



Address: Suite 2, 64 Thomas Street, West Perth, WA 6005
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www.oriongold.com.au

23 October 2014

Dear Option holder,

Orion Gold NL - pro-rata renounceable rights issue

As announced on 29 September 2014, Orion Gold NL (ACN 098 939 274) (**ORN**) is undertaking a 1 for 3 pro rata renounceable rights issue (**Rights Issue** or **Offer**) of approximately 81,272,136 fully paid ordinary shares (**New Share**) to raise approximately \$2,438,164. The price of New Shares under the Offer is \$0.03 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 21 October 2014.

The Offer is partially underwritten by each of Tarney Holdings Pty Ltd, Mr Michael and Mrs Susan Lynch, Michael Fotios and Errol Smart (together, the **Underwriters**), on a general underwriting basis, to an aggregate amount of \$1,000,000 of the Offer. The Underwriters will not be receiving any fee for underwriting.

The funds raised from the Offer are planned to be used in accordance with the table set out below. The table is a statement of current intentions and as with any budget intervening events and new circumstances may affect the manner in which the funds are applied.

Proceeds of the Offer	Minimum Subscription (\$)	Full Subscription (\$)
Repayment of Tarney Facility	\$200,000	\$200,000
Connors Arc Project (Queensland)	\$175,000	\$675,000
Fraser Range Project (Western Australia)	\$200,000	\$775,000
Walhalla Project (Victoria)	\$75,000	\$225,000
Expenses of the Offer	\$42,179	\$49,049
Working capital	\$307,821	\$517,115
Total	\$1,000,000	\$2,438,164

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00 pm (WST) on 28 October 2014 (**Eligible Shareholders**).

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 81,272,136 New Shares resulting in total Shares on issue of approximately 325,088,542.

Option holders

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for Shares to be allotted and to be entered on the Company's register of members on or before 5.00pm (WST) on 28 October 2014 (**Record Date**).

To exercise your options and thereby participate in the Rights Issue, you will need to either send or deliver the following to the Company, at Suite 2, 64 Thomas Street, West Perth, WA 6005:

- (a) a notice of exercise of options (which may be obtained from the Company);
- (b) an option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Orion Gold NL".

To ensure that your new shares are allotted prior to the Record Date, the above must be received by Orion Gold NL **no later than** 27 October 2014. If received after this date, issue of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Rights Issue, please contact your financial adviser or Kim Hogg, Orion's Company Secretary on +61 8 9485 2685.

Yours sincerely



Denis Waddell
Chairman