

13 October 2010

Continued Drilling Success at Happy Go Lucky

The Directors are pleased to announce that drilling at Happy Go Lucky ("HGL") has intersected further extensions of the reefs associated with a pyrite-gold system. On 8 September 2010, the Company announced that three drill holes had intersected a pyrite-gold system associated with a major structure, in a near-surface position that has largely been unexploited by previous mining.

Additional drilling has extended the reefs along strike and at depth, with mineralisation remaining open in most directions. Drilling is continuing with the aim of further delineating the extent of the mineralised system, providing additional information on the geological and structural setting and identifying higher grade zones. Drill hole OHL004 has further extended the easterly dipping Lower Reef down dip by 140 metres from OHL003 and also along strike to the north by 90 metres (see figures 1 and 2).

The HGL multiple reef system, which remains open in most directions, has a down dip extent of 285 metres between the intersections in OHL004 and OHL006.

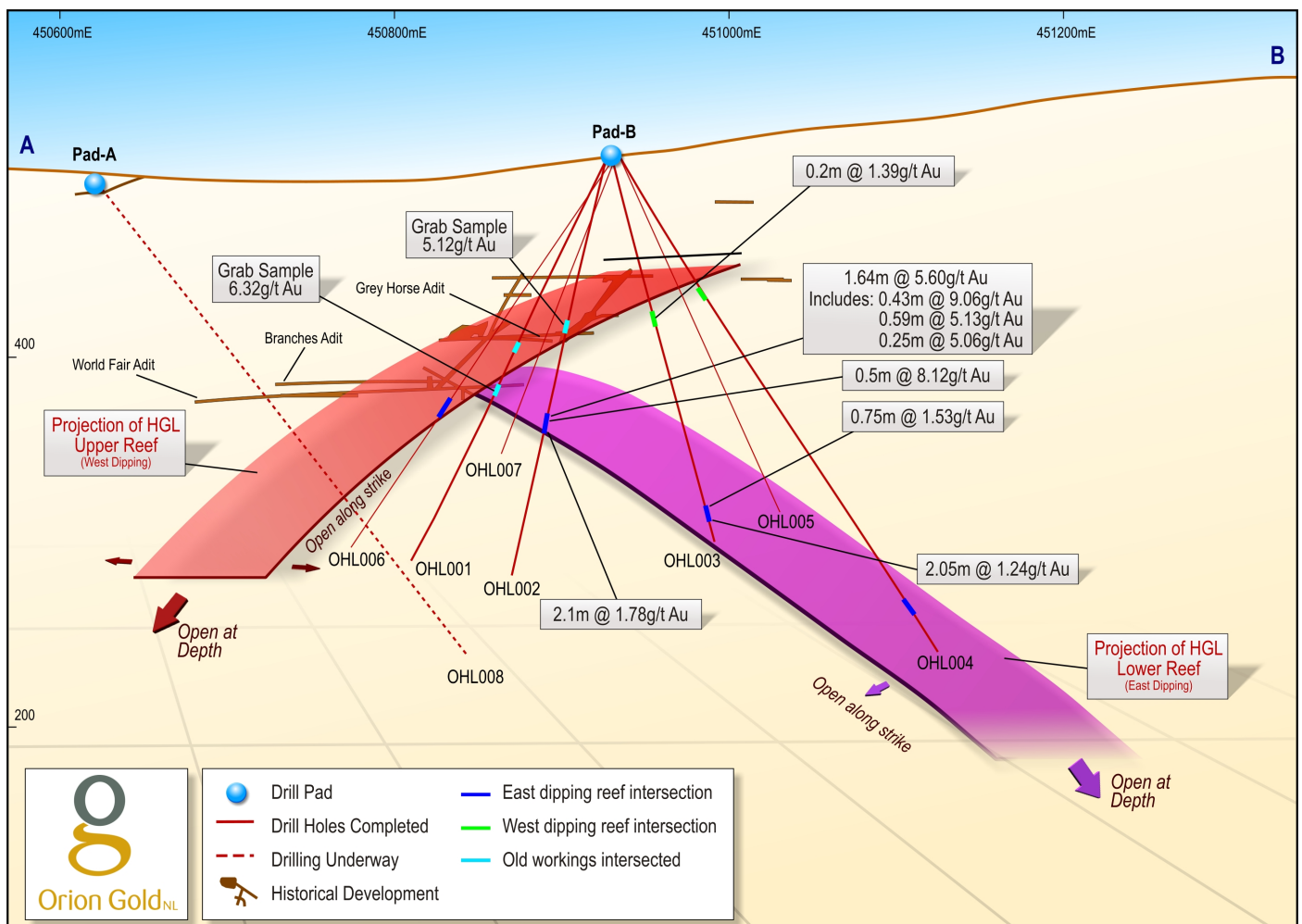


Figure 1: Schematic oblique section through the Grey Horse workings in Stockrider's Spur (HGL) illustrating known historic workings, projected reefs and drill holes. Figure 2 shows the position of this section in plan. Refer to Table 1 for further detail regarding drill hole intersections.

OHL004 intersected a significant high strain zone over a 32 metre down hole length from approximately 281 to 313 metres. The position of the intersection suggests that this is the east dipping Lower Reef which was previously intersected in holes OHL002 and OHL003. Detailed geological assessment, sampling and assaying are in progress.

OHL006 intersected a strongly deformed interval between 140.5 metres and 160 metres. The wallrock sandstones are pyrite-bearing between 140.5 and 155.5 metres which is similar to OHL002. A number of significant quartz reefs occur within this zone, including a prominent 20 cm wide arsenopyrite/pyrite-rich vein at 152.23 metres accompanied by a metre-wide halo of marginal veining. Assays are pending.

Assay results for drill hole OHL003 confirm the presence of two main mineralised structures (reefs) within the high strain zone that hosts the east dipping Lower Reef. Results indicate a broad zone of low grade mineralisation with better grades (including 0.75 metres at 1.53 Au g/t, from 208.1 metres and 2.05 metres at 1.24 Au g/t, from 212.35 metres down hole) associated with the two reefs previously identified in OHL002. Refer to Table 1 for further detail.

Two drill holes, drilled as substantial step-outs to the north east and north west (OHL005 and OHL007 respectively) did not intersect the known reefs, however OHL005 intersected a complex high strain zone in the inferred position of the eastern reef. The intersection included multiple highly altered dykes, strongly deformed sediments and sections of quartz veining. This suggests potential for offsets of the mineralised reefs in this direction. Detailed geological assessment, sampling and assaying are pending.

To test various aspects of the Company's HGL geological and mineralisation model, the Company is drilling approximately 2,500 metres of diamond core on Stockrider's Spur. Historic mining data for the area indicates that around 90,000 ounces of gold were recovered from historical underground workings and shallow open pit mines. The work and drilling to date continues to support the Company's three-dimensional model of the mineralisation under Stockriders Spur. The model consists of a west dipping Upper Reef and multiple shallower east dipping reefs intersecting with it (see figures 1 and 2).

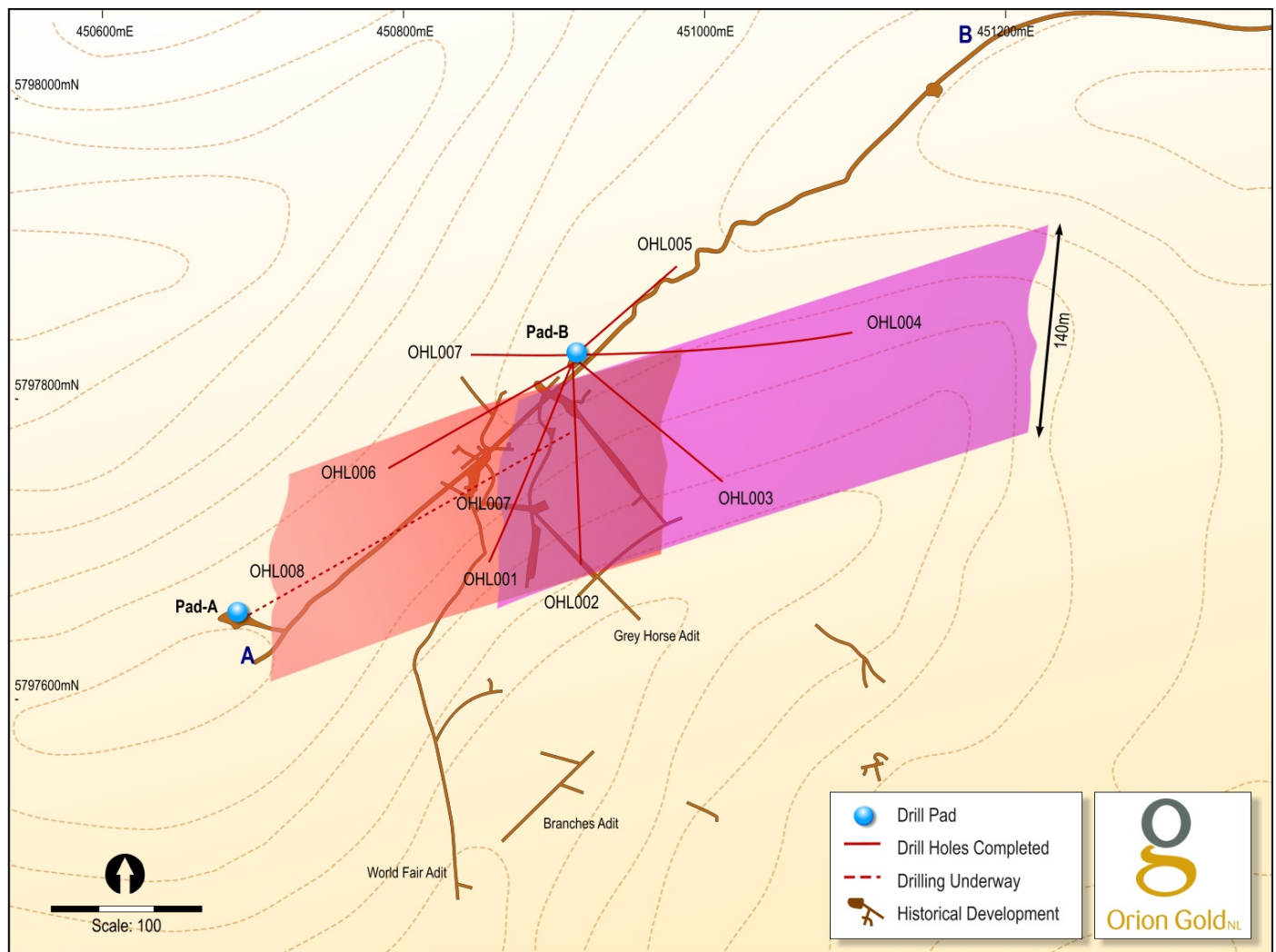


Figure 2: Schematic plan illustrating the reefs as interpreted from historic workings and drilling at HGL, the location of drill holes and the position of the schematic oblique section shown in figure 1 (A-B).

Structural Review and Program

The Company has engaged a consulting structural geologist, Dr Steve King, to review data from past and recent drilling and surface and underground mapping, to assist in determining and defining structural controls on mineralisation at the Walhalla Gold Project. This work is expected to assist in exploration targeting and to optimise the drilling definition of mineralisation. Steve King was highly influential in the development of the structural model at Fosterville, which contributed to the substantial redevelopment of that mine.

Executive Chairman Denis Waddell said, "we continue to be very encouraged by the Happy Go Lucky drill results, the geological setting of the mineralisation and the large scale potential of the mineralised system. Although there is much work to be completed to better understand the structural complexity at Happy Go Lucky, the results to date highlight the prospectivity of the Company's Walhalla Gold Project. Planning is in progress for follow-up programs at Happy Go Lucky and other identified target zones".



Denis Waddell
Executive Chairman

Table 1: Drill Hole Intersections

From(m)	To(m)	Width(m) ²	Au(g/t)	As(ppm) ⁵
Drill Hole OHL001				
134.30	139.30	n/a	6.32 ^{3,6}	480
Drill Hole OHL002				
94.60	96.00	n/a	0.60 ^{3,6}	346
94.60	96.00	n/a	1.69 ^{3,6}	361
94.60	96.00	n/a	5.12 ^{3,6}	233
140.63	141.06	0.43	9.06 ⁴	685
141.06	141.65	0.59	5.13 ³	1,959
141.65	141.90	0.25	5.06 ³	7,383
141.90	142.07	0.17	3.58 ³	4,923
142.07	142.27	0.20	1.95 ³	2,124
144.97	145.47	0.50	8.12 ³	873
147.90	148.20	0.30	1.60 ³	865
148.20	148.40	0.20	2.48 ³	1,833
148.40	148.70	0.30	2.27 ³	1,532
148.70	148.96	0.26	1.90 ³	1,482
148.96	149.22	0.26	1.11 ³	1,070
149.22	149.37	0.15	2.75 ³	2,827
149.37	149.70	0.33	1.02 ³	850
149.70	150.00	0.30	1.49 ³	758

From(m)	To(m)	Width(m) ²	Au(g/t)	As(ppm) ⁵
Drill Hole OHL003				
92.20	92.40	0.20	1.39 ³	612
208.10	208.85	0.75	1.53 ³	799
212.35	212.73	0.38	1.22 ³	672
212.73	213.08	0.35	1.13 ³	488
213.08	213.36	0.28	1.67 ³	770
213.36	213.75	0.39	1.27 ³	474
213.75	214.40	0.65	1.11 ³	424

Notes:

1. All intersections quoted are down hole distances, which are at variable angles to true thickness directions, of up to 60 degrees in some holes, as indicated in figure 1.
2. All quoted depths are measured down hole, not true width and all sampling conducted on halved PQ core. No averaging of repeat assays.
3. Analysis by 50 g Fire assay, AAS finish.
4. Analysis by 100 µm mesh screen fire assay (calculated total gold).
5. Analysis by ICP/OES.
6. Grab sample from void rubble.

Competent Person

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) 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.

JORC Statement

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 are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Orion Gold NL that could cause actual results to differ materially from such 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.