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23 October 2014

Dear Shareholder,

Orion Gold NL – pro-rata renounceable rights issue

As announced on 29 September 2014, Orion Gold NL (ACN 098 939 274) (**Company**) is undertaking a pro rata renounceable rights issue (**Rights Issue** or **Offer**) of 1 fully paid ordinary share in the capital of the Company (**Share**) for every 3 Shares held by shareholders on 28 October 2014 at an issue price of \$0.03 per Share (**Issue Price**) to raise up to approximately \$2,438,164. 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	\$46,049
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**).

The Shares issued under the Offer will rank equally with all Shares already on issue.

Following completion of the Offer, the Company will have issued approximately 81,272,136 Shares (assuming maximum subscription under the Offer) resulting in total Shares on issue of approximately 325,088,542.

A copy of the Prospectus is available on ASX's and the Company's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 30 October 2014. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of Shares.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may take up all or some of your rights to subscribe for Shares under the Offer (**Entitlements**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Link Market Services Limited (**Share Registry**) by no later than 2:00pm (WST) on 14 November 2014, by either completing and returning your Entitlement and Acceptance Form together with your application money or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may seek to sell all or some of your Entitlements on ASX from 24 October 2014 until the close of market on 7 November 2014. To sell any of your Entitlements you need to contact your broker as soon as possible.
- You may transfer all or some of your Entitlements to another person other than on ASX. To transfer all or some of your Entitlements you will either need to contact your CHES Controlling Participant (usually your broker) and follow their instructions or complete a renunciation and transfer form (which can be obtained from the Share Registry) and return it, together with the purchaser's cheque for the Entitlements they wish to take up so that it is received by the Share Registry by no later than 2.00pm (WST) on 14 November 2014.
- You may do nothing, in which case your interest in the Company will be diluted and you will receive no value for your Entitlement.

Key dates for the Offer

Event	Proposed Date
Prospectus and Appendix 3B lodged with ASX	21 October 2014
Notice of Rights Issue sent to security holders	23 October 2014
Existing shares quoted on an 'ex' basis Rights start trading	24 October 2014
Record date	28 October 2014
Rights Issue Documents sent to Eligible Shareholders Offer Period Opens	30 October 2014
Rights stop trading	7 November 2014
Shares quoted on a deferred settlement basis	10 November 2014
Offer Period Closes	14 November 2014
Notification of under-subscriptions to ASX (if any)	19 November 2014
Shares Issued and deferred settlement trading ends Holding statements sent to Eligible Shareholders	21 November 2014

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for Shares, please contact your financial adviser or Kim Hogg, Company Secretary, on +61 8 9485 2685.

Yours sincerely,



Denis Waddell
Chairman