

11 August 2015

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

Ordinary Shares: 306M

Options: 83M

**Directors:****Denis Waddell**  
Chairman**Errol Smart**  
Managing Director, CEO**Bill Oliver**  
Technical Director**Alexander Haller**  
Non-Executive Director**Management:****Kim Hogg**  
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## Sale of Mining Tenement – Walhalla Project

**Orion Gold NL (ASX: ORN)** is pleased to announce that it has 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.

Key terms of the Term Sheet are:

- \$50,000 cash payment;
- \$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 Completion Date (no later than 30 November 2015) and shall not be subject to escrow;
- 2% royalty on net smelter returns from the sale of gold recovered and sold by A1 Gold from the Tenement ('NSR') to a value of \$500,000. 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;
- On or prior to Completion Date, A1 Gold is required to replace the \$180,000 rehabilitation bond that the Company has on deposit with the DEDJTR; and
- Orion will retain its Walhalla Project exploration tenements and retention licence applications, enabling the Company to continue to explore for copper, nickel and platinum group elements (PGEs).

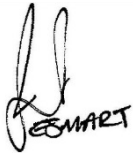
The acquisition of the Tenement by A1 Gold is subject to the grant of consents required under the Mineral Resources (Sustainable Development) Act.

On 29 August 2014, Orion announced that it had entered into an agreement with A1 Gold where A1 Gold had an option to acquire Orion's Walhalla Project tenements in Victoria with Orion retaining certain rights to known polymetal prospects and any further polymetal deposits discovered. The agreement expired unexercised on 31 July 2015.

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. Refer to the Company's June 2015 Quarterly Report for more detail.

Orion is continuing its focus on its Connors Arc Epithermal Gold-Silver Project in Queensland and its Fraser Range Nickel-Copper Project in Western Australia.



Errol Smart  
**Managing Director and CEO**

**Company Enquiries:**

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**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 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 who 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.

The Company has also secured 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.

Additionally, the Company has its Walhalla Project located in Victoria, where it 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.

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