

30 July 2015

Orion Gold^{NL}**ASX Code:** ORN**Issued Capital:**

Ordinary Shares: 306M

Options: 89M

Directors:**Denis Waddell**
Chairman**Errol Smart**
Managing Director, CEO**Bill Oliver**
Technical Director**Alexander Haller**
Non-Executive Director**Management:****Kim Hogg**
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Orion Secures Interim Funding to Progress Exploration via Shareholder Loan Facilities

Key Points:

- **Loan agreements executed with major shareholders, Silja and Tarney, totalling \$1.0 million.**
- **Loans advanced may be repaid through conversion to shares (subject to shareholder approval).**
- **No interest or fees payable under the terms of the Facilities, which expire on 31 December 2015.**
- **Option Agreement signed to assess potential new business development and acquisition opportunities.**

Orion Gold NL (ASX: ORN) is pleased to announce 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 has been agreed with Silja Investment Limited ('Silja'), the Company's largest shareholder, and a \$0.50 million loan facility has been 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 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 Orion 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 Orion 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 of Orion shares as traded on the ASX in the ten trading days prior to the issue of shares to Silja and Tarney.

The term of the Facilities is 31 December 2015 (unless otherwise agreed by the parties).

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. To date, the Company has not drawn on the Tarney Facility. The Silja Facility has 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.

In addition to securing Facilities, the Company is currently pursuing funding alternatives with potential investors aimed at progressing exploration work being undertaken at the Company's projects in Queensland and Western Australia, as well for working capital purposes.

Project Update

Connors Arc

Recent hi-resolution ground magnetic survey results (refer ASX announcements 29 May 2015 and 14 July 2015) have encouraged the Company to extend the survey area and continue with ground mapping and geochemical fingerprinting of outcropping veins at both Aurora Flats and Veinglorious. The Company's technical team is encouraged by indications from the first survey that may allow more focussed drill targeting. In particular, a follow up ground magnetic survey is to be carried out in coming weeks at Veinglorious to expand the area surveyed, along with a soil geochemical program. This will ensure optimisation of drill sites ahead of the next phase of drilling..

Fraser Range

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.

Option Agreement – Business Development

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.

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, Orion has 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.

Orion will present the opportunity in more detail should the comprehensive option agreement be signed.



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 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 who 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.

The Company has also secured 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 well known Cracow and Mt Carlton epithermal deposits. The Company is increasing its focus on this project, following promising reports from expert consultants.

Additionally, the Company has an interest in the Walhalla Project located in Victoria, where it is focusing on exploration for Copper-PGE and has entered into an agreement with A1 Mining regarding the gold rights on the tenements.

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