

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

Orion Gold NL

ABN

76 098 939 274

Quarter ended ("current quarter")

September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	---	---
1.2 Payments for		
(a) exploration & evaluation	(620)	(620)
(b) development	---	---
(c) production	---	---
(d) staff costs	(27)	(27)
(e) administration and corporate costs	(252)	(252)
1.3 Dividends received (see note 3)	---	---
1.4 Interest received	---	---
1.5 Interest and other costs of finance paid	---	---
1.6 Income taxes paid	---	---
1.7 Research and development refunds	---	---
1.8 Other (provide details if material)	23	23
1.9 Net cash from / (used in) operating activities	(876)	(876)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	---	---
(b) tenements (see item 10)	---	---
(c) investments	---	---
(d) other non-current assets	---	---

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	---	---
	(b) tenements (see item 10)	---	---
	(c) investments	28	28
	(d) other non-current assets	---	---
2.3	Cash flows from loans to other entities	---	---
2.4	Dividends received (see note 3)	---	---
2.5	Other (provide details if material)	---	---
2.6	Net cash from / (used in) investing activities	28	28

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	228	228
3.2	Proceeds from issue of convertible notes	---	---
3.3	Proceeds from exercise of share options	---	---
3.4	Transaction costs related to issues of shares, convertible notes or options	---	---
3.5	Proceeds from borrowings	---	---
3.6	Repayment of borrowings	---	---
3.7	Transaction costs related to loans and borrowings	---	---
3.8	Dividends paid	---	---
3.9	Other (provide details if material)	---	---
3.10	Net cash from / (used in) financing activities	228	228

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	652	652
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(876)	(876)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	28	28
4.4	Net cash from / (used in) financing activities (item 3.10 above)	228	228
4.5	Effect of movement in exchange rates on cash held	---	---
4.6	Cash and cash equivalents at end of period	32	32

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	32	652
5.2 Call deposits	---	---
5.3 Bank overdrafts	---	---
5.4 Other (provide details)	---	---
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	32	652

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	57
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	---
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments to directors and associates were on normal commercial terms. These payments represent director fees and payments in terms of consultancy agreements with director-related entities.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	---
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	---
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities *	---	---
8.2 Credit standby arrangements	---	---
8.3 Other (please specify)	---	---
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

*As announced on 31 October 2016, the Company has finalised a loan agreement for a total of \$500,000 with Tarney Holdings Pty Ltd (**Tarney**), a company associated with Orion's Chairman, Mr Denis Waddell (**Loan Facility**). Under the terms of the proposed Loan Facility:

- any advances drawn down under the Loan Facility will be convertible to new ordinary fully paid shares in the Company (**Shares**) at Tarney's discretion and at an issue price per Share which will be either:
 - If Shares are issued during the period between 21 October 2016 and 30 November 2016, being the date of the Annual General Meeting (**Meeting Date**), the highest price at which the Company issues Shares during this period, but at a price which is not less than \$0.02 per Share; or
 - If no Shares are issued during the period between 21 October 2016 and the Meeting Date, the greater of:
 - the highest price at which the Company issues Shares following the Meeting Date and the day prior to the date of issue of Shares to Mr Waddell (or his nominee), but at a price which is not less than \$0.02 per Share; or
 - if no Shares are issued during the period between the Meeting Date and the date of the issue of Shares to Mr Waddell (or his nominee), 80% of the VWAP, which is at a discount not greater than 20% to the market price of the Company's Shares over the last 5 days on which sales are recorded before the day on which the Shares are issued.
- no interest or fees will be payable by the Company to Tarney;
- the Loan Facility is unsecured and will expire on 30 December 2016 unless agreed otherwise between the parties.

For further information, refer to the Company's September 2016 Quarterly Report.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation (assuming fund raising initiatives are completed, and/or divestment of investments (see Quarterly Activities Report for further detail))	580
9.2 Development	---
9.3 Production	---
9.4 Staff costs	30
9.5 Administration and corporate costs	180
9.6 Other (provide details if material)	---
9.7 Total estimated cash outflows	790

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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	<u>QLD Exploration Licence</u> --- <u>WA Exploration Licence</u> --- <u>VIC Exploration Licence</u> ---			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	<u>QLD Exploration Licence</u> EPM 26003 <u>WA Exploration Licence</u> --- <u>VIC Exploration Licence</u> ---	Granted	0%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 31 October 2016

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.