

30 December 2015

Orion Gold<sub>NL</sub>**ASX Code:** ORN**Issued Capital:**

Ordinary Shares: 421M

Options: 91M

**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 ManagerSuite 2  
64 Thomas Street  
West Perth WA 6005  
ABN 76 098 939 274

T: +61 8 9485 2685

E: [info@oriongold.com.au](mailto:info@oriongold.com.au)

## Sale of Mining Tenement – Walhalla Project

**Orion Gold NL (ASX: ORN)** announced on 11 August 2015 that it had entered into a binding term sheet (**Term Sheet**) with A1 Consolidated Gold Limited (**A1 Gold**) for A1 Gold to acquire Orion's Walhalla Project mining tenement 5487 (**Tenement**) in Victoria, which includes the Eureka and Tubal Cain deposits, for total consideration of \$850,000.

The Company is pleased to announce that it has entered into a binding agreement (**Agreement**) with A1 Gold that amends the terms of the Term Sheet for A1 Gold to acquire the Tenement. Key terms of the Agreement are as follows:

- \$50,000 cash payment (received by Orion in August 2015);
- \$300,000 consideration through the issue of 7,816,285 fully paid ordinary A1 Gold shares (**Shares**) at the volume average weighted price (**VWAP**) of the Shares as traded on the ASX in the ten trading days prior to 7 August 2015 (\$0.03838). The Shares will be issued to Orion on the Completion Date (expected to be 8 January 2016) and shall not be subject to escrow;
- \$500,000 royalty through a 2% royalty on net smelter returns from the sale of gold recovered and sold by A1 Gold from the Tenement (**NSR**). In addition, A1 Gold has granted Orion a put option whereby Orion can at any time following a period of 36 months from the date of the Term Sheet, require A1 Gold to purchase the NSR at a price equal to \$500,000 less any NSR paid in accordance with the Term Sheet (**NSR Consideration**). Orion can elect to receive the NSR Consideration as cash or Shares issued to Orion at the VWAP of the Shares as traded on the ASX in the ten trading days prior to the date of issue; and
- Following the Completion Date, and upon the Victorian Government Department of Economic Development, Jobs, Transport and Resources (**DEDJTR**) issuing a recommendation in relation to the transfer of the Tenement from Orion to A1 Gold, A1 Gold is required to replace the \$180,000 rehabilitation bond that the Company has on deposit with the DEDJTR.

The acquisition of the Tenement by A1 Gold is subject to the grant of consents required under the Mineral Resources (Sustainable Development) Act.

A1 Gold is an emerging junior Victorian gold producer that is developing the A1 Gold Mine in the Woods Point – Walhalla Goldfield in Victoria and the Union Hill Mine at Maldon to mine ore for processing at the Company's fully permitted 150,000 tpa Maldon gold processing facility.

Other than the Tenement which has been sold to A1 Gold, Orion has retained its exploration tenements in Walhalla which are prospective for gold, copper - nickel and PGE mineralisation.



Errol Smart  
**Managing Director and CEO**

### **Company Enquiries:**

Errol Smart – Managing Director and CEO  
Denis Waddell – Chairman  
**T:** +61 8 9485 2685  
**E:** [info@oriongold.com.au](mailto:info@oriongold.com.au)

### **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 large tenement package on the Connors Arc in Queensland, where a significant intermediate sulphidation, epithermal gold and silver system has been identified at Aurora Flats. 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, and its fieldwork has led to the discovery of substantial epithermal systems at the Veinglorious and Chough Prospects.

The Company also holds 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 which 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 34 targets to date by a combination of geological, geochemical and geophysical methods.

Recently, the Company secured an outstanding growth and diversification opportunity in the global base metals sector after entering into an option to acquire an advanced volcanic massive sulphide copper-zinc project located in South Africa with near-term production potential. The option gives Orion the right to acquire an effective 73.33% interest in the a portfolio of projects including an exploration project at the Prieska Copper Project, located near Copperton in the Northern Cape province of South Africa, and the Marydale Prospecting Right, a virgin gold discovery of possible epithermal origin, located 60 kilometres from the Prieska Copper Project. The Company is progressing extensive due diligence investigations.

Additionally, the Company owns the Walhalla Project located in Victoria, which is prospective for gold, copper – nickel and PGEs.

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.