manager

Suite 2
64 Thomas Street
West Perth WA 6005
ABN 76 098 939 274

T: +61 8 9485 2685
E: info@oriongold.com.au

Maiden Drilling Program set to commence at Key Gold and Zinc-Copper Projects in South Africa

Orion's maiden drill program in the highly prospective Areachap Belt set to begin this week

Highlights:

- Drilling set to commence this week at the Marydale Gold Project, a virgin gold discovery where historical drilling returned outstanding thick intercepts such as 50.4m at 2.68g/t gold.
- Drilling will also commence at the historical Prieska Copper Mine Zinc-Copper Project to in-fill historical drilling and test extensions to the mineralisation.
- Initial results from drilling are anticipated to be received in July 2016.
- Fieldwork already underway at Marydale and the new Masiqhame acquisition focusing on zinc-copper targets.

Orion Gold NL (ASX: ORN) announced on 13 May 2016 that its maiden drill program was to commence in its Areachap Belt Projects, in South Africa (Figure 2) in the coming weeks. The Company is pleased to announce that the camp and core yard have been established, the drilling rigs and associated equipment arrived on site over the weekend, all personnel are currently completing inductions and pre-start inspections, and drilling is set to commence this week.

Drilling at the **Marydale Gold Project**, a virgin gold discovery of possible epithermal origin, located 60km from the historical Prieska Copper Mine (PC) Zinc-Copper Project (Figure 2) will test the geological model for the mineralisation by in-filling historical drilling at the project with oriented core drilling.

Results from the historical drilling included:

- 50.4 metres at 2.68g/t gold from 8.1 metres (WC08);
- 37.1 metres at 2.72g/t gold from 61.1 metres (WC09);
- 25.7 metres at 2.72g/t gold from 47.8 metres (WC22);
- 11.3 metres at 3.36g/t gold from 1.4 metres (WC10); and
- 12.1 metres at 2.37g/t gold from 56.2 metres and 27.4 metres at 2.18g/t gold from 72.6 metres (WC01).

(Refer ASX Release 18 November 2015)

Last week the Company's field team completed a phase of mapping and surface sampling at the Marydale Project.

Data from this work will be incorporated with results from the imminent drill program allowing future drilling to be more effectively targeted.



Figure 1: Drilling rig at PC Project with the historical Prieska Copper Mine in background.

Drilling will concurrently be carried out at the PC Project to focus on near-surface mineralisation at the Company's +105 Level Exploration Target (Refer Table 1 and ASX Release 18 November 2015). The upcoming drilling will in-fill and validate historical drilling which returned results including:

- 11.5 metres at 1.2% copper + 7.2% zinc from 109.5 metres (V04);
- 8.1 metres at 4.6% copper + 2.5% zinc from 106.05 metres (V09);
- 33.4 metres at 0.95% copper + 0.80% zinc from 16.4 metres (COC01);
- 8.4 metres at 1.25% copper + 0.72% zinc from 43.8 metres (COC02);
- 6.5 metres at 2.17% copper + 0.38% zinc from 46.8 metres (COC04);
- 6.6 metres at 1.63% copper + 3.76% zinc from 84.7 metres (COC05);
- 5.8 metres at 1.49% copper + 6.93% zinc from 70.6 metres (COC09); and
- 9.6 metres at 4.34% Copper + 0.39% Zinc from 51.9 metres following 6.0 metres at 0.34% Copper + 0.50% Zinc from 40.1 metres (COC10).

(Refer ASX Release 18 November 2015)

Table 1. Exploration Targets at the PC Project. Detail and supporting information relating to these Exploration Targets is contained in the ASX Release of 18 November 2015.

PC Project – Exploration Targets			
Area	Tonnage Range	Cu range (%)	Zn range (%)
+105 Level	3,000,000 – 4,500,000	1.0 – 1.6	1.3 – 2.0
Deep Sulphide	7,000,000 – 11,000,000	1.2 – 1.8	3.9 – 5.9

The initial drilling program will in-fill historical drilling so that a spacing of 40 metres by 40 metres is achieved across the Exploration Target, with the potential to define a Mineral Resource as defined by the JORC Code (2012) should results confirm the continuity and tenor of the mineralised zone. Three shallow inclined diamond drill-holes will also be completed to test the viability of this method of drilling to evaluate the area impacted by historical mining and subsidence.

Data compilation of extensive historic information and initial fieldwork has also commenced at the Company's recently optioned Masiqhame Prospecting Right, located 80km north of the PC Project (see Figure 2; also refer ASX Release 29 April 2016). Work is initially focusing on zinc-copper occurrences such as the Kantienpan Zinc-Copper Deposit (Refer ASX Release 31 May 2016) and other similar occurrences within the area of the Prospecting Right. Surface access agreements with landowners are currently being established to allow access for drilling in the near-term.

As part of its longer term growth strategy, Orion continually reviews new business opportunities in known mineralised provinces. Orion has identified other areas of interest within the Areachap Belt and is undertaking a review of these areas with the aim of building additional land-holdings in this prospective region.

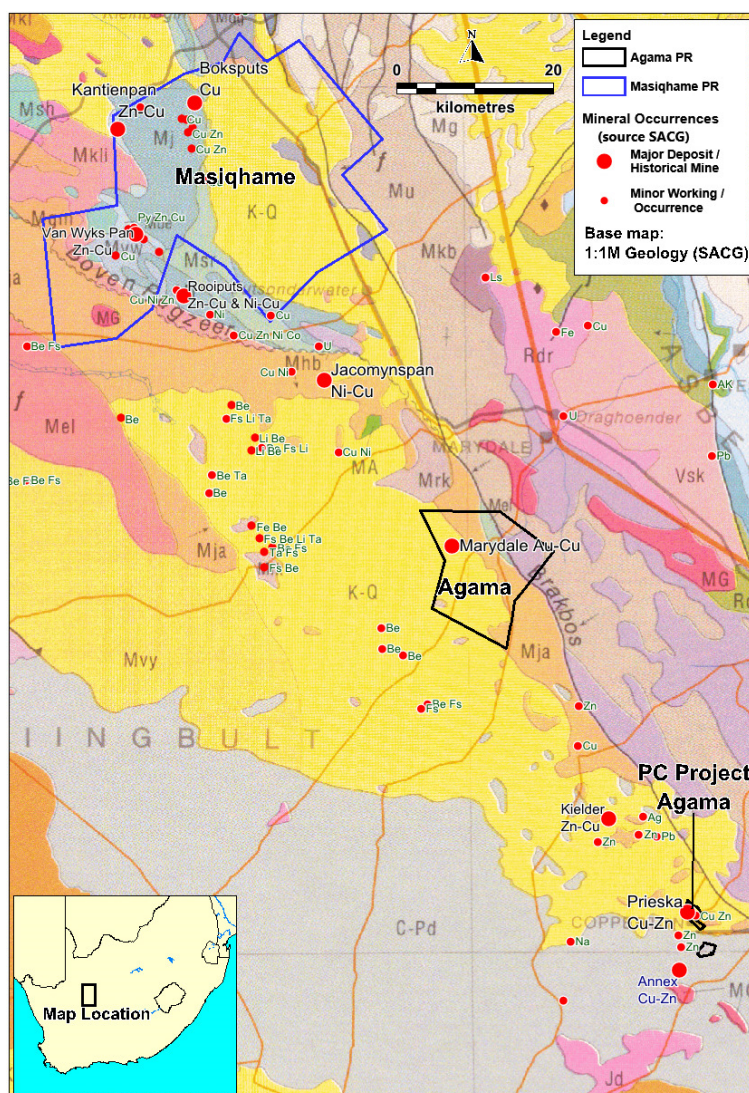


Figure 2: Plan showing location of the Company's Marydale, PC and Masiqhame Projects in the Areachap Belt, South Africa.

Orion Gold's Managing Director, Mr Errol Smart, said the Company was looking forward to the commencement of its maiden drilling program at the South African Areachap projects.

"This highly prospective yet under-explored geological terrain provides the opportunity to explore a potentially very significant virgin gold discovery at Marydale and to in-fill and test extensions to known zinc-copper mineralisation at the advanced stage PC Project – giving our shareholders exposure to exploration in commodities which are currently experiencing significant investor interest.

We look forward to receiving the results of the drilling and will provide further updates on the progress of the program as it unfolds."



Errol Smart
Managing Director and CEO

Company Enquiries:

Errol Smart - Managing Director and CEO

Denis Waddell - Chairman

T: +61 8 9485 2685

E: info@oriongold.com.au

About Orion

Orion Gold is focused on acquiring, exploring and developing large tenement holdings or regional scale mineral opportunities in world-class mineral provinces. The Company has acquired quality projects in proven mineral provinces, including a large tenement package on the Connors Arc in Queensland, where a significant intermediate sulphidation, epithermal gold and silver system has been identified at Aurora Flats. The project lies between the Cracow and Mt Carlton epithermal deposits. The Company is increasing its focus on this project, following promising reports from expert consultants, and its fieldwork has led to the discovery of substantial epithermal systems at the Veinglorious and Chough Prospects.

Recently, the Company secured an outstanding growth and diversification opportunity in the global base metals sector after entering into an option to acquire an advanced volcanic massive sulphide copper-zinc project located in South Africa with near-term production potential. The option gives Orion the right to acquire an effective 73.33% interest in a portfolio of projects including an exploration project at the Prieska Copper Project, located near Copperton in the Northern Cape province of South Africa, and the Marydale Prospecting Right, a virgin gold discovery of possible epithermal origin, located 60 kilometres from the Prieska Copper Project. The Company is progressing extensive due diligence investigations.

The Company also holds a substantial tenement holding in the Albany-Fraser Belt, host to Australia's two most significant discoveries of the last decade (the Tropicana Gold Deposit and the Nova Nickel-Copper-Cobalt Deposit). Part of this tenement holding was acquired from entities associated with Mark Creasy who is now a significant shareholder in Orion. The project area was previously explored by Western Areas Ltd which identified mafic-ultramafic intrusives within the project area as well as nickel-copper-cobalt-PGE anomalies. Orion's intensive, systematic exploration programs have successfully defined 34 targets to date by a combination of geological, geochemical and geophysical methods.

Additionally, the Company owns the Walhalla Project located in Victoria, which is prospective for gold, copper – nickel and PGEs.

The Company has an experienced management team with a proven track record in exploration, development and adding shareholder value.

Competent Persons Statement

The information in this report that relates to Exploration Results and the Exploration Targets at the Prieska Copper 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 Paul Matthews, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Matthews 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 Matthews consents to the inclusion in this announcement 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 as detailed in the ASX Release of 18 November 2015.

The information in this report that relates to Exploration Results at the Marydale project complies with the JORC Code and is based on information compiled by Mr Hano Hamman, a Competent Person who is a Member of the South African Council of Natural Earth Scientists, a ROPO organisation in terms of JORC 2012. Mr Hamman 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 Hamman consents to the inclusion in this announcement 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 as detailed in the ASX Release of 18 November 2015.

The information in this report that relates to Epithermal origin of the Marydale 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. 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.

Disclaimer

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