

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Orion Gold NL

ABN

76 098 939 274

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	---	---
1.2	Payments for (a) exploration & evaluation	(623)	(886)
	(b) development	---	---
	(c) production	---	---
	(d) administration	(234)	(361)
1.3	Dividends received	---	---
1.4	Interest and other items of a similar nature received	---	---
1.5	Interest and other costs of finance paid	---	---
1.6	Income taxes received/(paid)	1	1
1.7	Other (provide details if material)	1	1
Net Operating Cash Flows		(855)	(1,245)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	---	---
	(b) equity investments	---	---
	(c) other fixed assets	---	---
1.9	Proceeds from sale of: (a) prospects	---	50
	(b) equity investments	---	---
	(c) other fixed assets	27	27
1.10	Loans to other entities	---	---
1.11	Loans repaid by other entities	---	---
1.12	Other (provide details if material)	(3)	(3)
Net investing cash flows		24	74
1.13	Total operating and investing cash flows (carried forward)	(831)	(1,171)

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1.13	Total operating and investing cash flows (brought forward)	(831)	(1,171)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,708	1,708
1.15	Proceeds from sale of forfeited shares	---	---
1.16	Proceeds from borrowings	350	600
1.17	Repayment of borrowings	(640)	(640)
1.18	Dividends paid	---	---
1.19	Other (provide details if material)	---	---
	Net financing cash flows	1,418	1,668
	Net increase (decrease) in cash held	587	497
1.20	Cash at beginning of quarter/year to date	28	118
1.21	Exchange rate adjustments to item 1.20	---	---
1.22	Cash at end of quarter	615	615

Payments to directors of the entity and associates of the directors, related entities of the entity and associates of the related entities

		Curent quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	38
1.24	Aggregate amount of loans to the parties included in item 1.10	---

1.25 Explanation necessary for an understanding of the transactions

Payments to directors and associates were on normal commercial terms. These payments represent director fees and payments in terms of consultancy agreements with director-related entities.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

No non cash financing and investing activities were made during the Quarter.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

For further information, refer to the Company's December 2015 Quarterly Report.

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities (Silja Facility – see below)	100	100
3.2 Credit standby arrangements	---	---

The Company announced on 30 July 2015, that it had finalised loan agreements for a total of \$1,000,000. A \$500,000 loan facility was agreed with Silja Investment Limited (**Silja**), and a \$500,000 loan facility was agreed with Tarney Holdings Pty Ltd (**Tarney**), a company associated with Orion's Chairman, Mr Denis Waddell (together the **Facilities**).

In total, the Company drew \$740,000 against the Facilities. A total of \$500,000 was drawn against the Tarney Facility. The Silja Facility had a loan balance of \$240,000 being \$100,000 drawn by the Company and \$140,000 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.

On 2 December 2015 the Company issued 42,666,666 ordinary fully paid shares (**Shares**) to convert \$640,000 of Facilities into Shares at an issue price of 1.5 cents per Share:

- Tarney Facility - \$500,000; and
- Silja Facility - \$140,000.

Following the debt conversion to equity as shown above, the Silja Facility has a loan balance of \$100,000.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation (assuming fund raising initiatives are completed – refer to the Company's December 2015 Quarterly Report)	330
4.2 Development	---
4.3 Production	---
4.4 Administration	240
Total	570

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	615	28
5.2 Deposits at call	---	---
5.3 Bank overdraft	---	---
5.4 Other (provide details)	---	---
Total: cash at end of quarter (item 1.22)	615	28

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Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	<u>WA Exploration Licence</u> E28/1299	Surrendered	85%	NIL
	<u>VIC Exploration Licence</u> EL 5043	Surrendered	100%	NIL
	<u>QLD Exploration Licence</u> ---	---	---	---
6.2 Interests in mining tenements and petroleum tenements acquired or increased	<u>WA Exploration Licence</u> ---	---	---	---
	<u>VIC Exploration Licence</u> ---	---	---	---
	<u>QLD Exploration Licence</u> EPM 25703	Granted	NIL	100%
	EPM 25708	Granted	NIL	100%
	EPM 25712	Granted	NIL	100%
EPM 25714	Granted	NIL	100%	

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Partly paid +securities <i>(description)</i>	58,775	---	\$4.00	4 cents
7.2 Changes during quarter	---	---	---	---
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	421,031,205	421,031,205	---	Fully paid
7.4 Changes during quarter				
(a) Increases through issues	115,403,223	115,403,223	1.5 cents	1.5 cents
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	---	---	---	---
7.6 Changes during quarter	---	---	---	---
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	250,000	---	4.5 cents	30 November 2019
	250,000	---	6 cents	30 November 2019
	9,000,000	---	14.7849 cents	31 May 2018
	9,000,000	---	24.7849 cents	31 May 2018
	9,000,000	---	34.7849 cents	31 May 2018
	1,000,000	---	14.7849 cents	30 April 2018
	1,000,000	---	24.7849 cents	30 April 2018
	1,000,000	---	34.7849 cents	30 April 2018
	6,000,000	---	34.7849 cents	31 July 2016
	18,333,333	---	2 cents	30 November 2020
	18,333,333	---	3.5 cents	30 November 2020
	18,333,334	---	5 cents	30 November 2020
7.8 Issued during quarter	18,333,333	---	2 cents	30 November 2020
	18,333,333	---	3.5 cents	30 November 2020
	18,333,334	---	5 cents	30 November 2020
7.9 Exercised during quarter	---	---	---	---
7.10 Expired during quarter	---	---	---	---
7.11 Debentures <i>(totals only)</i>	---	---		
7.12 Unsecured notes <i>(totals only)</i>	---	---		

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Company Secretary

Date: 29 January 2016

Print name:

Kim Hogg

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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