

# 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, 01/05/2013

Name of entity

Orion Gold NL

ABN

76 098 939 274

Quarter ended ("current quarter")

31 December 2014

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	---	---
1.2 Payments for		
(a) exploration & evaluation	(440)	(1,259)
(b) development	---	---
(c) production	---	---
(d) administration	(123)	(431)
1.3 Dividends received	---	---
1.4 Interest and other items of a similar nature received	2	4
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	---	---
1.7 Other (provide details if material)	60	71
<b>Net Operating Cash Flows</b>	<b>(502)</b>	<b>(1,617)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	---	---
(b) equity investments	---	---
(c) other fixed assets	---	(7)
1.9 Proceeds from sale of:		
(a) prospects	---	---
(b) equity investments	---	---
(c) other fixed assets	---	---
1.10 Loans to other entities	---	---
1.11 Loans repaid by other entities	---	---
1.12 Other (provide details if material)	28	42
<b>Net investing cash flows</b>	<b>28</b>	<b>35</b>
1.13 Total operating and investing cash flows (carried forward)	(474)	(1,582)

1.13 Total operating and investing cash flows (brought forward)	(474)	(1,582)
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+ See chapter 19 for defined terms.

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<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	1,672	1,708
1.15	Proceeds from sale of forfeited shares	---	---
1.16	Proceeds from borrowings	-	340
1.17	Repayment of borrowings	(200)	(200)
1.18	Dividends paid	---	---
1.19	Other (provide details if material)	---	---
<b>Net financing cash flows</b>		<b>1,472</b>	<b>1,848</b>
<b>Net increase (decrease) in cash held</b>		<b>998</b>	<b>266</b>
1.20	Cash at beginning of quarter/year to date	144	876
1.21	Exchange rate adjustments to item 1.20	---	---
1.22	<b>Cash at end of quarter</b>	<b>1,142</b>	<b>1,142</b>

### Payments to directors of the entity and associates of the directors, related entities of the entity and associates of the related entities

		Curent quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	60
1.24	Aggregate amount of loans to the parties included in item 1.10	---

1.25 Explanation necessary for an understanding of the transactions

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.

### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

No non cash financing and investing activities were made during the quarter.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Pursuant to the option agreement with A1 Consolidated Gold Limited ('A1 Gold') for A1 Gold to acquire Orion's Walhalla Project tenements in Victoria, A1 Gold paid the second instalment of the option fee of \$40,000 in November 2014.

In the event A1 Gold elects to exercise the option, it will pay Orion \$500,000 in cash and issue \$500,000 shares in A1 Gold. Orion will be entitled to a 2% ongoing net smelter royalty on all gold produced from the tenements.

Orion retains the rights to explore for, develop and mine all deposits which are 67% or greater intrusive hosted sulphide minerals, including copper, nickel and platinum group elements (PGEs) with subordinate gold and silver.

Refer to the ASX announcement dated 29 August 2014 for further details.

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**Financing facilities available**

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities *	350	140
3.2 Credit standby arrangements	---	---

\* The Company has a loan agreement with Silja Investment Limited ("Facility"), the Company's major shareholder. The Facility terminates on 30 June 2015 and Silja will not demand payment until the completion of at least a \$2.0 million capital raising.

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation (assuming fund raising initiatives are completed)*	250
4.2 Development	---
4.3 Production	---
4.4 Administration	125
<b>Total</b>	<b>375</b>

\* Incorporating the drilling program at the Connors Arc Project, Queensland.

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,142	144
5.2 Deposits at call	---	---
5.3 Bank overdraft	---	---
5.4 Other (provide details)	---	---
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,142</b>	<b>144</b>

**Changes in interests in mining tenements and petroleum tenements**

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	---	---	---
6.2	Interests in mining tenements and petroleum tenements acquired or increased	---	---	---

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#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Partly paid +securities</b> <i>(description)</i>	58,775	---	40 cents	4 cents
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	---	---	---
7.3 <b>+Ordinary securities</b>	303,698,983	303,698,983	---	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	59,882,577	59,882,577	3 cents	3 cents
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	---	---	---	---
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	---	---	---	---
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	250,000	---	4.5 cents	30 November 2019
	250,000	---	6 cents	30 November 2019
	42,500,000	42,500,000	19.7849 cents	31 August 2015
	50,000	---	159.7849 cents	30 June 2015
	9,000,000	---	14.7849 cents	31 May 2018
	9,000,000	---	24.7849 cents	31 May 2018
	9,000,000	---	34.7849 cents	31 May 2018
	1,000,000	---	14.7849 cents	30 April 2018
	1,000,000	---	24.7849 cents	30 April 2018
	1,000,000	---	34.7849 cents	30 April 2018
	3,500,000	---	24.7849 cents	31 August 2015
	6,000,000	---	24.7849 cents	31 July 2015
	6,000,000	---	34.7849 cents	31 July 2016
	10,625 Perf. Rights	---	---	30 June 2015
7.8 Issued during quarter	250,000	---	4.5 cents	30 November 2019
	250,000	---	6 cents	30 November 2019
7.9 Exercised during quarter	---	---	---	---
7.10 Expired during quarter	---	---	---	---
7.11 <b>Debentures</b> <i>(totals only)</i>	---	---		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	---	---		

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## **Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 23 January 2015

Company Secretary

Print name: Kim Hogg

## **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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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