

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")

30 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	---	---
1.2	Payments for (a) exploration & evaluation	(819)	(819)
	(b) development	---	---
	(c) production	---	---
	(d) administration	(308)	(308)
1.3	Dividends received	---	---
1.4	Interest and other items of a similar nature received	2	2
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	---	---
1.7	Other (provide details if material)	11	11
	Net Operating Cash Flows	(1,115)	(1,115)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	---	---
	(b) equity investments	---	---
	(c) other fixed assets	(7)	(7)
1.9	Proceeds from sale of: (a) prospects	---	---
	(b) equity investments	---	---
	(c) other fixed assets	---	---
1.10	Loans to other entities	---	---
1.11	Loans repaid by other entities	---	---
1.12	Other (provide details if material)	14	14
	Net investing cash flows	7	7
1.13	Total operating and investing cash flows (carried forward)	(1,108)	(1,108)

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1.13	Total operating and investing cash flows (brought forward)	(1,108)	(1,108)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	36	36
1.15	Proceeds from sale of forfeited shares	---	---
1.16	Proceeds from borrowings	340	340
1.17	Repayment of borrowings	---	---
1.18	Dividends paid	---	---
1.19	Other (provide details if material)	---	---
	Net financing cash flows	376	376
	Net increase (decrease) in cash held	(732)	(732)
1.20	Cash at beginning of quarter/year to date	876	876
1.21	Exchange rate adjustments to item 1.20	---	---
1.22	Cash at end of quarter	144	144

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'ooo	
1.23	Aggregate amount of payments to the parties included in item 1.2	113
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

On 29 August 2014, the Company announced it had entered into an option agreement with A1 Consolidated Gold Limited ('A1 Gold') for A1 Gold to acquire Orion's Walhalla Project tenements in Victoria.

The agreement requires A1 Gold to maintain the tenements in good standing and to meet all statutory expenditure requirements during the option period, which h expires on 31 July 2015.

In the event A1 Gold elects to exercise the option, it will pay Orion \$500,000 in cash and issue \$500,000 shares in A1 Gold. Orion will be entitled to a 2% ongoing net smelter royalty on all gold produced from the tenements.

Orion retains the rights to explore for, develop and mine all deposits which are 67% or greater intrusive hosted sulphide minerals, including copper, nickel and platinum group elements (PGEs) with subordinate gold and silver.

Refer to the ASX announcement dated 29 August 2014 for further details.

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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 *	350	340
3.2 Credit standby arrangements	---	---

* On 26 August 2014 the Company announced that it had finalised two loan agreements totalling \$0.35 million. A \$0.20 million loan facility has been entered into with Tarney Holdings Pty Ltd, a company associated with Orion's Chairman Mr Denis Waddell, and a \$0.15 million loan facility has been entered into with Silja Investment Limited, the Company's major shareholder ('Facility').

* On 1 October 2014, the Company announced that the Facilities will be increased to a maximum limit of \$0.85 million. Neither Silja (\$0.35 million) nor Tarney (\$0.50 million) will demand payment of the Facilities until the completion of at least a \$2.0 million capital raising.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation *	250
4.2 Development	---
4.3 Production	---
4.4 Administration	125
Total	375

* Assumes \$1M minimum fund raising initiatives are completed and expenditure is aligned with use of funds

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	144	863
5.2 Deposits at call	---	---
5.3 Bank overdraft	---	---
5.4 Other (provide details)	---	---
Total: cash at end of quarter (item 1.22)	144	863

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	---	---	---
6.2	Interests in mining tenements and petroleum tenements acquired or increased	<u>QLD Exploration Licence</u> EPM 25283	---	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	---	400 cents	4 cents
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	---	---	---	---
7.3 +Ordinary securities	243,816,406	243,816,406	---	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	822,666	822,666	4.5 cents	4.5 cents
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>	42,500,000	42,500,000	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 31 August 2015
	50,000	---	160 cents	30 June 2015
	9,000,000	---	15 cents	31 May 2018
	9,000,000	---	25 cents	31 May 2018
	9,000,000	---	35 cents	31 May 2018
	1,000,000	---	15 cents	30 April 2018
	1,000,000	---	25 cents	30 April 2018
	1,000,000	---	35 cents	30 April 2018
	3,500,000	---	25 cents	31 August 2015
	6,000,000	---	25 cents	31 July 2015
	6,000,000	---	35 cents	31 July 2016
	10,625	---	---	30 June 2015
	Perf. Rights	---	---	---
7.8 Issued during quarter	---	---	---	---
7.9 Exercised during quarter	---	---	---	---
7.10 Expired during quarter	6,000,000	---	15 cents	31 July 2014
	625,000	---	40 cents	31 July 2014
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:  Date: 20 October 2014
Company Secretary

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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