



Orion Gold_{NL}

ASX Code: ORN

Issued Capital:

Ordinary Shares: 244M

Options: 88M

Directors:

Denis Waddell
Chairman

Errol Smart
Managing Director, CEO

Bill Oliver
Technical Director

Alexander Haller
Non-Executive Director

Management:

Kim Hogg
Company Secretary

Martin Bouwmeester
Business Development Manager

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Orion to raise up to \$2.4m in Underwritten Entitlements Issue to fund exploration at Connors Arc and Fraser Range projects

Highlights:

- Orion to raise up to approximately \$2.43 million via pro-rata renounceable entitlements issue to shareholders at 3.0 cents a share.
- Entitlements issue underwritten to \$1.0 million by Orion directors and several sophisticated and professional investors. Orion's Fraser Range JV partner and shareholder Mark Creasy committed to participating in the Entitlements Issue.
- Proceeds will be used to fund the next round of exploration at Orion's Connors Arc project in Queensland and Fraser Range project in Western Australia.

ORION GOLD NL (ASX: ORN) is pleased to advise that it has received underwriting commitments of \$1.0 million for a pro-rata renounceable entitlements issue ('Entitlements Issue') to shareholders. The maximum amount to be raised under the Entitlements Issue is approximately \$2.43 million at 3.0 cents per fully paid ordinary share ('Share').

The proceeds from the Entitlements Issue will be used to fund the next round of exploration at Orion's Connors Arc project in Queensland and the Fraser Range project in Western Australia and for working capital.

Eligible shareholders will be entitled to participate in the Entitlements Issue on the basis of one (1) Share for every three (3) Shares held. Shareholders will also be given priority to apply for shortfall shares in addition to their entitlement. The price payable on application for each Share is 3.0 cents. The record date for the Entitlements Issue has not yet been determined but is expected to be mid October 2014.

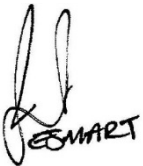
The Entitlements Issue is underwritten to an aggregate amount of \$1.0 million. Underwriters include entities associated with Orion directors, Mr Denis Waddell and Mr Errol Smart, as well as other professional investors. Orion's Fraser Range joint venture partner and shareholder, Mark Creasy, has committed to participate in the Entitlements Issue.

The underwriters of the \$1.0 million currently underwritten will not be paid an underwriting fee. The Company is in discussions with third parties in relation to additional underwriting, which if put in place is likely to attract a 5% fee.

Orion Chairman, Denis Waddell stated that, "As the Company's two highly prospective projects – Fraser Range (Western Australia) and Connors Arc (Queensland) – warrant immediate follow-up exploration and drill programs, it is preferable that current shareholders be given priority to participate in funding those programs."

"The pricing of the issue combined with the issue being renounceable is considered appropriate as shareholders can either take up their entitlements or sell their rights (subject to buyer interest). In addition, shareholders will be offered to take up additional shortfall shares at 3.0 cents per share if a shortfall in take up occurs. The application and issue of the shortfall shares shall take priority over the shortfall shares being taken up by the underwriters. In support of the rights issue, our Managing Director, Errol Smart has underwritten \$0.1 million and I have underwritten \$0.5 million."

A prospectus containing further details of the Entitlements Issue will be lodged shortly and is expected to be sent to shareholders in mid October 2014. Eligible shareholders should read the prospectus in full before deciding whether to participate in the entitlements issue.



Errol Smart
Managing Director and CEO

Company Enquiries:

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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 23 targets to date by a combination of geological, geochemical and geophysical methods.

The Company has identified a significant intermediate sulphidation epithermal gold and silver system at Aurora Flats on the Connors Arc in Queensland. 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 Walhalla Project is located in Victoria, where the Company is focussing 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 events or circumstances after the date of this release.