

9 November 2016



Strongly Supported Capital Raising to Progress Key Projects in South Africa and Fraser Range

ASX Code: ORN

Issued Capital:

Ordinary Shares: 484M

Options: 85M

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

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Highlights:

- Placement to sophisticated and professional investors at 1.8 cents per share to raise approximately \$2.0 million.
- Commitments received from investors for \$1.3 million being Tranche 1 of the Placement.
- Shareholder approval to be sought to place up to an additional \$0.7 million being Tranche 2 of the Placement.
- Any amounts drawn under the Tarney loan facility which Tarney elects to convert to Shares, to be converted at 2.0 cents per Share (subject to shareholder approval).
- Proceeds will be used to rapidly progress exploration programs on the Areachap project in South Africa and the Company's Fraser Range and Connors Arc Projects in Australia, as well as for working capital purposes.

Orion Gold NL (Orion or the Company) (ASX: ORN) is pleased to announce it is undertaking a capital raising of approximately \$2.0 million, made up of \$1.3 million in Tranche 1 and an additional \$0.7 million in Tranche 2.

The Placement to sophisticated and professional investors will be for up to 111.11 million ordinary fully paid shares (**Shares**) at an issue price of \$0.018 per Share to raise up to \$2.0 million. It is proposed that the capital raising will occur in two stages, being:

- Tranche 1 - 72.2 million Shares using the Company's 15% placement capacity under ASX Listing Rule 7.1 to raise \$1.3 million; and
- Tranche 2 - up to 38.9 million Shares to raise \$700,000 (subject to shareholder approval, at a general meeting planned to be held mid-December 2016),

(together the **Placement**).

The Company has received commitments from investors to subscribe for the Tranche 1 Shares (\$1.3 million) and has received strong expressions of interest for the issue of Tranche 2 Shares (subject to receipt of shareholder approval).

The proceeds from the Placement will be used to progress exploration programs on the Areachap project, where five drilling rigs are currently operational, and to progress exploration work at the Company's Fraser Range and Connors Arc Projects, as well as for working capital purposes.

Tarney Loan Facility

On 31 October 2016, the Company announced that a \$0.50 million loan facility had been agreed with Tarney Holdings Pty Ltd (**Tarney**), a major shareholder of Orion and a company associated with Orion's Chairman, Mr Denis Waddell (**Facility**).

Under the terms of the Facility:

- Tarney may elect to convert cash drawn down under the Facility into Shares, subject to shareholder approval being sought at the Company's Annual General Meeting to be held on 30 November 2016 (**AGM**); and
- any advances drawn down by the Company will be convertible to new Shares at Tarney's discretion and at an issue price of \$0.02 per Share (refer to ASX release 31 October 2016 for further detail).

General Meeting

The Company will seek the required shareholder approvals (to ratify Tranche 1 and for the issue of Tranche 2 of the Placement) at a General Meeting of shareholders planned to be held mid-December 2016.

In addition to the approval being sought at the AGM for the Tarney loan to be converted to Shares, approval will also sought at the December 2016 General Meeting for all other Orion directors to subscribe for Shares at the same price as the Placement Shares.



Errol Smart
Managing Director and CEO

Company Enquiries:

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Denis Waddell - Chairman

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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.

Recently, the Company has secured an outstanding growth and diversification opportunity in the global gold and base metals sectors and has secured options and earn-in rights over a combined area of 1790km² on the highly prospective Areachap belt, North Cape Province of South Africa (Figure 1). These include:

- An option to acquire an advanced volcanic massive sulphide copper-zinc project 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 km from the Prieska Copper Project. The Company is progressing extensive due diligence investigations. (refer ASX release 18 November 2015).
- An earn in right to ultimately earn a 73% interest in a 980km² prospecting right area located approximately 80 km north of the Prieska copper Project. The project area contains several VMS and VHMS zinc and copper targets including the advanced stage Kantienpan zinc – copper project. (refer ASX releases 29 April 2016 and 31 May 2016).
- An earn in right to ultimately earn an 80% interest, via a South African registered special purpose vehicle which will be 74% owned by Orion, to prospecting and mining right applications covering a combined and partially overlapping area of 626km². The mineral rights areas include an advanced stage ultramafic hosted nickel – copper project, analogous to the geology of the Fraser Range, Western Australia. Several VMS and VHMS copper-zinc targets are also located within this mineral rights package. (refer ASX release 14 July 2016).

The Company also continues to explore 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.

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 a large shareholder in Orion. 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.

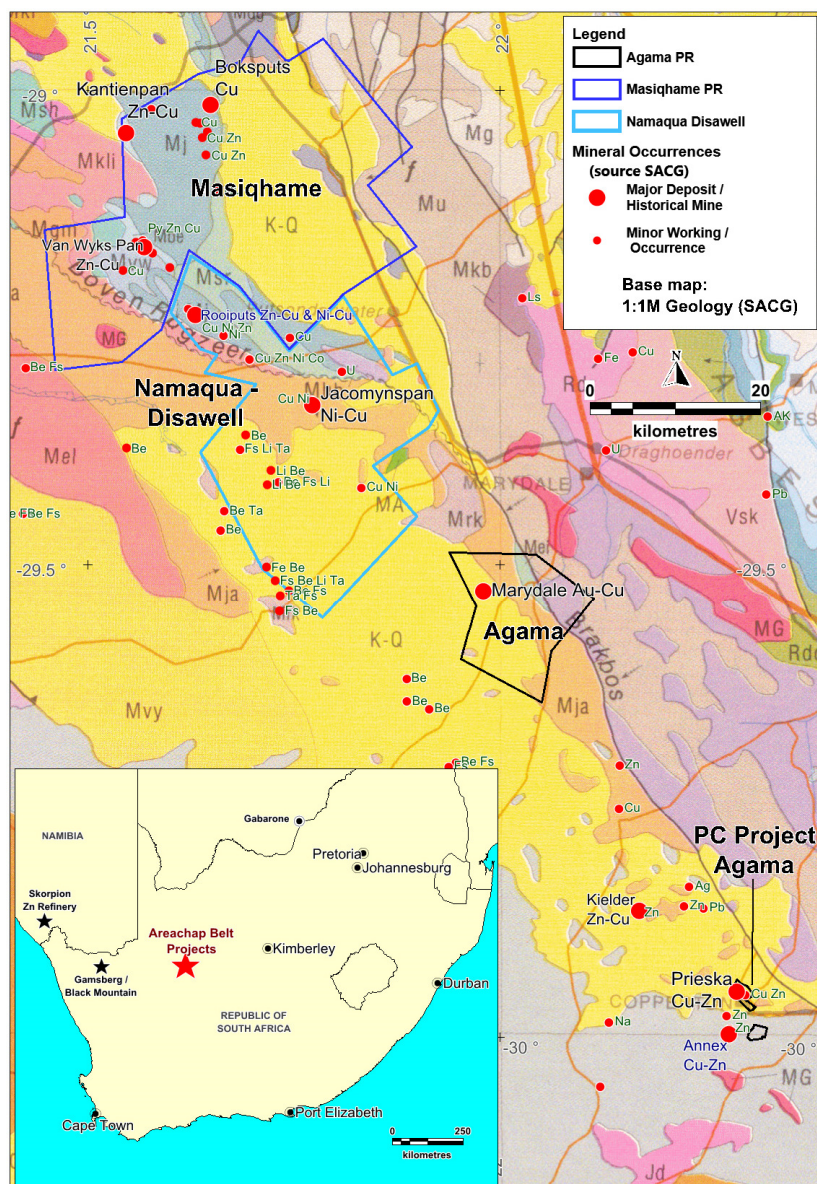


Figure 1: Regional geology map of the Areachap Belt showing prospecting rights currently under option to Orion and noted mineral occurrences as per published data from South African Council for Geoscience.

Disclaimer

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