

# Orion Gold NL

October 2012



Orion Gold<sub>NL</sub>

# Disclaimer & Competent Person's Statement



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- All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

## Competent Persons Statement

- The information relating to the Mineral Resource is based on and accurately reflects grade estimation and modelling undertaken by Mr P. Ball B Sc MAusIMM for Orion Gold NL in his capacity as Consultant Geologist to Orion Gold. The Mineral Resource information has undergone audit by external consultants. Mr Ball has the sufficient experience in relation to the style of mineralisation under consideration to qualify as a Competent Person as defined in 2004 edition of the "Australian Code for Reporting of exploration results, mineral resources and ore reserves". Mr Ball consents to the inclusion of the mineral resource information in the form and context in which it appears.
- Other exploration information in this report has been compiled and assessed under the supervision of Dr James Anderson, Orion Gold NL's General Manager – Exploration, from historical records and field investigation. Dr Anderson is a member of the AusIMM CP (GEO) and has extensive experience in the identification of gold mineralisation of this style. Dr Anderson consents to the public release of the information in the context contained within this release.

# Overview



# Orion Gold – Investment Highlights

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- Restructuring of capital structure including conversion of convertible notes and reduction of shareholder loan by issue of equity and consolidation of shares - provides clean structure for future growth
  - Share placement planned with \$4.5M to fund drill testing of advanced targets
  - Orion tenements cover a 75km strike length of Walhalla – Woods Point Goldfield which has +4Moz gold historical production
  - Detailed structural review of regional geology has provided improved understanding of geological controls
  - Approved drill plans for next 18 months to test key targets
  - Advanced targets to be drill tested following capital raising
  - Examining drilling options to optimise productivity and economics
  - New application for highly prospective area in Queensland
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# Capital Raising and Re-structuring<sup>1</sup>



- Restructuring of capital structure including
  - Conversion of convertible notes to shares
  - Issue of shares up to \$1.9M as reduction of loan from major shareholder
  - Consolidation of share capital on 1 for 40 basis
- Capital raising of up to \$6m at \$0.10 (post consolidation, \$0.0025 pre consolidation) - \$4.5m new funds, \$1.5m reduction in Silja Loan<sup>3</sup>
  - One attaching option at \$0.20 exercise price
- Planned use of proceeds: Walhalla \$2.5m , Queensland \$0.5m - \$1m

## Post Capital Raising Capital Structure<sup>2,3</sup>

Shareholder Information	Number of shares (million)	% of Total Shares on Issue
Silja Investment Ltd	72.8	54.7%
New Shareholders	46.7	35.1%
Other Shareholders	13.5	10.2%
<b>Total</b>	<b>133</b>	<b>100%</b>

1 – Proposed capital raisings and restructuring are subject to shareholder approval. Refer to ASX announcement dated 12 October 2012 for further detail.

2 – Excludes effect of options on issue post capital raisings. Approximately 65m options will be on issue post proposed capital raisings.

3 – Assumes Silja Investment Ltd subscribe for \$1.5m of shares in Second Placement. Refer to ASX announcement dated 12 October 2012 for further detail.

# Orion Gold – An Australian Gold Explorer



# Victoria – World Class Gold Province

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## Victoria is a proven gold province

- Recorded Production - 82 million ounces
- % of Australian Production - 32%
- % of World Production - 2%

## Walhalla – Woods Point Goldfield

- Continuous, predictable reef gold mineralisation style
  - High free-gold content
  - Historical production of +4 million ounces
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# Walhalla – a strong foundation for continued success



## HIGHLY PROSPECTIVE REGION

Walhalla – Woods Point Goldfield – significant regional, historical high grade gold production:

- +4 million ounces gold past production
- Average gold grade ~ 25 g/t
- Continuous reef style mineralisation
- 75 km prospective strike length
- Existing Orion resource base 440,000 ozs Au  
(refer to appendix 1)

## MINERALISATION CONTROLS IDENTIFIED

Recently completed local and regional structural review:

- Digitisation of all historic mining and mapping data
- New understanding of controlling geological features
- Generated new targets and prioritised existing ones

## NEW TARGETS READY TO BE TESTED

Approved drill program designed to test targets:

- Cohen's Reef
- Walhalla Proximal \*
- Regional

\* approximately 10 km radius around 1.4 million ounce Cohen's Reef

# Objectives

## Test the new interpretation of Cohen's Trend and add to existing resource base

### Redevelopment of Cohen's Reef

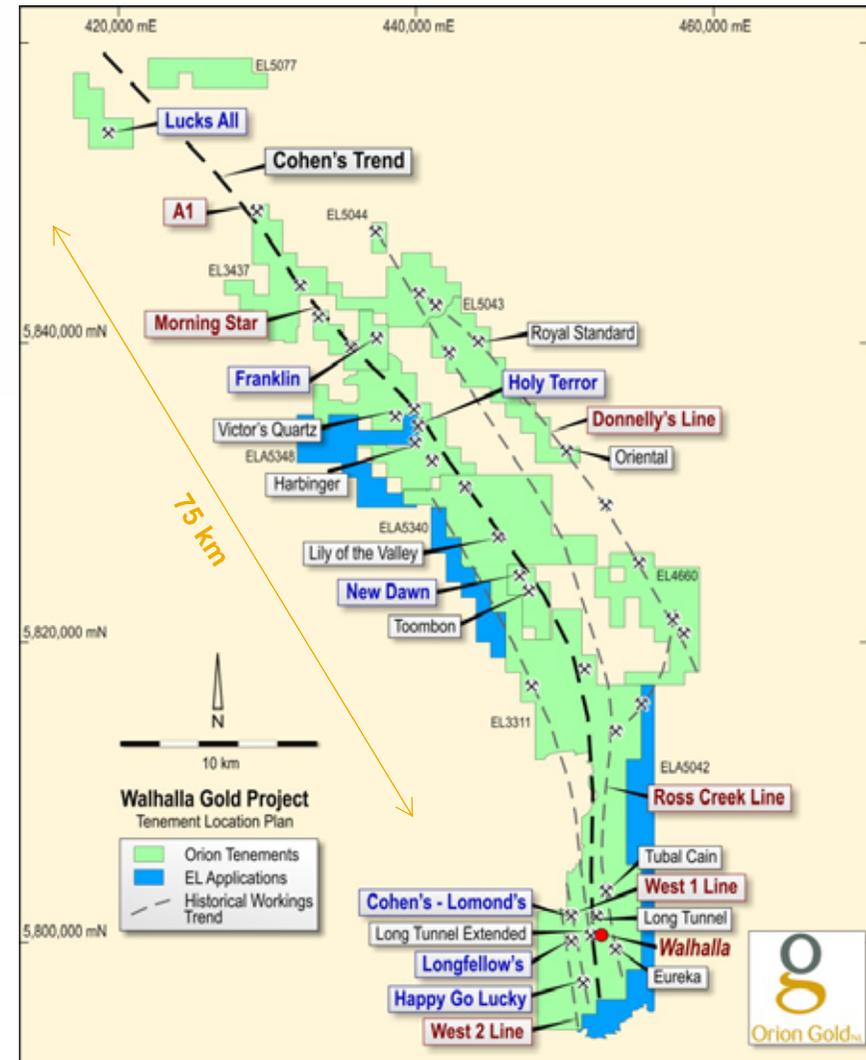
- Historical production 1.4 million ounces
- 1.3 ounces/tonne average gold grade

### Delineation and development of substantial Walhalla proximal deposits, supplementing central Cohen's Reef operations

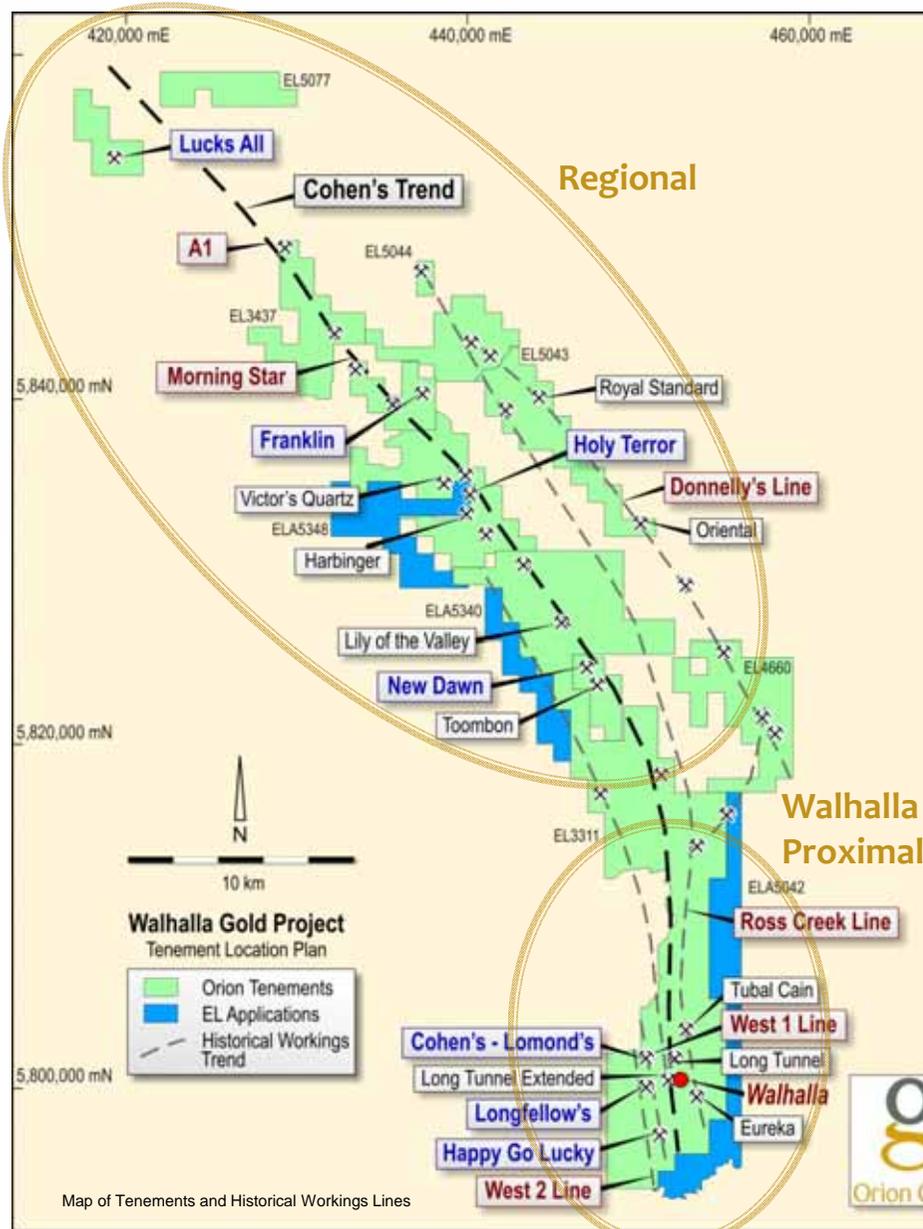
- Longfellows
- Tubal Cain
- Happy Go Lucky

### Define regional deposits as stand alone and collaborative developments

- New Dawn
- Toombon Track
- Luck's All
- Sir John Franklin
- Holy Terror



# New interpretation of Cohen's Trend



Target	Historical Production <sup>2</sup>	Exploration target <sup>1</sup> (refer Appendix 2)
<b>Walhalla Proximal</b>	Au ozs	Au ozs
Cohen's Reef	1,400,000	500,000 - 1,000,000+ (existing 120,000 oz resource – refer Appendix 1)
Longfellows	50,000	50,000 - 150,000+
Tubal Cain	33,000	300,000 - 500,000+ (existing 270,000 oz resource – refer Appendix 1)
Happy Go Lucky	90,000	100,000 - 250,000+
<b>Regional</b>		
New Dawn – Toombon	50,000 +	250,000 - 1,000,000+
Luck's All	17,000	200,000 - 500,000+
Sir John Franklin	22,000	50,000 - 100,000+
Holy Terror	NA	50,000 - 100,000+

1) Exploration Targets – The potential quantity of gold ounces is conceptual in nature and is based upon the historical scale and evidence available. The Exploration Target does not represent an actual gold resource. There has been insufficient drilling undertaken to define a gold resource and it is uncertain if further exploration will result in the delineation of a gold resource. Refer to **Disclaimer and Competent Person's Statement**.

2) Historical Production figures sourced from Department of Primary Industry public records.

# Summary of Targets



# Priority Exploration Areas – Walhalla Proximal



PROSPECT	RATIONALE	HISTORICAL PRODUCTION (2)		EXPLORATION TARGET (1) (refer Appendix 2)
		g/t Au	Gold Ozs	
Walhalla Proximal – 10km				
Cohen’s Reef – Western Hill	Add to near surface ‘stockwork’ mineralisation and resources.	40	1,400,000	150,000 - 250,000+ ozs Au (120,000 ozs Au existing resources – refer Appendix 1) 250,000 – 750,000+ ozs Au - high grade repeats
– Deeps	High grade shoots.			
Longfellows	Target mineralisation extensions below mine workings - positive sampling and encouraging scale.	39	50,000	50,000 - 150,000+ ozs Au
Tubal Cain	Stacked reefs in and stockwork mineralisation on margins of dyke (A1 Style), adding to resources.		33,000	300,000 - 500,000+ ozs Au 270,000 ozs Au existing resources – refer Appendix 1)
Happy Go Lucky	Broad mineralisation system. Improving mineralisation trends indicated to follow.		90,000	100,000 - 250,000+ ozs Au

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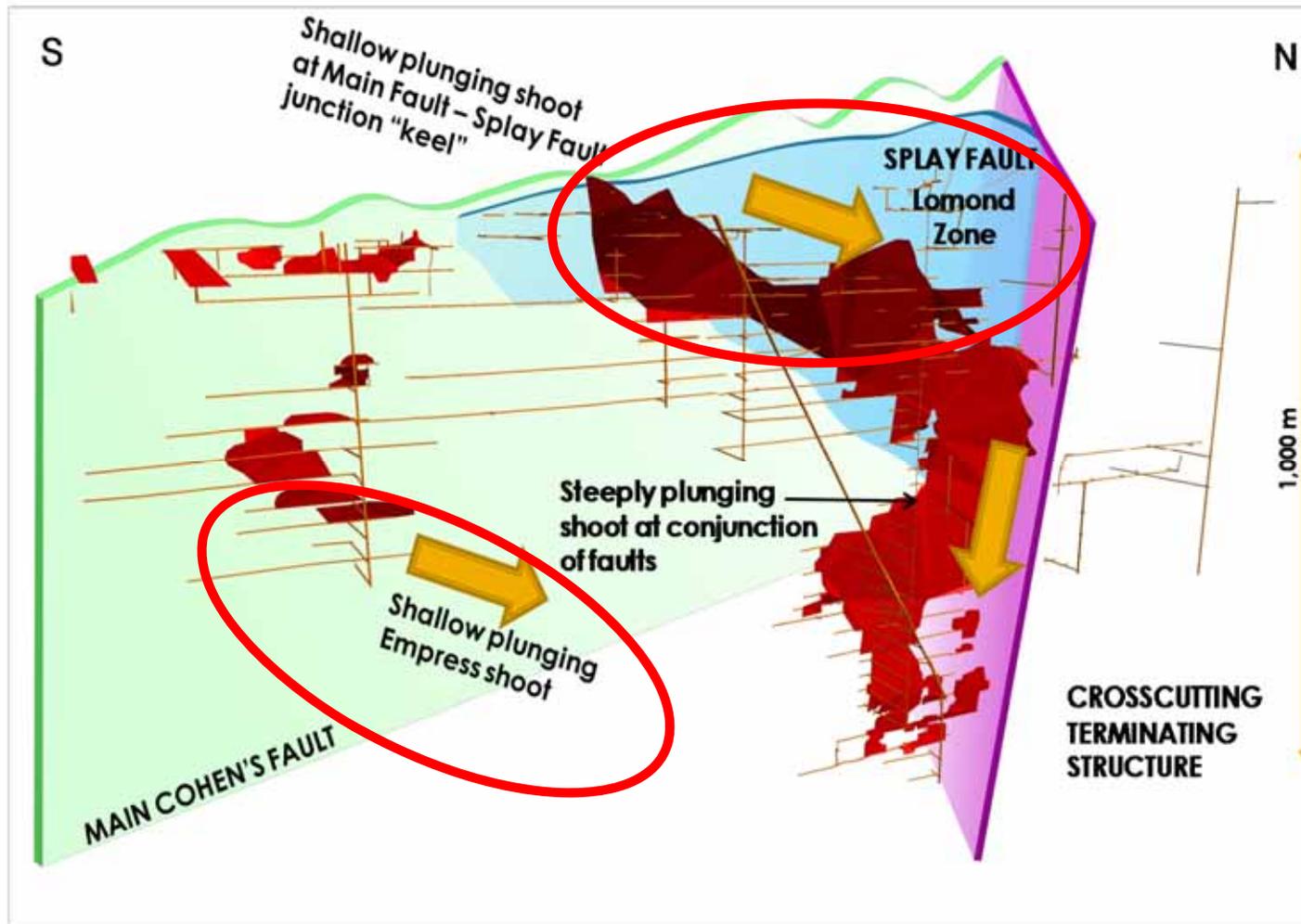
# Priority Exploration Areas – Regional



PROSPECT	RATIONALE	HISTORICAL PRODUCTION (2)		EXPLORATION TARGET (1) (refer Appendix 2)
		g/t Au	Gold Ounces	
<b>Regional Targets</b>				
<b>New Dawn – Toombon (Orion 85%)</b>	6.5 kms prospective strike length of Cohen’s Trend - supported by mining at 9 sites and +10 g/t Au rock chips.	39	50,000	250,000 - 1,000,000+ ozs Au - multiple 100,000 oz deposits
<b>Victor’s Quartz (under application)</b>	1 - 12 m wide, plunging high grade shoot lost below 3 Level.	15	33,000	50,000 - +100,000+ ozs Au
<b>Holy Terror</b>	Segment of the Cohen's Trend similar to the New Dawn – Toombon sector.	N/A	N/A	50,000 – 100,000+ ozs Au - bulk shallow target
<b>Luck’s All</b>	Multiple stacked "ladder reefs" in large, untested dyke bulge.	50	17,000	250,000 - 500,000+ ozs Au
<b>Sir John Franklin</b>	Shallow plunging shoots below historical workings.	50	22,000	50,000 - 100,000+ ozs Au - close to a current production site

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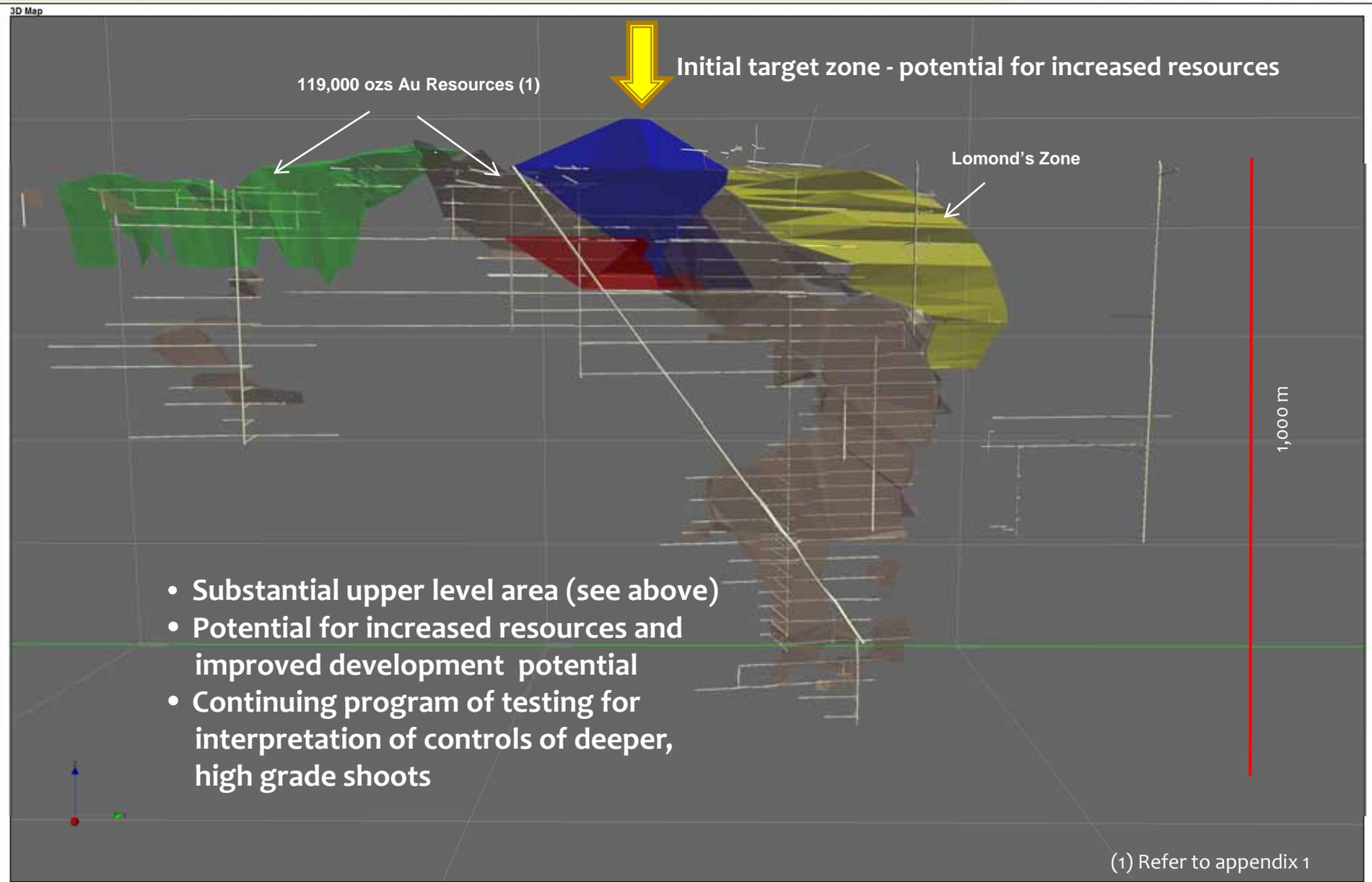
# Cohen's Reef – Zones for Follow up



- High potential to identify resources:
  - Lomond Zone
  - Empress Shoot - open to the north
- Further structural interpretation suggests:
  - Targets at depth
  - Targets in nearby parallel structures
- Reassessment, targeting:
  - Bulk shallow resources
  - High grade Cohen's style shoots

**GOLD PRODUCTION 1.4 MILLION OUNCES**  
**AVERAGE GRADE c. 40 g/t Au**

# Cohen's Project – Central Targets



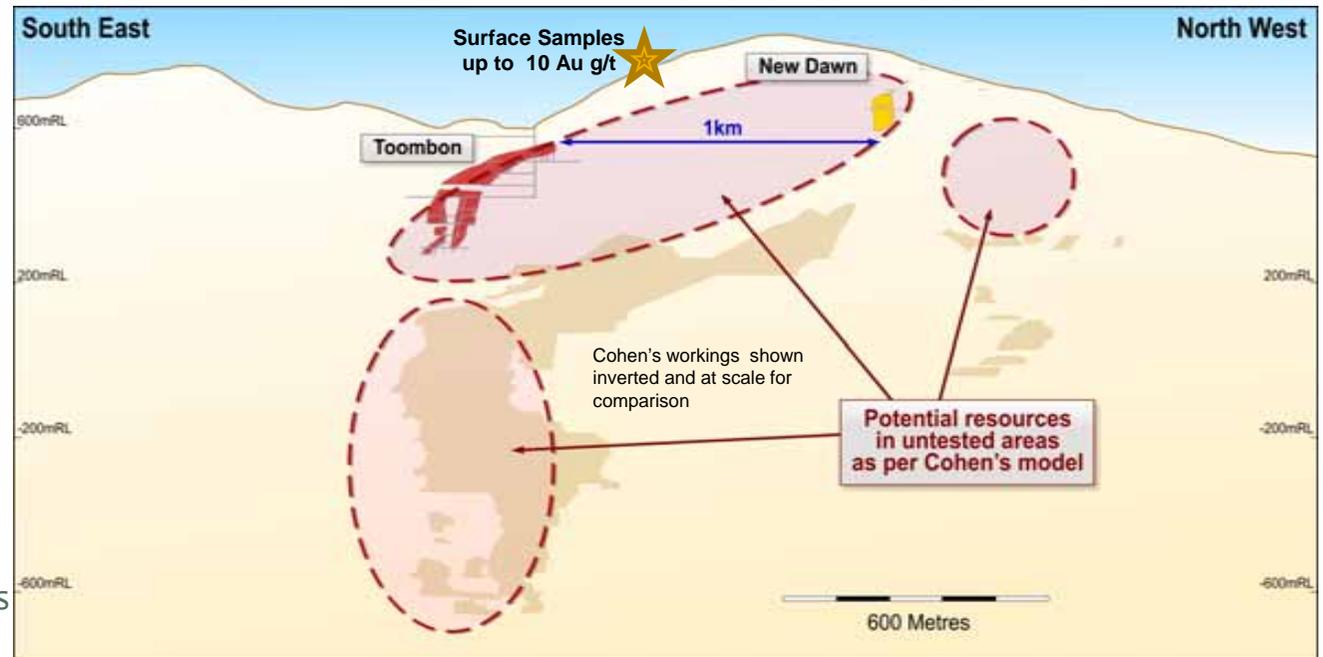
# Regional - New Dawn – Toombon (Orion 85%)

## Rationale - Multiple Targets

- Regionally, on newly interpreted favourable Cohen's Trend
- Locally, similar detailed geological setting to Cohen's Reef
- Positive surface sampling
- Multiple near surface opportunities

## New Dawn –Toombon:

- Historical workings, high grade gold production - 50,000 ounces at 39 g/t Au
- Shallow targets - worked on only 3 levels historically



Longsection viewed to West

## Program Plan for 6.5 km section

- 4,000m drilling testing high grade shoots under and between current workings

## Exploration Target - Gold (refer Appendix 2)

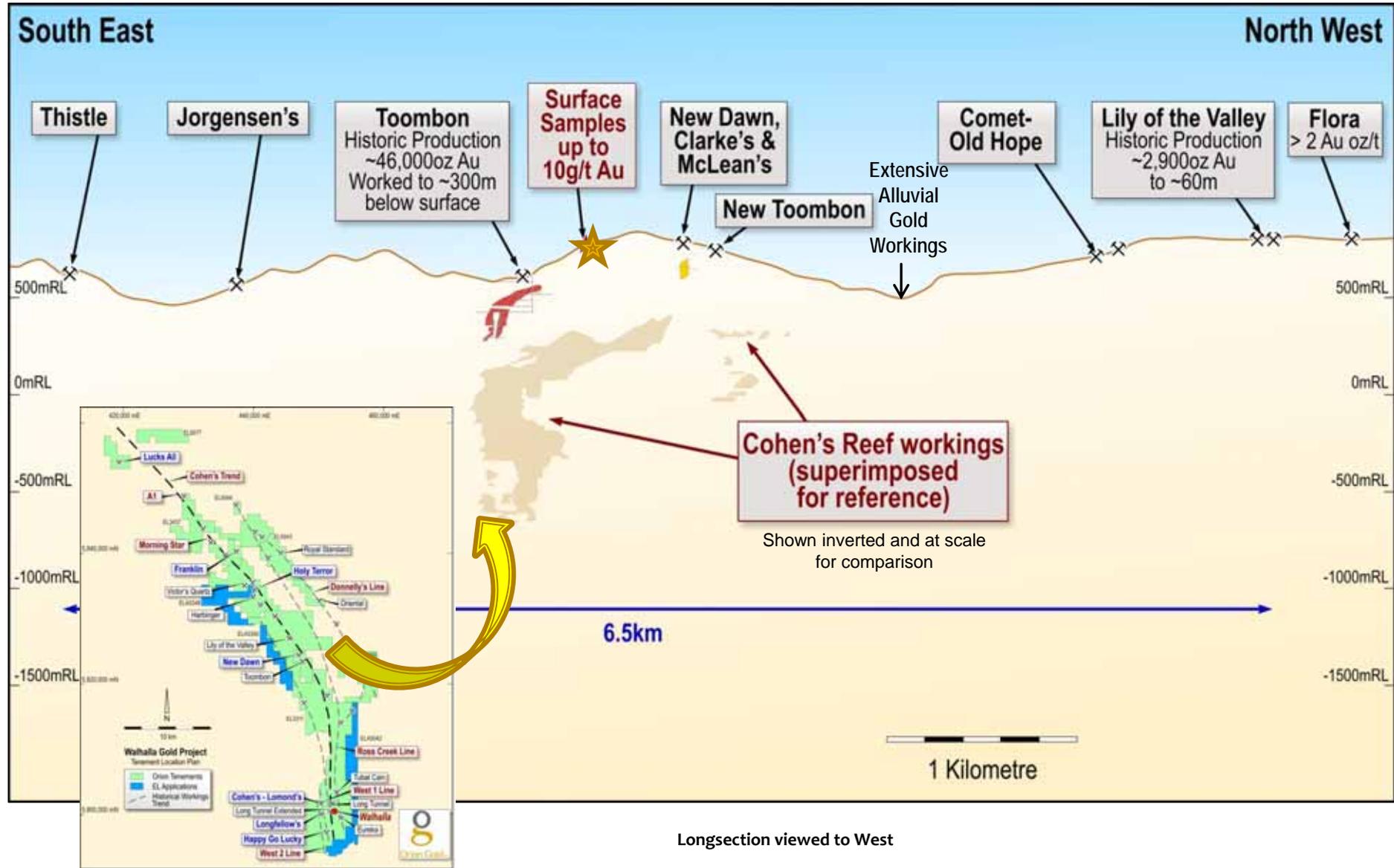
- 250,000 – 1,000,000+ ozs Au in multiple bodies (Refer Priority Exploration Areas slides and Appendix 2)

## Next steps

- Delineate near surface targets
- Access previous underground workings

# Regional: New Dawn – Toombon Fault Section

Historical workings and recent surface samples highlight prospectivity of structural trend



# Walhalla Proximal - Tubal Cain

## Rationale

- Increase size and confidence of resources
- Test high grade targets on contacts of dyke
- A1 and Morning Star geological analogue

## Program Plan

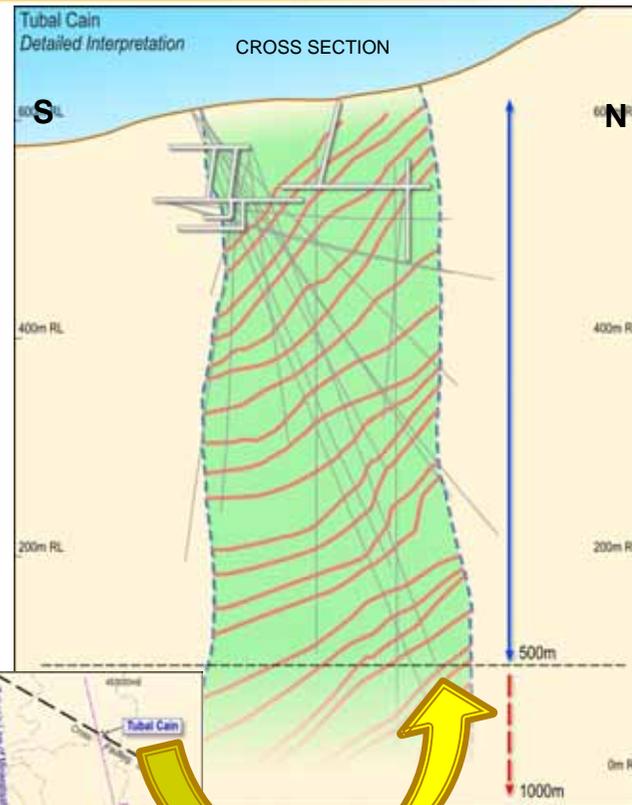
- Review geology and resources
- Plan targeted follow up drilling

## Exploration Target - Gold

- Build on existing resources
- Currently 274,000 ozs Au total resources

## Next Steps

- Access underground for resource drill out and assessment



Resource Model (May 08 JORC) >4g/t cut off to depth of 500m			
Category	Tonnage	Grade	Contained Au
Indicated	177,000	7.7g/t	44,000oz
Inferred	680,000	10.5g/t	230,000oz
<b>TOTAL</b>	<b>857,000</b>	<b>9.9g/t</b>	<b>274,000oz</b>

Refer to appendix 1

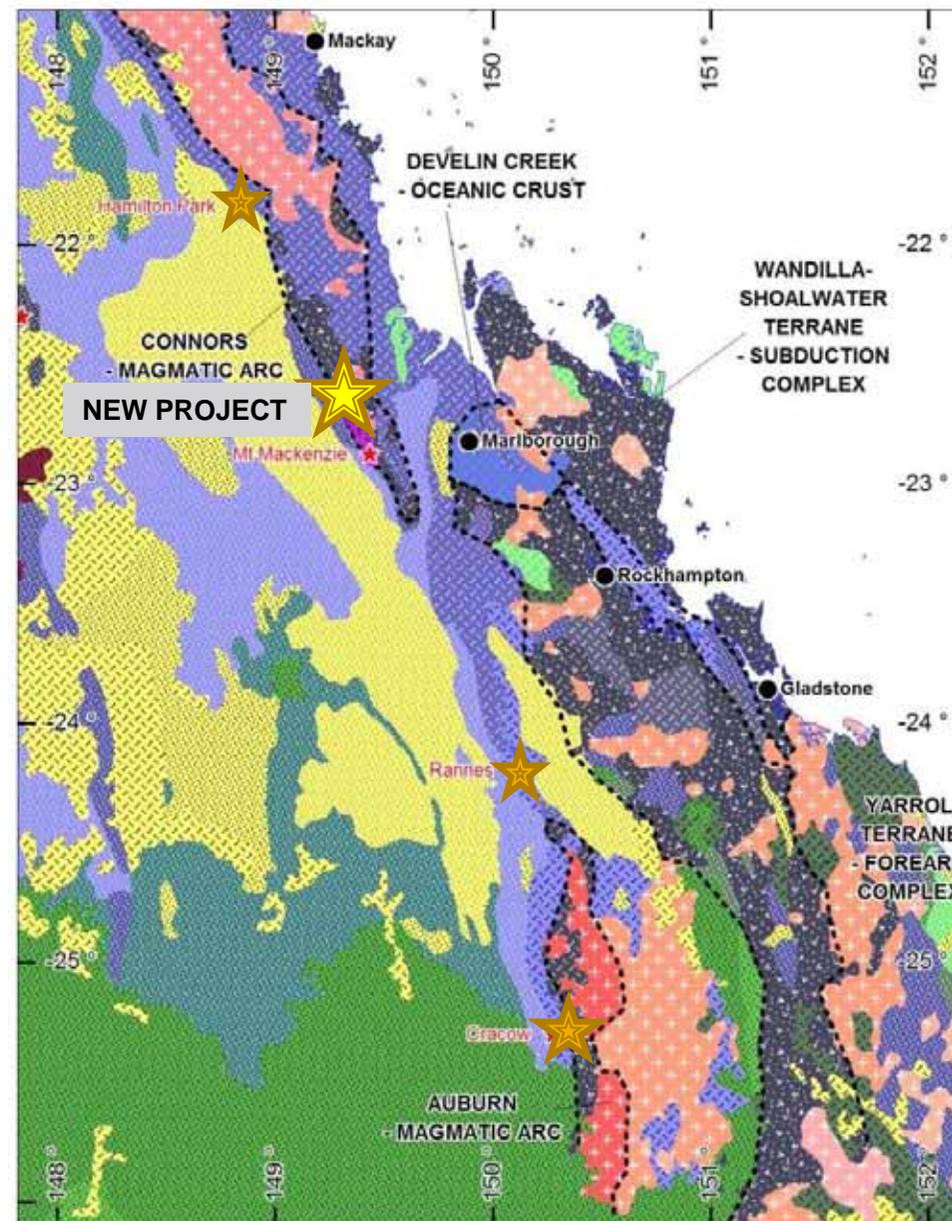
# Queensland Project



# Queensland Epithermal Project

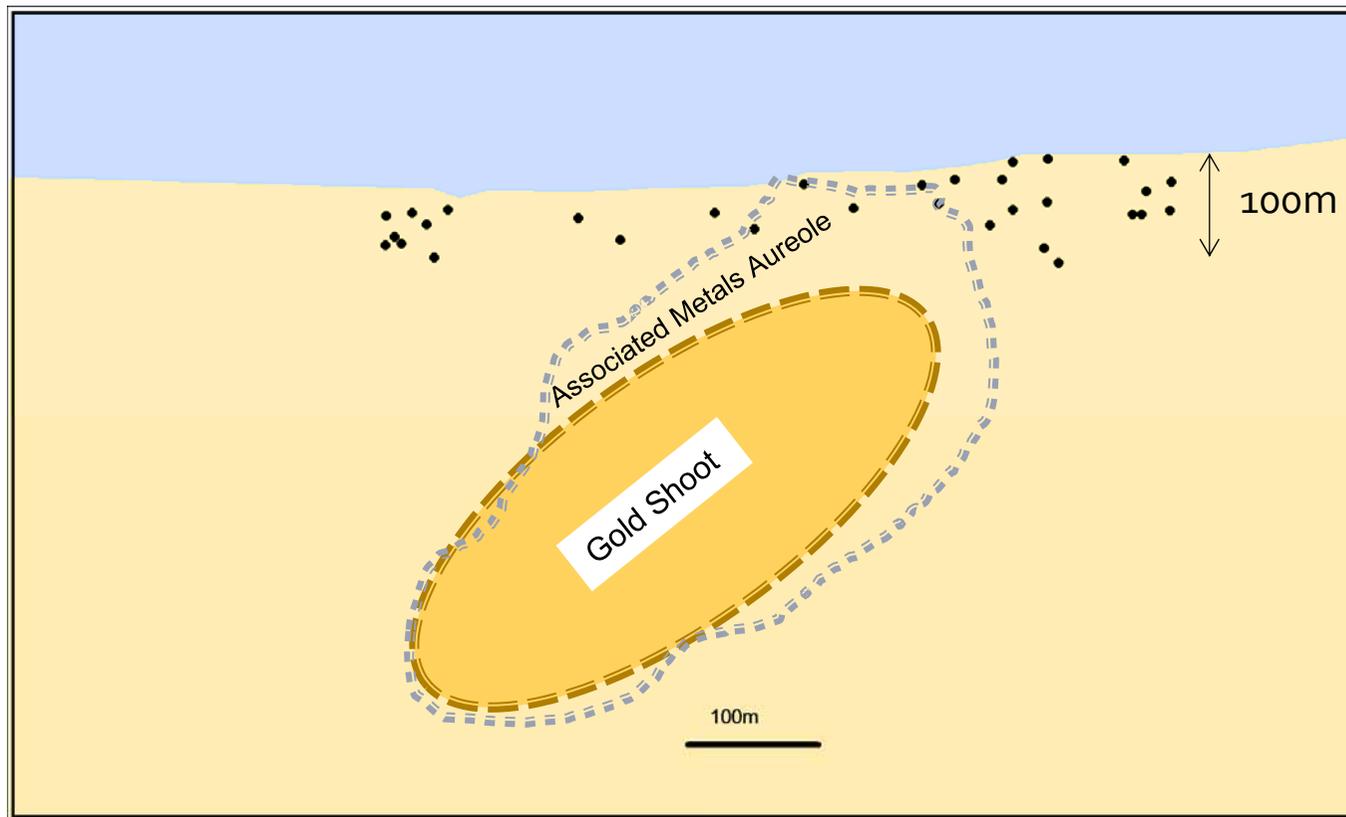
Central Eastern Queensland Location of New Project Application and other significant epithermal systems on eastern margin of Bowen Basin:

- Cracow
- Rannes
- Hamilton Park/Waitara



# Queensland Epithermal Project

- Recently applied for new tenement in Queensland
- Located within geological and structural setting very similar to significant epithermal gold systems (Cracow, Mt. Carlton)



## Target Deposit Style Example

- Longsection : showing that early drilling was shallow - detected associated metals, but did not detect the rich underlying gold shoot

# Corporate



# Experienced Team

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- **Denis Waddell** - Chairman of Orion Gold. Chartered Accountant. Extensive experience in the management of exploration and mining companies. Prior to establishing Tanami Gold NL in 1994, where he continues as Executive Director, was Finance Director of Metana Minerals NL group.
  - **Chris Roberts** – Executive Director Technical. Geologist with extensive experience in mineral exploration throughout Australia. Credited with the early significant exploration successes at Fosterville Gold Mine in Victoria and closely involved in the development of the mine.
  - **Alexander Haller** – Executive Director Corporate. Zachary Capital Management. Provides advisory services to investment companies including Silja, the major Orion shareholder. Worked in the corporate finance division at JP Morgan, advising on M&A and equity and debt capital financing.
  - **Graeme Sloan** – Non Executive Director. Mining engineer. Diverse range of senior national and international executive positions and has a strong operational and corporate background. Strong knowledge of Victoria through MD role for Fosterville development.
  - **Martin Bouwmeester** – General Manager and Company Secretary. BDM and CFO of Perseverance Corporation. Key member of team that evaluated the sulphide mineralisation at the Fosterville Gold Mine and the funding of development of the mine and processing plant.
  - **Dr Jim Anderson** – Exploration Manager. Geologist. Worked extensively in WA goldfields and with Tanami Gold. Strong grounding in structural geology to assist in the interpretation of controls on mineralisation within the Walhalla Gold Project.
  - **Ben Spence** – Senior Exploration Geologist. Worked for Newcrest Mining as a Senior Exploration Geologist in Australia and at Morobe in PNG. High computer software skills and structural knowledge to complement the exploration team.
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# Orion Gold – Investment Highlights

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  - Share placement planned with \$4.5M to fund drill testing of advanced targets
  - Orion tenements cover a 75km strike length of Walhalla – Woods Point Goldfield which has +4 Moz gold historical production
  - Detailed structural review of regional geology has provided improved understanding of geological controls
  - Approved drill plans for next 18 months to test key targets
  - Advanced targets to be drill tested following capital raising
  - Examining drilling options to optimise productivity and economics
  - Applied for highly prospective area in Queensland
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# Appendix 1

## Reported Gold Resources



# Orion Gold – Mineral Resources



## Orion Gold NL – In situ Mineral Resources at 30 June 2012

Deposit	Cut-off Au g/t	Measured		Indicated		Inferred		Total		Ounces Au
		Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t	
Tubal Cain	4	---	---	177,000	7.7	680,000	10.5	857,000	9.9	273,400
Eureka	4	---	---	36,000	13.9	117,000	8.8	153,000	9.9	49,200
Cohen's	3	80,000	5.4	388,000	5.1	210,000	6.1	678,000	5.5	119,100
<b>Total</b>		<b>80,000</b>	<b>5.4</b>	<b>601,000</b>	<b>6.4</b>	<b>1,007,000</b>	<b>9.4</b>	<b>1,688,000</b>	<b>8.1</b>	<b>441,800</b>

### Notes:

1. Tonnes are rounded to the nearest 000, grade is rounded to the nearest 0.1, the ounces Au rounded to the nearest 100
2. The cut-off grades for Tubal Cain and Eureka are set at values required to report only that part of the total in situ Mineral Resource which it is believed has potential to be mined economically by underground methods suitable for narrow vein deposits
3. The cut-off grade for the Cohen's Deposit (previously referred to as the Cohen's Stockwork Deposit) is set so as to report only that part of the Mineral Resource which it is believed has potential to be mined economically by underground bulk mining methods
4. These Mineral Resources are exclusive of areas of these deposits which are known to have been previously mined.

The Mineral Resources have been classified into Measured, Indicated and Inferred categories in accordance with JORC guidelines based variably on the assessment of geological continuity, grade continuity, drill data density and grade estimation error.

### Competent Persons:

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# Appendix 2

## Exploration Targets



# Orion Gold – Exploration Targets



The exploration targets Orion seeks in the Walhalla – Woods Point Goldfield are of two principal styles as exemplified by many historical mines and records in the field. These can be described as :

1. Structurally Controlled: - typified by quartz reefs in folded hosting sediments, frequently associated with intrusive intermediate dykes and restricted carbonate-sulfide alteration. The structures tend to be north westerly trending, deep-seated, westerly dipping thrust or reverse faults, with significant strike and dip continuity. Development of gold bearing shoots results from changes in attitude, host rock type and fault intersections. Mineralised zones tend to be broadly planar, varying in width from one metre to ten or more metres, with the majority of examples less than three metres. Zones of stockwork mineralisation may locally develop between sets of parallel faults.

Cohen's (Walhalla) and Toombon-New Dawn typify this style of mineralisation. The major example within Orion tenements, is the Cohen's Reef deposit, which has recorded production of over 1.5 million ounces of gold at an average grade of over one ounce per tonne. Recognition of the major controlling structures and trends in the area for this style and the localisation of concentrations of mineralisation along these, provides a useful focus for exploration.

2. Intrusive Hosted: - auriferous quartz reefs developed as 'stacked' reefs within the host intermediate intrusive or on the contact margins with the wallrock sediments. 'Stockwork' style mineralisation may develop locally in the sedimentary wallrocks marginal to the intrusion. The intrusives are deep-seated and tend to be located on similar structures to the above mineralisation style, with the specific location resulting from local dilatancy created by fault jogs or cross-cutting structures. Examples of this style of mineralisation are provided by the + 1 million ounce A1 and Morning Star gold deposits at the northern end of the Walhalla Synclinorium (held by other companies). The intrusives and associated mineralisation also tend to be deep seated.

Targets for exploration have been developed from location of historical workings, significant structures associated with and extending from these and the records of mining and mapping these mines. The dimensions and attitudes of the past deposits provide an invaluable description of the style of mineralisation present and what can be expected for the field. It is for this reason that compilation and modelling of this data is used for targeting. The reasonable deductions and flow-on expectations for the targets in these areas are summarised in the following table.

# Orion Gold – Exploration Targets



Exploration Targets – The potential quantity of gold ounces is conceptual in nature and is based upon the historical scale and evidence available. The Exploration Target does not represent an actual gold resource. There has been insufficient drilling undertaken to define a gold resource and it is uncertain if further exploration will result in the delineation of a gold resource. Refer to Disclaimer and Competent Person’s Statement.

Orion Gold NL – Exploration Target Parameters Definition									
DEPOSIT	Historical Recorded Production			Exploration Target Parameters					
	Tonnes	Au g/t	Au ozs	Length m	Width m	Depth m	Tonnes	Au g/t	Potential Contained Au ozs
Cohen’s Reef	1,400,000	40	1.5 Million	200	2	1,000	1,080,000	30	500,000 - 1,000,000+ (existing 120,000 oz resource)
Longfellows	40,000	39	50,000	150	2	200	162,000	30	50,000 - 150,000+
Tubal Cain	---	---	33,000	200	2	1,000	1,080,000	15	300,000 - 500,000+ (existing 270,000 oz resource)
Happy Go Lucky	---	---	90,000	200	8	200	864,000	9	100,000 - 250,000+ ozs
New Dawn –Toombon	40,000	39	50,000	1,000	2	250	1,350,000	25	250,000 - 1,000,000+
Luck’s All	11,000	50	17,000	200	2	600	648,000	25	200,000 - 500,000+
Sir John Franklin	14,000	50	22,000	150	1.5	200	121,500	15	50,000 - 100,000+
Holy Terror	---	---	NA	100	2	200	108,000	15	50,000 - 100,000+
Victor’s Quartz	68,000	15	33,000	100	2	250	101,250	15	50,000 - 100,000+
<b>TOTAL</b>	<b>1.6 Million</b>		<b>1.8 Million</b>						<b>1.6 - 3.7 M ozs</b>

**Note:** Cut-off grades likely to apply to resources which might be located, are interpreted to be reasonably expected in these deposits