

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 December 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	---	---
1.2 Payments for (a) exploration & evaluation	(1,436)	(2,412)
(b) development	---	---
(c) production	---	---
(d) administration	(345)	(547)
1.3 Dividends received	---	---
1.4 Interest and other items of a similar nature received	33	40
1.5 Interest and other costs of finance paid	---	---
1.6 Income taxes paid	---	---
1.7 Other (provide details if material)	1	1
Net Operating Cash Flows	(1,747)	(2,918)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	---	---
(b) equity investments	---	---
(c) other fixed assets	(25)	(43)
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)	(7)	3
Net investing cash flows	(32)	(40)
1.13 Total operating and investing cash flows (carried forward)	(1,779)	(2,958)

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1.13	Total operating and investing cash flows (brought forward)	(1,779)	(2,958)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,404	4,175
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)	---	---
	Net financing cash flows	2,404	4,175
	Net increase (decrease) in cash held	625	1,217
1.20	Cash at beginning of quarter/year to date	1,620	1,028
1.21	Exchange rate adjustments to item 1.20	---	---
1.22	Cash at end of quarter	2,245	2,245

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*	91
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.

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

+ See chapter 19 for defined terms.

On 31 January 2014, the Company entered into a loan confirmation agreement ('Agreement') with Silja Investment Ltd, the Company's major shareholder whereby the unpaid principal balance under the loan agreement which expired on 31 December 2013 ('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 Facility is \$102k ('Unpaid Principal');
- the amount of unpaid interest on principal monies drawn by Orion under the 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.

- 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	102	102
3.2 Credit standby arrangements	---	---

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,380
4.2 Development	---
4.3 Production	---
4.4 Administration	375
Total	1,755

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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	2,245	1,620
5.2	Deposits at call	---	---
5.3	Bank overdraft	---	---
5.4	Other (provide details)	---	---
Total: cash at end of quarter (item 1.22)		2,245	1,620

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> --- <u>QLD Exploration Licence</u> ---		
6.2	Interests in mining tenements acquired or increased	<u>WA Exploration Licence</u> E28/2016 Acquired E69/2379 Acquired E69/2380 Acquired E39/1654 Acquired <u>VIC Exploration Licence</u> --- <u>QLD Exploration Licence</u> EPM25122 Granted EPM19825 Granted	Nil Nil Nil Nil Nil Nil	70% 70% 70% 70% 100% 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	---	40 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	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	26,719,967 15,800,000	26,719,967 15,800,000	10 cents ---	Fully paid Fully paid
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>	1,500,000 625,000 50,000 53,186,528 17,040,086 9,000,000 9,000,000 9,000,000 1,000,000 1,000,000 1,000,000 3,500,000 6,000,000 6,000,000 6,000,000 42,500,000 10,625 Perf. Rights	--- --- --- --- --- --- --- --- --- --- --- --- --- --- --- --- 42,500,000 --- ---	<i>Exercise price</i> 40 cents 40 cents 160 cents 20 cents 20 cents 15 cents 25 cents 35 cents 15 cents 25 cents 35 cents 25 cents 15 cents 25 cents 35 cents 20 cents --- ---	<i>Expiry date</i> 31 March 2014 31 July 2014 30 June 2015 31 March 2014 30 April 2014 31 May 2018 31 May 2018 31 May 2018 30 April 2018 30 April 2018 30 April 2018 31 August 2015 31 July 2014 31 July 2015 31 July 2016 31 August 2015 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	2,000,000	---	15 cents	31 May 2018
	2,000,000	---	25 cents	31 May 2018
	2,000,000	---	35 cents	31 May 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
	5,000,000	---	20 cents	30 April 2014
	42,500,000	42,500,000	20 cents	31 August 2015
7.9 Exercised during quarter	---	---	---	---
7.10 Expired during quarter	---	---	---	---
7.11 Debentures <i>(totals only)</i>	---	---		
7.12 Unsecured notes <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: 31 January 2014
 Company Secretary

Print name: Martin Bouwmeester

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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.
- 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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