

12 May 2017

Orion Gold_{NL}**ASX Code:** ORN**Issued Capital:**

Ordinary Shares: 792M

Options: 180M

Directors:**Denis Waddell**
Chairman**Errol Smart**
Managing Director, CEO**Bill Oliver**
Technical Director**Alexander Haller**
Non-Executive Director**Management:****Martin Bouwmeester**
CFO & Company SecretarySuite 2
64 Thomas Street
West Perth WA 6005
ABN 76 098 939 274T: +61 8 9485 2685
E: info@oriongold.com.au

Managing Director and CEO Remuneration

Orion Gold NL ('Orion' or the 'Company') (ASX: ORN) is pleased to advise that effective 1 May 2017, a revised remuneration structure has been agreed with Orion's Managing Director and Chief Executive Officer, Mr Errol Smart.

On 20 October 2014, the Company announced that a revised remuneration structure had been agreed with Orion's Managing Director and Chief Executive Officer, Mr Errol Smart. The revised remuneration package included a significant reduction in the cash component of his package from \$240,000 per annum to \$120,000 per annum. This reduction reflected the Board's cost cutting measures and agreement with all key personnel to reduce corporate costs where possible, to achieve the maximum amount of funds going into exploration expenditure at the Company's projects and to provide additional funding for project acquisitions.

During the past two and a half years since October 2014, Mr Smart has contributed significant funds towards capital raisings and has made a considerable effort on a full-time basis in growing the Company through acquiring a large prospective ground position in South Africa which culminated in the recent acquisition of Agama Exploration & Mining (Pty) Ltd (**Agama**), resulting in Orion, through its subsidiary companies, holding an effective 73.33% interest in the company holding Prospecting Rights over the historical Prieska Copper Mine, located at Copperton, Northern Cape province, South Africa, and the Marydale Gold-Copper Project. In recognition of the contribution Mr Smart has made to the Company, particularly since he took a major remuneration cut in October 2014, the Board has agreed to partially off-set the remuneration reduction over the past two and a half years by way of a one off adjustment payment of \$100,000.

The principal components of Mr Smart's revised remuneration structure, which is effective 1 May 2017 are as follows:

1. Fixed component of \$300,000 per annum.
2. Short term incentives remain at the discretion of the Board and shall be based upon achievement of performance targets to be set by the Board periodically.
3. Orion may terminate Mr Smart's employment at any time on 3 months' notice. The employment contract does not require any termination payments, other than payment in lieu of notice (if applicable). Mr Smart may terminate his employment with Orion at any time on 3 months' notice.

As part of Mr Smart's remuneration package, the issue of the following unlisted options was approved by shareholders on 26 November 2015 and were issued to Mr Smart on 26 November 2015:

Number of options	Exercise price	Vest
10,000,000	\$0.020	30 November 2015
10,000,000	\$0.035	30 November 2016
10,000,000	\$0.050	30 November 2017

As part of Mr Smart's remuneration package announced on 29 January 2013 following Mr Smart's appointment on 26 November 2012, a total of 1,000,000 Orion fully paid ordinary shares were issued to Mr Smart on 8 July 2013 at an issue price of \$0.10. Orion has provided Mr Smart with an interest free non-recourse loan repayable upon sale of the shares and/or within one month of Mr Smart ceasing to be a Director of Orion.


 Denis Waddell
 Chairman

Company Enquiries:

Errol Smart - Managing Director and CEO

Denis Waddell - Chairman

T: +61 8 9485 2685

E: 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 such mineral provinces.

Orion has recently acquired an effective 73.33% interest in a portfolio of projects including an advanced volcanic massive sulphide zinc-copper exploration project with near-term production potential at the Prieska Zinc-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 km from the Prieska Zinc-Copper Project. (refer ASX release 30 March 2017).

In addition to the Prieska Zinc-Copper Project and Marydale Gold Project, the Company has entered into options and earn-in rights agreements over a combined area of 1606km² in the highly prospective Areachap belt, North Cape Province of South Africa (Figure 1). This has secured an outstanding growth and diversification opportunity for the Company. Agreements entered into include:

- An earn in right to ultimately earn a 73% interest in a 980km² prospecting right area located approximately 80 km north of the Prieska copper Project. The project area contains several VMS and VHMS zinc and copper targets including the advanced stage Kantienpan zinc – copper project. (refer ASX releases 31 May 2016 and 29 April 2016).
- An earn in right to ultimately earn an 80% interest, via a South African registered special purpose vehicle which will be 74% owned by Orion, to prospecting and mining right applications covering a combined and partially overlapping area of 626km². The mineral rights areas include an advanced stage ultramafic hosted nickel – copper project, analogous to the geology of the Fraser Range, Western Australia. Several VMS and VHMS copper-zinc targets are also located within this mineral rights package. (refer ASX release 14 July 2016).

The Company also continues to explore 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 Cracow and Mt Carlton epithermal deposits. The Company's fieldwork has led to the discovery of substantial epithermal systems at the Veinglorious and Chough Prospects.

The Company also has joint ventures over its Fraser Range Project, which are funded to the completion of pre-feasibility by Independence Group NL (ASX: IGO). The Fraser Range Project consists of a substantial tenement holding in the Albany-Fraser Belt, which hosts Australia's two most significant discoveries of the last decade (the Tropicana Gold Deposit and the Nova Nickel-Copper-Cobalt Deposit). (refer ASX release 10 March 2017).

The Company has an experienced management team with a proven track record in exploration, development and adding shareholder value.

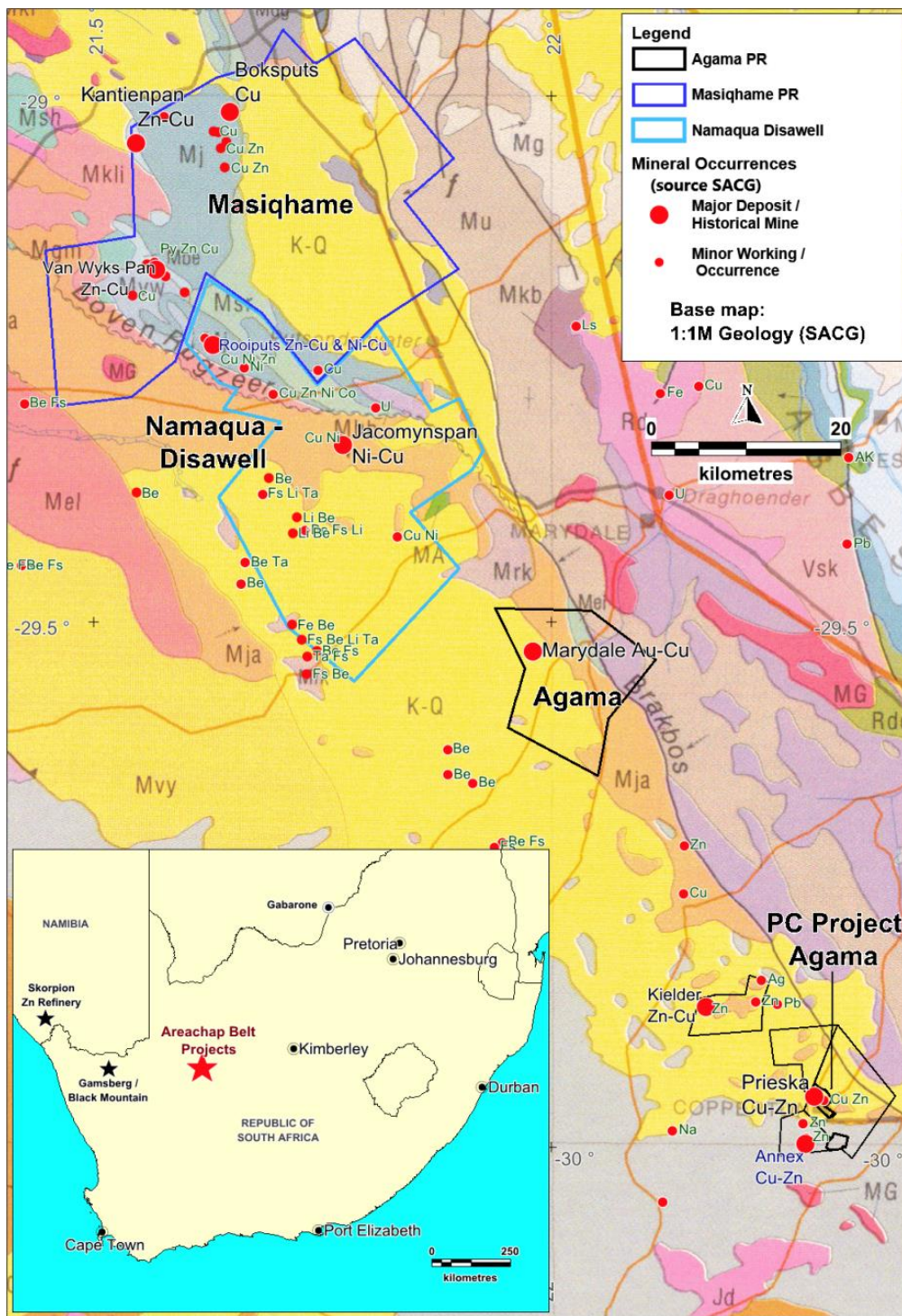


Figure 1: Regional geology map of the Areachap Belt showing prospecting rights owned by Orion and currently under option to Orion and noted mineral occurrences as per published data from South African Council for Geoscience.

Disclaimer

This release may include forward-looking statements. Such forward-looking statements may include, among other things, statements regarding targets, estimates and assumptions in respect of metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. 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. 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 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. All information in respect of Exploration Results and other technical information should be read in conjunction with Competent Person Statements in this release. To the maximum extent permitted by law, Orion and any of its related bodies corporate and affiliates and their officers, employees, agents, associates and advisers:

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