

3 May 2016

Orion Gold_{NL}**ASX Code:** ORN**Issued Capital:**

Ordinary Shares: 421M

Options: 91M

Directors:**Denis Waddell**
Chairman**Errol Smart**
Managing Director, CEO**Bill Oliver**
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Orion to sell non-core tenement package to Eastern Goldfields for cash and options

Proceeds to assist with ramping up exploration at Orion's gold and base metal projects in South Africa and Queensland

Highlights:

- **Binding agreement signed for the sale of Orion's non-core Eastern Goldfields Project tenement portfolio in Western Australia to emerging gold producer Eastern Goldfields Limited (ASX: EGS).**
- **Funds received from the sale will enable Orion to progress exploration work on its Areachap Copper-Zinc and Epithermal Gold Project in South Africa (including the Prieska copper-zinc mine) and its Connors Arc Epithermal Gold-Silver Project in Queensland.**

Orion Gold NL (ASX: ORN) is pleased to advise that it has entered into a binding agreement for the sale of its Eastern Goldfields Project, comprising a non-contiguous tenement package located in the Eastern Goldfields region of Western Australia, to emerging gold producer Eastern Goldfields Limited (ASX: EGS) (**Eastern**).

The sale of this non-core asset is consistent with the Company's decision to focus its resources and activities on its Areachap copper-zinc and gold project in South Africa (including the Prieska copper-zinc mine), over which Orion holds an option to acquire an effective 73.33% interest, and its 100%-owned Connors Arc epithermal gold-silver project in Queensland.

Under the terms of the agreement, Orion will receive the following consideration for the sale of the tenements to Eastern:

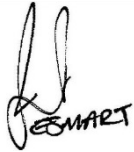
- \$125,000 payable in cash;
- 2,000,000 unlisted Eastern options, on the following terms:

Number of options	Exercise Price	Expiry Date
1,000,000	\$0.168	8/03/2018
1,000,000	\$0.189	8/03/2020

- Eastern to procure the subscription for 33,333,333 Orion shares at \$0.015 per share to raise \$500,000 (**Capital Raising**).

Proceeds received from the sale and Capital Raising will be used to progress exploration work as part of due diligence being undertaken on the Areachap project and to progress exploration work at Connors Arc.

With Orion now focusing on its highly prospective South African and Queensland projects, the Company is also actively seeking to joint venture and/or sell its Fraser Range nickel-copper and gold project in Western Australia and its Walhalla gold and polymetals project in Victoria.



Errol Smart
Managing Director and CEO

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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, 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.

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.