

# Appendix 5B

## Mining 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

Name of entity

Orion Gold NL

ABN

76 098 939 274

Quarter ended ("current quarter")

31 March 2014

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	---	---
1.2 Payments for (a) exploration & evaluation	(1,576)	(3,915)
(b) development	---	---
(c) production	---	---
(d) administration	(165)	(676)
1.3 Dividends received	---	---
1.4 Interest and other items of a similar nature received	17	47
1.5 Interest and other costs of finance paid	9	9
1.6 Income taxes paid	---	---
1.7 Other (provide details if material)	2	3
<b>Net Operating Cash Flows</b>	<b>(1,713)</b>	<b>(4,532)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	---	---
(b) equity investments	---	---
(c) other fixed assets	(27)	(70)
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)	(25)	(7)
<b>Net investing cash flows</b>	<b>(52)</b>	<b>(77)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,765)</b>	<b>(4,609)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,765)	(4,609)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	---	4,061
1.15	Proceeds from sale of forfeited shares	---	---
1.16	Proceeds from borrowings	---	---
1.17	Repayment of borrowings	---	---
1.18	Dividends paid	---	---
1.19	Other (provide details if material)	---	---
	<b>Net financing cash flows</b>	---	4,061
	<b>Net increase (decrease) in cash held</b>	(1,765)	(548)
1.20	Cash at beginning of quarter/year to date	2,245	1,028
1.21	Exchange rate adjustments to item 1.20	---	---
1.22	<b>Cash at end of quarter</b>	480	480

- (1) The Company announced on 16 April 2014, that it is raising a maximum amount of \$2.7 million by way of a share purchase plan ('SPP'). The SPP is underwritten by several "sophisticated investors" or "professional investors" for purposes of section 708 of the Corporations Act to an aggregate amount of \$1.5 million. Certain of the underwriters, including Orion directors, Mr Denis Waddell, Mr Errol Smart and Mr William Oliver (or entities associated with Mr Waddell, Mr Smart and Mr Oliver) and Orion's major shareholder, Silja Investment Limited are related parties of Orion and their commitments to subscribe for shares pursuant to their respective underwriting obligations (representing in aggregate \$700,000) are provided subject to Orion obtaining shareholder approval at an General Meeting to be held on 23 May 2014. The SPP is expected to close on 16 May 2014 and is not subject to shareholder approval.

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Curent quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2*	69
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 a consultancy agreement with a director related entity.

+ See chapter 19 for defined terms.

## 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

On 31 January 2014, the Company entered into a loan confirmation agreement ('Agreement') with Silja Investment Ltd (Silja'), the Company's major shareholder whereby the unpaid principal balance under the loan agreement which expired on 31 December 2013 ('Loan Facility') will be converted into ordinary fully paid shares in the Company ('Shares') and Silja has waived its entitlement to receive, and has forgiven Orion's obligation to pay any unpaid interest in relation to the Facility.

Key terms of the Agreement are as follows:

- the amount of unpaid principal drawn by Orion under the Loan Facility is \$102k ('Unpaid Principal');
- the amount of unpaid interest on principal monies drawn by Orion under the Loan Facility is \$91k ('Unpaid Interest');
- the Unpaid Principal will in due course be converted into Shares as part of a future capital raising subject to various conditions including:
  - Shareholder approval where required by law, including the ASX listing rules; and
  - Shares will be issued to Silja on the same terms as shares issued to other subscribers as part of a capital raising.
- Orion will not be required to pay Silja any interest in respect of the Unpaid Principal on and from 1 January 2014;
- Silja has waived its entitlement to receive, and has forgiven Orion's obligation to pay, the Unpaid Interest; and
- Silja will release the fixed and floating charge over the assets of the Company.

The Company is holding a general meeting of shareholders on 23 May 2014. If Item 8 of the notice of general meeting is approved by shareholders, Silja will be issued 2,272,905 Shares at 4.5 cents per share, thereby capitalising the Unpaid Principal.

On 13 March 2014, the Company executed a \$500k loan agreement ('Facility') with Silja. Under the terms of the Facility:

- Silja has the option to convert cash drawn down under the Facility to shares, as part of a possible future capital raising subject to shareholder approval where required by law, including the ASX listing rules. Any shares issued to Silja upon conversion, will be issued on the same terms as shares issued to other subscribers as part of a capital raising;
- no interest is payable by the Company to Silja; and
- the Facility expires on 30 June 2014.

Silja has discretion as to whether to make an advance to the Company upon receipt of each drawdown notice and the Company will be required to repay the Facility in cash on the expiry date to the extent that the loan balance has not been converted into shares or repaid in cash by then.

Under the terms of the Facility, a capital raising fee would be payable by the Company to Silja where it subscribes for its share allocation in a capital raising. The fee is calculated by multiplying the amount subscribed for by Silja under the terms of the Facility by the percentage commission payable to a broker or underwriter as part of the capital raising. No facility fee is payable by the Company to Silja. Silja has a fixed and floating charge over the assets of the Company. In order to draw on the Facility, the Company must meet certain conditions precedent including the continued employment of key personnel. As at the date this report, the Company has drawn \$0.1 million on the Facility.

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity quarterly report

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- 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

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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 – refer to 2.1	602	102
3.2 Credit standby arrangements	---	---

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation (assumes \$2.7M fund raising initiatives are completed)	1,075
4.2 Development	---
4.3 Production	---
4.4 Administration	205
<b>Total</b>	<b>1,280</b>

### 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	480	2,245
5.2 Deposits at call	---	---
5.3 Bank overdraft	---	---
5.4 Other (provide details)	---	---
<b>Total: cash at end of quarter (item 1.22)</b>	<b>480</b>	<b>2,245</b>

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### Changes in interests in mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	<u>WA Exploration Licence</u> ---  <u>VIC Exploration Licence</u> EL3437  <u>QLD Exploration Licence</u> ---	25%	Nil
6.2 Interests in mining tenements acquired or increased	<u>WA Exploration Licence</u> ---  <u>VIC Exploration Licence</u> ---  <u>QLD Exploration Licence</u> ---		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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 <b>Partly paid +securities</b> <i>(description)</i>	58,775	---	40 cents	4 cents
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	---	---	---	---
7.3 <b>+Ordinary securities</b>	200,709,739	200,709,739	---	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	---	---	---	---
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	---	---	---	---
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	---	---	---	---
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	625,000	---	40 cents	31 July 2014
	50,000	---	160 cents	30 June 2015
	17,040,086	---	20 cents	30 April 2014
	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	---	15 cents	31 July 2014
	6,000,000	---	25 cents	31 July 2015
	6,000,000	---	35 cents	31 July 2016
	42,500,000	42,500,000	20 cents	31 August 2015
	10,625 Perf. Rights	---	---	30 June 2015

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		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.8	Issued during quarter	---	---	---	---
7.9	Exercised during quarter	---	---	---	---
7.10	Expired during quarter	---	---	---	---
7.11	<b>Debentures</b> <i>(totals only)</i>	---	---		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	---	---		

## 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....

Date: 29 April 2014

Company Secretary

Print name: Martin Bouwmeester

## 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 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, 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.

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity quarterly report

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- 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 Accounting 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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